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LEASING AND MANAGEMENT AGREEMENT

THIS LEASING AND MANAGEMENT AGREEMENT (the "Agreement") is entered into effective this the ____ day of _____, 20__ the ("Effective Date"), by and among _____ (hereinafter, "Owner" or "Owners" if applicable), and Cohesion Properties, LLC, an Idaho Limited Liability Company (the "Manager").

RECITALS

WHEREFORE, Owner desires to engage the services of Manager to manage the property commonly known as _____ (the "Property") on the terms as conditions provided for herein. Manager desires to accept such engagement upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, and for the recitals above, which are incorporated into this Agreement as if set forth fully herein, and the covenants, agreements and promises set forth herein, Owner and Manager agree as follows:

1. ENGAGEMENT OF MANAGER AND TERM OF AGENCY.

Owner does hereby appoint and engage Manager as an independent contractor to serve as Owner's sole and exclusive manager of the Property and Manager does hereby accept such appointment and engagement. The term of this engagement shall be deemed to have commenced _____ and shall continue for a term of _____ month(s) / year(s) ("Initial Term"). The term will be automatically renewed at the end of the Initial Term, or any subsequent term (each term after the Initial Term being referred to herein as a "Renewal Term") for an additional _____ month(s) / year(s), unless terminated in accordance with this Agreement. The terms and conditions during any Renewal Term shall be the same as during the Initial Term.

2. DEFINITIONS.

- A. The term "Revenue" during any period shall collectively mean, without limitation, rent, forfeited security deposits, Tenant reimbursements and other Tenant charges collected.
- B. The term "Lease" shall mean and include any lease, sublease, license, concession, occupancy agreement or any other similar instrument arrangement or agreement pursuant to which any person or entity acquire(s) rights to use and/or occupy any portion of the Property.
- C. The term "Rent" or "Rental Income" shall mean monies paid by any Tenant under a lease.
- D. The term "Tenant" shall mean any person or entity using or occupying space in the Property.

3. MANAGER'S DUTIES.

A. Leasing and Promotion.

(i) Manager will use Manager's good faith efforts during the term of its engagement to lease the Property. Manager may take any and all appropriate actions in Manager's discretion, in connection with leasing the Property including, without limitation, presenting leasable space, presenting to prospective Tenants the terms and conditions upon which the Property is available, advertising leasable space, investigating references of prospective Tenants, negotiating and modifying Leases, evicting and terminating tenancies, and performing all other acts Manager deems reasonably necessary, including operating as provided for under any applicable covenants or restrictions and exercising voting rights thereunder, if applicable.

(ii) Manager shall be authorized to enter into Leases on behalf of each Owner without the prior written approval of Owner and such Leases may be in such form as Manager desires in its sole discretion. Manager may offer rental incentives as it deems appropriate. Manager will not enter into any lease that has a term greater than twenty-four (24) months without prior approval from Owner.

B. Management of the Property. Without intending to limit the scope of Manager's duties by specific designation, Manager, in its capacity as managing agent hereunder, shall, during the term of its engagement as such managing agent, perform the following duties:

(i) Collect, receive and receipt for the account of each Owner all Rental Income and other amounts becoming due and payable to Owner from Tenants in the Property or other parties. Manager agrees to provide regular checks of the Property to ensure that the Property is secure, protected from vandalism and similar activities, and generally in good appearance and repair.

(ii) Manager shall be reimbursed for all operating expenses. Manager shall use reasonable efforts to minimize operating expenses. Manager shall obtain the prior consent of Owner before incurring any single expenditure in excess of Two Hundred and No/100 Dollars (\$200.00), excluding utility bills, unlawful detainer fees and costs, and other normal and recurring expenses, except in an emergency in which case Manager may incur such expenses as are necessary to protect life and property. Manager shall notify such Owner of any such emergency expenses as soon as practicable after they are incurred but in no event later than thirty (30) days thereafter. Manager will retain a minimum of \$200 per door/unit, to be held in trust, to cover maintenance costs if or as needed.

