

1. Property Management Agreement

1.1 DATE AND OWNERSHIP:

1. Effective Date: <<Management Start Date>>
2. Owner Name: <<Owner Name(s)>>
3. Percent of Ownership: 100%
4. Owner Address: <<Owner Address(es)>>
5. Owner Phone Number: Owner Phone Numbers
6. Owner E-mail Address: Owner Email Address
7. Owner Tax ID: Tax ID Number

1.2 PROPERTY TO BE MANAGED:

Subject to the terms and conditions set out herein, the parties agree that The Garcia Group (Manager) shall manage for the Owner(s) the real property described as follows and hereafter referred to as the "Property". Property To Be Managed:<<Property Address>>

I.D. Code: I.D. Code

1.3 TERMS AND FEE SUMMARY:

Initial Term: The initial term of this agreement shall be for a period of twelve (12) months, commencing on <<Management Start Date>>, and ending midnight on <<Agreement Termination Date>>. This Agreement is for an initial term of twelve months. Either party may terminate this Agreement upon 30 days written notice delivered to the other party after the initial twelve months has expired.

Notwithstanding anything to the contrary, this Agreement may be terminated by Agent upon 30 days notice to Owner if, in Agent's sole judgment, Owner fails to keep the Property habitable as required under applicable law or governmental rules, Owner attempts to unlawfully discriminate or the Property condition or use violates any applicable law. Agent may terminate this Agreement upon five days written notice if Owner fails to pay any amounts owed that become past due under this Agreement.

SAMPLE FORM

Fee Summary: As outlined below in this agreement, the various fees for services provided (as described in the noted Section #) are:

1. *One-time:*
 1. (2.1.4) Initial Set-Up: **\$150 + \$50 per unit**
 2. (2.2.3) Occupied On-boarding: **\$250 per unit**
 3. (2.2.4) Maintenance Reserve: **\$500**
 4. (2.2.4) Lock box Installation: **\$50**
2. *Per-Month:*
 1. (2.2.1) Management Fee: **10 %**
 2. (2.2.5) E.T.E.F.: **\$10 per unit**
3. *Per-Year:*
 1. (2.2.3) Term Modification: **\$200 per renewal**
 2. (2.2.9) Annual Unit Survey: **\$150 per inspection**
4. *Per-Action:*
 1. (2.2.3) Tenant Placement: **50% of 1st month's rent**
 2. (2.2.7) Supplemental Rate: **\$ 75 per hour**
 3. (2.2.8) Repair Coordination: **\$25 vendor invoices**
 4. (2.2.8) Home Warranty Coordination: **\$75 per incident**
 5. (2.2.9) PDX Compliance Inspection: **Inspection Fee**
 6. (2.3.1). Unit Termination: **\$200 per unit**
 7. (3.1.7) Garcia Maintenance **\$130 first hour / \$79 additional**

10% project oversight

1.4 EXCLUSIVE AUTHORITY GRANTED:

The Owner(s) hereby grants to Manager full and exclusive authority to take the following actions, and agrees to reimburse all reasonable expenses related thereto:

- 1. To advertise the availability for rental of the property in print and/or online and to display "For Rent" signs thereon, and provide access to tenants remotely with the use of a lock box
2. To accept completed applications and perform tenant screenings.
3. To sign, renew and/or cancel rental and/or lease agreements for the property or any part thereof.
4. To collect rents due or to become due and give receipts therefore.
5. To collect all deposits and fees, including but not limited to, security deposits, late fees, NSF (returned check) fees, pet fees and tenant application fees. All tenant fees including application fees, late fees, NSF fees, penalties, violation or non-compliance fees, processing fees, rebates, and discounts shall be retained by and be the sole property of Manager.
6. To terminate tenancies and to sign and serve in the name of Owner such notices as are appropriate.
7. To institute and prosecute actions; to evict tenants and to recover possession of the property; to sue for, in the name of the Owner, and recover rents and other sums due, and when expedient, to settle, compromise and release such actions or suits or to reinstate tenancies.
8. To make or cause to be made and supervise repairs and alterations, and to do decorating on the property; to purchase supplies and pay bills therefore.
9. To hire, contract for, discharge and supervise all labor and/or employees required for the operation and maintenance of the property.
10. To make contracts for all utilities including electricity, gas, fuel, water, telephone, and garbage hauling as the Manager shall deem advisable; at the termination of this agreement the Owner agrees to assume the obligations of any contract so entered.
11. To be appointed as the "person in charge" as defined in ORS 164.005 for the purpose of retaining, controlling, and enforcing state trespassing laws.
12. To disburse from Owner's funds payments for: (X) Management Fees, (X) Advertising Expenses, (X) Maintenance, Repairs, Alterations, and Decorations, (X) Utility Services, () Property Taxes, () Mortgage Loan Payments, () Insurance Premium Payments, () HOA Dues, and Other Payments if added here: Special Payables.
13. To maintain a cash reserve of Owner's funds, for use in payment of various expenses, in the amount of \$500.00 per unit (per Section 2.2.1)
14. To take all other actions Manager deems necessary or appropriate to perform Manager's obligations hereunder.

