



- F. To collect rent, security deposits, screening fees, late fees, carpet cleaning fees (if applicable) and other charges where applicable, and to issue receipts as necessary;
- G. To deposit all receipts collected for Owner in a client trust account with a banking institution insured by the FDIC;
- H. Manager is instructed by Owner to retain all refundable security deposits in a client trust account and disburse funds in accordance with the rental agreement. Manager shall deposit and retain all conditionally refundable security deposits, in a client trust account with a banking institution insured by the FDIC, until allocated and disbursed according to the terms of the tenancy and in accordance with applicable laws and the terms of the rental agreement or at the termination of this Agreement;
- I. To terminate tenancies and to sign and serve for Owner such notices as Manager deems appropriate;
- J. To commence legal actions or collections in the name of Owner to evict tenants and recover possession of the premises and to recover rents and such sums due and to settle, compromise and release such actions. All expenses of litigation, including costs and attorneys' fees shall be paid by Owner. Manager may select a qualified outside provider of its choice to handle such litigation;
- K. To reinstate tenancies when appropriate;
- L. Manager shall have the sole and exclusive authority to determine what expenses shall be paid and disbursements made in the event insufficient funds are available to pay all amounts currently due. In no event shall Manager be required to use its funds to pay any of the obligations of Owner. Nonetheless, if Manager elects to advance funds to pay any expenses of Owner, such advance shall be considered a loan subject to repayment with interest accruing at the rate of eighteen-percent (18%) per annum, and Owner hereby agrees to reimburse Manager, including interest, and Manager is hereby authorized to deduct such amounts from any moneys due Owner. Manager may choose to disburse funds to itself to pay fees and other amounts owed to Manager prior to paying invoices from other creditors;
- M. To make inspections of the Property consistent with applicable laws and as deemed necessary and appropriate in the sole discretion of Manager;
- N. To purchase and pay for necessary and reasonable supplies, the costs of which will be reimbursed by Owner as detailed in **Section IX(E)** of this Agreement;
- O. To execute contracts, in Owner's name, for utilities and services for the operation, maintenance and safety of the Property, as Manager shall deem necessary and appropriate, in its sole discretion. This does not mean that Manager is responsible for payment of any debt incurred by Manager on behalf of Owner;
- P. To employ, supervise and discharge all labor as necessary for the operation and maintenance of the Property. In such event, all employee compensation, taxes, insurance and other benefits plus payroll bookkeeping costs shall be paid through Manager's central payroll account. The funds reasonably required for such payroll and other benefits shall be reimbursed from Owner's client trust account, as Owner shall be liable for all costs related to such employees. Costs of employees working at

- multiple properties will be apportioned on an hourly, pro-rata basis. This paragraph applies only to multifamily properties containing \_\_\_\_ units or more;
- Q. Not later than one (1) calendar day following termination of this Agreement, Manager shall notify each tenant that the Management Agreement has been terminated, that the security deposits will be transferred to Owner or to a new manager and Manager shall provide tenants with the address and telephone number of Owner or a new manager;
- R. To provide to Owner, within sixty (60) days after termination of this Agreement, all unobligated funds and a final accounting and copies of all necessary or agreed upon documents which may be reproduced by Manager in accordance with its schedule of fees and charges;
- S. To comply with all requirements of the law applicable to landlords or to advise Owner so that he/she may act as necessary to comply therewith;
- T. To maintain the Property in good repair, local codes and any other applicable laws of this state or its subdivisions. This includes, but is not limited to, cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair as may be necessary subject to limitations imposed by Owner in writing in advance. Expenses associated with maintenance and repair shall be paid out of Owner's client trust account;
- U. To manage the Property in accordance with standards of reasonable care and diligence and to furnish the services of its organization for the management and operation of the Property;
- V. If this Agreement pertains to more than one property or if Owner and Manager have entered into one or more other agreements under which Manager is managing property for Owner, Manager is authorized to transfer funds from the ledger of one such property to the ledger of another such property for the purpose of prompt payment of any indebtedness authorized by this and/or any other management agreement between Manager and Owner;
- W. Upon termination of this Agreement by either party, and unless directed otherwise in writing by Owner, Manager shall, in a timely manner, deliver all refundable security deposits to Owner;
- X. To disburse funds in the Owner's client trust account to Owner on the last day of each month to the extent those funds exceed the sum of Advances required per Paragraph X, below, of this Agreement, any other amounts held back per written instruction from Owner and prepaid rent to the extent it exceeds the management fee applicable to that month's rent. In any case, funds shall not be disbursed until the availability of those funds has been verified by the financial institution on which a check is drawn or fourteen (14) days after the check is deposited, whichever comes first;
- Y. In those cases where pets are allowed by written authorization of Owner, Manager will be responsible for collecting additional refundable deposits and/or nonrefundable fees as expenses and market conditions determine;

