



PROPERTY MANAGEMENT AGREEMENT

Property Owner Contact Information	
Name(s):	Joe Smith_testing, LLC
Property Address(es):	123 Main Street, Unit 7 Portland, Oregon 97214
Owner 1 Email:	noemail@none.com
Owner 2 Email:	
Owner 3 Email:	
Owner 1 Telephone:	(777) 888-9999
Owner 2 Telephone:	
Mailing Address where owner(s) Resides:	987 2nd Street Portland, Oregon 97412

This Property Management Agreement (“Agreement”) is entered into as of **May 24, 2019** (“Effective Date”) by and between **Joe Smith_testing, LLC** (“Owner”), and **PropM, Inc.** a Limited Liability Company (“Manager,” together with Owner, “Parties”) for management of **123 Main Street, Unit 7 Portland Oregon 97214**, (“Property”).

RECITALS

WHEREAS, the Owner is the owner of the managed Property and there are no other undisclosed owners of the property; and

WHEREAS, the Owner wishes to engage the Manager as manager of the Property on the terms and conditions set forth below; and

WHEREAS, the Manager wishes to provide management services as defined below in accordance with the terms of this Agreement; and

WHEREAS, each Party is duly authorized and capable of entering into this Agreement.

NOW THEREFORE, in consideration of the above recitals and the mutual promises and benefits contained herein, the Parties hereby agree as follows:

1. APPOINTMENT; ACCEPTANCE.

The Owner hereby appoints the Manager as its exclusive management and leasing agent of the Property. The Manager accepts the appointment and shall professionally oversee the operation, rental, leasing, and



periodic maintenance of the Property. Owner agrees to keep Property and its appliances in good working condition free from roof leaks, mold, etc. Both Parties agree on the terms and conditions below.

2. ADDITIONAL AGREEMENT TERMS.

The Parties hereby agree to the following additional terms:

N/A

3. MANAGER'S AUTHORITY; OBLIGATIONS.

- (a) Authority. The Owner expressly authorizes and empowers the Manager to do any and all lawful things necessary for the fulfillment of this Agreement including, but not limited to, the following:
- (1) collect all rents issuing from the Property as they become due and to disburse funds by ACH Deposit or as instructed by the Owner on or about the **10th day** of the current month; provided that the rent has been received by the 4th at midnight from the tenant; provided, further, that the Manager does not guarantee the collection of rents; (some circumstances are unavoidable, such as death, illness, divorce)
 - (2) deposit all funds collected on the Owner's behalf (less any sums deducted pursuant to this Agreement or otherwise) in one or more accounts (the "Trust Accounts") at a duly qualified national or local banking institution, separate from the Manager's own accounts; provided, however, that the Manager shall not be held liable in the event of a bankruptcy or failure of the depository;
 - (3) refund tenants' security deposits within the required 31 days after lease expiration;
 - (4) collect late fees, past due charges and NSF fees from tenants.
 - (5) Fees retained by Manager may include but are not limited to late fees, NSF fees, application fees, non-compliance fees, check processing fees, etc.
 - (6) execute and serve, in the Owner's name, such notices and demands on delinquent tenants as the Manager may deem necessary and proper; provided however that Manager is not liable for the failure of a tenant to vacate the Property on time.
 - (7) institute, settle, or compromise, in the Owner's name, any legal action and make use of such methods of legal process against a delinquent tenant or a delinquent tenant's property as may be necessary to enforce the collection of rent or other sums due from said tenant, to enforce any covenants or any conditions of any lease or month-to-month rental agreement, and to recover possession of all or any part of the Property; provided however, that no other form of legal action shall be instituted and no settlement, compromise, or adjustment of any matters involved therein



shall be made without the prior written consent of the Owner, [except when the Manager determines that immediate action is necessary];