SAMPLE FORM

By initialing below, you acknowledge and agree to the terms in Section 1.

X Initial Here

2. Owner Obligations

2.1 OWNER REPRESENTATIONS AND COVENANTS:

- 1. Owner(s) Represents: That Owner holds title or is purchasing the property described herein above and has the sole right to engage the services of the Manager to operate the property.
2. Owner Insurance: The Owner(s) shall obtain and maintain full control of renewal of property and liability insurance coverage, including fire and a minimum of \$1,000,000 liability coverage; the Manager has no duty or responsibility with respect to any insurance coverage. Owner(s) shall cause Manager to be named on Owner's policy as an additional insured party.
3. Owner Records: Owner agrees to make available to Manager all data, records, and documents pertaining to the property which the Manager may require to properly perform its duties hereunder.
4. Property Set Up: At the commencement of the term hereof, the Owner(s) shall pay an Initial Set-Up Fee (per Item 1.3). Owner to have the property clean and move-in ready with all smoke alarms, carbon monoxide alarms, lights, and appliances in working order. During the term hereof, the foregoing shall be Manager's responsibility, before the property is to be shown to prospective tenants. If the property is not move-in ready at the commencement of the term, the Manager will facilitate any clean up / maintenance necessary to make the property move-in ready at the Owner's expense. Manager shall have the right to maintain the property in "like" condition while maintaining all amenities provided or perceived by any tenant or prospective tenant.
5. Owner Responsibility: The Owner(s) shall hold the Manager and Owner's broker harmless from any and all damage, suits, liability, and/or loss in connection with the Manager's management of the property, except to the extent caused by the gross negligence or willful misconduct of Manager. Owner acknowledges it is impossible for the Manager to know the use that a tenant may put the property to, and the Owner assumes the risk of the rental of the property to a tenant who fails to pay rent or otherwise breaches the rental agreement, or misuses the property, or impairs its use or value by an improper use such as, but not limited to, housing of animals, drug manufacturing, drug dealings, or other improper or illegal activities. Any and all expenses associated with the termination or eviction of an occupant or tenant beyond the scope set forth by the Manager's E.T.E.F. plan (per section 2.2.5) shall be the responsibility of the Owner. Manager shall not be required to represent Owner in any eviction or court action. Owner shall be responsible for the collection of all outstanding debt, unpaid rents, unpaid fees and monies owed by the tenant after the vacancy by any and all tenants or occupants beyond the final accounting and security deposit disposition created by Manager.
6. Reimbursement and Expenses: The Owner(s), upon request of the Manager, shall promptly reimburse the Manager for any

disbursements in excess of the rents collected. The Manager shall provide to the Owner proof of excess expenditures when requested before reimbursement is made. Any work contracted in excess of the amount held by Manager shall be funded by owner PRIOR TO commencement of the work.

7. **Lead Paint Disclosure:** Owner(s) acknowledges that Manager has advised Owner of the laws regarding disclosure of Lead-Based Paint Hazards in residential dwellings built prior to 1978 and agrees to furnish Manager with a completed signed and dated "Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards" form if the property was built prior to 1978. If additional information becomes known to Owner as to the presence of Lead-Based Paint and/or Lead-Based Paint Hazards, Owner agrees to inform Manager and supply an updated disclosure form to Manager.
8. **Tenant / Owner Correspondence:** Under no circumstance shall Owner contact or communicate directly with any Tenant occupying the property at any time without prior notice and consent from Manager due to increased liabilities and penalties per ORS 90.322. In the event Owner communicates with any tenant under management without Manager's prior knowledge, Manager reserves the right to terminate the contract immediately and Owner shall pay Manager the remainder of the contract obligation within 14 calendar days.

