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The Professional Property Management Company

Thank you for choosing PropM. We offer the most professional and advanced property management services ever developed. We have taken an old industry and turned it into a high tech efficient business. We use high end customized software which assists us in efficiently managing the entire process(es) from start to finish. These efficiencies reward both parties in maximizing profits and minimizing both expenses and vacancies over the long haul.

Some realities of owning investment property(s):

- ✓ **As an Investment Property Owner**, there are annual turnover and maintenance costs an investment owner will incur. We are not a “slumlord” property management company, nor will we improperly charge tenants for costs an investment owner should incur as a property owner. We have high expectations of our owners, and their willingness to trust us and our professional abilities, which will absolutely minimize troubles and maximize revenues.
- ✓ **I will allow PropM, Inc to make professional judgements** on my/our behalf and make financial decisions under **§«LEAD_MAX_REPAIR_W_OUT_APPROVAL»** without my/our approval. PropM, Inc will make professional judgements in your best interest as our extensive experience allows us to make the best overall decision for circumstances that will arise. Our decisions will not necessarily be the least expensive solution, however they will be the best decision for the overall well-being of the owner, property and tenant, with costs in mind. We don’t believe in taking short cuts or “band-aiding” an issue, we believe in fixing the problem the correct way, the first time.
- ✓ **All our homes, unless not applicable, must include basic landscaping services** such as mowing, edging, weed control and cleaning up the flower beds on a consistent basis, either weekly or every other week. We will include the cost of landscaping into the rent. This will pay dividends year after year when it is time to re-rent as your property will command higher rents.
- ✓ **When returning Security Deposits to tenants**, we will video tape before they move in, and after they surrender possession of the property. There will always be items which need to be renewed, re-freshed, replaced, re-painted or repaired. Many of these items will be at the owner’s cost. Normal wear and tear covers a wide ranging legal opinion and tenants will be responsible for items they damage. This is an area where you will also have to trust us to make the best decision for you. Taking care of these items quickly and correctly will get the unit back in great shape, ready for top rents once again.
- ✓ **The management cost to you, the owner, is based** on a percentage (%) of rent. When rent decreases, the management fee also decreases. When rent increases, the management fee increases. Increasing rents will benefit both of us. The fee we charge continues at the same agreed upon percentage (%), however the dollar (\$) amount increases for both of us. We pride ourselves on making you more money, and ultimately us too. We always work to get you top market rents. Ex: 8% of \$100 = \$8 while 8% of \$1,000 = \$80.
- ✓ **Paying Bills and Utilities for you.** We are happy to offer this as an additional service for you at a great value. It is well worth it come year end to have your bills presented nicely on all your monthly statements for your CPA. We offer this at very reasonable prices.
- ✓ **Tenant Utilities** must be a flat rate charged to tenants when applicable as it is impossible to 100% accurately charge tenants for split water bills and other split utilities.

Thank you, we look forward to finding great tenants and maximizing your property’s value.

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Your Property Needs to be Rent Ready and Market Ready

As an investment property owner, first congratulations on owning an investment property, they can be a great form of wealth accumulation. There are steps below that are required to get your rental property prepared For Rent. A market ready property will achieve the highest market rents and return on your investment.

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

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

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- 6. The \$80 Light Bulb.** How can one light bulb cost \$80.00? To hire a handyman to go to the home, figure how which kind and how many light bulbs are needed can easily cost \$80.00 just to replace the first light bulb. Remember the handyman has to make a living too. It is easier and much cheaper to replace all bulbs yourself while you are at the property. If not, we can have our vendors replace light bulbs and take care of other repairs while at the property. Consider using energy efficient bulbs to reduce energy costs and avoid needing replacement as often. Outside lights that don't need to be replaced, wipe-down the post and globe from dirt and debris which can make these lights dimmer; when it comes to outside security, brighter is better. Blinds, window coverings and the like, please make sure they are clean and functioning properly.
- 7. Inspect Ceiling Fans.** Make sure all fans operate properly and are dust-free. Consider replacing older ceiling fans.
- 8. Clean away all Webs (cob and spider).** Clean all indoor webs that may hang in corners and walls. On the outside, clean all webs that may be near doors, overhangs and lights.
- 9. Clean Windows and Sliding Glass Doors.** Windows and sliding glass doors can easily build up dirt and finger prints. A good cleaning will not only let in more light but will also make the home seem brighter and larger. Having windows cleaned if they haven't been done in some time is well worth it. Make sure all windows are opening, closing and locking properly.
- 10. Repair or Replace screens.** Holes in screens can allow pests into your rental property and make it look not cared for, in addition to not being very inviting or visually pleasing. Repairing or replacing screens may save you money (less visits from your pest-control company) and give you peace of mind and make for happier tenants (and higher rents).
- 11. Pest Control.** A regular pest service is preferred versus waiting until pests are discovered. Often you can sign up for quarterly service, this helps protect the quality of your home. Hire a professional to do this versus you buying and spraying yourself.
- 12. Paint, Repair and Fix.** Fix any holes in the walls and sand before applying a fresh new coat of paint. Never touch up in the middle of a wall - if your paint is more than a few months old, your touch ups will not match as paint fades. You want to paint from corner to corner on any particular wall versus touch ups in the middle of a wall. This helps in achieving top rents and visually looks better. Repair or replace any carpet that shows signs of damage or doesn't appear clean or has spots. Replace damaged or cracked tiles and grout.
- 13. Safety.** Make sure smoke detectors and carbon monoxide detectors in place and working with fresh batteries. You should have carbon monoxide detectors on each level if you have gas appliances, fireplace or an attached garage.
- 14. Hot & Cold Furnace and AC.** Make sure your heating and cooling unit has been serviced recently and is working properly and has fresh new filters installed.