- (8) purchase all necessary supplies, make contracts for or otherwise furnish electricity, gas, fuel, water, telephone, window cleaning, garbage collection, pest control, and any other utilities and services required for the Property's operation; with Owner approval; provided however, that Manager is not providing a guarantee, nor warrants the contractor or service provider(s) work, and that Managers responsibility is to use reasonable efforts to hire qualified service providers; and that Manager is not liable for the failure of the hired providers to perform their service.
- (9) make or cause to be made and supervise necessary repairs and alterations of the interior, exterior, and landscaping of the Property; provided, however, that expenditures for repairs, alterations, decorations, or furnishings in excess of **\$250** shall not be made without the Owner's prior written consent, except (i) in case of emergency, (ii) if the Manager in good faith determines that such expenditures are necessary to protect the Property from damage, to prevent injury to persons or loss of life, or to maintain services to tenants, or (iii) if the expenses are monthly or recurring; and that Manager is not providing a guarantee, nor warrants the contractor or service provider(s) work, and that Managers responsibility is to use reasonable efforts to hire qualified service providers; and that Manager is not liable for the failure of the hired providers to perform their service.
- (10) hire and discharge all labor and employees required for the operation and maintenance of the Property. As a professional property management company, we will not get bids for owners on projects less than \$1,500.00. We have experienced vendors who do quality work at fair prices. If you would like us to obtain bids, there is a \$100 minimum charge for scheduling and receiving a maximum of three (3) bids.
- (11) advertise the Property and any vacant units therein by all reasonable means, including the placement of "For Rent" signs or other signs on the Property in accordance with applicable laws, regulations, ordinances, restrictions, and Owners' association rules.
- (12) cause references of prospective tenants to be investigated, and to approve new tenants based on rental criteria permitted by applicable law, including job security and creditworthiness;
- (13) execute and enter, on the Owner's behalf, into **Fixed Term** tenancies of units and to negotiate all extensions and renewals of such **Fixed Term** tenancies and leases thus binding Owner to the terms of the lease agreement(s); provided, however, that the Manager shall not, without the Owner's prior written approval, enter into any lease agreement that has a term of less than **Twelve (12)** months or more than **Eighteen (18)** months;
- (14) terminate leases, negotiate lease terminations, and sign and serve such notices of termination as the Manager deems necessary;



- (15) duplicate keys and access devices. To facilitate convenient and efficient showings, cleanings, maintenance, emergencies and more, we require four (4) sets of keys to be provided to manager in person or via mail once agreement is executed. If no keys are provided, Manager has the approval to order four (4) sets of keys at owners cost via mobile locksmith services;
 - (16) complete and sign any lead-based paint/hazards certification on behalf of the Owner;
 - (17) make concessions, including rental concessions, as an inducement to prospective tenants to occupy a unit on the Property; with Owners approval;
 - (18) perform any other necessary services related to the leasing and/or management of the Property;
 - (19) renters are required to have renter's insurance.
- (b) Obligations. During the term of the Agreement, the Manager agrees to:
- (1) use due diligence in the performance of its services under this Agreement;
 - (2) make reasonable efforts to lease any available units at the Property, and to negotiate with prospective tenants;
 - (3) Manager will not rent Property for less than the initial advertised agreed upon value without express, written consent from the Owner.
 - (4) maintain accurate records of receipts, expenses, and accruals to the Owner in connection with managing the Property;
 - (5) provide the Owner with a **Monthly** accounting (in electronic format) of rents received and expenses paid in the form of itemized financial statements, which statements shall, at a minimum, include (for the relevant period) the amount of security deposits received or refunded, the amount of rent or receipts, itemized by unit, an itemized description of disbursements, and end of the period balance of the Trust Accounts; and
 - (6) remit all income, less any disbursements and accruals for future expenses, or amounts otherwise deposited in the Trust Accounts, to the Owner.
 - (7) continuously maintain a **Property Management** license in the state of **Oregon**; and
 - (8) utilities to be paid by tenant while in tenancy and by Owner while vacant. Manager has no responsibility in paying utilities whether Property is occupied or unoccupied.



4. OWNER'S OBLIGATIONS.

The Owner shall:

- (a) Exclusive Right. Give Manager exclusive right to screen and approve or disapprove prospective tenant(s).
- (b) Legal Rental Unit. Warrant that the unit to be managed is a legal rental unit and rental of same will not be in violation of any rules, laws, or ordinances. Owner(s) agree to indemnify Manager in the event that the unit managed is not a legal rental unit or is in violation of any rules, codes, ordinances or laws.
- (c) Provide Access. Provide 4 sets of all necessary keys for Property or you approve Manager to have 4 sets made at Owner's cost of \$75.00. Give of all keys, garage door openers, entry codes, leases, and rental agreements to the Manager;
- (d) Taxes and Liens. Owner will pay taxes on Property. No liens against Property.
- (e) Taxes and Mortgage. Pay all taxes and mortgage payments on the Property. Owner ensures this Property is current with mortgage payments and taxes.
- (f) Facilitation. Cooperate with the Manager in carrying out the purposes of this Agreement, and to facilitate the showing, marketing, and lease of the Property;
- (g) Records. Provide all documentation and records required by the Manager to manage and operate the Property, including all known facts that materially affect the value of the Property;
- (h) All Prospects Managers. Once contract is signed, Owner may not rent Property on their own. All rental prospects must be directed to PropM, Inc., whether contact to prospect was made prior to the signing of agreement or not. All rental prospects must follow PropM, Inc. processes and all funds relating to tenancy (security deposits, rents, etc.) must be held by PropM, Inc. for the duration of this agreement. Owners may not accept funds of any kind from tenants (application fees, rents, security deposits, etc.);
- (i) Communications with Tenant(s). Owner shall direct all communications through Manager. Manager is not responsible for any communications or liability from Owner / Tenant communications.
- (j) Sale or Lease Notice. Inform the Manager before conveying or leasing the Property;
- (k) Insurance. Owner agrees to carry, at Owner's expense, adequate public and premises liability, property damage, and hazard insurance, and any other insurance adequate to protect the interests of the Owner and the Manager. Said policy shall name PropM, Inc. on an endorsement as an "Additional Insured – Managers or Lessors of Premises" or its equivalent, in such amounts as