2.2 FEES AND EXPENSES

1. **Management Fee:** The Owner(s) shall pay the Manager, a monthly Management Fee per Item 1.3.2 of the Agreement based on gross monthly rent(s) and pet rent(s) scheduled for the property. Owner shall pay manager this fee for any period of time tenant occupies the property regardless of credits given by the Owner or non-payment by tenants. In addition, Owner shall pay all extraordinary advertising expenses (including but not limited to Zillow fees). Returned check fees, late fees, application fees, penalties, violations, non-compliance fees, rebates, discounts, and processing fees paid by tenants will be retained by the Manager.
2. **Payment of Management Fees:** Owner acknowledges that all management fees are calculated on Tenants' contracted monthly rent and are due within 30 days of invoicing even if government mandated actions prevent or impair ability to collect rents. Any unpaid amounts bear interest at the state statutory rate of 9%.
3. **Tenant Placement (Lease-Up) and Term Modification:** Owner shall pay a commission equal to 50% of one month's rental amount for the placement of each new tenant and signing of the lease for which the Manager is the procuring cause, which commission shall be based on the rental amount for the highest month within the tenancy. Such commission shall be paid out of the first rents received by the Tenant and shall in no case be less than \$350.00 regardless of the rental amount. Owner shall pay Manager a Modification of Terms commission in the amount of \$200.00 upon each term review/renewal or rent increase with any and all existing or added tenants. In the event that the property is occupied upon commencement of this agreement, Owner agrees to pay a commission in the amount of \$350 per unit to Manager out of the first rents collected by Manager.
4. **Maintenance and Reserves:** Owner shall pay 5% out of the first month's rent to be applied to the installation of a lock-box at the property. Manager shall retain \$500.00, for each unit under management, out of the first rents collected to be held in reserve for use by the Manager for payment of bills specific to the property. Manager shall be entitled to replenish the funds in such account from rent received, in order to maintain a balance of \$500.00. Any remaining amount at the end of the contract term shall be refunded to the Owner in full within thirty (30) days of termination. Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of the Manager's duties set forth herein. In no event shall the Manager be required to use its own funds to pay any of the Owner's obligations.
5. **Employee Training and Eviction Fund (ETEF):** Manager shall retain a monthly amount equal to \$10 per unit. ETEF funds may be used in such manner as chosen by The Garcia Group, including but not limited toward the education of staff, vendors, employees and independent contractors associated with The Garcia Group, in an effort to minimize liability associated with changes in local, state and national rules, regulations and laws. These funds shall also be used towards eviction costs of a tenant placed by the Manager, including filing for FED, first appearance, restitution and sheriff's lock out not to exceed \$1,000. Any and all additional expenses that may arise from eviction or court proceedings, including but not limited to attorney fees for consultation, appearance filing, or testimony are and remain to be the sole responsibility of the Owner
6. **Listed For Sale:** In the event the Owner enters into an agreement for sale of the property, or an agreement to list the property for sale, Manager will strive to work with the Brokers and will put forth reasonable efforts in good faith to support Owner's goals. However at Manager's discretion Manager may exercise the option to terminate this agreement due to additional demands and/or liabilities imposed by the process if/when the property is listed with unaffiliated Real Estate Brokers.
7. **Supplemental Rate:** Owner shall pay Manager an hourly rate of seventy-five dollars (\$75) for each scheduled visit to the property granting access to any third party per Owner's request in relation to analysis, sale, refinance, appraisal, inspection, insurance evaluation, or any other third party access, or any Owner request outside of the normal scope of activities as defined by this Agreement.
8. **Construction and Repair Oversight:** Garcia Group Maintenance is a wholly owned entity within Company that coordinates all maintenance and repair requests. A \$25 coordination fee is added to all outside-vendor work orders processed by either The Garcia Group or Garcia Group Maintenance. In the event Owner requests Manager to oversee, supervise, or in any way manage any maintenance or construction projects at the property for which the total estimated or actual expense for labor and materials exceeds \$1,500, Owner shall pay Garcia Group Maintenance a project management commission for Manager's services regarding such project, and such commission shall be equal to ten (10) percent of the total project cost. In the event Manager supervises any repair using a Home Warranty Company as a third party, Owner shall pay a \$75 fee to Manager for each repair coordinated.
9. **Unit Inspections:** Manager shall conduct a Quality Unit Survey of each unit one time per year at a rate of \$150 per report. Additional inspection reports may be completed upon Owner request. Compliance Surveys may need to be conducted on Vacant units (as in the City of Portland) as required by the law (see Section 3.12) at a rate of \$150 per report (plus \$75 per additional hour, if needed).

2.3 TERMINATION

1. **Upon Termination:** Owner shall pay \$200 per unit upon termination of the contract in association with the off-boarding and transfer of documents, records, financial data, and associated records of any and all units under management. Additionally, in the event Owner

terminates this Agreement within the first twelve months of the Agreement, a charge of fifty percent (50%) of one month's rent that is owed by any lessee or tenant of the Property or, in the absence of any rental or lease agreement, fifty percent (50%) of one month's advertised rental or lease amount.