- (iii) Institute any and all legal actions or proceedings (in the name of Owner, if necessary) required for the collection of Rent or other Rental Income or amounts owing from Tenants of the Property or the ousting or dispossessing of Tenants or other persons therefrom, with a lawyer or law firm of Manager's choice.
- (iv) Maintain proper books and journals and orderly files containing Rent records, Leases, correspondence, receipted invoices or bills, and all other documents and papers pertaining to the operation of the Property.
- (v) Do or cause to be done all such acts or things in or about the Property as shall be reasonably necessary or desirable to comply with any and all orders affecting the Property placed thereon by any federal, state or municipal authority having jurisdiction over the Property and to comply with any applicable CC&Rs.
- (vi) Hire, train, promote, discharge and supervise the staff of Manager that directly oversees operations of the Property. Manager shall have in its employ at all times a sufficient number of employees to enable it to professionally manage and lease the Property in accordance with the terms of this Agreement. All matters pertaining to the employment and supervision of such employees shall be the sole responsibility of Manager, which in all respects shall be the employer of such employees, and Owner shall have no liability with respect to such matters.
- (vii) Deposit in a banking institution or institutions in the name of Owner (upon receipt of a deposit slip) all monies received by Manager with respect to the Property.
- (viii) Enter into contracts for services with independent contractors, suppliers and other entities necessary for the operation, repair, maintenance, servicing and promotion of the Property.
- (ix) Generally perform all other acts reasonably necessary for the management of the Property.
- (x) Manager will research and obtain bi-annual interior preventative maintenance checks at a cost of \$65/SF, \$95/duplex or \$145 tri/4-plex each to Owner. Owner agrees that Manager may deduct this cost from any monies received by Manager with respect to the Property. The preventative maintenance shall include, but not be limited to, checks for plumbing, caulking, doorstops, dryer vents, smoke detectors, furnace filters, etc. Owner acknowledges that this is not a home inspection and agrees to hold Management and vendor harmless and keep them exonerated from all loss, damage, liability or expense of any type or kind regarding the Property.

Owner requests to opt-out of biannual preventative maintenance by initialing here ____

Owner requests a preventative maintenance check yearly only by initially here ____

C. Independent Contractor. In the performance of its duties hereunder, Manager shall be and act as an independent contractor, with the sole duty to supervise, manage, operate, control and direct performance of the details of its duties incident to the specified duties and obligations hereunder, subject to the rights of Owner, as described herein. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, employment relationship, or otherwise to create any liability for one party with respect to indebtedness, liabilities or obligations of the other party except as otherwise may be expressly set forth herein.

4. COMPENSATION OF MANAGER

A. Management Fee. As consideration for the performance by Manager of its duties hereunder, Manager shall be entitled to a management fee of:

- ____ percent (____%) of the total Revenue collected during any month of the Initial Term or Renewal Term, as applicable; OR
- ____ dollars per month (\$50/door minimum).

Annually, Manager and Owner will review the operating expenses including on-site management and advertising expenses. Both parties may mutually agree within 30 days of this annual review, to modify the Management Fee based on a change in operating expenses.

- (i) All Management Fees shall be paid by the tenth (10th) day of each month throughout the Initial Term and Renewal Term, as applicable, of this Agreement based upon the Revenue collected in the previous month.
- (ii) In addition to the Management Fee, Manager shall be entitled for reimbursement of payment for any and all costs and expenses incurred by Manager in connection with performing its duties hereunder as Manager of the Property including, without limitation, any and all costs associated with maintaining, repairing and managing the Property, and reasonable attorneys' fees incurred by Manager in prosecuting or defending any action brought for or against Owner or Manager pertaining or relating in any manner to the Property.

5. TERMINATION.

A. This Agreement may be terminated, as follows:

- (i) by either Manager or Owner (the "Terminating Party") upon the breach, default or non-compliance by the other party (the "Defaulting Party") of any covenants, agreement or obligation contained in this Agreement, followed by written notice from the Terminating Party to the Defaulting Party and failure of the Defaulting Party to remedy or correct such breach, default or non-compliance within thirty (30) days after receipt of such notice (or if more than thirty (30) days shall be required because of the nature of the breach, default or non-compliance (other than a failure to pay any amounts due), if the Defaulting Party fails to commence to remedy or correct such breach, default or non-compliance and proceed with reasonable diligence prior to the expiration of thirty (30) days following written notice from the Terminating Party demanding performance).
- (ii) by Manager or Owner at any time upon sixty (60) days prior written notice.