may be required by PropM, Inc. On an annual basis, Owner will provide a Certificate of Insurance establishing said coverage. Both Parties, Owner and Manager, must demonstrate that they each, separately carry liability insurance for a minimum of the market value of the property which is maintained in force throughout the term of this contract and its renewals or extensions.

- (l) Neighborhood Associations. Payments to Home Owners Associations, Condominium Owners Associations will be Owner responsibility.
- (m) Lack of Funds. Pay any late charges, penalties, and/or interest imposed by lenders or other parties caused by a lack of the Owner's funds held by the Manager and available for payment to same parties.
- (n) Reserve Funds. Maintain a minimum balance of **\$500** in reserve with Manager in the Trust Account. In the event the reserve falls below such minimum balance, Owner agrees to deposit funds necessary to maintain the balance or to allow Manager to replenish the minimum balance from the monthly proceeds due to the Owner. Initial reserve amount is due upon signing of this agreement. The reserve will be returned at the termination of the agreement or used against any outstanding balance. The reserve will be accessed by PropM, Inc. to expedite required maintenance and pay for any requested repairs.
- (o) Professional Cleaning. Manager requires professional cleaning of the entire Property prior to tenant occupancy. Owner can instruct PropM, Inc. contracted professional cleaners, or may hire their own to perform the professional cleaning. A "move-in, move-out" checklist will be provided to any professional cleaner detailing specific requirements of their service, and must be returned to PropM, Inc. for verification.
- (p) Lock Replacement. Manager requires re-keying of door locks for security/liability purposes at the termination of each lease at Owners expense. Owner may instruct PropM, Inc. to contract local locksmith or may hire their own to perform the re-key services.
- (q) Defects of Property. Owner is responsible for any and all defects in the Property. Under no circumstance is Manager responsible for repairs regardless if known or unknown. Owner understands mold remediation, septic tank repairs, roof repairs, remodels will be Owner responsibility.
- (r) Third-party Systems & Software. Owner is responsible for maintenance and monitoring of any third-party systems (e.g. Security cameras, alarms, etc.).
- (s) Inherited Tenants. Owner agrees that inherited tenants will receive a full security deposit refund. (With inherited tenants, Manager does not have access to move-in documentation such as photos videos and walk-through check lists to allow proper processing of security deposits.)

5. REIMBURSEMENT OF EXPENSES.



The Owner will promptly reimburse the Manager for the following expenses related to the leasing or management of the Property:

- (a) express, or certified mail charges; (If necessary)
- (b) any other expenditures the Manager is authorized to make under this Agreement for the Owner or that Owner otherwise authorizes the Manager to make on the Owner's behalf.

6. TERM.

- (a) Primary Term. This Agreement shall become effective as of the date of signature and, unless otherwise terminated in accordance with the provisions of Section 10 of this Agreement, will continue for an initial period of **12 Months**, from the start of the tenant lease agreement (the "Initial Term").
- (b) Automatic Extension. Unless either Party provides written notice of termination pursuant to Section 10 of the Agreement at least **30 days** before the expiration of the Initial Term, the Agreement will extend automatically for an additional **12-month term** until such time as either Party terminates the Agreement by providing at least **30-day** notice to the other Party. In accordance with the **Oregon** Unlawful Trade Practices Act be advised that:

EACH TERM SHALL AUTOMATICALLY RENEW FOR SUBSEQUENT PERIODS OF THE SAME LENGTH AS THE INITIAL TERM UNLESS EITHER PARTY GIVES THE OTHER WRITTEN NOTICE OF TERMINATION AT LEAST THIRTY (30) DAYS PRIOR TO EXPIRATION OF THE THEN-CURRENT TERM.

Express Consent is required for the automatic renewal provision:

By:
 Name: Joe_test Smith_Test
 Title: Owner

Date:

7. COMPENSATION.

- (a) Onboarding / Commitment Fee. Manager shall receive \$250.00 as a commitment to our partnership with a goal of renting the Property at or above market rates to a qualified Tenant(s).