2. **Actions of Termination:** Not later than 60 days after the effective date of the termination of this Agreement, Manager will: (a) Disburse all obligated funds to the party or parties entitled to the funds; and (b) Provide the Owner with the following: (A) A final accounting of the Owner's ledger account; (B) All funds belonging to the Owner as shown on the Owner's ledger, unless the Owner directs the Manager, in writing, to transfer the funds to another property manager, escrow agent or person; (C) An accounting of all security deposits and fees held for tenants; (D) All tenant security deposits and fees held for tenants; (E) Copies of all current tenant rental or lease agreements, unless the Owner waives such requirement in writing or directs the Manager, in writing, to provide such documents to another property manager, escrow agent or person; and (F) This Agreement hereby serves Owner notice that the Manager may destroy the required records of the property management activity performed after six years. Upon the written request of Owner, Manager will transmit to Owner along with the final accounting, all records, contracts, leases, receipts for deposits, and other papers or documents which pertain to the Property, which Manager is not obligated to retain under applicable law. Owner will pay all copying charges for any records transmitted to Owner upon termination of this Agreement.
3. **Actions of Manager:** No later than the next calendar day after the effective date of the termination of this Agreement, Manager must notify each tenant for whom the Manager holds a security deposit that: (a) the security deposit and all fees held for the tenant will be transferred to the Owner or, applicable to another property manager, escrow agent or person; and (b) the name and address of the Owner, other property manager, escrow agent or person to whom these deposits will be transferred.
4. **Timing of Termination:** If a tenant's termination of tenancy occurs prior to the effective date of termination of this Agreement, Manager shall complete any final accounting, inspection or other procedures within the time required by: (a) The tenant rental or lease agreement; (b) The Residential Landlord Tenant Act; and (c) this Agreement, unless otherwise disclosed and/or directed in writing.

SAMPLE FORM

By initialing below, you acknowledge and agree to the terms in Section 2.

X _____
Initial Here

3. Manager Obligations

3.1 MANAGER'S REPRESENTATIONS AND COVENANTS

1. **Manager Representations:** Manager represents that it is a Licensed Real Estate Broker in the State of Oregon and Washington and shall have the right to communicate with any and all tenants concerning the renting, leasing, buying and/or selling of real estate in any form or fashion.
2. **Legal Duties:** Manager shall manage the property in full compliance with all the laws and regulations of any Federal, State, County, or Municipal authority having jurisdiction over the property.
3. **Due Diligence:** Manager agrees to use due diligence in the management of the property for the terms, conditions and provisions contained herein, and agrees to furnish the services of Manager's organization for, and only for, the selling, renting, leasing, operating, and management of the property. Manager agrees to hold records of the management of the property for a minimum of one (1) year from the termination of the agreement.
4. **Monthly Reporting:** Manager shall provide to the Owner(s) both monthly and annual statements of receipts, expenses, management commissions and charges. Manager shall remit to the Owner(s) proceeds less disbursements and reserves on a monthly basis. If proceeds are to be remitted to more than one owner, such remittance shall be made as instructed by Owner(s).
5. **Trust Accounts:** Manager shall deposit all receipts collected for the Owner(s) in a federally insured Clients' Trust Account, separate from the Manager's accounts.
6. If checked here N/A Such trust account may be an interest bearing account, and Owner agrees that all such interest earned shall be paid to the Manager. Manager may set off against any Owner funds in such trust account any amounts which are due to Manager under this agreement. Manager may transfer funds between individual Owner's own properties to maintain adequate balances if necessary. Owner agrees to receive 1099 documentation via electronic delivery method.
7. **Prior Approval:** Manager agrees to secure the prior approval of the Owner(s) on all expenditures in excess of \$500.00 for any one item, except monthly or recurring charges and expenses, and/or emergency repairs, if in the opinion of the Manager such repairs are necessary to protect the property from damage or to maintain all required services to the tenant(s). This limit excludes turnover and "make-ready" expenses to prepare the property for rent. Any expense in excess of \$500.00 but less than \$2,500 shall require the approval of the Owner, unless Manager, in Manager's sole judgement deems such repair is necessary for the health, safety and welfare of the property or occupant. For any expense in excess of \$5,000 Owner may independently seek additional bids prior to granting approval to Manager for work scheduled. This provision does not apply if, in the sole judgement of the Manager, the repair is associated with safety and habitability and/or is urgent and time sensitive. The execution of repair in excess of \$2,500 is subject to an Owner's Contribution of 50% of bid prior to the commencement of the repair. Owner's delay in approval and release of funds for emergency repairs may be deemed in Manger's sole judgement as grounds for termination under this agreement.
8. **In-House Maintenance and Vendors:** Manager reserves the right to utilize any qualified maintenance staff, contractors, or other service providers as may be selected by Manager, regardless of their affiliation with Manager, and Owner acknowledges Manager may use its personnel or other business in which Manager has a pecuniary interest to perform maintenance or services. This authority includes the following business in which Manager has a pecuniary interest: Garcia Group Maintenance is a licensed, bonded and

insured subsidiary of Great Rental Properties, LLC, CCB #22588. The current billable rates are \$135.00 for the first hour and \$79.00 per subsequent hour(s) and may be adjusted from time to time as deemed economically necessary. Manager may receive a direct or indirect benefit from such maintenance staff, contractors, or other service providers. This may include rebates, discounts and/or any other benefit. Manager shall bill Owner(s) at market rates for work completed specific to the scope of needed repairs. All maintenance shall be performed by vendors approved by and at the direction of the Manager at Manager's sole discretion. At no time shall Owner contact the tenant directly without written approval by Manager. Any and all vendors outside of the Manager's company shall be licensed, bonded and insured per state or local requirements prior to being allowed on the property.

