



1070 N. Cole Road, Boise, ID 83704
Office: 208-378-1616 Fax: 208-685-0100

www.capitalfirstmgmt.com

MANAGEMENT AGREEMENT

EFFECTIVE DATE: _____, 20____

REAL PROPERTY OWNER: _____
Owner's Name

Effective the above date, Owner contracts with Bedard First, Inc. DBA Capital First Management, referred to as CFM in this agreement, to exclusively lease or rent and manage the Owner's real property as described on page 5 of this agreement, upon the following terms and conditions:

1. **Leasing/Renting:** CFM shall use reasonable efforts to lease or rent Owner's real property. An initial deposit of \$500.00 for advertising, utilities and any other startup expenses is required to activate this contract. CFM will, at its discretion, advertise the property for lease or rent, with Owner to reimburse CFM for all direct advertising expenses. Any lease or rental agreement shall be in the name of CFM, and CFM shall collect and receive all lease or rental payments, security deposits, and all other funds due from any lessee or tenant and deposit all such funds in a state or federal bank client trust account. The funds shall be disbursed for the purposes set forth in this Agreement.

Owner is acknowledging that they are aware of Federal and local Fair Housing Laws and understands that CFM will act according to their provisions. If Owner should at any time request CFM disregard Fair Housing Laws AND/OR Landlord/Tenant Laws, this contract will be terminated immediately and the management fees for the balance of this contract or \$500.00, whichever is more, will be due upon termination.

No personal property of any kind may be left in or on the property. Property must be in move-in condition by CFM standards, or CFM will contract for additional cleaning, hauling, carpet cleaning, yard clean-up, etc. at Owners expense. The initial inspection charge is \$100.00

2. **Compensation:**

(a) CFM shall receive compensation from Owner at the following rates:

Management: (INITIAL ONE)

_____ 10% of each month's rent payment based on four or less units managed, with a minimum of \$50 per property, whether occupied or vacant, after initial occupancy.

_____ 8% of each month's rent payment based on five or more units managed, with a minimum of \$50 per property, whether occupied or vacant, after initial occupancy.

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Other: CFM shall receive and retain (i) all lessee or tenant application fees, non-sufficient fund bank fees, all tenant late fees; (ii) 10% of gross invoices for all labor and materials arranged for and contracted by CFM for extraordinary remodeling, redecorating or repair of the real property, with approval of owner. It is understood this provision will not apply to ordinary repairs and maintenance; (iii) Owner agrees to reimburse CFM for all international long distance phone or facsimile charges and for photocopies requested by Owner.

(b) Normal property management services do not include: any responsibility or management of personal property left by Owner at a rental, property sales and/or showing property to real estate agents, inspectors, appraisers, or prospective buyers while property is for sale. Should Owner request CFM to perform services not included in normal property management, a fee based at \$25 per hour with a minimum charge of \$25 will be assessed. A \$50 fee for every notice served to a tenant for entry on any occupied units will also be charged if entry is considered outside normal property management services.

(c) Owner consents that all interest amounts received by CFM on any lease income, operating funds, security deposits, cleaning fees, or any other amounts for the account of Owner shall be paid to CFM as additional income as allowed or directed by the State of Idaho.

(d) The leasing fee of 50% of one month's rent (per unit filled) will be charged if the term of this agreement is less than six months, the property is sold or withdrawn from the rental market, or if authorization to lease is revoked while the property is being marketed for rent, or if the owner otherwise prevents the performance by CFM. This is a binding agreement and the lease fee will be charged whether or not the property has been leased and regardless of the length of time the property has been under this agreement.

(e) The Owner agrees that if a vacant home is placed on the sales market, all management services cease. Owner may continue maintenance services, i.e. lawn maintenance, payment of utility bills, and/or repairs, for a flat fee of \$100 per month. This fee is due in addition to the advance deposit of monies needed to pay these additional expenses.

(f) A real estate commission fee payable to Victory Realty of 1% of the sales price will be charged to the owner if the property is sold to a tenant that is occupying the property.

(g) OTHER COMPENSATION: A vacant property fee will be charged at 5% of lost rents or \$50 per month, whichever is more, to care take property not available for rent due to delays by Owner for indecision, maintenance, repairs or renovations.

