



Real Estate Property Management Agreement

Upon signature by Agent and Owner, this Agreement is a legal and binding contract.

If not understood, seek competent legal advice before signing.

1. Definitions: All references in this Agreement to “Agent” or “Firm” shall refer to _____ licensed in the State of Oregon, pursuant to ORS Chapter 696. All references in this Agreement to “Premises” or “Property” shall refer to the property being professionally managed under this management agreement.

2. Agency Acknowledgement and Disclosure: Owner and Agent hereby acknowledge and consent to the following agency relationship in this agreement: _____ (Agent), acting in the capacity of an independent contractor is hereby contracted as Owner’s exclusive agent to perform professional property management services for the real property described herein. Agent shall owe the Owner the following affirmative duties: (a) To exercise reasonable care and diligence; (b) To deal honestly and in good faith; (c) To account in a timely manner for funds received or disbursed on behalf of the owner; (d) To be loyal to the owner by not taking action that is adverse or detrimental to the owner's interest; (e) To disclose in writing and in a timely manner to the owner any use of employees, or a business, in which the property manager has a pecuniary interest, to perform work on the owner's managed property; (f) To advise the owner to seek expert advice on matters related to property management that are beyond the licensee's expertise; (g) To maintain as confidential financial information obtained from, or about, the owner, except under subpoena or court order or as otherwise required by applicable law and except as permitted by the owner, even after the termination of the property management agreement.

3. Property Description: The real property covered under this agreement is situated in the County of _____, State of Oregon, and more commonly known as:

Owner Initials/Date _____/_____

4. Term of Agreement. The initial term of this Agreement commences on the ____ day of _____, 20____, and ends on the ____ day of _____, 20____ (the “Initial Term”), unless earlier terminated pursuant to paragraph 21 or 28, below. Thereafter, this Agreement shall automatically renew for additional one year terms (each a “Renewal Term”). Either party may terminate this Agreement at the end of the Initial Term by providing the other party with written notice of such termination at least sixty (60) days prior.

5. Right to Compensation: In consideration of the services herein described, Owner shall pay Agent a monthly property management fee equal to _____ (____) percent of the “Gross Rentals” collected during a one month period. When the property is vacant a fee shall be charged that is equal to seventy-five (75%) percent of the property management fee collected at zero (0%) percent vacancy. The property management fee shall be considered earned and may be withdrawn from the Owner’s Client Trust Account when the monthly cycle has been completed.

6. Requirements of Commencement: This agreement shall not commence until Owner has provided to Agent the following items (a) \$100.00 deposit to open the Owner’s client trust account with _____; (b) Proof of property liability insurance and policy in the amount of at least \$1,000,000 with _____ listed as an additional insured; (c) This agreement signed by the Owner of the property being managed; (d) Keys to the said property are delivered to the Agent.

7. Owner’s Representations and Warranties: Owner hereby represents and warrants to Agent: (a) that the undersigned Owner is the true and sole Owner of the property and has full authority to enter into this Property Management Agreement; (b) all references to “Owner” herein shall include each and every joint and several Owners, and the Agreement shall be binding on each of them jointly and severally, (c) as of the date of this agreement the property shall be in good operating condition and free of material defects.

8. Property Management Services: Agent shall operate, manage and maintain the property described herein pursuant to ORS Chapter 696 and OAR Chapter 863. For the purpose of this agreement Agent and Owner hereby define property management services to include the following: (a) Day-to-day tenant relations; (b) Tenant screening services; (c) Property marketing; (d) Collection of rent; (e) Processing of monthly and yearly accounting statements; (f) Administrative and record maintenance services; (g) Annual property inspections; (h) Leasing services; (i) Coordination of tenant maintenance requests.

9. On-site or Additional Personnel: Owner may request that Agent hire additional personnel for property management services not covered under this agreement. All additional personnel shall be considered employees of the Agent, except those who are independent contractors. Agent shall bill Owner monthly for actual compensation paid to any hired personnel plus 35%.

