



PROPERTY MANAGEMENT AGREEMENT

This **AGREEMENT** is effective and entered into between _____ hereinafter called **OWNER**, and Morris Hayden Properties, LLC, dba Morris Hayden Property Management, hereinafter called **AGENT**.

Whereas the Owner owns real estate described and known as:

hereby engages Agent to lease, manage, and operate the said property.

Whereas the Agent is a duly licensed real estate principal broker and is authorized to collect rents, lease and manage real property.

Whereas the parties have agreed with each other that the said Agent shall lease, manage and operate the said real estate, to collect the rents and do all the things necessary and pertinent to be done in connection with the operation of the said real estate.

1. TERM OF AGREEMENT:

- 1.1** The Owner appoints, retains and employs the Agent to act as the sole and exclusive manager and rental Agent of the above properties owned by the Owner, commencing on _____ until the property ownership changes. This agreement will remain in effect unless either Agent or Owner gives a written 30 day notice to terminate this agreement.
- 1.2** **TERMINATION: 30-Day Notice Required.** This Agreement may be terminated at any time by either party with a thirty (30) day written Notice of Termination. Owner agrees to pay Agent one half of one month's rent for each unit managed if Owner terminates within the first 90 days of this Agreement. Notice of termination may be delivered to Agent at Agent's address by delivering in person, by fax, by e-mail with confirmation or by regular First Class mail. Owner is required to provide written instruction upon termination regarding delivery of keys, security deposits, property information, tenant information and Owner's funds. Without written instructions to the contrary, all keys, security deposits, property information, tenant information and Owner's funds will be delivered to owner by mail to Owner's address.

- 1.3 IMMEDIATE TERMINATION:** Agent may terminate this agreement immediately for the following reasons: Owner's breach of contract, Owner's refusal or inability to remedy habitability issues, or Owner's failure to follow Agent's interpretation of Landlord/Tenant law or any State or Federal Law that in Agents' opinion affects Agents' ability to professionally perform its duties in this Agreement. In addition, the Agreement may be terminated immediately with mutual consent with written notice at any time. Owners' funds will be delivered upon termination per OAR 863-025-0070: All unobligated funds within sixty (60) days of termination and the balance after the obligated funds within ninety (90) days. Owner will receive a written Final Accounting Statement upon completion of this agreement. Owner may terminate this agreement immediately for the following reasons: Agent's gross negligence, willful misconduct or failure to follow Landlord/Tenant law.
- 1.4** Owner and Agent agree that before any legal action is taken against the other, or any complaints are filed with any agency, both parties will attempt mediation. The cost of mediation, if any, will be shared equally by both parties. The Mediated Agreement will be binding on both parties. If the parties are unable to come to an agreement in mediation, both parties are free to seek other means of resolution including legal action.

2. AGENT RESPONSIBILITIES:

- 2.1** Agent shall accept the management of the Premises for the period of agreement as stated above.
- 2.2** Agent shall comply in accordance with all federal, state, county and municipal laws, including civil rights and discrimination.
- 2.3** Agent shall rent or lease Premises to tenants, with Owner's goals and priorities in mind.
- 2.4** Agent shall collect rent, deposits, and any additional rental income and promptly deposit into a trust account in the Agent's name on behalf of the Owner.
- 2.5** Agent shall maintain Owner's accounts in a Client Trust Account. Owner or Owner's representative may examine Owner's records at any time during normal business hours at Agent's business office.
- 2.6** Agent shall maintain all Owners' funds separate from Agent's funds. Owner authorizes company to maintain Owner's funds in an Owner's Client Trust Account. All refundable security deposits shall remain in Agent's Tenant's Client Trust Account so that Agent may promptly mail refunds to former tenants as required by Oregon Law. Trust accounts are non-interest bearing. Trust accounts are held at Columbia Bank, Bend, Oregon.
- 2.7** Agent may transfer funds from Owner's individual properties; when more than one unit or property is managed for Owner; into one main Owner's ledger at least once per month. Owner acknowledges that the purpose for this action is to ensure clear tracking of income and expenses for all individual units or properties managed for Owner. Credit balance will be transferred to Owner's main ledger at least once per month. OAR 863-025-0027.
- 2.8** Owner and Agent agree that Agent will keep all original records for six (6) years after termination of this contract, and then dispose of them unless otherwise instructed by Owner. ORS 696.280(4).