- (b) Management Fee. The Manager shall receive a management fee equal to **8%** of the gross rental receipts collected **Per Unit Per Month** from the operation of the Property, or **\$100**, whichever is greater. "Gross rental receipts" are defined as monthly rental income, including pet rent, parking and storage rent. Any such monies due to the Manager hereunder shall be paid to the Manager on or about the **6th day** of each month. These charges will be due whether the Property is leased by Manager, the Owner, or any third party during the term of the Agreement.
- (c) Tenant Placement Fee. For any lease agreement, a charge of **50%** (minimum fee of \$750) is due from the tenants first month rent. These charges will be due whether the Property is leased by Manager, the Owner, or any third party during the term of this Agreement.
- (d) Tenant Transfer Fee. For any properties with an existing tenant, a \$150.00 transfer fee will be due for services required when adding new tenants to our systems. Owner must provide documentation of existing tenants, including previous tenant ledgers, application results, Social Security numbers, driver license copies, move-in reports, etc.
- (e) Initial Inspection. A general walk thru to proactively identify any areas of concern or areas which may need attention and/or suggestions to keep happy tenants and your property in normal working condition.
- (f) Annual Property Check. **\$ 125.00** fee per inspection. Within the first six months of a new lease, Manager will perform a walk-through of the Property to inspect for violations of the lease agreement and for any damage to the premises. Damage will be documented with photographs and/or video if necessary.
- (g) Move-Out Inspection. Manager will perform a move-out inspection upon tenant vacating. Owners should expect normal wear and tear on their Property. Please refer to the contract addendum "Owners Normal Wear and Tear Addendum" for reference. Manager is not liable for any damage or normal wear and tear to the Property.
- (h) Recovery of Expenses. Termination of this Agreement by the Owner prior to Manager finding a suitable tenant, or if Owner decides to rent Property on their own without approval from Manager, will obligate the Owner to reimburse Manager for expenses used to prepare the Property for rent. Actual costs such as photography, sign, marketing, and reasonable time will be billed back to the Owner. Manager will prepare and deliver an invoice to Owner with detailed costs to be due upon receipt.
- (i) Additional Fees. Normal property management does not include providing on-site management services, preparing the Property for sale, modernization, fire, major damage restoration, rehabilitation, appliance pickup/delivery, vendor meetings or appointments, obtaining income tax, accounting, representation before public agencies, counseling, attending Owner's association meetings, or bill payment. If the Owner requests the Manager to perform services not included in normal property management or specified above, a fee shall be agreed upon for these services



before any such work begins. Fees retained by Manager may include but are not limited to late fees, NSF fees, application fees, non-compliance fees, check processing fees, etc.

- (j) Additional Available Services. PropM, Inc., upon request, may provide additional services beyond normal property management for an additional fee.

For services outside the normal scope of 'property management', a minimum fee of \$150.00 will be charged. This includes, but is not limited to, appliance delivery, waiting for repair persons, meeting appraisers, meeting with contractors/obtaining bids for services over \$1,500.00, etc.

- (k) Home Warranty Services. For Properties with a home warranty contract, a fee of \$75.00 will be charged per repair incident that must be processed through a Home Warranty vendor.
- (l) Homeowner Associations. For Properties belonging to a homeowner's association, a small monthly fee will be charged. Manager will work with the association for tenant communication, violations, etc.

Owner will not be charged the monthly HOA fee.

- (m) Lease Renewal. For each lease renewal, **\$195.00** will be due and deducted from Owners distribution.
- (n) Eviction Protection Program. For each living unit managed by PropM, Inc., an automatic monthly charge (amount listed below) will be added to your owner statement, in consideration for which PropM, Inc. will cover costs incurred for an Attorney to process an Eviction for Possession. Eviction Protection Program will cover fees and costs for Eviction for Possession of any lessee or tenant whose tenancy was commenced or placed by PropM, Inc. Program will not cover past due rents, loss of rent or damages to property. With Eviction Protection, the Owner can be assured they will not be hit with unexpected costs of eviction for possession. (Program to include costs up to \$1500.) However, should any lessee or tenant request and be granted a jury trial for any eviction action, or if any lessee or tenant shall assert any counterclaim against Owner or PropM, Inc., Owner shall remain liable for payment of all expenses incurred for such legal action pursuant to other terms of this Agreement.

Owner agrees to \$25 per month charge to participate in the Eviction Program.

