

PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (“Agreement”) is dated _____, 20__, and is between _____, a [n] (“Owner”) and ANR Properties, LLC, an Idaho limited liability company, (“Manager”).

1. Owner hereby grants Manager the exclusive right to operate and/or manage Owner’s property or properties (“Property”).

2. This Agreement shall commence on the date indicated above and terminate 12 months later. However, this agreement will automatically renew for additional 12-month periods with all applicable changes if Manager does not receive a Notice from Owner no later than 30 days prior to the expiration date stating their intent not to renew this contract. This contract will automatically renew for a maximum of 10 one-year periods. Manager will send Owner a reminder notice at least thirty days before the renewal date, which notice will remind Owner of this automatic renewal provision. The sale of the Property by the owner shall terminate this Agreement upon 30 days prior written notice to the Manager.

3. The Property description, locations and insurance coverage for each property location is as follows :

<u>Address</u>	<u>Insurance Carrier and Policy #</u>	<u>Year Built</u>	<u>Pets allowed (yes or no)</u>	<u>Satellite allowed (yes or no)</u>

4. Manger, subject to Owner’s approval rights as set forth herein, shall use its reasonable efforts in the management and marketing of the Property. Manager agrees to diligently perform its management duties which include limited filed management, bookkeeping and rent collection duties listed in **Exhibit “A”**. The parties may agree in writing at any time to amend **Exhibit “A”** to this Agreement.

5. Owner shall pay a management fee of 8 % of the total monthly rental income of each Property. The management fee shall be deducted from the monthly rents received from tenants. The remaining balance shall be mailed to the owner by the 15th of the month, or after tenants’ payments have cleared and all utilities and any other expenses have been paid.

6. Owner agrees to carry at the Owner's expense adequate public liability and Property damage insurance on the Property. Owner agrees to add Manager’s name to insurance policy for any and all properties to be managed by the Manager. Owner further agrees to provide Manager a certificate showing the Manager’s name on property insurance. Owner hereby waives all rights of recovery against Manager for any loss insured under any property insurance policy covering the Property.

7. This agreement shall be governed by the laws of the State of Idaho. If any lawsuit or action is instituted to enforce this agreement, the prevailing party shall be entitled to such sum as any court of competent jurisdiction may determine as reasonable attorneys’ fees and costs.

8. Manager represents that it is a validly existing and duly authorized limited liability company in good standing.

9. Owner represents and warrants that it is either the Owner of the Property, has legal authorization from the Owner of the Property.

10. The parties agree that Manager is at all times performing as an independent contractor. Nothing in this Agreement shall constitute or be construed as a creation of a partnership or joint venture between Manager and Owner, or their successors and assigns.

11. Owner understands that Manager is not responsible for preparation of agreements and does not offer accounting advice.

12. Manager agrees not to contract for any services on Owner's behalf without Owner's prior consent and approval except as otherwise noted in this Agreement.

13. All notices and other communications provided for or permitted hereunder shall be given in writing and shall be hand delivered, transmitted by facsimile, sent by overnight delivery service, or sent by registered or certified mail, postage prepaid, to the following address or to such other address as a party may, from time to time, designate by notice given in compliance with this section.

Manager: ANR Properties, LLC
P.O. Box 2953
Pocatello, ID 83202
Phone: 208-637-0685
Fax: 208-637-0685
E-mail: anrpm@yahoo.com

Owner: _____

Address: _____

City, State, Zip _____

Phone: _____

Cell phone: _____

Fax: _____

E-mail: _____

Owner's method for receiving rent:
mailing address, _____

City, State, Zip _____

-OR- bank **and** account number
for direct deposit _____

14. Notices under this Agreement shall be deemed given upon the earliest of actual receipt or 48 hours after deposit in the United States mail, postage fully prepaid. This Agreement cannot be assigned by either party without the expressed written consent of the other party.

15. Owner shall hold Manager harmless against any and all loss, cost, claim, expense or damage whatsoever, suffered or incurred by Manager arising from or in connection with Manager's performance of its duties under this Agreement unless such loss, cost, claim, expense, or damage results in whole or in part from (a) the gross negligence or willful misconduct of Manager in the performance of its duties under the agreement, (b) the breach of this Agreement or applicable law by Manager, or (c) actions in excess of Manager's authority under this Agreement.

16. Manager shall hold Owner harmless against any and all loss, cost, claim, expense or damage whatsoever, suffered or incurred by Owner arising from or in connection with (a) the gross negligence or willful misconduct of Manager in the performance of its duties under this Agreement, (b) the breach of this Agreement or applicable law by Manager, or (c) actions in excess of Manager's authority under this Agreement, unless such loss, cost, claim, expense, or damage results in whole or in part from the negligence or willful misconduct of Owner or the breach of this Agreement or applicable law by Owner.

17. Every provision of this Agreement is intended to be severable. If any term or provision hereof is unenforceable for any reason whatsoever, such provision shall be severed from the Agreement and shall not affect the validity of the remainder of this Agreement.

