

Owner Code: _____
Property Code: _____

Manager: CR Property Management, Inc.
384 SW Upper Terrace Suite 203
Bend, Oregon 97702
Ph. (541)318-1414
Fax: (541)312-2707
E-mail: ramona@crpropertymanagement.com

Owner: _____
Print Name

This Agreement Is entered into this _____ day of _____, 20____, by and between ___CR Property Management_____, 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), commonly known as _____ hereinafter referred to as "the Property."

I. Term. This Agreement shall be for a period of _____, beginning on the _____ day of _____, 20____ and ending on the _____ day of _____, 20____. This agreement shall automatically renew on a month to month basis thereafter 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.
- B. To display "FOR RENT" or "FOR LEASE" signs as appropriate.
- C. To receive applications and charge non-refundable fees as expenses require or market conditions determine. **Manager** shall receive directly and retain such non-refundable application screening fees and related charges.

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Owner

- 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, late fees 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 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 an attorney 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 **Manager** elects to advance 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 10 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 reasonable 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 employ, supervise and discharge all labor as necessary for the operation and maintenance of the Property. In such event, all employee compensation, taxes 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 the Operating Client Trust Account. The **Owner** shall be liable for all taxes and insurance related to such employees.

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

S. To provide to **Owner**, within sixty days after termination of this Agreement, all unobligated funds and a final accounting of obligated funds and copies of all necessary or agreed upon documents which may be reproduced by **Manager** in accordance with its schedule of fees and charges.

T. 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.

U. 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.

V. 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.

W. 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.

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

- A. Reimburse **Manager** for all payroll expenses including taxes and insurance.
- B. 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
- 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 the **Owner** pursuant to this agreement at the termination of this agreement.
- E. 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
- 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. **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.

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 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.

H. 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.

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 \$_____, 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. 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:

VI. 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 **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.

C. Handyman. **Manager** may hire an employee to perform handyman work at your property. You will be charged at the rate of \$ 50 per hour for his work at your property plus expenses reimbursed to the employee by **MANAGER**.

VII. Accounts and Reports. To prepare and furnish to **Owner** monthly statements of all receipts and disbursements, not later than the 10 day of each month following the month of the subject activity.

VIII. 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.

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

A. Management. _____% of the monthly gross receipts from the operations of the Property during the period this Agreement remains in full force and effect. Gross receipts, for the purpose of this Agreement, shall include but not be limited to rental income, laundry receipts, transfer fees, service charges on delinquent rents and collections from Collection Agencies.

B. Rental commissions. \$100 of the first month's rent per unit rented, payable upon **Manager's** collection of the first month's rent. No rental commissions are charged against rental or lease renewals or **owner** procured tenants.

C. Fees. The **Manager** shall retain, in addition to all other compensation described herein, all screening fees charged to prospective tenants and late fees charged for late payment of rent.

D. Expenses. **Manager** shall be reimbursed by **Owner** for all out of pocket expenditures including but not limited to postage, copying, supplies, telephone, facsimiles or other expenditures reasonably incurred by **Manager** in the course of carrying out **Manager's** duties under this agreement.

E. 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.

F. Markup. **Manager** may from time to time purchase parts, materials and supplies for maintenance and repair of the property. To compensate **Manager** for the cost of purchasing, transporting and storing such parts, materials and supplies, **Owner** will be charged and agrees to reimburse **Manager** for the purchase price of such items and, in addition, agrees to pay a fee of 25% of the purchase price of those items that are used for the repair and maintenance of **Owner's** property.

G. **Contractor Management Fee.** Manager may from time to time find it necessary to provide supervision and/or oversight of work performed by independent contractors. Manager shall be compensated by Owner for such supervision and oversight of contractors in any case where the aggregate value of invoices from such contractor totals \$100.00 or more. Owner shall compensate Manager by paying manager, in addition to all other compensation provided for in the management agreement, a fee equal to 10% of the aggregate amount of the invoices for any project or combination of projects.

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 \$_____, plus one month's mortgage payment if the **Owner** chooses to have **Manager** make monthly mortgage payments on behalf of the **Owner**. 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**.

XI. **Hold Harmless.** **Manager** shall indemnify, defend and save **Owner** harmless from all liability, claims and suits arising because of willful negligence or an intentional tort 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**.

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. 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, 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.

OWNER:

Print Name

Signature

Title

Date

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

Mailing Address

City, State, Zip

Telephone #

Fax #

E-mail address

MANAGER: CR Property Management, Inc.

By: Signature/Title

Date

384 SW Upper Terrace
Mailing Address

Bend OR 97701
City, State, Zip