- (n) Bill Pay. For each unit managed by PropM, Inc., the amount listed below will be automatically charged to your monthly owner statement, in consideration for which, PropM, Inc., will process vendor bills related to the Property. This includes HOA's, COA's, Landscaping, Utilities, Pool Service, etc. PropM, Inc. is not responsible for late fee's, invoices not received, or misdirected mail service, etc. We do not pay insurance and mortgage bills. Bill Pay Service helps keep your accounting records organized and easy to read for your accountant.



Owner agrees to \$20 per month charge to participate in the Bill Pay Program.

- (o) Rent Ready Work to be Completed. For each unit managed by PropM, Inc., the amount listed below will be due prior to commencing work needed, in consideration for which, PropM, Inc., will assist you with scheduling any work needing to be completed to bring the property up to rent-ready status.

Owner agrees to \$250 charge for Rent Ready Preparation Services.

- (p) Filter Package (Extend the life of your furnace). For each Furnace or HVAC system, 6 filters will be delivered to Tenant(s) of the Property.

6 Filters / \$95 - Owner agrees to the Filter Package charge for 1 system.

- (q) Tenant Welcome Package (Supply tenants with helpful household items). The tenant welcome package consists of products to assist tenant with upkeep of the home such as a plunger, drain hair catchers, picture hanging strips and toilet paper. These packages will vary from time to time based on availability.

Owner approves purchase of the Welcome Package at \$79.95.

- (r) Dryer Duct Cleaning.

Owner approves purchase of professional cleaning of Dryer Duct \$195.00.

8. LIABILITY AND INDEMNIFICATION.

Hold Harmless. Owner shall defend, hold harmless, and indemnify the Manager and Manager's agents/employees from any and all claims, demands, and/or liabilities arising in relation to Manager's management of Owner's real property with the sole exception of intentional torts and/or the grossly negligent acts of Manager and/or Manager's agents/employees. The Owner agrees to hold the Manager harmless from liability for any claims related to property defects, injury on or about the Property that may be suffered by any tenant, guest, or contractor on the Property, or any actions or behaviors on the part of the Owner, his agents **OTHER THAN** the Manager, or assigns that contribute to, cause, or create legal or financial liability, but expressly **DOES NOT** indemnify the Manager, its agents, or assigns, from any actions or behaviors that may cause legal or financial actions to be taken and that are not explicitly performed at the direction of the Owner. Manager also shall not be liable for any error of judgment or for any mistake of fact or law, or for anything that Manager may do or refrain from doing hereunder, except in cases of willful misconduct or gross negligence. If suit is brought to collect Manager's compensation or if Manager successfully defends any action brought against PropM, Inc. by Owner, relating to Property, or Manager's management thereof, Owner agrees to pay all costs incurred by PropM, Inc. in connection with such action, including reasonable attorney fees. The undersigned shall not make any disparaging remarks of any sort or



otherwise communicate any disparaging comments about the Company, entities or persons to any third party at any time following the execution of this Agreement. Company agrees that it shall not make any disparaging remarks about the undersigned to any third party at any time. Should Owner submit a complaint and said complaint is deemed to be denied or false by the governing body where submitted, PropM, Inc. will charge Owner a \$,10,000.00 defamation fee as the submission will remain in the public forum causing damage to PropM, Inc. reputation. PropM, Inc. is always open to discussion to remedy a situation however will not tolerate falsely submitted complaints.

Limitation of Liability. In recognition of the relative risks and benefits associated with both the Owner and Manager, the risks have been allocated such that the Client agrees, to the fullest extent permitted by law, to limit the liability of the Manager to the Owner for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorney's fees and costs and expert witness fees and costs, so that the total aggregate liability of Manager to the Owner shall not exceed 100% of Managers total fee for services rendered. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless prohibited by law, except in cases of willful misconduct or gross negligence.

9. REPRESENTATIONS AND WARRANTIES.

The Parties each represent and warrant as follows:

- (a) Each Party has full power, authority, and right to perform its obligations under the Agreement.
- (b) This Agreement is a legal, valid, and binding obligation of each Party, enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency, moratorium, or similar laws affecting creditors' rights generally and equitable remedies).
- (c) Entering into this Agreement will not violate the charter or bylaws of either Party or any material contract to which that Party is also a party.
- (d) The Parties shall comply with all obligations, duties, and responsibilities under state property law, fair housing and anti-discrimination laws, unfair practices, and any other statutes, administrative rules, ordinances, or restrictive covenants applicable to the use, leasing, management or care of the Property.

