

EX-CELL Property Management L.L.C.

128 E Locust Avenue, Suite B
Coeur d'Alene, ID 83814

Phone (208) 676-0900
Fax (208) 676-0910

AGREEMENT TO MANAGE REAL ESTATE

THIS AGREEMENT is made and effective on this ____ day of _____, 20____, by and between

(hereafter referred to as "Owner"), as principal and owner of the following described real property(ies):

(hereafter referred to as the "subject property"), and **EX-CELL PROPERTY MANAGEMENT L.L.C.**, an Idaho limited liability company as agent (hereafter referred to as "Manager") on the following terms and conditions:

1. **Owner:** Owner is the record owner of the subject property described above and is legally authorized and empowered to enter into this Agreement. Owner desires to appoint Manager as Owner's agent to handle, manage, and control the subject property, and such other real estate as may be added to this Agreement from time to time by mutual consent of the parties.
2. **Term:** The initial term of this Agreement shall be for one (1) year commencing on the date the Property is rented. This Agreement shall automatically renew on an annual basis after the initial term unless terminated as provided herein.
3. **Manager:** Manager is an independent contractor and shall not be considered an employee of the Owner for any purpose. Manager agrees to operate and manage the subject property and to perform the services set forth in this Agreement during the term of this Agreement and any extension thereof.
4. **Manager's Duties and Authority:** Owner appoints Manager as Owner's agent to operate and manage the subject property and Owner expressly authorizes and empowers Manager to perform the following services:
 - A. To advertise the subject property for rent or lease and to execute rental agreements covering subject property upon such terms and conditions as Manager deems appropriate in Manager's sole discretion.
 - B. To collect the rent and revenues from subject property and to collect and hold in trust any security deposits received from Tenants. Manager shall retain full authority and sole discretion regarding the use of security deposit funds for repairs to the subject property and refunds of security deposit funds to Tenants.
 - C. To maintain and keep subject property in a reasonable state of repair and to expense such portions of collected rent and revenues from subject property as may be necessary to adequately maintain the subject property; PROVIDED, HOWEVER, Manager shall not expend more than One Hundred Dollars (\$100.00) for repairs or maintenance for any one premises of the subject property during any twelve (12) month period without Owner's express written consent. Owner shall reimburse Manager for all authorized repair and/or maintenance expenses prior to the next month's rent, or Manager may deduct such expenses from the next month's rent collected for the premises. Owner shall contract for any directly pay any repair or maintenance expenses that exceed one month's rent for the premises.
 - D. To provide background and credit checks on potential tenants who are not pre-approved by Owner.
 - E. To send appropriate legal notices to Tenants in response to late rent, unpaid rent, returned checks, or any violation of a rental agreement.

- F. To retain legal services as necessary to evict a Tenant, provided that Owner shall be financially responsible for all attorney fees, costs and court fees incurred in any legal action against a Tenant. In the event that Manager handles any legal action against a Tenant for damages or claims beyond a simple eviction of a Tenant for non-payment of rent, Owner shall compensate Manager for Manager's time at the rate of \$50.00 per hour, and Owner shall pay a refundable deposit of Two Thousand Dollars (\$2,000.00) prior to the filing of any lawsuit. Manager shall refund to Owner any portion of the deposit not used for legal representation upon completion of the matter.
 - G. To handle, manage and control the subject property and to execute such agreements, contracts or other documents or do such other acts as Manager, from time to time, may deem necessary and appropriate to carry out Manager's duties under this Agreement.
 - H. To keep accurate books of account for the subject property which shall be available for inspection by Owner during Manager's regular business hours at Manager's business office. Manager need not maintain a separate bank account for each premises, but the books and records shall accurately reflect at all times the rents and revenues received and the disbursements made for the subject property. On an annual basis, Manager shall provide a 12 Month Income Statement to Owner of all financial transactions related to the subject property.
 - I. Manager is not authorized by this Agreement to make any capital improvements to the subject property or to grant or create any mortgage, liens or encumbrances against the subject property unless expressly instructed and authorized by Owner in writing. Manager is not permitted to list or advertise the subject property for sale unless expressly authorized by Owner as set forth in paragraph 11 below.
 - J. Owner agrees that Manager is under no obligation or duty to undertake any action, other than expressly authorized herein, with respect to the handling, managing and operation of the subject property.
 - K. Owner agrees that Manager shall have a lien against subject property to secure payment for any improvements to subject property by Manager or Manager's agents. Owner understands and agrees that interest shall accrue at the rate of twelve percent (12%) on any past due amounts owed to Manager under this Agreement.
5. **Manager's Compensation:** As compensation for the services provided by Manager under this Agreement, Manager shall retain _____% of all monthly rents collected by Manager from the subject property. This compensation shall be deducted from each rent payment received by Manager and the balance of the rent payment, less any other deductions authorized under this Agreement or approved by Owner will be forwarded to Owner by check or direct deposit within ten (10) days after receipt of said rent payment. In addition, Manager shall charge a ten percent (10%) administration fee for all repairs that exceed Two Hundred Fifty Dollars (\$250.00). Owner agrees to reimburse Manager for any out-of-pocket expenses incurred by Manager for the subject property within twenty five (25) days after Manager presents an itemized statement of such expenses with copies of any receipts or other documents itemizing the expenses incurred.
6. **Insurance:** Within ten (10) days after the effective date of this Agreement, Owner shall add Manager as an "additional insured" to Owner's current liability insurance policy(ies) for the subject property and provide a copy of the additional insured indorsement to Manager.
7. **Indemnification:** Except for the willful misconduct of Manager, Owner agrees to indemnify Manager and hold Manager harmless from and against any and all losses, damages, claims, liabilities or lawsuits arising from or connected with the management and operation of the subject property by Manager or from the performance of any duty or obligation of Manager under this Agreement. Owner's obligation to indemnify and hold Manager harmless shall extend to any action or decision by Manager that occurs prior to Manager's receipt of any written Notice of Termination from Owner.