3. **Property Repair and Maintenance:**

(a) CFM on behalf of the Owner shall arrange for and oversee all reasonably necessary contracts with third party independent contractors for (i) utilities and services for the leasing or rental, security, repair and maintenance of the real property and (ii) purchase of any needed supplies or materials. CFM shall not be liable to Owner for any act, omission, or breach of duty of such independent contractors or suppliers. Due to the volume of business and CFM business relationships with vendors, certain benefits in the form of rebates, gratuities and discounts are sometimes made available to CFM and its employees. CFM does not mark up or otherwise charge a percentage on vendor invoices and charges to Owners, and in lieu thereof, CFM retains all available discounts, gratuities, and rebates. CFM shall always award vendor contracts and otherwise deal with vendors based upon price, availability, workmanship and industry reputation. Owner also acknowledges that some repair and maintenance of the real property may be completed by employee(s) of CFM.

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(b) CFM shall obtain Owner's prior authorization for any single estimated repair expense exceeding \$300.00, except in emergency repairs which CFM deems necessary for the protection of the real property or to comply with state and federal laws and regulations. CFM will not manage properties for Owners who refuse or are unable to maintain their property in accordance with safety and habitability requirements of the local jurisdiction. Owner may request that CFM obtain a second repair estimate on any single repair which exceeds \$500.00 and three estimates for single repairs in excess of \$1500.00.

(c) Should an owner request to handle all maintenance issues for the properties listed on this agreement, there will be a \$50 coordination fee charged per each maintenance request by the tenant. Should the owner choose to handle all maintenance directly with each tenant, ONLY AFTER the Owner provides CFM with a statement from each tenant releasing CFM from any and all liability dealing with maintenance issues, will the coordination fee be waived.

(d) Owner warrants that all past repairs and remodeling on the property have been accomplished with required governmental permits and that the property's use is consistent with applicable zoning regulations. CFM does not assume any obligation or responsibilities for the maintenance and protection of the real property except as contained in this Agreement.

(e) CFM has the authority to authorize independent evaluations of the property. Evaluations will be conducted as follows: Interior evaluation twice annually; Exterior evaluations monthly from April to October and twice during winter months. Owner understands that CFM will not be held responsible to monitor lawn irrigation if an automatic sprinkler system is not provided by Owner.

4. **Special Disbursements:** Owner shall be responsible for the payment of all mortgage or trust deed payments, property taxes, special assessments, Homeowners Association fees, and premiums for casualty and liability insurance relating to the real property unless otherwise modified in writing with CFM. All funds of Owner may be used for payment of expenses on all real property(ies) of Owner covered by any Management Agreement with CFM. CFM shall have no liability for any damages for any breach of this covenant.

5. **Periodic Statements/Disbursements to Owner:** CFM shall issue to Owner itemized statements after the 10th day of each month which will include an accounting of all income and expenses related to the property. CFM will disburse all income received less expenses, special disbursements and agreed reserve amounts (including all tenant security deposits), as directed by Owner as follows (please initial):

Mail funds directly to Owner by form of a check.

Deposit funds via Automatic Deposit to a bank account designated by Owner (owner to complete Automatic Deposit form).

If expenses exceed income, CFM may deduct such deficiency from Owner's funds. Owner shall promptly pay any remaining deficiency to CFM. Should a deficiency remain longer than 30 days a service charge of 1% of the unpaid balance will be charged monthly.

6. **CFM Lease Enforcement Authority:** CFM shall have authority on behalf of the Owner to terminate any leases or rental agreements covering the real property that are in default, to execute and serve such legal or other notices as CFM deems appropriate, to institute legal actions for the benefit of, and at the expense of, Owner for the purpose of evicting lessees or tenants in default and to recover possession of the property, to recover unpaid rents and other sums due from any lessee or tenant to settle, compromise and release claims by or against any lessee or tenant, and to employ attorneys for said purposes. CFM shall have the right to terminate any tenancy or lease if tenant or lessee makes payment of rent more than five days in arrears on at least two occasions. Owner agrees that CFM is not responsible for the collection of delinquent accounts. CFM assumes no liability for moneys that are uncollectible nor for any damages or costs related to the tenancy and the property.