9. **Owner Contributions:** Owner hereby agrees to promptly fund any required fee, penalty, concession, subsidy or other required fee by city ordinance, state or federal law prior to serving any notice or initiating any act which would or could result in any expense related to any property or tenant under management by Manager.
10. **Tenant Protection Legislation:** Owner will read or have read the Legislative Addendum outlining the Portland Ordinance for Relocation Assistance, the F.A.I.R. Act rules of Advertising and Screening (30.01.086), and Deposit Accounting (30.01.087), SB 608 and HB 4213. Owner acknowledges that Manager has provided a copy of these bills to assist in greater knowledge of the laws and ordinances. Manager will use generally accepted "best practices" in fulfilling the intent of the laws.
11. **Payment of the Portland Renter Protection Ordinance:** The Manager will not provide Tenant Notices for rent increases of 10% or more per year (as defined by the start date of the current tenant rental agreement, which is 9.9% in 2020) or give a Tenant's Notice for Termination without Cause, or provide any renewal other than one at "substantially the same terms" as defined by the Ordinance, unless the Owner first deposits the appropriate relocation fee (as defined by the Ordinance) with the Manager's Clients' Trust Account for tenant's payment as required by law.
 1. The Relocation fees (which may be subject to change) are currently:
 1. \$2,900 for a Studio unit / \$3,200 for a 1 Bedroom unit / \$4,200 for a 2 Bedroom unit / \$4,500 for a 3+ Bedroom unit.
 2. The Owner must apply to the City of Portland individually to determine if they qualify for an Exception to payment of these fees and must provide that written evidence to the Manager upon receipt. Any vacant unit advertised and subject to an Exemption must be disclosed as such to the all potential tenants and agreed to within the terms of the Rental Agreement.
12. **Tenants' Security Deposit Refunds:** To comply with the Deposit Accounting per Oregon law (Sec. 30.01.087) Owner agrees that in order for Manager to use accepted "best practices" in fulfilling its intent, upon the first vacancy under the terms of this contract it necessitates that Manager conduct a Compliance Inspection as defined in the F.A.I.R. Act and as addressed in Section 2.2.8 herein. Manager to follow accepted industry standards and legal limits (as defined by Portland F.A.I.R statutes or other local, state or national standards) in assessing Tenant damages, including normal wear and tear. There is no provision in this agreement necessitating prior Owner instructions to be sought by Manager in the assessment of the Tenants' final accounting.
13. **No Cause Termination:** Per the guidelines found in Oregon Statute per SB 608, Owner understands that no tenant residing in a unit for more than 365 days may be given a notice of termination unless it is a "FOR CAUSE" breach of contract, and it is equally impermissible to provide a lease termination or JUST CAUSE termination if the occupancy has been over 1 year without an approved Owner Exclusion as defined by the statute.
14. **Manager's Authority:** Company policies will extend into other municipalities when and if /when similar rules ordinances or laws are passed by other local or state governments. If Owner insists Manager take actions on the property or with tenants that in the sole judgment of Manager may lead to a violation of these provisions or state or local law or give rise to potential disputes caused by those actions, Manager hereby retains the right to immediately terminate this agreement. In addition, any Owner's breach of these rules, ordinances or lead shall be considered a breach of this Owner's duties and the Management Agreement may be immediately terminated by Manager.

By initialing below, you acknowledge and agree to the terms in Section 3.

X _____
Initial Here

4. Additional Provisions

4.1 CONDITIONS AND REMEDIES

1. **Notices:** Any notices required or permitted under the terms of this agreement shall be deemed given at the earlier of (i) when actually delivered by professional courier, (ii) two (2) days after such notice is deposited in the United States mail first class or certified mail with postage prepaid, addressed to the Owner or Manager at the addresses noted in Section 2 above, or (iii) when sent by email, provided the recipient acknowledges receipt. Manager reserves the right to modify this agreement in writing for any reason with a minimum 30-day notice.
2. **Heirs and Assigns:** All rights, remedies and liabilities herein given to or imposed upon either of the parties hereto shall inure to the benefit of and bind the heirs, executors, administrators, successors and, so far as this agreement is assignable by the terms hereof, to the assigns of such parties.