10. Additional Services: Agent and Owner agree that Agent shall be paid a fee for any services that are in addition to the *Property Management Services* described herein. Owner shall be charged an hourly fee at the current rate then in affect. These

Owner Initials/Date _____/_____

additional services may include but are not limited to coordinating with other real estate brokers on the showing of the property that the Owner is currently in the process of selling, coordinating appraisals on the property, additional property inspections, project/property analysis of properties not under contract with Agent, and additional monthly accounting procedures for the property. Agent agrees to not perform any additional services without the prior written authorization of the Owner, except in case of emergency.

11. Leasing Authority: Agent shall have the authority to enter into leases, terminate tenancies, serve notices, and represent Owner in eviction proceedings. _____ shall not enter into any rental agreement drafted or approved by an outside agency (i.e. Housing Authority of Portland). _____ reserves the right to use only rental agreements that it has approved. If an Owner wishes to have _____ enter into a rental agreement other than its own approved agreement, the Owner shall be charged an administrative fee of \$250 per applicant per lease term.

12. Maintenance Authority: Agent shall have the authority to perform maintenance services with an estimated total cost of not more than \$300.00 without prior consultation with Owner. Agent shall also have the authority to perform emergency maintenance services without prior consultation with Owner. All maintenance services with an estimated repair cost in excess of \$300.00 shall not be performed without prior consultation with Owner except in cases of emergency. Any maintenance services performed by Agent's personnel shall be charged at the current maintenance fee rate in affect. Agent shall charge for mileage at the federal rate then in affect and shall also charge for the cost of materials.

13. Accounting Authority: Agent shall open and maintain at least one federally insured clients' trust account, pursuant to ORS 696.241, for the deposit of all funds received on behalf of the Owner for the property managed under this agreement. Agent shall provide to the Owner a monthly statement of operations for all receipts and disbursements for the account of the owner during the prior monthly period. Agent shall have the authority to transfer funds between two or more ledger accounts maintained by the Owner. Owner acknowledges that some bills shall be paid by computer and through a pooled account. Agent shall not withdraw, pay or transfer funds for payment of generally authorized expenses from the Owner's ledger account in excess of the actual credit balance of the account. This credit shall not include the amount of the tenant's conditionally refundable deposits being held at the time of the withdrawal, payment or transfer of funds.

14. Record Keeping Authority: Legible copies of all agreements, records and supporting data shall be filed and maintained by the Agent in the Agent's licensed business location for a period of six years following the date on which such agreement or document is superseded, is terminated, or has expired. Copies of invoices shall be provided to Owner upon request. Owner shall review the monthly operational statements and notify Agent within thirty days of receipt of any questions or requests for copies of invoices. If not contacted, Agent shall assume reports are understood and satisfactory. Within sixty days after the end of each calendar year, and during the term of this agreement, Agent shall provide to the Owner an annual statement of operations on their property account.

15. Security Deposit Authority: The Owner authorizes the Agent to deposit all security deposit funds into a separate clients' trust account managed and maintained by the Agent. If Owner is transferring the property from another property management company, Owner agrees to turnover all existing security deposit funds to the Agent. The Agent reserves the right to keep tenant refundable security deposit, held on behalf of the Owner, in a federally insured interest-bearing clients' trust account and retain monthly all interest earnings from the account that accrue.

16. Lease Renewal and Lease Turnover Fee: When Agent renews an existing lease with a tenant, Owner shall be charged a lease renewal fee in the amount of \$50.00. When Agent performs a lease turnover, Owner shall be charged a lease turnover fee. The lease turnover fee for a single-family home is \$250.00. The lease turnover fee for a multi-family unit is \$100.00.

17. Project Management Fee: A project management fee equal to thirty-five percent (35%) of the project cost shall be charged when Agent coordinates and/or oversees maintenance, construction, or improvement projects on the property in excess of \$5,000.

18. Gross Rentals (Definition): The term "Gross Rentals" shall include all rental income received from occupancy of the property covered under this agreement and if applicable insurance payments for lost rent. "Gross Rentals" shall not include tenant screening fees, application fees, or amounts collected as security deposits.

19. Net Rentals (Definition) The term "Net Rentals" shall be the sums remaining after deducting from "Gross Rentals" all expenses of operation associated with the property, the Agent's property management fee, any fees associated with the hiring of additional personnel, and any fees associated with the performance of additional services.