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7. **Owner's Records/Information:** Owner will make available to CFM all data, records and information pertaining to the property which CFM may reasonably require to perform its obligations under this Agreement.

8. **Insurance; Hold Harmless and Liability:**

(a) At all times this agreement is in effect, Owner, at Owner's expense, must maintain in full force and effect:

- (i) 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: and
- (ii) public liability insurance naming CFM (or Bedard First, Inc.) as an additional insured.

Within fifteen (15) days from the Effective Date, Owner must provide to CFM a copy of a certificate of insurance evidencing the required coverage. If the insurance coverage changes in any manner or degree at any time this agreement is in effect, Owner must provide CFM a copy of an insurance certificate evidencing any change within ten (10) days of the change. If Owner fails to maintain the required insurance, CFM may, at Owner's expense, purchase such insurance on behalf of the Owner or exercise CFM default remedies under this agreement.

(b) Owner agrees to indemnify, defend and hold CFM harmless from all claims and lawsuits by third parties related to the real property and the management and leasing, whether occurring during the term of this Agreement or after its termination, and from any claim or liability for damage to property, or injuries to or death of any person. CFM 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.

9. **Termination:** This Agreement is a contract through December of this calendar year and will automatically renew to a twelve month term annually unless a sixty-day written notice is received prior to November 1st of any calendar year. Early cancellation fee will be equal to the balance of management fees through the end of the calendar year. CFM may discontinue management of property should Owner refuse or is unable to maintain their property in accordance with safety and habitability requirements of the local jurisdiction but still be entitled to management fees through the end of this contract. If Owner terminates this agreement and the Property is leased to a tenant on the date this agreement terminates, Owner must provide CFM a signed statement from tenant acknowledging that Owner is responsible for the tenant's security deposit and specifying the exact dollar amount of the security deposit before CFM is obligated to deliver to Owner any tenant's security deposit. Owner agrees to be responsible for all then-existing contracts related to the Property executed prior to the termination of this agreement and to hold CFM harmless from all claims related to such contracts. This paragraph survives termination of this agreement.

10. **Change in Agreement:** CFM may change the terms of this Agreement as to the future, but not as to past events, by giving 30-days advanced written notice to Owner. If no written objection is received from Owner within 15 days of receipt of the notification, Owner's assent to and acceptance of the changes and valuable consideration shall be conclusively presumed.

11. **Notices:** All notices shall be mailed to the addresses shown on this agreement, unless written change is delivered by one party to the other.

12. **Disputes:** Any dispute or claim between the parties arising out of or related to this Agreement shall be limited to breach of contract.

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13. **Other:**

(a) Owner warrants that Owner is the sole owner of the real 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. Should property go into legal or foreclosure proceedings during this agreement, Owner will be subject to an additional \$1000 legal fee in addition to the early cancellation fee described in section (9) Termination.

(b) Owner recognizes that CFM manages properties for others as well as properties owned by principles or employees of CFM and that CFM may submit all such properties, including Owner's, to all prospective tenants and lessees.

(c) Owner agrees that neither CFM nor Owner will discriminate in the leasing or rental of the real property based on race, color, religion, sex, national origin, familial status, marital status, sexual preference, disability, or source of income.

(d) CFM records relating to the real property may be destroyed six years after termination of this Agreement.

(e) Owner has the following stipulations regarding their particular property:

14. **Acknowledgement of Copy and all documents submitted:** Owner acknowledges receipt of a legible copy of this fully executed Agreement which includes the completed Lead Base paint disclosure, Property and Bookkeeping information sheets. Effective date is subject to receipt of keys to the property and all completed documentation listed above, at 1070 N. Cole Road, Boise, Idaho.

Bedard First, Inc.
DBA Capital First Management

By: _____
1070 North Cole Road
Boise, ID 83704

Owner(s) Signature

Address: _____

DESCRIPTION OF REAL PROPERTY TO BE MANAGED:

Address

City State Zip

Address

Address

City State Zip

Address