

Owner Code: _____
Property Code: _____

PROPERTY MANAGEMENT AGREEMENT

Manager: **V2 PROPERTIES**
290 NE 2nd St. #6
Gresham, Oregon 97030
Office 503-665-1565
Fax 503-343-0014
www.V2Properties.com

Owner: _____
Print Name

This Agreement Is entered into this _____ day of _____, 20____, by and between _____, hereinafter referred to as "**Manager**" and _____, hereinafter referred to as "**Owner**."

In consideration of the covenants contained herein and other valuable consideration, the parties agree that **Manager** is hereby employed as the exclusive agent of **Owner** for the rental, lease, operation and management of the real property located at _____, consisting of _____ unit(s), hereinafter referred to as "the Property."

I. Term. This Agreement shall be for a period of twelve months beginning on the _____ day of _____, 20____. At the end of each twelve month period, this agreement shall automatically renew for an additional period of twelve months unless and until terminated by one of the parties as provided herein.

II. Duties of Manager. **Owner** hereby appoints **Manager** as its exclusive agent with the following duties:

A. To advertise the availability for rent of the Property or any part thereof, in media which, in the Manager's sole discretion, are suitable for the property and market conditions.

B. To display "FOR RENT" or "FOR LEASE" signs as appropriate.

C. To receive applications and charge refundable and non-refundable fees as expenses require or market conditions determine. **Manager** shall receive directly and retain such non-refundable application screening fees, late fees, nonrefundable cleaning fees and other such charges.

D. To screen applicants in accordance with **Manager's** screening criteria.

E. To negotiate and execute rental or lease agreements, not to exceed one year unless prior written approval is received from Owner, and to negotiate and execute necessary addenda, renewals and cancellations.

F. To collect rent, security deposits, screening fees, late fees and cleaning fees where applicable and other charges, 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. To 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 at the termination of the tenancy according to 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 the **Owner** such notices as **Manager** deems appropriate.

J. To commence legal actions or collections in the name of the **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 the **Owner**. **Manager** may select a qualified outside provider of its choice to handle such litigation.

K. To reinstate tenancies when appropriate.

L. 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 the **Owner**. Nonetheless, if, upon written agreement of the parties, the **Manager** advances funds to

pay any expenses of the **Owner**, such advance shall be considered a loan subject to repayment with interest accruing at the rate of 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**.

M. To deliver to **Owner** all receipts less disbursements, including agreed upon compensation, except as otherwise provided herein, not later than the 20th day of each month.

N. To make inspections of the Property consistent with applicable laws and as deemed necessary and appropriate in the sole discretion of **Manager**.

O. To purchase and pay for necessary and reasonable repair and maintenance supplies.

P. 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.

Q. To provide notice to tenants of termination of this Agreement within 30 days of termination.

R. To provide to **Owner**, within sixty days after termination of this Agreement, all unobligated funds and, within 90 days, 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 in accordance with the Management Plan, 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** operating 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 the **Owner** and the **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 similar management agreements.

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 20th day of each month (or the next banking day thereafter if the 20th is a non banking day) to the extent those funds exceed the sum of Advances required per **Paragraph IX**, 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 days after the check is deposited, whichever comes first.

Y. **Manager** shall be responsible for cleaning expenses up to the amount of non-refundable cleaning fees collected by **Manager**.

III. Duties of Owner. **Owner** accepts and agrees to perform the following duties:

A. Remit any excess of disbursements and charges over receipts to **Manager** within ten days of written notice advising **Owner** of the amount of the deficiency

B. 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.

C. Assume the obligation of any contract entered into legally and for the benefit of the **Owner** pursuant to this agreement at the termination of this agreement. For example, if **Manager** has entered into an agreement for repairs of the property, **Owner** shall be responsible for the payment of the agreement even if this agreement has been terminated by either party.

D. To pay all expenses incurred by the **Manager**, including without limitation, attorneys' fees for counsel employed to represent the **Manager**, the **Owner**, or both of them in any proceeding, controversy, or suit involving the property, the ownership, or operation thereof. Nothing herein contained shall require the **Manager** to employ counsel to represent the **Owner** in any such proceeding or suit. In this regard, **Owner** agrees to indemnify, defend and save the **Manager** harmless from all claims, investigations and suits with respect to any alleged or actual violations of state, federal, city or county labor laws, it being expressly agreed and understood that as between the **Owner** and the **Manager**, all persons employed in connection with the Property are employees of the **Manager**. The **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 the **Manager** or its employees.

E. 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. **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 the **Owner** and the **Manager** shall not be liable except in the case of gross negligence.

F. **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 the **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.

G. In the event it is alleged that the property or equipment therein or any act or failure to act by the **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 the **Manager** shall have the right to cancel this agreement at any time by serving written notice to the **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 registered mail, on or to the **Owner** named in this agreement, and if served by mail 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 the **Owner** to the **Manager** for any payment, reimbursement or other sum of money then due and payable to the **Manager** here under.

