

DJW PROPERTY MANAGEMENT, INC.  
PROPERTY MANAGEMENT DIVISION

**PROPERTY MANAGEMENT AGREEMENT**

1. THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ by and between \_\_\_\_\_ hereinafter referred to as "Owner," and DJW PROPERTY MANAGEMENT, INC. hereinafter referred to as "Agent." or "DJW".

2. **DESIGNATION OF AGENT AND DESCRIPTION OF PROPERTY**: Owner warrants that Owner is the sole Owner of the Property, or has unconditional authority to execute this Agreement on behalf of any Co-Owner and that the Property is not subject to current legal action or foreclosure. Any individual Owner shall have authority to hereafter take action and enter into further agreements with Agent on behalf of all Co-Owners. Agent is hereby designated as the exclusive Agent and representative of Owner for the purpose of managing for the account of the Owner the following described Property:

\_\_\_\_\_  
\_\_\_\_\_

3. **DUTIES OF THE PARTIES**: The duties and responsibilities of Agent and Owner in connection with the management of the above described Property will be as follows:

(A) Collection and Distribution of Revenue. Agent shall take all reasonable steps to collect and enforce the collection of all rentals and other charges due Owner from tenants of the above described Property in accordance with the terms of their tenancies.

(1) 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 Owner's represented by Agent. Owner authorizes Agent to endorse any and all checks drawn to the order of Owner for deposit to such Operating Account.

(2) Owner may elect to have Agent electronically transfer monthly proceeds directly to Owners account. In all other cases cash distributions will be sent by DJW company check.

(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.

(4) Agent shall comply with all applicable laws concerning the responsibility for tenant deposits. Security deposits will be deposited in an account maintained by the Agent for security deposits. 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 Agent deems necessary to collect from tenant. Owners of new accounts which are presently rented agree to provide an accounting of all tenant deposits and to supply Agent with matching funds equal to those tenant deposits at the time of execution of this Agreement. Owner also agrees to provide a complete tenant file, including but not limited to the operative lease agreement, to Agent at the time of execution of this Agreement. Should the Property be sold or upon termination of this Agreement, Owner authorizes Agent to deduct any outstanding fees owed by tenant or owner to Agent from the security or other tenant deposit prior to releasing the balance of the deposit(s). Owner agrees the security and other deposits, to exclude non-refundable deposits, will be disbursed within 30 business days of the owner's lawful termination date.

(5) Owner shall be responsible for the payment of all mortgage/notes, property taxes, special assessments, homeowner association fees, premiums for casualty and liability insurance relating to the Property and those utilities not paid by the tenant. For those utilities paid for by the Owner, Owner must contact each utility and provide Agent with billing information including account and contact numbers. Owner agrees to set up "Landlord Service Agreements" in the Owner's name but in care of the Agent using Agent's mailing address.

(6) Owner shall at all times maintain a positive account balance relative to each Property managed by Agent.

(7) Agent may agree to make payments on behalf of Owner of those items listed at 3(A)(5) above provided that Owner's account has sufficient funds. In this circumstance, Owner agrees to provide all necessary information and funds to Agent to ensure proper and timely payments and further agrees to hold Agent harmless for any for any costs or injury due to late or missed payments. In the event that Agent agrees to make payments of this nature, Owner agrees to notify each entity and to authorize Agent to call and access account information.

(8) Agent is hereby authorized to pay or reimburse itself from the Operating Account for all expenses and costs of managing and otherwise operating the Property, including but not limited to Agent's compensation and expense reimbursements.

(9) In the event that a breach of the terms set forth at Section 3(A)(6) occurs, Agent shall charge interest on negative Owner account balances not paid within ten days of constructive notice of the deficit. Agent shall assess interest at twenty five percent per annum with a minimum monthly charge of \$50.00 per month until the proper account reserve is met. This may also result in the termination of this Agreement at the discretion of Agent. A mailing of the monthly statement of income and expenses indicating a negative balance shall be sufficient notice to Owner of a balance due and imposition of the minimum monthly charge and interest.