- 8. Termination:** This Agreement may be terminated at any time by either party by giving the other party at least one (1) full calendar month of advance written notice of the intent to terminate and stating the effective date of the termination. If not terminated at the end of the contact date termination of this Agreement by Owner will result in a termination fee of \$500 that Manager shall deduct from any funds owed to Owner upon termination of this Agreement.
- 9. Dispute Resolution:** In the event of any controversy or claim arising out of or relating to this Agreement, or a breach thereof, the parties hereto shall first attempt to settle the dispute through mediation with a neutral mediator jointly selected by the parties. If settlement through mediation is not reached within sixty (60) days after service of a written demand for mediation, any unresolved controversy or claim shall be resolved by arbitration administered under the Idaho Uniform Arbitration Act, Idaho Code Title 7, Chapter 9, or successor statute. The parties shall jointly select a single arbitrator. If the parties cannot agree on a single arbitrator, each party shall select their own arbitrator and those two arbitrators shall then select a third neutral arbitrator. Arbitration shall take place in Coeur d'Alene, Kootenai County, Idaho and Idaho law shall apply.
- 10. Owner's Sale of Subject Property:** Owner understands that Stephen Hughes and Deanna Hughes are Idaho licensed real estate agents working with Coldwell Banker Schneidmiller Realty. Owner acknowledges that Ex-Cell Property Management, LLC (Manager), is an independent Idaho limited liability company **not** affiliated with Coldwell Banker Schneidmiller Realty. In the event Owner decides to offer all or any portion of the subject property for sale during the term of this Agreement or any extension thereof, Owner agrees to list the offered property with Stephen Hughes and/or Deanna Hughes for an initial period of at least six (6) months under the terms of a standard listing agreement in the form attached and incorporated herein as **Exhibit "A"**. If the offered property does not sell within the initial listing period, Owner may elect to list the offered property with a replacement agent or broker. Manager shall cooperate with Owner's replacement agent/broker, timely provide requested documentation, coordinate with current tenants, and make the premises reasonably available for showings to prospective buyers. Manager shall keep accurate records of all additional time required to fulfill these duties and shall be compensated at the rate of \$125.00 per hour deducted monthly from rent payments received from the premises.
- 11. Net Income to Owner:** Manager shall distribute to Owner the "net income", as that term is hereafter defined, derived from the handling, managing and controlling of the subject property in accordance with written instructions received from Owner and at such intervals (not more frequently than monthly) as Owner may state in said written instructions. "Net Income" as used in this paragraph, means gross rents and revenues received from tenants occupying the subject property less all compensation owed to Manager, administration fees, out-of-pocket expenses and termination fees as set forth in this Agreement and such other deductions or expenses approved by Owner or authorized under this Agreement.
- 12. Amendment:** This Agreement may be altered, amended or modified at any time by a written mutual Agreement signed by Owner and Manager.
- 13. Miscellaneous:**
- A. This Agreement shall be binding upon Owner and Manager and their respective heirs, executors, administrators, successors and assigns.
 - B. All notices authorized or required between the parties or required by any provisions of this Agreement or by law shall be in writing and must be received by the parties or delivered by receipted means to the notification address of the receiving party as set forth below, or to such other address as the parties may direct by notice given as provided herein. The effective date of any notice given hereunder shall be the date on which such notice is received or delivered as set forth above.
 - C. If any portion of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds any provision of this Agreement to be invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
 - D. Owner has been given sufficient time and opportunity to have this Agreement reviewed by an attorney.
 - E. Venue for any dispute arising under this Agreement shall be exclusively in Kootenai County, Idaho.

- F. All understandings and agreements previously existing between the parties are merged into this Agreement. No change may be made to this Agreement except by a written instrument, duly executed with the same formalities of this Agreement.
- G. This Agreement shall be governed by and construed under the laws of the State of Idaho.

14. Notification Address:

Manager:
 Ex-Cell Property Management, LLC
 128 E. Locust Avenue, Suite B
 Coeur d'Alene, ID 83814
 Fax: (208) 676-0910
 Email: d.hughes@excellproperty.com

Owner:
 Physical Address: _____
 Mailing Address: _____
 Home Phone: _____
 Work Phone: _____
 Cell Phone: _____
 Email: _____

IN WITNESS of their mutual understanding and consent, Owner and Manager have executed this Agreement on the dates indicated below:

OWNER:

OWNER SIGNATURE _____ DATE _____

OWNER SIGNATURE _____ DATE _____

MANAGER:

 By: **Agent for Ex-Cell Property Management LLC** DATE _____

MANAGER CONTACT: Deanna Hughes 208-676-0900

Received from Owners:

Number of keys _____ Garage Door openers _____

Preference on Pets: _____

Maintenance/Yard Care:

General Maintenance Ex-cell _____ Name/Contact _____

Sprinkler Turn On/Off Ex-cell _____ Name/Contact _____

Lawn Care Ex-cell _____ Name/Contact _____

Snow Removal Ex-cell _____ Name/Contact _____

Utility Service Providers:

Electric _____

Gas _____

Water _____

Sewer _____

Garbage _____

Irrigation _____

Appliances Provided by Owner:

Refrigerator Yes No

Range/oven Yes No

Dishwasher Yes No

Microwave Yes No

Disposal Yes No

Washer/Dryer Yes No

Additional personal property items left in premises:

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Attach separate sheet if necessary. Owner acknowledges and agrees that Manager is not responsible or liable for damage or destruction to the personal property items listed above, and Owner assumes all risk of loss or damage to said items.

Owner's initials: _____