20. Insufficient Funds Collection: Should the "Gross Rentals" with respect to the property, plus any other funds advanced by Owner to Agent in connection with said property, at any time be insufficient to pay the expenses of operation and other sums reasonable or necessary for the use and maintenance of said property: (a) Owner agrees upon demand to immediately pay to Agent such amount as Agent deems reasonable and necessary to the operation, use, and maintenance of the property. These funds shall be deposited into the Owner's client trust account and disbursed as needed by the Agent; (b) Agent shall debit any other account held by Agent in connection with other property managed by Agent for Owner and credit the account of said property; (c) In the event that Owner does not pay to Agent the funds owing when notified, and if there is no other account held by Agent on behalf of Owner where funds can be obtained, Owner agrees to pay interest on any unpaid balance at the rate of 16% (or prime plus 10%, whichever is higher), until paid in full. Interest shall accrue monthly, and shall be reported on the monthly operating statement of property for the Owner. Owner shall indemnify the Agent against any and all loss of Agent due to shortages in Owner's account brought about by the operation or maintenance of the property.

21. Failure of Agent to Perform: If Agent fails to pay Owner when due and owing the monthly net rentals and such failure continues for fifteen (15) days after Agent has received written notice from Owner, Agent shall be in default of this agreement. If

Agent fails to observe or perform any obligations under this agreement and Agent does not cure such failure within thirty (30) days of receiving written notice from Owner, Agent shall be in default of this agreement. If Agent is in default of this agreement, Owner may, at his own election, terminate this agreement. Termination of this agreement does not preclude Owner from pursuing other remedies which otherwise might be used by the Owner to demand performance.

22. Property Insurance Requirements: Owner, at Owner's expense, agrees to keep managed buildings and personal property of premises continuously insured against loss or damage by fire, with an extended coverage endorsement. Owner agrees to maintain property liability insurance in full force and effect during the term of this agreement, covering the operating of said property and injury to persons or damage of property resulting from such operation. On an annual basis, Owner shall furnish Agent with evidence that insurance coverage has been procured and is being maintained in full force and effect. Owner agrees that all policies of insurance with regard to fire, extended coverage or any other casualty or loss affecting the above-mentioned premises, shall include a waiver of subrogation and waiver of right to recovery against Agent for loss or damage covered by any such fire, extended coverage, or any other casualty insurance. Further, Owner shall name the Agent as an additional insured on all insurance policies in connection with the property.

23. Property Liability Insurance Policy Limit: Owner agrees to maintain a standard comprehensive general liability insurance policy for the property with coverage not less than \$1,000,000 combined single limit each occurrence with Agent listed as an additional insured.

24. Additional Terms and Provisions: Either party without the express written consent of each party shall not assign this agreement. The terms and provisions of this agreement shall be binding on the parties, and to their respective heirs, executors, administrators and successors, and to the assignees of the parties to the extent that said terms and provisions are capable of assignment. In construing terms of this agreement, it is understood that the Owner may be a person, persons, a corporation or other legal entity. If the context so requires, all grammatical changes shall be made, assumed and implied to make the terms hereof apply equally to corporations, other legal entities or multiple individuals or entities. If the property is located within a municipality that requires removal by Owner, Owner shall be responsible for the cost and removal of garbage from the Property. Agent shall NOT in any manner mortgage the property or hypothecate the property.

25. Hold Harmless Disclosure: Agent shall not be responsible for any possessions left at the premises by owner, even if they are secured. Owner agrees to indemnify and hold harmless Agent and Agent's employees from all damage, injury and costs by reason of the conditions of and occurrences upon the property or elsewhere while Agent is performing Agent's duties under this Agreement or otherwise effecting the Owner's directions. Owner agrees to promptly and diligently defend Agent at Owner's expense from any claim, suit, action, demand or proceeding brought against Agent or Agent's employees. Owner also agrees to indemnify and hold harmless Agent from all loss and damage on account of Agent's performance of this Agreement. The Owner's

obligations to indemnify and hold Agent harmless shall survive termination of this agreement, but no provision of this Agreement purports to protect the Agent from Agent's gross negligence, willful misconduct, or illegal activity.