- Z. In the event of any remodeling, repairs or rehabilitation, Manager is authorized to select colors, fabrics and materials for any such work unless directed otherwise in writing by Owner;
- AA. Manager shall make payments on mortgage principal and interest and insurance and taxes subject to the limitations expressed in Paragraph III(I), below; and
- BB. In all respects, Manager is authorized and obligated to conform the management of the Property to the applicable law and rules enacted or promulgated after the date of this Agreement, with or without Owner's consent.
- III. **Duties of Owner.** Owner accepts and agrees to perform the following duties:
- A. Reimburse Manager for all payroll expenses including taxes and insurance. This paragraph applies only to multifamily properties containing \_\_\_\_ units or more;
- B. Remit any excess of disbursements and charges over receipts to Manager within ten (10) days of written notice advising Owner of the amount of the deficiency;
- C. Take notice of the condition of the Property and, subject to the availability of funds, establish goals to upgrade and maintain the Property in a manner consistent with the management plan;
- D. Assume the obligation of any contract entered into legally and for the benefit of Owner pursuant to this Agreement;
- E. To pay all expenses incurred by Manager, including without limitation, attorneys' fees for counsel employed to represent Manager, Owner, or both of them in any proceeding, controversy, or suit involving the Property, the ownership, or operation thereof. Nothing herein contained shall require Manager to employ counsel to represent Owner in any such proceeding or suit. In this regard, Owner agrees to indemnify, defend and save Manager harmless from all claims, investigations and suits with respect to any alleged or actual violations of state, federal, city or county labor laws. Owner's obligations under this paragraph shall include payment of all settlements, judgments, demands, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expenses and attorneys' fees. However, protection is not afforded by applicable insurance coverage where the claim is based upon the willful negligence of Manager or its employees;
- F. To indemnify, defend and save Manager harmless from all suits in conjunction with the Property and from liability for damage to property and injuries to or death of an employee or other person whomsoever;
- G. Owner agrees that Manager does not assume and is given no responsibility for compliance of the Property or any equipment therein with the requirements of any statute, ordinance, law, or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify Owner promptly or forward to Owner promptly any complaints, warnings, notices or summonses received by Manager relating to such matters. Owner represents that to the best of his/her knowledge the Property and equipment comply with all such requirements and authorizes Manager to disclose the ownership of the Property to any such official

and agrees to indemnify and save harmless Manager, its representatives, servants and employees, of and from all loss, cost, expense and liability whatsoever which may be imposed on them by reason of any present or future violation or alleged violation of such laws, ordinances, statutes or regulations;