The Owner hereby represents and warrants as follows:

- (a) The Owner has fee simple title to and peaceable possession of the Property and all its improvements and fixtures, unless rented, and the legal capacity to lease the Property;
- (b) Owner is the sole owner of the Property and has full power and authority to enter into this Agreement;



- (c) Owner’s name on this Agreement is the same as is shown on the real property records as the owner of the Property;
- (d) There are no written or oral agreements affecting the Property other than disclosed tenant leases, copies of which have been furnished to the Manager.
- (e) There are no recorded easements, restrictions, reservations, or rights of way that adversely affect the use of the Property for the purposes intended under this Agreement.
- (f) The Property is zoned for the intended use.
- (g) All permits for the Property’s operation have been secured and are current.
- (h) The building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders, or the like.
- (i) The building does not contain any mold, asbestos, lead, urea, formaldehyde, radon, or other toxic or hazardous substance and that no unsafe condition exists;
- (j) Any pool, spa, pond, and any required enclosures, fences, gates, and latches comply with all applicable laws and ordinances;
- (k) The Owner is unaware of any condition concerning the Property that materially affects the health or safety of an ordinary tenant.
- (l) All information related to the Property that the Owner provides to the Manager is true and correct to the best of the Owner’s knowledge.
- (m) Owner is not in default with any lender that holds a lien on the Property.
- (n) Owner has Provided Manager a true and complete copy of the instrument under which Owner took title to the property (copy of the deed).

Owner initials _____

10. TERMINATION.

- (a) Termination Procedures. This Agreement may be terminated:



- (1) By the Manager at anytime without prior notice for a material breach of any provision of this Agreement.
 - (2) By the Owner at any time and without prior notice, if the Manager is convicted of any crime or offense, fails or refuses to comply with the written policies or reasonable directives of the Owner, or is guilty of serious misconduct in connection with performance under this Agreement.
 - (3) If the Owner terminates this contract after approved tenant is placed in residence, Owner will owe to Manager remaining monthly management fees for duration of tenant's lease agreement.
 - (4) If the Property becomes vacant during the 12-month lease, PropM, Inc. will use best efforts re-lease the Property.
- (b) Management Fees After Termination. Management fees are not prorated. Upon termination of this agreement, all fees for the month will be collected in full. Following the termination of this Agreement under Termination guidelines, the Owner shall pay the Manager within **10 days** any fees earned under Section 7 hereto for services rendered before the effective date of the termination.
 - (c) Early Termination. If the Owner chooses to terminate this agreement during the first Six (6) months, a Lease Fee equal to one month's rent (\$1,500.00 Minimum), and a \$500.00 photography fee will be due to the Manager.
 - (d) No Other Compensation. The Manager acknowledges and agrees that no other compensation, of any nature or type, shall be payable hereunder following the termination of this Agreement except where funds are received by Manager after termination.
 - (e) Funds Received by Manager After Termination. If the Manager receives any funds on the Owner's behalf after the end of the Agreement (e.g., rent, damages, past due amounts, etc.), the Manager shall (i) retain **8%** of the funds received as compensation for services rendered (i.e., for research, accounting, communicating, and processing) at that time and (ii) pay the balance of the amount received to the Owner. Security Deposit(s) are to be used 100% for the repair, replacement and alike for the Property. Manager does not keep or retain any part of security deposit.
 - (f) Owner Responsible for Further Payments. After termination of the Agreement, the Owner shall assume the obligations of any contract or outstanding bills incurred by the Manager under this Agreement. The Manager may withhold funds for **45 days** after the end of the month in which the Agreement is terminated in order to pay bills that were previously ordered but not yet invoiced or received, and to close accounts. The Manager shall deliver to the Owner, within **45 days** after the end of the month in which the Agreement is terminated, any balance of monies due to the Owner or tenant security deposits, or both, that were held by the Manager with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination or withdrawal.



- (g) Professional Photos. After termination of the Agreement, the Owner may purchase the professional photos and video tour of the home(s) for a fee of \$500.00 per unit.
- (h) Key Return. A \$35 fee plus postage will be charged to Owner when necessary to mail keys, fobs or openers to Owner.

11. MODIFICATION.

No amendment, change, or modification of this Agreement shall be valid unless in writing and signed by both Parties.

12. ASSIGNMENT.

The Owner may assign this Agreement freely, in whole or in part. The Manager may not, without the written consent of the Owner, assign, subcontract, or delegate its obligations under this Agreement; provided, however, that the Manager may transfer the right to receive any amounts that may be payable to it for its services under this Agreement, which transfer will be effective only after receipt by the Owner of written notice of such assignment or transfer.

13. SUCCESSORS AND ASSIGNS.

All references in this Agreement to the Parties shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Agreement shall be binding on and shall inure to the benefit of the successors and assigns of the Parties.