26. Arbitration: The parties agree to submit to final and binding arbitration any dispute, claim, or cause of action that arises out of, or relates to this agreement or the agency relationship between Agent and Owner. This includes, but is not limited to, claims under Title VII of the Civil Rights Act of 1964, as amended, common law claims arising from the employment relationship, unlawful practices claims under Oregon law (ORS Chapter 659), the Americans with Disabilities Act, the Age Discrimination in Employment Act, state and federal wage and hour laws and any other state, federal or common law. The only disputes not covered by this provision shall be claims under state worker's compensation statutes, claims for unemployment compensation, and claims to enforce non-disclosure of trade secrets or confidential information. The parties agree that any controversy covered by this provision shall be arbitrated under the rules of the American Arbitration Association (AAA), with the selection of the arbitrator under AAA Resolution of employment disputes, rule 12b(ii). The parties further agree that the Federal Arbitration Act (FAA) applies to the arbitration proceeding. The parties may engage in professional mediation services prior to arbitration upon mutual consent; however no party shall be required to settle.

27. Attorney's Fees: In case suit or action is instituted to enforce any of the provisions of this agreement, the prevailing party shall be entitled to recover from the other party its attorney's fees and out of pocket expenses incurred in the suit or action in such amounts as the court may adjudge reasonable.

28. Termination of Agreement: The Agent may terminate this agreement by delivering written notice to the Owner at least sixty (60) days prior to the date specified in the notice for termination. Agent shall provide the Owner not later than sixty (60) days after the effective date of the termination with any unobligated funds due to the Owner under the agreement and not later than ninety (90) days after the effective date of the termination provide the Owner with a final accounting of the Owners' ledger account, the amount of any obligated funds held in the property manager's clients' trust account under this agreement, a statement of why the obligated funds are being held by the property manager and a statement of when and to whom the obligated funds shall be disbursed by the property manager.

29. Early Termination Fee: If the Owner terminates this Agreement prior to the end of the original term for any reason other than breach of this Agreement by Agent, as provided by paragraph 21, above, then the Owner shall pay the Agent a termination fee equal to the product of the management fee paid by the Owner in the month prior to termination multiplied by the number of months remaining in the initial term or renewal term, as the case may be. The parties agree that the amount stated above is a reasonable forecast of the harm caused to the Agent by the Owner's breach, but that an accurate amount of harm is difficult to estimate. The remedy provided the Agent by this paragraph shall not preclude the Agent from any other right or remedy it may have in law or equity.

30. Compliance with Law: Owner and Agent shall comply with all law as relating to the property and the management thereof, including without limitation, the obligation to offer the property for rent to any person without regard to age, race, color, religion, sex, handicap, marital status, familial status, or national origin.

IN WITNESS WHEREOF, the parties hereto do signify their mutual agreement of the terms and provisions of the Agreement as of the day and year first written above.

Owner _____ Print _____ Date _____

Owner _____ Print _____ Date _____

(If legal representative or attorney-in-fact please state capacity and name of real party in interest)

Agent _____ Print _____ Date _____

**OWNER INFORMATION RIDER
TO PROPERTY MANAGEMENT AGREEMENT**

This is the Owner Information Rider to the property management agreement attached hereto, dated _____, 20____, by and between The Conifer Group, Inc. (Agent) and _____ (Owner).

PROPERTY ADDRESS: _____

AGENT AND OWNER HERBY AGREE THE FOLLOWING SHALL BE A PART OF THE PROPERTY MANAGEMENT AGREEMENT REFERENCED ABOVE.

OWNER NAME: _____

OWNER SS#/EIN: _____

MAIL ADDRESS: _____

OWNER PHONE #1: _____

OWNER PHONE #2: _____

OWNER FAX: _____

OWNER EMAIL: _____

INSURANCE PROVIDER: _____

INSURANCE AGENT: _____

INSURANCE PHONE: _____

Owner _____ Print _____ Date _____

Owner _____ Print _____ Date _____

(If legal representative or attorney-in-fact please state capacity and name of real party in interest)

Agent _____ Print _____ Date _____

The Conifer Group, Inc. * 3140 SE Hawthorne Blvd. * Portland, Oregon 97214

Phone: 503-239-0015 * Fax: 503-239-0065