- H. In the event it is alleged that the Property or equipment therein or any act or failure to act by Owner with respect to the Property or the sale, rental or other disposition thereof fails to comply with, or is in violation of, any of the requirements of any constitutional provision, statute, ordinance, law or regulation of any governmental body or any order or ruling of any public authority or official thereof having or claiming to have jurisdiction there over, or any court, and Manager shall have the right to cancel this Agreement at any time by serving written notice to Owner of its election to do so, which cancellation shall be effective upon the service of such notice. Such notices may be served personally or by U.S. Postal Service, on or to Owner named in this Agreement, and, if served by U.S. Postal Service, shall be deemed to have been served when deposited in the mails. Such cancellation shall not release the indemnities of the parties set forth herein and shall not terminate any liability or obligation of Owner to Manager for any payment, reimbursement or other sum of money then due and payable to Manager here under;
- I. Manager shall have no liability for failure to make a payment on a loan, taxes, insurance or assessments unless collected funds are on hand in ample time and Manager has been given a notice, billing statement or payment coupon for that specific payment;
- J. Owner agrees to carry, at his/her own expense, public liability insurance, naming Owner and Manager in a form adequate to protect their interests and in form, substance and amounts reasonably satisfactory to Manager, and to furnish Manager a certificate evidencing the existence of such insurance;
- K. Owner further agrees that Manager shall not be liable to Owner for any damages caused by tenants or others to either interior or exterior of the Property. In addition, Owner agrees that cash, checks, and any other medium of exchange used for paying rents, security deposits, etc., are the property of Owner and Manager shall not be liable except in the case of gross negligence;
- L. Owner must notify Manager within twenty-four (24) hours of listing the Property for sale and not less than forty-eight (48) hours prior to any showing of the Property. In addition, Owner must provide Manager instruction on disbursal of tenant security deposits not less than twenty-four (24) hours prior to closing of a sale; and
- M. Owner must notify Manager not more than twenty-four (24) hours after receiving notice of default relating to the Property.

IV. **Repairs and Maintenance.** Manager may make or cause to be made ordinary and reasonable repairs, without the prior written approval of Owner, in an amount not to exceed five hundred dollars (\$500.00), except emergency repairs exceeding that amount, if, in the sole discretion of Manager, such expenditures are necessary to

protect and preserve the Property from damage or to maintain services to the tenant as required by law or this Agreement. Owner shall be notified in writing within seventy-two (72) hours of any emergency repair.

- V. **Disbursements.** Manager is authorized by Owner to accrue and make disbursements from Owner's operating client trust account, such funds as may be necessary to pay contractual mortgage expenses, property taxes, special assessments, operating expenses, repairs, employee expenses, services provided by others to the Property, maintenance of the Property and premiums for hazard and liability insurance and any other insurance required, except as follows:

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VI. **Disclosures.**

A. Owner represents and warrants that:

1. Owner is a legal owner of the Property or is a legal entity, which owns the Property, and has full authority to enter into this Agreement and to employ Manager under the terms of this Agreement;
2. There are no written or oral agreements affecting the management of the Property other than tenant leases, copies of which have been provided to Manager;
3. The building, its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders, or the like including, but not limited to, those relating to hazardous or toxic substances; and
4. To the knowledge of Owner, the building does not contain any asbestos, urea, formaldehyde, radon, or other hazardous or toxic substance and that no unsafe condition exists except as disclosed in writing at the time of this Agreement.

B. Manager represents and warrants that:

1. Manager, from time to time, employs personnel as managers, maintenance workers, clerical and accounting staff. In such event, such personnel shall be deemed, for all purposes, the employees of Manager. Manager shall disclose in writing to Owner, in advance, any planned use of a business to provide services for Owner's property in which Manager has a pecuniary interest; and
2. Manager, from time to time, may outsource maintenance work, as Manager deems appropriate, in Manager's sole discretion. Manager will take no mark up for any such outsourced services.

VII. **Accounts and Reports.** Manager shall prepare and furnish to Owner monthly statements of all receipts and disbursements, not later than the last day of each month.

VIII. **Records Retention.** All original documents required by law shall be retained by Manager for a period of six (6) years after their expiration or such other period as

mandated by law. At the end of such retention period, Manager may destroy or otherwise dispose of all such documents.