Upon the termination of this Agreement for any reason, Manager shall be entitled to its earned, but unpaid fees, for the period prior to the termination. It shall also be entitled to its unearned fees for the balance of the Term, that would have been paid if such Term would have been fulfilled, but only if such termination is not because of Manager's breach of this Agreement. Promptly after termination of this Agreement and receipt by Manager of all amounts due hereunder, Manager shall deliver to or as directed by Owner all funds, checks, keys, Lease files, and books and records to Owner. Termination of this Agreement under any of the provisions of this Agreement shall not release either party as against the other from liability for failure to perform any of its duties or obligations as expressed herein and required to be performed prior to such termination.

6. REMEDIES CUMULATIVE.

Each right, power and remedy of Owner and Manager provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Owner or Manager of any one or more of the rights, powers and remedies provided in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, shall not preclude the simultaneous or latter exercise by Owner or Manager of any other such rights, powers or remedies.

7. DUTIES OF OWNER. During the term of this Agreement Owner shall:

- A. Give Manager access to and use of the Property at all times so as to permit Manager to perform its obligations hereunder.
- B. Cooperate with Manager to insure that the Property and Owner are operated in a proper, efficient and businesslike manner.

8. ATTORNEYS' FEES.

If there is a dispute regarding the full and timely performance of this Agreement, mediation shall first be used to attempt to resolve issues through a Court Approved Mediator or as otherwise selected by the mutual consent of the parties. Should either party bring suit to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover court costs and reasonable attorneys' fees; however, any such suit prosecuted prior to the completion of a good faith mediation shall be considered premature and any such Court shall dismiss the case without prejudice pending the completion of mediation.

9. INSURANCE.

Owner shall bear all risk of loss associated with the Property. During the term of this Agreement, Owner shall, at its election, keep the improvements located upon the Property insured against all perils in such amounts and forms and with such carriers as Owner, in its sole discretion, shall determine. Owner may procure such other forms of insurance and in such amounts as it deems appropriate for its own protection. Manager shall cooperate with Owner with respect to any claim that may arise under any insurance policy. Manager agrees to notify Owner as soon as possible after it receives notice of any loss, damage or injury, and shall take no action (such as admission of liability) that might operate to bar Owner from obtaining any protection afforded by any policy, or that might prejudice Owner and its defense to a claim based on such loss, damage or injury. Manager agrees that Owner shall have the exclusive right, at its option, to conduct the defense to any claim, demand or suit within the limits prescribed by the policy or policies of insurance.

10. WAIVER OF SUBROGATION.

Owner hereby waives any and all rights of recovery against Manager, its officers, agents, partners and employees occurring out of Ownership, management and operation of the Property for loss or damage as a result of any casualty covered and to the extent covered by its insurance policies. Owner shall upon obtaining the policies of insurance required by this Section, notify the insurance carrier that the foregoing waiver is contained in this Agreement and shall require such carrier to include an appropriate waiver of subrogation provision in the insurance policies.

11. REPRESENTATIONS OF MANAGER. Manager represents, warrants, covenants and agrees that:

- A. It has the authority to enter into and to perform this Agreement, to execute and deliver all documents relating to this Agreement, and to incur the obligations provided for in this Agreement;
- B. When executed, this Agreement, together with all documents executed pursuant hereto, shall constitute the valid and legally binding obligations of Manager in accordance with its terms; and
- C. Manager has all necessary licenses, consents and permissions to enter into this Agreement, manage the Property and otherwise comply with and perform Manager's obligations and duties hereunder. Manager shall comply with any conditions or requirements set out in any such licenses, consents and permissions, and shall at all times operate and manage the Property in accordance with such conditions and requirements.