18. The heirs, transferees, successors and assignees of the parties hereto are duly bound by the provisions hereof.

MANAGER:

OWNER:

ANR PROPERTIES, LLC

By: _____
Title: _____

By: _____
Title: _____

DATED: _____

DATED: _____

ADDRESS: _____

ADDRESS: _____

EXHIBIT A

ANR Properties, LLC (the “Manager”) will perform the duties listed below in a diligent, professional, and timely manner for each property.

A. Property tasks:

1. Upon consultation with Owner, Manager shall use commercially reasonable efforts to solicit and procure tenants for the Property and shall further solicit renewals, expansions and extensions of all existing tenants at the Property. Owner acknowledges receipt of Manager’s standard, form Lease. Manager shall market the Property for lease upon actual notice of a vacancy (pending or actual) until a tenant is procured. Owner may agree to pay Manager an optional marketing fee of \$100.00 per vacancy per month for property-specific advertising.
2. Review service contracts.
3. Review tenant leases.

B. Accounting Tasks:

1. Acquire records from previous management company as needed.
2. Deliver introductory letters to tenants/vendors as agreed between Owner and Manager.
3. Take reasonable steps to collect and enforce the collection of rents and other charges due Owner from tenants of the Property in accordance with the terms of their leases or rental agreements, and where necessary, to institute action necessary to make such collection with Owner’s prior written approval.
4. Complete lease agreements to include rental amount.
5. Establish a custodial bank checking account for the deposit of rents and disbursement of Property operating expenses as they become due. Manager shall draw on this account for any payments that Manager must make in order to discharge any liabilities or obligations incurred pursuant to this Agreement, to include utility charges, property management fee, and any other expenses related to the operation of the property. Manager shall disburse any excess funds in this account to the Owner and report the status of the account within its monthly report. Manager shall maintain a minimum balance of Owner’s money in said account to have funds available for any needed repairs, emergency repairs, advertising, returned rent checks and applicable fees, or any other costs or fees that pertain to the property. The ***minimum balance will be \$200.00 or twenty percent (20%) of the gross monthly rent, whichever is greater.*** Large units (four-plexes and up) will be negotiated to an agreed upon amount.
6. Manager shall establish and maintain a bank custodial savings account for the deposit of any security deposits and amounts for other non-periodical expenses for the Property. Manager shall draw on this account for disbursement in accordance with applicable laws and the terms of the various agreements. Manager shall specify the status of this account within its monthly report to Owner.

7. Manager shall perform the following duties as regards accounting and recordkeeping:
 - a. Approve invoices for payment.
 - b. Pay invoices in a timely manner.
 - c. Provide monthly profit and loss reports to Owner.
 - d. Provide copies of reports to Owner's accountants, if requested.
8. Manager shall monitor the cash flow of the Property. If, at any time the receipt of cash from the Property shall be projected or is insufficient to pay the bills and charges which have been incurred with respect to the operation of the Property, then Manager shall notify Owner and request from Owner an amount sufficient to pay all such unpaid charges.
9. Manager is not responsible, under any circumstances, for paying any charges including, but not limited to, any rent due under a lease that is not paid by the tenants, and/or needed repairs. Owner hereby waives any claim for damages against Manager for non-payment of any charge, fee or expense associated with the Property if the funds necessary are not available in Owner's Account.

C. Field Management Tasks:

1. Manager shall contract on behalf of the Owner, with Owner's prior approval for expenditures in excess of \$200.00 for any one item, for expenses relating to the proper building maintenance and repair of the Property. Manager shall require and retain insurance certificates, as appropriate, from commercial tenants and from contractors who provide services to the Property. Repairs needed to maintain the property in livable condition, including, but not limited to heating and water related issues, shall be exempt from receiving prior approval for such repair.
2. Upon consultation with Owner for expenditures in excess of \$200.00 for any one item, if possible, Manager shall make or cause to be made under its supervision maintenance and repairs to the Property. Owner shall make such maintenance and repairs as Owner elects in its sole discretion. Repairs needed to maintain the property in livable condition, including, but not limited to heating and water related issues, shall be exempt from receiving prior approval for such repair.
3. Manager shall contract on behalf of the Owner, with Owner's prior approval, pest extermination, trash removal, grounds maintenance and other commodities necessary for the operation of the Property when the charges for services exceed the conditions as found in section one of the Field Management Tasks section of this contract.
4. Upon consultation with Owner, if possible, Manager shall use its best efforts to do, or cause to be done, everything reasonably necessary for the proper maintenance of the Property. Owner shall undertake such maintenance as Owner elects in its sole discretion.
5. Manager and Owner agree that in emergency circumstances, where the safety, integrity, or the habitability of the Property is threatened, where personal safety is threatened, where repairs are required, Manager shall be entitled to take such reasonable action as necessary. Manager shall immediately endeavor to contact Owner with a report of the incident and circumstances.
6. Owner acknowledges that Manager in no way guarantees or warrants work performed by any third party retained by Manager to perform maintenance and repairs at the Property.