H. **Manager** shall have no liability for failure to make a payment on a loan, taxes, insurance or assessments.

IV. Repairs and Maintenance. **Manager** shall make or cause to be made ordinary and reasonable repairs, without the prior written approval of the **Owner**, in an amount not to exceed \$400, 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.

V. Disclosures.

A. **Owner** represents and warrants that:

1. **Owner** is a legal owner of the Property or a legal entity which owns the Property and has full authority to enter into this Agreement and to employ the **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.

4. 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 the **Manager**. All employee compensation, taxes, and other benefits including payroll and bookkeeping costs shall be paid through the **Manager's** central payroll account.

2. **Manager** may, at some future date, form an independent company to provide maintenance services for the Property. Should that occur **OWNER** will be advised in advance in writing of applicable rates and fees.

3. **Manager** may outsource maintenance work as **Manager** deems appropriate, and, in **Manager's** sole discretion. **Manager** shall be entitled to take an override equal to ten (10) percent for any such out sourced services to compensate for project management.

VI. Accounts and Reports. To prepare and furnish to **Owner** monthly statements of all receipts and disbursements, not later than the 20th day of each month of the subject activity.

VII. Records Retention. All original documents required by law shall be retained by **Manager** for a period of six 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.

VIII. Compensation. The **Manager** shall be compensated for its services according to the following schedule:

A. On the 17th day of the month in which rents are collected, **Manager** shall take a management fee in the amount of 8% 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 \$75.00 per unit per month when the property is occupied by a tenant. Gross receipts, for the purpose of this Agreement, shall include but not be limited to rental income.

B. **Manager** shall take rental placement fees in the amount of 50% of the stated full month's rent per unit rented, subject to a minimum of \$400.00 per unit, payable upon **Manager's** collection of the first month's rent.

C. Fees. The **Manager** shall retain, in addition to all other compensation described herein, all application fees, screening fees charged to prospective tenants, late fees, NSF fees, lease modification and violation fees, advertising rebates, banking rebates and all cleaning fees as partial payment for services and reimbursement for expense. All such fees shall be paid directly to **Manager** and taken by **Manager** when received.

D. Sale. 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. Any and all such fees owed to **Manager** shall be immediately due and payable upon termination of this agreement.

E. If **Owner** withdraws **Manager's** authority to rent or lease Property while **Manager** is marketing Property, **Owner** shall pay to **Manager** one-half of the placement fee described in B above.

F. If **Owner** withdraws **Manager's** authority to rent or lease Property other than while **Manager** is marketing Property, **Owner** shall pay to **Manager** the sum of \$100.

G. For initial administrative setup of the property within **Manager's** office, **Owner** shall pay to **Manager** a one time fee of \$100.

H. For each interior walk through inspection of the Property, **Owner** shall pay **Manager** a fee of \$45.00.

I. All fees specified herein are payable when earned unless specified otherwise.

IX. 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 \$400.00. 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 hours of request from **Manager**.

X. Hold Harmless. **Manager** shall indemnify, defend and save **Owner** harmless from all liability, claims and suits arising because of willful negligence or intentional torts by **Manager** or its employees.

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 account after notice by the **Manager**.

Furthermore, **Owner** shall indemnify and hold **Manager**, its employees, officers and directors, ("Indemnitees") harmless from all damage, loss, cost or attorney's fees Indemnitees 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 Indemnitees or any mistake of law or fact by Indemnitees; 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 sole negligence of **Manager**. 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**.

XI. 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.

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

XIII. Termination. Either party may terminate this agreement without cause by giving not less than thirty days written notice to the other at the address specified herein or at the address most recently provided in writing. Notices shall be deemed sufficient if personally delivered or sent by registered mail.

Either party may terminate this agreement by giving not less than 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.

XIV. 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.

XV. 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.

XVI. 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 Client Trust Account.

XVII. Fair Housing. The 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.

XVIII. 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.

XIX. 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.

XX. 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.

XXI. 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.

XXII. Governing Law. This Agreement shall be governed by the laws of the State of Oregon.

XXIII. 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 the Owner in authorizing Manager to take any necessary and appropriate remedial action:

Print Name Telephone

Mailing Address City, State, Zip Code

OWNER:

Print Name(s)

Signature

Title

Date

Print Name(s)

Signature

Title

Date

Owner's Soc. Sec. # or Tax ID# for 1099

Mailing Address

City, State, Zip

Home Telephone #

Fax#

Cell #

Email Address

**V2 PROPERTIES
PROPERTY MANAGER:**

By: Signature/Title

Date

PO Box 1437
Mailing Address

Gresham, OR 97030
City, State, Zip

Signature of Reviewing Licensee

Date of Review