3. **Total Agreement:** This agreement contains the entire agreement between the parties pertaining to the property and cannot be changed or terminated except by a written addendum, signed by both parties.
4. **Applicable Law & Venue:** This agreement shall be governed by and construed in accordance with the laws of the state in which the property is located, and in the event of any litigation arising out of this agreement, the parties hereto stipulate and agree that the venue for any such action shall be the county in which the property is located.
5. **Attorney Fees & Court Costs:** In case suit or action is instituted to enforce compliance with any of the terms of this agreement, the losing party agrees to pay the prevailing party a reasonable attorney's fee, together with all costs and expenses incurred in connection with such actions, including the reasonable cost of searching records to determine the condition of title at the time suit is commenced.
6. **Equitable Remedies:** In addition to all other legal rights and remedies, either party shall be entitled to obtain from any court of competent jurisdiction all appropriate equitable remedies, including preliminary and permanent injunctive relief, against any actual or threatened violation of any term hereof, as well as an equitable accounting of all profits or benefits arising out of such violation, without requirement of bond, and without a showing of actual damages.
7. **Cooperation:** The parties agree to fully cooperate in carrying out this agreement, including the execution of all documents reasonably necessary to effectuate the intention of the parties.
8. **Time of Essence:** Time is of the essence of this agreement with respect to each and every provision of this agreement in which time is a factor.
9. **Waiver:** No delay or failure by any party to exercise any right, power or remedy with regard to any breach or default by any party to this agreement, or to insist upon strict performance of any of the provisions hereof, shall impair any right, power or remedy of such party, and shall not be construed to be a waiver of any breach or default of the same or any other provisions of this agreement. No action or conduct of any of the parties hereto shall be deemed or construed as a waiver or modification of the non-waiver provisions contained in this section.
10. **Relationship of the Parties:** The relationship of the parties to this Agreement shall be that of Principal and Agent, and all duties to be performed by Manager under this Agreement shall be for and on behalf of the Owner, in Owner's name, and for Owner's account. In taking any action under this Agreement, Manager shall be acting only as Agent for Owner, and nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties or as requiring Agent to bear any portion of the losses, or share in any portion of the profits, arising out of or connected with the ownership or operation of the property. Nor shall Manager, at any time during the period of this Agreement, be considered a direct employee of Owner. Neither party shall have the power to bind nor obligate the other except as expressly set forth in this Agreement, except that Agent is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.
11. **Survival of Representations and Warranties:** All representations and warranties made in this agreement and liability of the parties for the breach, inaccuracy, or other failure of such representations and warranties shall survive the expiration or termination of this agreement, and shall remain in full force and effect thereafter.
12. **Construction:** The captions used in this agreement are intended for convenience only and shall not in any way affect the meaning or construction of any provision of this agreement. The rule of construction that a written agreement is construed against the party preparing or drafting such agreement shall specifically not be applicable to the interpretation of this agreement.
13. **Third Party Beneficiaries:** The provisions of this agreement are intended solely for the benefit of the parties hereto, and shall create no rights or obligations enforceable by any third party, or any other person or entity not expressly made a party hereto, including but not limited to creditors, partners, agents, employees, owners, officers, directors, or other parties affiliated with any of the parties hereto.
14. **E-mail as Written Consent:** A party's consent given by e-mail shall constitute a written consent wherever a written consent is required hereunder.
15. **Reliance:** In the event a party hereto receives a notice or instruction which such party reasonably believes in good faith to be from another party hereto, the receiving party may rely thereon, and shall have no duty to inquire into the authority of the person giving such notice or instruction. In the event a party receives conflicting notices or instructions, such party may refuse to act in response thereto, until such conflict is resolved.
16. **Hold Harmless and Liability:** Except for willful misconduct or gross negligence of Agent, the Owner shall indemnify and save Manager harmless from liability for any and all costs, expenses, attorney fees, suits, liabilities, claims damages, from or arising in connection with the management of the property or the performance or exercise of any duties, obligations, powers or authorities herein or hereafter granted to Manage.
17. **Other:**
 1. Owner recognizes that Manager manages properties for others as well as properties owned by principals or employees of Manager and agrees that Manager may offer all such properties, including Owners, to all prospective lessees/tenants.
 2. Owner agrees that neither Manager nor Owner will discriminate in the leasing or rental of the Property based on race, color, religion, sex, national origin, familial status, marital status, sexual preference, disability, or source of income.
 3. After termination of this Agreement, Manager's records relating to the Property will be retained onsite or at a contracted offsite storage location. Records may be destroyed six (6) years after the date of termination of the Agreement.
18. **Special Terms:**
 1. (None if left blank)Special Terms

By initialing below, you acknowledge and agree to the terms in Section 4.

X _____
Initial Here

5. OR Legislative Addendum: Tenant Protection Statutes & Ordinances

5.1 THE OREGON STATE LAW SB608

In 2019 Oregon Legislature passed SB 608 limiting property owners' right to terminate tenancies and creating a state-wide rent control cap. The following summarizes the 2 parts to this law.