(10) Owner agrees to keep all Property payments, taxes, fees and all other obligations which could lead to a foreclosure action against the Property, or garnishment action against the Owner's distributions, current and in good standing. In the event that Agent is notified that a foreclosure or garnishment action has been initiated Owner authorizes Agent to freeze all Owner funds held by Agent and no further distributions will be made to Owner until the foreclosure or garnishment action is resolved. Owner will have 30 days to resolve the delinquent obligation. Should Owner fail to stop the foreclosure process, Owner authorizes Agent to release the tenant from his or her lease and all future rental payments, refund appropriate deposits to the tenant, at Agent's discretion, and deduct from Owner's funds on hand all amounts due to Agent and/or tenant.

- (B) Financial and Other Reports. Agent shall issue to Owner itemized statements on a monthly basis which will include an accounting of all income and expenses related to the Property.
- (C) Inspection and Repairs. Agent shall do everything reasonably necessary for the management of the Property including periodic inspections, supervision of maintenance, and arranging for such improvements, alterations, and repairs as may be required by Owner. No improvements, alterations, or repair work costing more than \$500.00 shall be made by Agent without the prior authorization of Owner. In case of an emergency that requires immediate repairs or alteration, if Owner is not readily available for consultation, Agent shall use its own discretion regarding same. Owner is advised that in certain circumstances Idaho law requires that repairs be made within three days of a tenant's written request. Under no circumstance shall Agent be liable for any neglect, abuse or damage to the Property by tenants, vandals, or others.
- (D) Leasing and Renting. Agent shall have the authority and exclusive right to negotiate leases and month-to-month tenancies with existing and prospective tenants.

(1) Agent shall use all reasonable efforts to keep the Property rented.

(2) Owner shall not authorize any other person to negotiate or act as rental agent with respect to any tenancy relevant to the Property managed by Agent. Agent shall handle all tenant requests and negotiations that may arise from time to time.

(3) Agent and Owner agree to comply with all Federal and State Fair Housing laws. In the event that Owner should at any time request Agent to disregard these or other laws, this Agreement will be terminated immediately and management fees for the balance of the Agreement or \$1000.00, whichever is greater, will be due and payable.

(4) Agent shall have authority on behalf of the Owner to terminate any lease or rental agreements covering the Property 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 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 for payment of rent more than three 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.

(5) Agent assumes no responsibility or management of personal property left by Owner at the Property.

(6) 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, agents and/or owners must disclose the presence of known lead-based paint.

Owner’s acknowledgment relating to the Property (Initial where Applicable)

- Known lead based paint/hazards are present \_\_\_\_\_
- No Knowledge of lead based paint/hazards \_\_\_\_\_
- Owner has provided lead based paint/hazard records \_\_\_\_\_
- Owner has no records pertaining to lead based paint/hazards \_\_\_\_\_

(7) Management services do not include monthly inspections, representation at court hearings, depositions, homeowner meetings, providing on-site management, property sales, refinancing, preparing the Property 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 this Agreement, a fee shall be agreed upon for these services before work begins.

(E) Employees. Agent shall have authority to hire, supervise, and terminate on behalf of Owner all independent contractors and property employees, if any, reasonably required in the operation of such Property, but all such property employees are employees of Owner and not employees of Agent. Owner, not Agent is obligated for the payment of all costs, expenses, suits, claims, settlements, judgments, damages, penalties, forfeitures, back pay, court costs, litigation expense, worker's compensation claims, and attorney fees in connection with Owner's employees.

(F) Legal Fees. Agent is not authorized to practice law in the State of Idaho. Where legal assistance is needed for such matters as enforcing the collection of rent or eviction of a tenant, such action shall be through counsel designated or approved by Agent. The expenses for such counsel shall be borne by Owner.

(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, sexual orientation, or mental or physical handicap in the sale, rental or other disposition of housing or any service 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.

(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.

(3) If any legal action or proceeding is brought by either party to enforce any part of this Agreement, the prevailing party shall recover, in addition to all other relief allowed by law, reasonable attorney's fees and costs, but not to exceed \$750.00.

(G) Records. Agent shall maintain accurate records of all monies received and disbursed in connection with its management of the property, and such records shall be open for

inspection by Owner at all reasonable times. Agent shall also render to Owner a periodic statement showing all receipts and disbursements, together with supporting vouchers.

- (H) Payment of Owner. After Agent deducts all authorized expenses and reserves relating to the operation and management of the Property from the funds collected for the account of Owner, Agent shall deposit the net amount of such funds to the account of Owner, or make payments as Owner may otherwise elect in writing.