- IX. **Compensation.** Manager shall be compensated for its services according to the following schedule:
- A. On the 25th day of each month, Manager shall take a management fee in the amount of ten-percent (10%) of the monthly gross receipts from the operations of the Property during the period this Agreement remains in full force and effect, subject to a minimum fee of sixty dollars (\$60.00) but not to exceed one hundred sixty dollars (\$160.00) per month whether the Property is occupied or not. If sufficient funds are not available to entirely pay Manager's fees per the schedule provided herein, Manager shall be entitled to take any or all such fees immediately upon collection of funds by the bank and deposit in the Owner's operating client trust account;
  - B. Manager shall take rental placement fees in the amount of fifty-percent (50%) of the stated full month's rent per unit rented, subject to a minimum of five hundred dollars (\$500.00) per unit, payable upon Manager's collection of the first month's rent;
  - C. Manager will charge Owner and Owner agrees to reimburse Manager for newspaper advertising at the contract rate of minimum 600 line per year;
  - D. Manager shall retain, in addition to all other compensation described herein, screening fees charged to prospective tenants, late fees, NSF fees, lease modification fees, violation fees, advertising rebates, repair costs, and banking fees. All such fees shall be paid directly to Manager and taken by Manager when received;
  - E. Owner shall reimburse Manager for all out-of-pocket expenditures including but not limited to bank fees and service charges, postage, copying, supplies, telephone, facsimiles or other expenditures reasonably incurred by Manager in the course of carrying out Manager's duties under this Agreement;
  - F. If this Agreement is terminated during the term of a rental or lease agreement because of the sale of the Property, Manager shall be entitled to all fees, which would have been earned during the current term of the rental or lease agreement. If the Property is occupied under a month-to-month tenancy, Manager shall be entitled to an amount not less than three times the monthly management fee for the Property. Any and all such fees owed to Manager shall be immediately due and payable upon termination of this Agreement;
  - G. Manager will take fifty dollars (\$50.00) per occurrence, or one hundred dollars (\$100.00) per hour, whichever is greater, for the delivery of any notices at Owner's request;
  - H. If Owner withdraws Manager's authority to rent or lease the Property while Manager is marketing the Property, Owner shall pay to Manager one-half of the placement fee described in (B) above; and
  - I. All fees specified herein are payable when earned unless specified otherwise.

- X. **Advances.** Immediately upon commencement of this Agreement, Owner shall remit and agrees to maintain in the Owner's operating client trust account at month end thereafter a minimum deposit of five hundred dollars (\$500.00). If the advances are depleted, Owner agrees to transfer or forward funds in an amount necessary to maintain the minimum balance required herein within forty-eight (48) hours of request from Manager.
- XI. **Hold Harmless.** Owner shall indemnify, defend and save Manager harmless from all liability, claims and suits arising out of the duties lawfully performed by the Manager under this Agreement other than those arising because of willful negligence or an intentional tort by Manager or its employees. Owner agrees to defend and save Manager harmless for the assessment of any late fees resulting from charges which could not be paid timely because Owner failed to maintain a sufficient balance in the Owner's operating client trust account after notice by Manager.

Furthermore, Owner shall indemnify and hold Manager, its employees, officers and directors, ("Indemnities") harmless from all damage, loss, cost or attorney's fees Indemnities may sustain on account of: (1) Any damage to or destruction of any property; (2) Any injury to or death of any person; (3) Any error of judgment by Indemnities or any mistake of law or fact by Indemnities; and (4) To the extent not covered by insurance, any alleged violation of any law (statutory, common or otherwise) pertaining to fair employment or wrongful termination by employees working on the Property, fair credit reporting, fair debt collections, environmental protection, rent control, taxes, fair housing, or any other such laws. This indemnity provision applies if the claim arises out of the negligence of Manager its employees, officers and directors. However, it shall not apply if it is finally adjudicated that an officer, director or home office employee of Manager acted with gross negligence or willful misconduct. Owner agrees to carry liability insurance adequate to protect the interest of the parties hereto; and insurance shall be written as to protect Manager in the same manner and to the same extent as it protects Owner.

- XII. **Warranties.** Manager agrees to use its best efforts to perform the services requested of it by Owner in accordance with this Agreement, but makes no warranties of any kind, express or implied, with respect to the services to be provided hereunder. IN NO EVENT SHALL MANAGER BE LIABLE TO OWNER FOR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER. Manager's liability with respect to its performance or nonperformance of its obligations under this Agreement shall in no event exceed the sums paid to Manager pursuant to this Agreement.

- XIII. **Insurance.** Owner agrees to carry at his/her own expense public liability insurance in an amount not less than one million dollars naming Owner and Manager in a form adequate to protect their interests and in form and substance reasonably satisfactory to



Manager, and to furnish Manager with certificates evidencing the existence of such insurance.