14. NO IMPLIED WAIVER.

The failure of either Party to insist on strict performance of any covenant or obligation under this Agreement, regardless of the length of time for which such failure continues, shall not be deemed a waiver of such Party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.

15. **NOTICE.** Any notice or other communication provided for herein or given hereunder to a Party hereto shall be in writing and shall be given in person, by overnight courier, by mail (registered or certified mail, postage prepaid, return-receipt requested), as attachment via the online Owner Portal, or by email to the respective Parties as follows:

If to the Owner:



Joe_test Smith_Test &
987 2nd Street
Portland Oregon 97412
noemail@none.com

If to the Manager:

PropM, Inc. Headquarters
18676 Willamette Drive Suite 100
West Linn, Oregon 97068
info@PropMHomes.com
(888) 780.2938

16. GOVERNING LAW.

This Agreement shall be governed by the laws of the state of **Oregon**. In the event that litigation results from or arises out of this Agreement or the performance thereof, the Parties agree to reimburse the prevailing Party's reasonable attorneys' fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing Party may be entitled.

17. COUNTERPARTS/ELECTRONIC SIGNATURES.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Agreement, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

18. SEVERABILITY.

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed, and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provisions had never been contained herein.

19. ENTIRE AGREEMENT.

This Agreement constitutes the final, complete, and exclusive statement of the agreement of the Parties with respect to the subject matter hereof and supersedes any and all other prior and contemporaneous agreements and understandings, both written and oral, between the Parties.

20. HEADINGS.

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

Initials _____

PMA-059198



IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

OWNER

By:
Name: Joe_test Smith_Test
Title: Owner

Date:

% of Ownership:

MANAGER

PropM, Inc.

By:
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Title: Licensed Property Manager

Date: /d6

SAMPLE



Thank you for choosing PropM. We appreciate your trust in us. Some realities of owning investment property we want you to be aware of:

- ✓ **As an Investment Property Owner**, there are annual turnover and maintenance costs an investment owner will incur. We have high expectations of our owners, and their willingness to trust us and our professional abilities, which will absolutely minimize troubles and maximize revenues.
- ✓ **I will allow PropM, Inc to make professional judgements** on my/our behalf and make financial decisions under **\$250** without my/our approval. PropM, Inc will make professional judgements in your best interest as our extensive experience allows us to make the best overall decision for circumstances that will arise. Our decisions will not necessarily be the least expensive solution; however they will be the best decision for the overall well-being of the owner, property and tenant, with costs in mind. We don't believe in taking short cuts, we believe in fixing the problem the correct way, the first time.
- ✓ **All our homes, unless not applicable, must include basic landscaping services** such as mowing, edging, weed control and cleaning up the flower beds on a consistent basis, either weekly or every other week. We will include the cost of landscaping into the rent. This will pay dividends year after year when it is time to re-rent as your property will command higher rents than the tenant kept yards.
- ✓ **When returning Security Deposits to tenants**, we will video tape before they move in, and after they surrender possession of the property. There will always be items which need to be renewed, re-freshed, replaced, re-painted or repaired. Many of these items will be at the owner's cost. Normal wear and tear covers a wide ranging legal opinion and tenants will be responsible for items they damage. This is an area where you will also have to trust us to make the best decision for you. Taking care of these items quickly and correctly will get the unit back in great shape, ready for top rents once again.
- ✓ **The management cost to you, the owner, is based** on a percentage (%) of rent. When rent decreases, the management fee also decreases. When rent increases, the management fee increases. Increasing rents will benefit both of us. The fee we charge continues at the same agreed upon percentage (%), however the dollar (\$) amount increases for both of us. We pride ourselves on making you more money, and ultimately us too. We always work to get you top market rents. Ex: 8% of \$100 = \$8 while 8% of \$1,000 = \$80.
- ✓ **Paying Bills and Utilities for you.** We are happy to offer this as an additional service if you choose. It is well worth it come year end to have your bills presented nicely on all your monthly statements for your CPA. We offer this at very reasonable prices.
- ✓ **Tenant Utilities** For properties where meters are shared by multiple units, utility charges must be a flat rate charged to tenants as it is impossible to 100% accurately charge tenants for split water bills and other split utilities.

Thank you, we look forward to finding great tenants for you and your property.



Your Property Needs to be Rent Ready and Market Ready

As an investment property owner, first congratulations on owning an investment property. A market ready property will achieve the highest market rents and achieve the highest return on your investment.

“Rent/Market Ready” means the property has been cleaned, repaired, or remodeled and that it’s in rent-able condition for new tenants. Here is a helpful list of required items. If you are not able to have these items completed, ask us, we have several vendors who offer fair prices and would love the work.