PART I. NOTICES OF TERMINATION

1. In the 1st year of occupancy you can use a no cause notice without paying 1 month's rent penalty statewide. (*Not in Portland. You must still pay Portland relocation fees*)
 1. Week-to-week, remains a 10-day notice. (ORS 90.427(2)). No reason required.
 2. Month-to-month, 30 days' notice in the first year (ORS 90.427(3)(b)). No reason required.
 3. No cause notice from tenant. 30 days' notice at any time during the tenancy prior to term end date (ORS 90.427(3)(a)). No reason required.
2. **Abolishes No Cause Notices after the 1st Year.** After the 1st year 30- 60- and 90-day Notices of Termination Without Cause are no longer available in Oregon unless it's your primary residence.
3. **Cause Based Termination.** After 1st year, Landlord may terminate a month-to-month tenancy only for the following cause-based reasons (ORS 90.427(3)(c)(A)):
 1. 86.782(6)(c) - Property purchased at trustees' sale with a tenant must follow ejectment procedure. Note: prior owner may be evicted with 10 days' notice of termination.
 2. 90.380 (5) - Government agency finds unsafe or unfit to occupy after tenancy begins 24-hour notice of termination to tenant.
 3. 90.392 - 30-day notice of termination "no cause notice" material violations of the rental agreement of Oregon landlord tenant law,
 4. 90.394 - 72-hour notice of termination for non-payment of rent.
 5. 90.396 - 24-hour notice of termination for outrageous conduct.
 6. 90.398 - 48-hour notice of termination for drug and alcohol violations in substance free housing.
 7. 90.405 - 10-day notice of termination for unpermitted pet.
 8. 90.440 - 24-hour notice of termination for group recovery home (drugs).
 9. 90.445 - 24-hour notice of termination for committing criminal act of physical violence.
 10. Qualifying Reason or Stated Cause. (ORS 90.427(3)(c)(B))
4. **For fixed term tenancies** (ORS 90.427(4))
 1. The above cause-based notices apply (ORS 90.427(4)(a)).
 2. **30 days' notice within 1st year.** If the fixed term end date falls within the first year, Landlord may terminate without cause upon 30 days' notice prior to the end date. The termination date will be the later of the fixed term or the notice termination date. (ORS 90.427(4)(b)). (*Not in Portland*)
 3. **After 1st year generally.** If fixed term end date occurs after the first year of occupancy, tenancy becomes month-to-month unless ORS 90.427(4)(b)):
 1. Landlord and tenant agree to new term tenancy, or
 2. Tenant gives 30 days' notice, or
 3. Qualifying Reason or Stated Cause
 4. Or for "3-Strikes."
5. **Stated Cause.** (ORS 90.427(5). 90 days' notice prior to end of term or month-to-month if:
 1. **Demolition.** The landlord intends to demolish the dwelling unit or convert the dwelling unit to a use other than residential use within a reasonable time;
 2. **Substantial Repairs.** The landlord intends to undertake repairs or renovations to the dwelling unit within a reasonable time and:
 1. The premises are unsafe or unfit for occupancy; or
 2. The dwelling unit will be unsafe or unfit for occupancy during the repairs or renovations;
 3. **Immediate Family Member.** The landlord intends for the landlord or a member of the landlord's immediate family to occupy

the dwelling unit as a primary residence and the landlord does not own a comparable unit in the same building that is available for occupancy at the same time that the tenant receives notice to terminate the tenancy; or

4. **Accepted Purchase Offer.** The landlord has:

1. Accepted an offer to purchase the dwelling unit separately from any other dwelling unit from a person who intends in good faith to occupy the dwelling unit as the person's primary residence; and
2. Provided the notice and written evidence of the offer to purchase the dwelling unit, to the tenant not more than 120 days after accepting the offer to purchase.

6. **Form of Notice.** (ORS 90.427(6)(a)) A landlord that terminates a tenancy under subsection for a qualifying reason shall:

1. Specify in the termination notice the reason for the termination and supporting facts;
2. **90 days.** State that the rental agreement will terminate upon a designated date not less than 90 days after delivery of the notice; and
3. **One Month Rent Penalty.** At the time the landlord delivers the tenant the notice to terminate the tenancy, pay the tenant an amount equal to one month's periodic rent.

1. **Applies to ownership of 5 + Dwellings.** Exceptions (ORS 90.427(6)(b) one-month penalty does not apply to a landlord who has an ownership interest in four or fewer residential dwelling units. (*Note in Portland, you must still pay Portland relocation fees*)

7. **Three Strikes.** (ORS 90.427(7)) A fixed term tenancy does not become a month-to-month tenancy upon the expiration of the fixed term if the landlord gives the tenant notice in writing not less than 90 days' prior to the specified ending date for the fixed term or 90 days prior to the date designated in the notice for the termination of the tenancy, whichever is later, **and**:

1. The tenant has committed ~~three or more~~ violations of the rental agreement within the preceding 12-month period and the landlord has given the tenant a written warning notice at the time of each violation;
2. Each written warning notice:
 1. Specifies the violation;
 2. States that the landlord may choose to terminate the tenancy at the end of the fixed term if there are three violations within a 12-month period preceding the end of the fixed term; and
 3. States that correcting the third or subsequent violation is not a defense to termination under this subsection; and

SAMPLE FORM

3. **Contents of Notice.** The 90-day notice of termination:

1. States that the rental agreement will terminate upon the specified ending date for the fixed term or upon a designated date not less than 90 days after delivery of the notice, whichever is later;
2. Specifies the reason for the termination and supporting facts; and
3. Is delivered to the tenant concurrent with or after the third or subsequent written warning notice.