- XIV. **Termination.** Either party may terminate this Agreement without cause by giving not less than thirty (30) days written notice to the other at the address specified herein. Notices shall be deemed sufficient if personally delivered or sent by U.S. Postal Service. Either party may terminate this Agreement by giving not less than forty-eight (48) hours written notice to the other at the address specified herein if the other party fails to perform any of its duties specified herein or otherwise substantially breaches this Agreement. Owner must provide instruction to Manager for disbursement of security deposits and Owner or new manager contact information not later than twenty-four (24) hours prior to the effective date of termination.
- XV. **Assignability.** Neither party shall directly or indirectly assign, sell or otherwise transfer all or any part of the legal or beneficial interest or all or any part of the rights or obligations created by this Agreement without first obtaining the written approval of the other.
- XVI. **Security Agreement.** Owner hereby grants Manager a security interest in all funds, which are held by Manager for Owner, and in all personal property of Owner located on or in the Property. This security interest shall serve as collateral for all of Owner's obligations here under. Manager may record this Agreement as a financing statement and may enforce its security interest as provided under the Oregon Uniform Commercial Code.
- XVII. **Setoff.** Manager has the right to set off any amounts due and owing to the Manager under this Agreement against any and all funds in Owner's operating client trust account.
- XVIII. **Fair Housing.** Manager practices fair housing policies, which are covered in the Fair Housing law and its amendments. The Fair Housing Law is an extension of the Civil Rights Act and prohibits discrimination on the basis of race, color, religion, sex, and national origin, handicap (physical or mental), familial status, families with children and marital status.
- XIX. **Disputes.** Any dispute between the parties shall be submitted by the complaining party to the Arbitration Service of Portland and shall be resolved in accordance with the rules of the Arbitration Service of Portland. In the event of a dispute between the parties concerning the operation and/or management of the Property or any of the terms of this Agreement, wherein legal counsel is employed by either or both parties, it is agreed that the prevailing party's legal costs in such dispute shall be paid by the other party.

**XX. Entire Agreement.** This Agreement incorporates all of the terms, covenants and conditions agreed to by the parties and all prior and contemporaneous agreements are superseded hereby. This Agreement can only be modified or amended in writing, signed by both parties.

**XXI. Severability.** If any part of this Agreement is determined by a court of competent jurisdiction to be unenforceable, all other parts of this Agreement shall remain in full force and effect.

**XXII. Notices.** All notices, reports and statements required to be sent here under to Owner or Manager by the other shall be mailed to the address set forth herein or such other address as specified in writing, or via email at \_\_\_\_\_.

**XXIII. Governing Law.** This Agreement shall be governed by the laws of the State of Oregon, unless the Property is located in a different state, in which case the laws of the state in which the Property is located shall govern.

**XXIV. Emergency Contact.** If in the event of an emergency, as determined by Manager, Manager is unable to contact Owner in a timely manner to prevent damage to the Property or claims against Owner, Manager may contact the following person who is authorized, in emergency circumstances only, to act in behalf of Owner in authorizing Manager to take any necessary and appropriate remedial action:

**EMERGENCY CONTACT:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Deposits**

Manager is responsible to deposit **PROPERTY** rent received within 10 days after bank statement date and 3-way reconciliation done. Disburse funds into:

\_\_\_\_\_

**By signing below, I certify that I have read and fully understand the contents of this Agreement. I agree to all the terms and conditions stated above.**

**OWNER:**

\_\_\_\_\_  
Signature \_\_\_\_\_

Owner Code: \_\_\_  
PMA Cod: \_\_\_  
Property: \_\_\_\_\_

EMAIL \_\_\_\_\_ SS# \_\_\_\_\_

OWNER ADDRESS \_\_\_\_\_

Telephone # \_\_\_\_\_ Other Email: \_\_\_\_\_

**MANAGER:**

**LaurelTree Property Management LLC**

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Kay Nell Miller, Property Manager  
laureltreepropertymanagement@gmail.com

Date

**WATERMARK**