12. REPRESENTATIONS OF OWNER. Owner represents, warrants, covenants and agrees that:

- A. Owner has the authority to enter into and to perform this Agreement, both on its own behalf and on behalf of each and all of Owners, to execute and deliver all documents relating to this Agreement, and to incur the obligations provided for in this Agreement; and
- B. When executed, this Agreement, together with all documents executed pursuant hereto, shall constitute the valid and legally binding obligations of Owner and Owners in accordance with its terms.

13. INDEMNIFICATION.

Except to the extent of gross negligence or Manager's intentionally wrongful acts or omissions, Owner shall release, indemnify, defend and save Manager harmless from all suits, claims, assessments, and charges that pertain to the management and operation of the Property including, but not limited to, any liabilities for injury suffered by any person while on the Property. Owner's duty to indemnify shall include all litigation expenses including reasonable attorneys' fees. In the event Manager deems it necessary to procure independent legal representation, Manager shall have the right to select its own attorneys. The paragraph shall survive the termination of this Agreement.

14. NOTICES.

All notices, demands, requests or other communications ("Notices") to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express or Airborne for next business day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, or by sending by e-mail or facsimile transmission to Owner or Manager. All Notices shall be effective upon such personal delivery, one (1) day following deposit with Federal Express or Airborne, three (3) days following deposit in the United States mail, or upon facsimile transmission as required above. By giving to the other parties hereto at least fifteen (15) days' written notice in accordance with the provisions hereof, a party may change its address for notice purposes.

15. NO PARTNERSHIP.

Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture or master-servant relationship between Owners and/or Manager, it being the intent that Manager is an independent contractor.

16. SUCESSORS AND ASSIGNS.

This Agreement shall not be assignable in whole or in part, directly or indirectly, by Manager without the prior written consent of Owner and any attempt to assign any rights or obligations arising under this Agreement without such consent shall be void and nullify this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

17. MISCELLANEOUS.

A. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

B. Survival of Agreement. All indemnity obligations set forth herein, all obligations to pay earned and accrued fees and expenses, all confidentiality obligations, and all obligations to perform and duties accrued prior to the date of termination shall survive the termination of this Agreement.

C. Enforcement of Agreement. This Agreement, its interpretation, performance and enforcement, and the rights and remedies of the parties hereto, shall be governed and construed by and in accordance with the laws of the State of Idaho, without regard to conflicts of laws provisions. In any dispute pertaining to, or litigation or arbitration arising from to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs, including those incurred in connection with all appellate levels, bankruptcy, mediation or otherwise to maintain such action, from the losing party.

D. Section Headings. The section headings throughout this Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

E. Entire Agreement. This Agreement contains the entire agreement between the parties hereto, and any agreement hereafter made shall be ineffective to change, modify, waive, release, discharge, terminate or effect an abandonment of this Agreement, in whole or in part, unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, waiver, release, discharge, termination or the effecting of the abandonment is sought.

G. Time is of Essence. Time is the essence hereof.

H. Construction of Document. This Agreement has been negotiated at arms' length and has been reviewed by counsel for the parties. No provision of this Agreement shall be construed against any party based upon the identity of the drafter. To the extent that both parties utilized the same attorney to review or modify this Agreement, the parties expressly waive any conflict of interest resulting from such representation.

I. Waiver of Jury Trial. To the fullest extent permitted by law, each party to this Agreement severally, knowingly, irrevocably and unconditionally waives any and all rights to trial by jury in any action, suit or counterclaim brought by any party to this Agreement arising in connection with, out of or otherwise relating to this Agreement.

J. No Waiver. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving party.

K. Service Animals. While owner can request a property to be pet-free, manager cannot guarantee a property be service-animal free. Owner acknowledges the difference between the two, and understands that the Manager cannot legally deny an otherwise qualified application based on service animals nor charge a “pet fee” or “pet rent” for any documented animal under this definition.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and operable as of the Effective Date.

Owner

Owner

Mailing Address of Owner: _____

Telephone Number of Owner: _____

Email Address of Owner: _____

Cohesion Properties, LLC

By Its: Authorized Agent

