

## Property Management Agreement

This property management agreement is made between \_\_\_\_\_, hereafter called "INVESTOR," and Joseph Rafferty Property Management, hereafter called JRPM. INVESTOR hereby appoints JRPM as exclusive agent for the property located at the address \_\_\_\_\_, hereafter referred to as "PROPERTY," beginning on \_\_\_\_\_ (date).

### Section 1: Scope of the agreement

- INVESTOR authorizes JRPM:
  - As exclusive agent to act in INVESTOR's or JRPM's name to lease / rent, manage and maintain PROPERTY within all covenants contained in this Property Management Agreement (PMA). JRPM is hereby granted general authority and power as may be necessary to carry out the spirit and intent of this PMA.
  - To initiate and maintain legal action for demised premises and unpaid sums due by tenants.
  - To establish an Operating Bank Account (OBA) in INVESTOR's name for deposit of funds and disbursement of expenses pertaining to this PMA, including JRPM's compensation. INVESTOR will maintain a \$200 minimum balance in the OBA. JRPM shall deposit into OBA any rent payments, security deposits and other funds received by JRPM in connection with PROPERTY no later than 2 business days after receipt of funds.
  - To make and/or supervise repairs, do decorating, purchase supplies, advertise and pay all bills of \$200 or less. JRPM shall not incur any liabilities or pay any funds on behalf of INVESTOR, either individually or in the aggregate, in excess of \$200 without the prior written consent of INVESTOR. Notwithstanding the foregoing, JRPM may exceed this amount in emergency situations to the extent necessary to protect PROPERTY. Financial obligations contracted by JRPM shall be satisfied before any other obligations are satisfied.
- JRPM shall:
  - Use due diligence to lease / rent the PROPERTY, to enforce collections of rentals and to comply with all other covenants contained in this PMA and the Rent/Lease Agreement (RLA).
  - Manage PROPERTY in conformity with Federal, State, City and County laws, including Fair Housing Act of 1968.
  - Maintain records to properly account for legal and financial obligations and provide a monthly accounting to INVESTOR no later than the 15th of each month and an annual accounting no later than January 31 of each year.

### Section 2: Compensation

- Investor Account Setup Fee: INVESTOR agrees to pay Account Setup Fee when the PMA is signed to establish the INVESTOR's Account (\$35). The Investor Account Setup Fee enables creation of the infrastructure to support the INVESTOR and the PROPERTY.
- Property Management Fee: JRPM will withdraw from the OBA at the end of each month \_\_\_% or \$80, whichever is greater, of the gross collected revenue.
- Administrative fee: If JRPM is asked to administer major projects that require multiple quotes or exceed \$2000, an additional 6% administrative fee will be added. Court appearances will be charged at \$50/hr.
- Returned check charges paid by the tenants shall first offset any bank charges and the remainder shall then be compensation for JRPM's extra handling and accounting expenses.

### Section 3: Term of agreement

- This PMA is in full force for 1 year after the effective date. It shall then become a month to month contract with all of the same terms and conditions applying.
- Termination: Either party can terminate this agreement with written notice delivered to the other party's Address of Record. The PMA shall terminate 30 days after the first day of the month subsequent to the serving of such notice. The following obligations apply to termination within the first year:
  - If INVESTOR initiates termination without cause prior to the termination of a lease entered into by JRPM on behalf of INVESTOR, INVESTOR pays JRPM 5% of the projected gross rents that would have been paid through the end of said lease.
  - If INVESTOR terminates due to a breach of this PMA by JRPM, no additional compensation is due
  - If JRPM initiates termination without cause, JRPM returns the Account Setup Fee to INVESTOR.
  - If JRPM terminates due to a breach of this PMA by INVESTOR, no fees will be returned.

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- Termination Accounting: Each party agrees to return all property of the other party on or before the end of the 30 days noted above and within another 30 days provide final accounting and funds to support that accounting.

## Section 4: General Provisions

- Ownership: INVESTOR warrants that INVESTOR is the sole owner of the PROPERTY, or has unconditional authority to execute this PMA on behalf of any Co-Owner and that the PROPERTY is not subject to current legal action or foreclosure and current on mortgage payments.
- Attorney's Fees: If either party brings a legal action pertaining to this agreement against the other party, the prevailing party shall be entitled to reasonable attorney's fees to be paid by the losing party.
- Assignment: This agreement shall be for the benefit of and binding upon the heirs, successors and assignees of either party.
- Compliance: This agreement shall be governed by the laws of the State of Idaho.
- Independent Contractor Status: This agreement shall not in any manner be construed to be a partnership agreement and both parties expressly agree that this agreement establishes an independent contractor relationship.
- Required Insurance and Negligence and Waiver of Subrogation Rights: Neither party shall be liable to the other for losses arising out of damage to Property or the contents of the Property included in or insured against by a standard form of fire insurance and general liability insurance policy. All such claims for loss are waived by this agreement. The absence of liability shall exist whether or not the damage is caused by the negligence of either JRPM or INVESTOR or by any of their respective agents, servants or employees. It is the intention of this agreement that the INVESTOR shall look to his insurance carrier for reimbursement of any such losses and that the insurance carrier shall not be entitled to subrogation under any circumstances against JRPM.
- Hold Harmless: INVESTOR agrees to indemnify and hold JRPM and the assets of JRPM free and harmless from any and all claims, liabilities, losses, damages or expenses resulting from or in any manner arising out of the performance of JRPM's duties and obligations hereunder or the exercise by JRPM of any of the powers or authority herein granted to JRPM by INVESTOR. INVESTOR shall reimburse JRPM on demand for any money JRPM is required to payout whatsoever for items covered under this paragraph. The foregoing provisions of this paragraph shall survive the termination of this PMA.
- Risk of Loss: INVESTOR bears all risk of loss or damage to the Property and bears all the cost of any insurance covering the loss or damage to the Property.
- Arbitration: Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.
- Address of Record: Any notice required or permitted to be delivered by this PMA shall be deemed to be delivered when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the following address:

INVESTOR

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

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

JRPM

Joseph Rafferty Property Management

5948 Ensign Ave.

Garden City, Idaho 83714

Phone: 208-649-4776

Email: [joseph@JRPMBoise.com](mailto:joseph@JRPMBoise.com)

**Signed by:**

INVESTOR:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

JRPM:

\_\_\_\_\_  
Signature

Joseph Rafferty

\_\_\_\_\_  
Printed Name

Principle, Joseph Rafferty Property Management

\_\_\_\_\_  
Title