2.9 Agent shall remit/deposit and mail/e-mail the net proceeds to Owner with a monthly accounting of all receipts and disbursements no later than the 15th of each month.

3. OWNER AGREES:

- 3.1** Owner is the lawful Owner of Premises and has the legal right to enter into this agreement.
- 3.2** Owner is NOT subject to foreclosure proceedings of any kind at this time and such proceedings are not imminent or anticipated. Initial _____
- 3.3** Owner is NOT subject to bankruptcy proceedings at this time, and such proceedings are not imminent or anticipated. Initial _____
- 3.4** Owner has not missed any mortgage payments as of this date and does not anticipate any being missed. Initial _____
- 3.5** Owner shall pay Agent all fees and expenses incurred, including any fees to retain an attorney to defend Agent or Owner from any claim, suit, action, demands, or other proceedings by the tenants, unless it is due to the direct negligence or willful misconduct of the Agent.
- 3.6** Agent may require the use of employees, contractors and other affiliated companies for property management services that are not specifically covered under this agreement. Services may include, but are not limited to; maintenance, landscaping, cleaning, hauling, trash removal and painting. Agent has an ownership interest in Morris Hayden Maintenance and may receive fees and/or profits from it. Agent shall not, however receive fees or profits from unaffiliated companies or contractors in the performance of this agreement without prior disclosure to Owner. OAR 863-025-0020 (2) (i). OAR 863-025-0020(j).
- 3.7** Owner agrees that Agent may transfer monies needed from Owner's other rental unit accounts if more than one unit is managed by Agent.
- 3.8** Owner shall defend, hold harmless and indemnify Agent against all claims, liability, and/or losses including all costs and expenses concerning the Owner's default of this agreement.
- 3.9** Owner shall hold harmless the Agent from any damages to the premises or any personal property unless it is due to the direct negligence, willful misconduct or Agent's failure to perform the duties detailed in this agreement, including but not limited to twice yearly inspections of the property.
- 3.10** Owner shall maintain, at all times, a liability policy of insurance on the rental property. Owner shall furnish a copy of insurance terms, copy of policy and will also maintain fire and hazard insurance. Immediate written notice will be given when policy is changed.

Insurance Agent _____

Address _____

Telephone _____ Policy Number _____

4. OWNER AUTHORIZATION:

- 4.1** Owner authorizes Agent to enter into rental agreements, leases, and renewed agreements.
- 4.2** Owner authorizes Agent to advertise through the internet and other free media.
- 4.3** Owner agrees to allow appropriate signage to be placed at premises for advertisement.
- 4.4** Owner authorizes Agent to collect rental income and fees.
- 4.5** Owner authorizes Agent and agrees to assume all expenses to terminate tenancies, and to sign and serve notices deemed needful by Agent to institute actions to remove tenant from Premises to recover possession of Premises.
- 4.6** Owner authorizes Agent and agrees to assume all expenses to take appropriate actions to recover rents.
- 4.7** Owner authorizes Agent to set and adjust the rents according to the market conditions with approval of Owner.
- 4.8** Owner authorizes Agent and agrees to assume all expenses to maintain the property in good condition by making all necessary repairs by hiring, paying, and discharging maintenance personnel for the purpose of landscaping, repairs, clean up, painting, or any alterations deemed necessary by Agent with Owner approval.
- 4.9** Owner agrees that all necessary repairs will be completed before Morris Hayden Property Management places a tenant in each unit.
- 4.10** Owner understands and agrees that emergency repairs to protect the safety of the tenant or the value of the property are required by Oregon law.
- 4.11** Owner understands and agrees that entrance to the property or dwelling may not be made at any time, for any reason, without a written 24-Hour Notice delivered to the resident.
- 4.12** Owner authorizes Agent to have door locks rekeyed at Owner expense at the beginning of each new tenant occupancy. Locks will be rekeyed to one key for all locks when possible. (Maximum 1 time per year). Owner authorizes Agent to repair/replace smoke alarms and/or carbon monoxide detectors as required by law.
- 4.13** Owner authorizes Agent to refund tenant's security deposit in a timely manner, within 31 days, as required by law or the Agent must notify the tenant in writing within 30 days of reason(s) for withholding any portion of refundable amount of security deposit.
- 4.14** Agent is granted the exclusive authority to inspect and accept the premises from the tenant at the end of the tenancy. In the event that the tenancy terminates before the date to which rent has been paid by the tenant, and that rent has been paid to Owner under the terms of this agreement, owner agrees to return to Agent the amount Agent deems the tenant should be reimbursed. Agent's interpretation of the rental agreement, the Oregon Residential Landlord Tenant Act and the extent of reimbursement

