

RENTAL MANAGEMENT AGREEMENT

This Agreement made and entered into in Idaho on {DATE}

by and between Legerity Services, Inc.
 whose address is 3905 W Rose Hill St.
 Boise, ID 83705-1461

Agent

and

Street Address:	City, State, Zip:
Phone:	Mobile:
Fax:	Emergency Contact Name:
Email:	Emergency Contact Phone:
SSN/EIN:	

Owner

and

Street Address:	City, State, Zip:
Phone:	Mobile:
Fax:	Emergency Contact Name:
Email:	Emergency Contact Phone:
SSN/EIN:	

(Co-) Owner

The Owner is the owner of the properties located at

Street Address	City	State	Zip

Property

1. The preamble herein above shall constitute an integral part of this Agreement.
2. The Owner will complete the Owner’s Checklist. Agent may immediately terminate this Agreement without penalty if Owner does not complete the Owner's Checklist.
3. **APPOINTMENT OF AGENT**
 - 3.1. The Owner hereby employs the Agent as sole and exclusive agent to lease and manage the Property of the Owner. The Owner warrants that Owner is the sole owner of the Property, or has unconditional authority to execute this Agreement on behalf of any co- owners and that the Property is not subject to foreclosure or any other current legal action.
 - 3.2. This Agreement is on a month-to-month basis, commencing on the day of , 2013, and either party may terminate this Agreement upon 30 days written notice delivered to the other party, subject to the provisions of paragraph 17.1 herein.

4. **RENTING AND LEASING**

- 4.1. Agent will use its best efforts to find tenants and is authorized to prepare, execute, renew, extend, and cancel leases for the Property, as well as set rental amounts in a competitive and consistent manner.
- 4.2. Owner shall not authorize any other person to negotiate or act as agent for any lease with the Property.
- 4.3. Agent and Owner agree to follow all Federal and Local Fair Housing Laws. If Owner at any time requests Agent disregard such laws, this contract will be terminated immediately and the Agent fees for the balance of this contract or \$300 per property, whichever is greater, will be due immediately.
- 4.4. Agent shall have authority on behalf of Owner to terminate any lease or rental agreements covering the Property that are in default, to execute and serve such legal or other notices Agent deems appropriate to institute legal actions for the benefit of, and at the expense of, Owner for the purpose of evicting tenants in default and to recover the possession of the Property, 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 as necessary for such actions. Owner agrees that Agent is not responsible for the collection of delinquent accounts. Agent assumes no liability for monies that are noncollectable or for any damages or costs related to the tenancy and Property.
- 4.5. Agent assumes no responsibility for personal property left by Owner at the Property.

5. **BANKING**

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. Agent's Operating Account is a common account used for Owners represented by Agent.

- 5.1. Owner shall maintain a minimum Two Hundred Dollar(\$200) balance for each property at all times.
- 5.2. From the Operating Account, Agent is hereby authorized to pay or reimburse itself for all expenses and costs of operating the Property, including Agent's compensation and expense reimbursements.
- 5.3. At the discretion of Agent, any balance of the Owner's account due and owing Agent fourteen days after Agent notifies Owner may be assessed interest at the rate of 18%APR; however, not less than Fifteen Dollars(\$15) 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.
- 5.4. Owner agrees to keep all mortgages, property taxes, association fees, or any other obligations which could lead to a foreclosure or lien against the Property current and paid in full. Should Agent be notified that a foreclosure action has been initiated against the Property, Owner authorizes Agent to freeze all Owner related funds to the 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, all management fees that would have been collected for the duration of the current lease, and other fees as described within this Agreement.
- 5.5. Agent shall collect all rents, security deposits, fees, and other amounts receivable on owner's account in connection with Agent of the Property. Such receipts shall be deposited into the Operating Account maintained by Agent and remain property of the Owner. Owner authorizes Agent to endorse any checks drawn to the order of Owner for deposit to said Operating Account.
- 5.6. Deposits received from tenants according to the terms of the lease agreements shall be deposited in an account in the name of the Agent and shall be returned to the Tenant or forfeited according to the terms of the lease agreement.
- 5.7. Owner acknowledges that any and all interest amounts received by Agent from amounts held in the Operating Account or from deposits shall be retained by Agent.
- 5.8. Agent shall comply with all state laws concerning the responsibility for security deposits. Agent shall collect and maintain all deposits Agent deems necessary to collect from tenants. If Owner has previously collected deposits, Owner agrees to provide accounting of all security deposits and matching funds prior to execution of this Agreement.
- 5.9. Agent shall make disbursements to Owner via electronic direct deposit.