- 1. Locks / Codes and Re-keying:** Change the Garage Door and Alarm Codes. Re-key all doors inside and out. Include other locks too while you are having this completed, mailboxes, side gates, outdoor sheds. Re-keying and recoding locks makes old keys unusable – which is important as it reduces liability and provides peace of mind to all parties, renters, owners and managers. Please also have available all HOA-issued gate remotes and codes, plus keys and codes to any community pools and fitness centers.
- 2. Professionally Clean the Carpets.** Professional cleaning is must, this is from a truck mounted system, not a rental Rug Doctor. It’s important for when the tenants move out as we ask the same of them.
- 3. Spruce up the yard.** Cut the grass, trim the bushes, prune the trees, pull the weeds, fix broken sprinkler heads, replace dead or dying shrubbery, and add some new flowering plants (if it’s the season) to flower beds. Remove flower pots, yard furniture and garden decorations; and don’t forget to spray any dirt from the cracks in the sidewalks and patio. You want the yard to start off looking great for the photos/video for advertising purposes and for the new tenants. We have the same expectations of the tenant when they vacate. Most annual rentals will include yard service, which is figured in to market rent.
- 4. Change the Air Filters.** Change all air filters, clean the vents and surrounding ceiling area. Replace any reusable air filters with disposable ones, maybe even leave a case of filters for your tenants, they are affordable and well worth keeping your system in good shape. Disposable air filters don’t require monthly cleaning, you just replace them. This is important for the health of your HVAC system. We will require the tenants to keep them changed in order to keep your equipment running well.
- 5. Get a Professional top-to-bottom Interior Cleaning,** it’s worth it. We find owners and tenants often get real serious about cleaning the house on their own, then after a time it becomes less exciting and the quality of work trails off quickly. It’s just better and easier to hire a professional house cleaner who has a small team to come in and clean everything. Tenants expect their rental property to be clean for move-in, so have the property professionally cleaned. Professional cleaners can get every area of your property clean – from scrubbing the baseboards to cleaning out the refrigerator, drawers and all appliances.
- 6. Bright is Better.** Outside lights that don’t need to be replaced, wipe-down the post and globe from dirt and debris which can make these lights dimmer; when it comes to outside security, brighter is better. Blinds, window coverings and the like, please make sure they are clean and functioning properly.



7. **Inspect Ceiling Fans.** Make sure all fans operate properly and are dust-free. Consider replacing older ceiling fans and adding light kits.
8. **Clean away all Webs (cob and spider).** Clean all indoor webs that may hang in corners and walls. On the outside, clean all webs that may be near doors, overhangs and lights.
9. **Clean Windows and Sliding Glass Doors.** Windows and sliding glass doors can easily build up dirt and finger prints. A good cleaning will not only let in more light but will also make the home seem brighter and larger. Having windows cleaned if they haven't been done in some time is well worth it. Make sure all windows are opening, closing and locking properly.
10. **Repair or Replace screens.** Holes in screens can allow pests into your rental property and make it look not cared for, in addition to not being very inviting or visually pleasing. Repairing or replacing screens may save you money (less visits from your pest-control company) and give you peace of mind and make for happier tenants (and higher rents).
11. **Pest Control.** A regular pest service is preferred versus waiting until pests are discovered. Often you can sign up for quarterly service, this helps protect the quality of your home. Hire a professional to do this versus you buying and spraying yourself.
12. **Paint, Repair and Fix.** Fix any holes in the walls and sand before applying a fresh new coat of paint. Never touch up in the middle of a wall - if your paint is more than a few months old, your touch ups will not match as paint fades. You want to paint from corner to corner on any particular wall versus touch ups in the middle of a wall. This helps in achieving top rents and visually looks better. Repair or replace any carpet that shows signs of damage or doesn't appear clean or has spots. Replace damaged or cracked tiles and grout. If any appliances or devices in the home are unavailable for use of the tenant, make sure we are notified so we may include this in the lease.
13. **Safety.** Make sure smoke detectors and carbon monoxide detectors in place and working with fresh batteries. You should have carbon monoxide detectors on each level if you have gas appliances, fireplace or an attached garage. Smoke detectors are required in all bedrooms and on each level of the home. Make sure all appliances are working and secured to prevent tipping causing damage to the home, appliance or tenants.
14. **Hot & Cold Furnace and AC.** Make sure your heating and cooling unit has been serviced recently and is working properly and has fresh new filters installed.
15. **Remove Personal Belongings.** Be sure to remove all personal items and belongings. This includes, but is not limited to, indoor plants, household items, cleaning supplies, yard care items including lawnmowers, and all furniture. Manager will not be responsible for any items left at the Property.