for which the Owner should be responsible, shall be the decision of the Agent. If Owner disagrees with Agent's interpretation, Owner agrees to assume all risks which may arise out of substituting Owner's own interpretation for that of the Agent. Owner agrees to hold Agent harmless from all of the consequences of utilizing the Owner's interpretation, including, but not limited to, damages, compensation for time spent in litigation, arbitration, or mediation and attorney fees and other expenses incurred in defending Agent.

- 4.15** Agent and Owner both agree that it cannot be expected that the property will be returned at the end of the rental term in exactly the same condition as when it was initially placed on the rental market. There will undoubtedly be wear and tear caused by normal use of the property by tenants. Owner can only expect to be reimbursed by tenants for damage which is above and beyond normal wear and tear.

5. COMPENSATION:

- 5.1** It is Agreed Owner shall pay a one-time set-up fee of \$200.00.
- 5.2** It is agreed Owner shall pay Agent the sum of 10% of the gross collected rents or a minimum of \$70.00 per unit when Premises is occupied or 12% if property has acreage. Agent is entitled to 100% of all application fees, credit check fees, NSF fees, late charges, and any similar fees.
- 5.3** Owner agrees that Agent may charge tenants application fees, late fees, "locked-out" service call fees, non-compliance fees and a service charge for all returned checks. These fees shall entirely belong to Agent and compensate Agent for service fees and accounting expenses.
- 5.4** Owner shall deposit the sum of \$200.00 as a reserve fund. If at any time funds are insufficient to pay expenses, Owner will be notified and Owner shall remit funds within five days or as soon as is necessary.
- 5.5** If a lease buy-out fee is paid by the tenant, Agent shall be entitled to the sum of 25% of the lease buy-out fee. Capital improvements performed by Agent with permission from owner will be subject to a 25% of invoice fee.
- 5.6** Rents are collected from the 1st through the 6th of each month. Owner's Distribution checks and statements are processed no later than the 15th of that month and mailed or deposited.

Please choose one below:

- _____ 1) Direct Deposit funds in excess of reserve to:
(Free of Charge – complete Direct Deposit Authorization form)
- _____ 2) Send all funds in excess of reserve to Owner at Owner's address listed below.
Street Address: _____
City/State/Zip: _____
- _____ 3) Hold all funds in Owner's Client Trust Account until notified otherwise.

Agent does not assume any damages for late payments on loans or mortgages due to late tenant payments.

ATTORNEY FEES

In the event of civil action to enforce or define this agreement, the prevailing party shall be awarded reasonable attorney fees specified by the court, including fees accumulated for searching records, cost of reports, fees in the event of an appeal and any other similar fees.

WRITTEN NOTICE

Any notice shall be deemed given when mailed by first class by U.S. Mail to Owner at:

and the Agent at _____.

ASSIGNMENT: This agreement shall not be assigned or modified except in writing and signed by all parties. This Agreement shall be binding upon the successors and assignors of Agent and upon the heirs, executors, administrators, successors, and assignors of Owner.

Dated: _____

Owner Signature

Dated: _____

Owner Signature

Dated: _____

Agent