6. **REPAIRS AND MAINTENANCE**

- 6.1. Any repairs reasonably necessary to maintain the Property in an attractive condition and in good state of repair for operating efficiency, and all alterations required to comply with lease requirements, governmental regulations or insurance requirements, which are the responsibility of the Owner, shall be implemented by Agent through contracted services or otherwise. Agent is also authorized to decorate the Property, and to purchase or rent, on Owner's behalf, all items necessary for management, maintenance, and operation of the property.
- 6.2. Agent, at its discretion, may charge a 10% fee of gross invoices for all labor and materials arranged and contracted by Agent for remodeling, redecoration, or extensive repair of the Property.
- 6.3. Agent does not mark up invoices and charges to Owner. Through Agent's business relationships with vendors, sometimes benefits in the form of rebates, gratuities, or discounts may become available to Agent and its employees, which are to be retained by Agent. Agent shall always award vendor contracts based upon price, availability, workmanship, and industry reputation.
- 6.4. Agent shall contract semi-annual Preventative Maintenance at the expense of the Owner. The furnace filters, A/C unit, plumbing fixtures, door stops, smoke detectors, and silicone/caulking shall all be surveyed and repaired as needed. Agent agrees to back-charge Tenant related expenses. If Legerity Services, Inc. is to conduct said surveys, it is agreed such services shall be rendered at the rate of \$40 per survey.
- 6.5. The expense incurred for any single transaction shall not exceed \$500, except monthly or recurring operating charges and emergency repairs, unless otherwise authorized by Owner, typically by email.

7. **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 Property or contents by the tenants, their family, or their guests. For the purposes of this Agreement, Legerity Services will consider the following items as normal wear and tear: nail holes used to hang pictures, *minor* spot painting between tenants, traffic wear in carpet, carpet replacement after five to seven 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. (Idaho Code , Section 6-321)

8. **YARD CARE**

Agent does not provide yard care service. Yard care is considered to include, but not be limited to, trimming and edging grass, weed control, setting of automatic timers, and removal of animal feces, garbage, and debris. Owner must indicate in writing who is to care for the yard, whether it is an independent contractor, Tenant, or Owner. Agent agrees to inspect the yard during its surveys and notify the responsible party; however, at no time is the Agent responsible for the care of the yard of the Property. If Owner designates that Tenants will be responsible for yard care, the Owner or independent contractor assumes responsibility for yard care between tenancies.

9. **ADVERTISING**

Agent is authorized to advertise the Property for rent, using internet sites, signs, brochures, printed ads, and any other method Agent finds appropriate. All newspaper ads sharing space with another property managed by Agent shall be prorated. Owner agrees to reimburse Agent for advertising at the rate of Thirty Dollars (\$30) per week for each non-identical property. Agent is authorized to place signs on the Property advertising for rent. Advertising expenses may include direct costs for advertising the Owner's Property as well as a reasonable pro-rata share of general advertising by the Agent which is designed to collectively benefit the Owner's Property and other properties managed by Agent.

10. **UTILITIES**

Owner agrees to set up Landlord Service Agreements in the Owner's name, but in care of Agent using Agent's mailing address. Owner is responsible for the payment of all utilities. Owner must contact each utility, such as electric, water, sewer, trash, gas, and irrigation companies and provide Agent with billing information to include account and contact numbers. If Agent is to pay utilities on behalf of Owner, Owner is to set billing as follows:

Owner's Name
C/O Legerity Property Management
3905 Rose Hill St.
Boise, ID 83705
(208) 891-1134 OFFICE@LEGERITYPM.COM

11. INSURANCE: LIABILITY AND HOLD HARMLESS

Nothing contained in this Agreement 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:

- 11.1. 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 Property, containing endorsements that contemplate the leasing of the Property by Owner and vacancies between lease terms (Idaho Code, Section 42-2401)
- 11.2. Public liability insurance naming Agent, Legerity Services, Inc., as additional insured (Idaho Code, Section 41-2506(1)(a)(i))
- 11.3. Within fifteen (15) days from the effective date, Owner must provide 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 (Idaho Code, Sections 41-1802 and 41-1824)
- 11.4. Owner agrees to indemnify, defend and hold Agent harmless from all claims, investigations, and lawsuits by third parties related to the Property, and the management and leasing, whether occurring during the term of this Agreement or after its termination, any from any claim or liability for damage to property, or injuries or death of any person.
- 11.5. It is expressly agreed that all persons employed in connection with the Property are in the employ of the Owner and not the Agent. The Owner's obligation under this Section shall include the payments of all costs, expenses, suits, claims, settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay, court costs, litigation expense, worker's compensation claims, and attorney fees.
- 11.6. Agent shall not be liable for any willful neglect, abuse or damage to the Property by tenants, vandals, or others, nor loss or damage to any personal property of the Owner.
- 11.7. 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 this Agreement. (Idaho Code, Section 9-505(2))