8. **Primary Residence.** ORS 90.427(8) If the tenancy is for occupancy in a dwelling unit that is located in the same building or on the same property as the landlord's primary residence, and the building or the property contains not more than two dwelling units,

1. **After 1st year of Occupancy.** The landlord may terminate the tenancy at any time after the first year of occupancy:

1. **For a month-to-month tenancy:**

1. For cause and with notice as described in ORS 86.782 (6)(c), 90.380 (5), 90.392, 90.394, 90.396, 90.398, 90.405, 90.440 or 90.445;
2. Without cause by giving the tenant notice in writing not less than 60 days prior to the date designated in the notice for the termination of the tenancy; (No reason required) or
3. Without cause, no reason required, by giving the tenant notice in writing not less than 30 days prior to the date designated in the notice for the termination of the tenancy if:
 1. The dwelling unit is purchased separately from any other dwelling unit;
 2. The landlord has accepted an offer to purchase the dwelling unit from a person who intends in good faith to occupy the dwelling unit as the person's primary residence; and
 3. The landlord has provided the notice, and written evidence of the offer to purchase the dwelling unit, to the tenant not more than 120 days after accepting the offer to purchase.

2. **For a fixed term tenancy:**

1. During the term of the tenancy, only for cause and with notice as described in ORS 86.782 (6)(c), 90.380 (5), 90.392, 90.394, 90.396, 90.398, 90.405, 90.440 or 90.445; or
2. At any time during the fixed term, without cause, no reason required, by giving the tenant notice in writing not less than 30 days prior to the specified ending date for the fixed term, or 30 days prior to the date designated in the notice for the termination of the tenancy, whichever is later.

9. **Penalties.** (ORS 90.427(9))

1. Three months' rent plus actual damages and violation of the timelines are a defense to eviction.

10. **Pro-rated rent.** (ORS 90.427(10))

- 1. "The tenancy terminates on the date designated and without regard to the expiration of the period for which, by the terms of the tenancy, rents are to be paid."
- 2. Rent is uniformly apportioned from day to day.

11. **Tenant hold over after notice.** (ORS 90.427(11))

- 1. Landlord may sue for possession, actual damages from holdover including pro-rated rent until landlord knows or should know tenant has surrendered.

12. **No cause notices generally.** No reason required (ORS 90.427(12)).

- 1. The notice is given without stated cause;
- 2. The recipient of the notice does not have a right to cure the reason for the termination; and
- 3. The person giving the notice need not prove the reason for the termination in a court action.

PART II. RENT CONTROL

ORS 90.323 governing rent increases was changed.

1. The landlord may not increase the rent:

- 1. During the first year after the tenancy begins.
- 2. At any time after the first year of the tenancy without giving the tenant written notice at least 90 days prior to the effective date of the rent increase.
- 3. During any 12-month period, in an amount greater than seven percent plus the consumer price index above the existing rent. CPI from September of the prior calendar year.
- 4. **Notice Requirements.** The notices required under this section must specify:

- 1. The amount of the rent increase;
- 2. The amount of the new rent; [and]
- 3. Facts supporting an authorized exemption if the increase is above the amount allowed in subsection.
- 4. The date on which the increase becomes effective.

5. **Exception.** A landlord is not subject to the 12-month periodic cap where:

- 1. The first certificate of occupancy for the dwelling unit was issued less than 15 years from the date of the notice of the rent increase; or
- 2. The landlord is providing reduced rent to the tenant as part of a federal, state or local program or subsidy.

6. **Exemption.** This section does not apply to tenancies governed by ORS 90.505 to 90.850. Manufactured housing.

7. **Rent increase cap following 1st year no cause notice.** A landlord terminating a tenancy with a 30-day notice without cause as authorized by ORS 90.427 (3) or (4) during the first year of a tenancy may not reset rent for the next tenancy in an amount greater than seven percent plus the consumer price index above the previous rent.

8. **Penalties.** Three months' rent plus actual damages suffered by the tenant.

9. **Consumer price index** refers to the annual 12-month average change in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor in September of the prior calendar year.

- 1. Maximum allowable rent increase will be published by Oregon Department of Administrative Services.
- 2. 3.4% in September 2018

1. https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm

By initialing below, you acknowledge and agree to the terms in Section 5.

X _____
Initial Here

6. Sign and Accept

6.1 AUTHORITY:

The parties signing below personally represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing. Owner has reviewed the Renter Protection Addendum and agrees to be bound by the same, following Manager's professional advice, including, when outside legal counsel is suggested.

In Witness Whereof the respective parties (if community property both husband and wife must sign) have executed this agreement on the date first set forth above.

X

Owner
SAMPLE FORM

Date Signed

X

Agent/Broker

Date Signed