4. **INSURANCE**: At all times this Agreement is in effect, Owner at Owner's expense, must maintain in full force and effect:

- (A) 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.
- (B) Public liability insurance naming Agent as additional insured.
- (C) Within fifteen days from the effective date, Owner shall provide to Agent a copy of a certificate of insurance evidencing the required coverage. If the insurance coverage materially changes at any time this Agreement is in effect, Owner agrees to provide Agent a copy of the insurance certificate evidencing any change within ten days of the change.

5. **INDEMNIFICATION OF AGENT**: Except for the willful misconduct of Agent, Owner agrees to indemnify Agent against all costs, expenses, attorney fees, suits, liabilities, and damages from or connected with the management of the Property by Agent or the performance or exercise of any of the duties, obligations or powers herein or hereafter granted to Agent. Owner agrees to carry bodily injury, property damage, and personal injury public liability insurance in limits of not less than \$300,000. If at any time during or after the term of this Agreement, the Property is found to be contaminated with hazardous waste, Owner agrees to indemnify and hold Agent harmless from all costs, expenses, attorney fees, suits, liabilities, and damages related to the claim.

**6. COMPENSATION:**

- (A) The Owner agrees to pay Agent \_\_\_\_ percent of the gross monthly collections and income from the property, for the property management services set forth in this Agreement.
- (B) The Owner agrees to pay an initial set-up fee to Agent in the amount of \$ \_\_\_\_ for the notification of creditors and setting up accounting schedules. These amounts shall be deducted by Agent from gross monthly collections.
- (C) Late charges, tenant application fees, non-sufficient fund bank fees, move-out inspection fees, administrative fees, non-payment delivery notice fees, non-refundable deposits, termination fees, if any, collected by the Agent from tenant shall be considered compensation for Agent's efforts and shall not affect the Owner's reported income or expense.
- (D) Agent will prepare 1099 forms for each Property managed for Owner for a fee of \$50.00 per form.

7. **TERMINATION OF AGREEMENT:** This Agreement shall continue until one year from the date that it was entered into and will automatically renew for twelve (12) month periods on each yearly anniversary date. Either party may cancel this agreement on its anniversary date by giving the other written notice to terminate this agreement at least 90 days prior to each said anniversary date. In the event that the Owner terminates this Agreement within the initial term or without the required notice, Owner agrees to pay to Agent an immediate termination fee of eight percent of the potential gross monthly rent for the Property, whether or not the Property is leased or rented, for the remainder of the term or notice period.

**8. NOTICES:**

- (A) For the purpose of this Agreement, and until changed by written notice to Agent, the mailing address of Owner for all purposes shall be:

\_\_\_\_\_

- (B) For the purpose of this Agreement, and until changed by written notice to Owner, the mailing address of Agent for all purposes shall be:

372 S. Eagle Rd. # 174, Eagle, Idaho 83616.

**9. BINDING EFFECT:**

- (A) 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.
- (B) Should any Section or any part of any Section of this Agreement be rendered void, invalid, or unenforceable for 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.
- (C) Agent may change the terms under which Agent is willing to provide services in the future under the Agreement, but only by giving a minimum of 30 days advanced written notice to Owner.
- (D) 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 other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to in this Agreement.

[Balance of Page Left Blank]

Owner's Street Address: \_\_\_\_\_

Owner's City, State and ZIP Code: \_\_\_\_\_

Owner's Home Phone Number: \_\_\_\_\_

Owner's Cell Phone Number: \_\_\_\_\_

Owner's Work Phone Number: \_\_\_\_\_

Owner's E-Mail Address: \_\_\_\_\_

Owner's Tax I.D. or Social Security Number: \_\_\_\_\_

Emergency Name and Phone Number: \_\_\_\_\_

HOA Information: \_\_\_\_\_

DJW Property Management will begin to advertise the property for rent at a rate of \$\_\_\_\_\_per month.

Pets with Owner Approval

No Pets

Pets Accepted

In Witness Whereof, the parties have executed this Agreement in the State of Idaho, the day and year first above written.

**DJW PROPERTY MANAGEMENT, INC.**

**OWNERS**

X. \_\_\_\_\_

X. \_\_\_\_\_

X. \_\_\_\_\_