12. LEGAL FEES

- 12.1. 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, Federal Fair Housing, including, without limitation, those prohibiting or making illegal discrimination on the basis of race, creed, color, religion, or national origin, marital status, or mental or physical handicap 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. (Idaho Code, Section 12-120 and 12-121)
- 12.2. Owner shall not hold Agent liable for any error of judgment or mistake of law except in cases of willful misconduct or gross negligence.
- 12.3. 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 Seven Hundred Fifty Dollars (\$750). (Idaho Code, Sections 12-120 and 12-121)

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 acknowledgment relating to the Property (Initial the two that are 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 paint/hazard records {()}
- 13.4. Has no records pertaining to lead based paint/hazards {()}

14. FINANCIAL REPORTS

Agent provides Owner with online access to accounting that Owner may access at any time. This access provides itemized accounting for all income and expenses related to the Property. Every month, Agent shall make a payment to Owner or provide a statement of amounts owed, typically on the 10th for regular payments and the 25th for late payments. If the 10th or 25th is a holiday, weekend, or otherwise not a business day, payments will be initiated on the following business day.

15. PROPERTY SURVEYS

Agent agrees to perform at least twelve exterior surveys yearly on a random basis to ensure tenant compliance. Agent may perform interior surveys at its discretion or when deemed prudent.

16. AGENT COMPENSATION AND EXPENSES

- 16.1. Agent fee: % of total monthly gross rent receipts collected for the Property or \$60 per month for each property; whichever is greater.
- 16.2. Agent shall charge Owner a Lease Signing/Renewal fee of \$150 for each lease signed or renewed.
- 16.3. Owner agrees to reimburse Agent each month during the term hereof for expenses directly attributable to Owner’s Property.
- 16.4. Should a foreclosure action be taken against any Property of Owner, Agent shall charge Owner an administrative fee of \$250 in addition to any other fees owed.
- 16.5. Any time of Agent and its employees expended in preparation and attendance of court or litigation on Owner’s behalf will be billed at the rate of \$75 for each eviction or \$50 per hour for other litigation. Agent and Owner agree such charges will be paid by the Owner but charged to the Tenant.
- 16.6. Normal property management services do not include monthly interior inspections, court appearances, showing property to real estate agents, inspectors, appraisers, or prospective buyers while property is for sale. Should Owner request Agent to perform such services, fees shall be agreed upon before work begins.
- 16.7. Agent is willing to prepare 1099 forms for each property managed for Owner for a fee of \$10 per form.
- 16.8. Agent shall receive and retain all application fees, non-sufficient bank fund fees, administrative and tenant service fees, non-payment fees, delivery notice fees, termination fees, and late fees.

17. TERMINATION OF AGREEMENT

- 17.1. The Owner shall be obligated hereunder for an initial term of ONE YEAR from the commencement date set forth in paragraph 3.2 above. 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 percentages set forth in paragraph 16.1 herein applied to the actual or projected rent for the Property, or the monthly amount set forth in paragraph 16.1, whichever is applicable, for the remainder of the initial term, whether or not the Property is leased or rented.
- 17.2. All provisions of this Agreement that require the Owner to have insured or to defend, reimburse, or indemnify the Agent shall survive any termination or expiration, and if Agent is or becomes

involved in any proceeding or litigation by reason of having been Owner's Agent, such provisions shall apply as if this Agreement were still in effect.

17.3. Agent may withhold funds for 30 days after the end of the month in which this Agreement is terminated to pay bills previously incurred but not invoiced and to close accounts.

18. BINDING EFFECT

- 18.1. This Agreement is binding upon the parties hereto, their representatives, successors, and assigns. Owner acknowledges receipt of a legible copy of this fully executed Agreement.
- 18.2. Should any section or part of this Agreement be rendered void, invalid, or unenforceable 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 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. 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 parties relating to the subject matter hereof unless expressly referred to in this Agreement.

19. 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 Legerity Services, Inc. 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)

- 19.1. 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 Property.
- 19.2. To ask, demand, collect, and receive all rents and moneys, and to file receipts therefore; to order, direct, superintend, and manage all repairs, alterations, and improvements, and to make disbursements for the same; to make all purchases; in general, to do and perform all acts and things incident to Agent of the Property and make all proper and necessary disbursements in connection therewith. Agent shall also have full power to lease said Property as provided herein and to do all acts necessary for the carrying out and execution of such leases or minimum term tenancies. Agent shall have full power to initiate, set up, terminate, or modify any and all utilities or landlord service agreements for all utilities related to the Property, such as but not limited to gas, electric, sewer, water, trash, and irrigation.
- 19.3. Giving and granting unto said attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the above stated Property, as fully to all intents and purposes as the Owner might or could do if personally present, and hereby ratifying and conforming all that said attorney shall lawfully do or cause to be done by virtue of these presents.

In witness whereof, the parties have hereby affixed or caused to be affixed their respective signatures.

Agent

Owner

{[Signature]}

{[Signature]}

Legerity Services, Inc., President

{[Signature]}