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PROPERTY MANAGEMENT AGREEMENT

Property Owner Contact Information	
Name(s):	«LEAD_FULLNAME» «LEAD_OWNER_2_R» «LEAD_OWNER_3_R»
Property Address:	«LEAD_PROPERTY_STREET_1», «LEAD_PROPERTY_STREET_2» «LEAD_PROPERTY_CITY», «LEAD_PROPERTY_STATE» «LEAD_PROPERTY_ZIP»
Owner 1 Email:	«LEAD_OWNER_1_EMAIL_ADDRESS»
Owner 2 Email:	«LEAD_OWNER_2_EMAIL_ADDRESS»
Owner 3 Email:	«LEAD_OWNER_3_EMAIL_ADDRESS»
Owner 1 Telephone:	«LEAD_OWNER_1_PHONE»
Owner 2 Telephone:	«LEAD_OWNER_2_PHONE»
Mailing Address where owner(s) Resides:	«LEAD_MAILING_STREET_1», «LEAD_MAILING_STREET_2» «LEAD_MAILING_CITY», «LEAD_MAILING_STATE» «LEAD_MAILING_ZIP» «LEAD_OWNER_2_R»

This Property Management Agreement (“Agreement”) is entered into as of «**Today**» (“Effective Date”) by and between «**LEAD_FULLNAME**», «**LEAD_OWNER_2_R**» (“Owner”), and **PropM, Inc.** a Limited Liability Company (“Manager,” together with Owner, “Parties”) for management of «**LEAD_PROPERTY_STREET_1**», «**LEAD_PROPERTY_STREET_2**» «**LEAD_PROPERTY_CITY**» «**LEAD_PROPERTY_STATE**» «**LEAD_PROPERTY_ZIP**» (“Property”).

RECITALS

WHEREAS, the Owner is the owner of the Property; and

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

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

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

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

1. APPOINTMENT; ACCEPTANCE.

The Owner hereby appoints the Manager as its exclusive management and leasing agent of the Property. The Manager accepts the appointment and shall professionally oversee the operation, rental, leasing, maintenance, and repair of the Property. Both Parties agree on the terms and conditions below.

2. MANAGER'S AUTHORITY; OBLIGATIONS.

- (a) Authority. The Owner expressly authorizes and empowers the Manager to do any and all lawful things necessary for the fulfillment of this Agreement including, but not limited to, the following:
- (1) collect all rents issuing from the Property as they become due and to disburse funds by ACH Deposit or as instructed by the Owner on or about the **10th day** of the current month; provided that the rent has been received by the 4th at midnight from the tenant; provided, further, that the Manager does not guarantee the collection of rents; (some circumstances are unavoidable, such as death and/or illness)
 - (2) deposit all funds collected on the Owner's behalf (less any sums deducted pursuant to this Agreement or otherwise) in one or more accounts (the "Trust Accounts") at a duly qualified national or local banking institution, separate from the Manager's own accounts; provided, however, that the Manager shall not be held liable in the event of a bankruptcy or failure of the depository;
 - (3) refund tenants' security deposits within the required 31 days after lease expiration;
 - (4) collect late fees, past due charges and NSF fees from tenants. These fees are due to PropM, Inc., and are to assist with time, effort and expense to PropM, Inc., and are not for the benefit of the Owner.
 - (5) any lease-break fee collected from tenant is to be divided equally between Owner and Manager.
 - (6) execute and serve, in the Owner's name, such notices and demands on delinquent tenants as the Manager may deem necessary and proper; provided however that Manager is not liable for the failure of a tenant to vacate the Property on time.

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- (7) institute, settle, or compromise, in the Owner's name, any legal action and make use of such methods of legal process against a delinquent tenant or a delinquent tenant's property as may be necessary to enforce the collection of rent or other sums due from said tenant, to enforce any covenants or any conditions of any lease or month-to-month rental agreement, and to recover possession of all or any part of the Property; provided however, that no other form of legal action shall be instituted and no settlement, compromise, or adjustment of any matters involved therein shall be made without the prior written consent of the Owner, [except when the Manager determines that immediate action is necessary];
- (8) purchase all necessary supplies, make contracts for or otherwise furnish electricity, gas, fuel, water, telephone, window cleaning, garbage collection, pest control, and any other utilities and services required for the Property's operation; with Owner approval; provided however, that Manager is not providing a guarantee, nor warrants the contractor or service provider(s) work, and that Managers responsibility is to use reasonable efforts to hire qualified service providers; and that Manager is not liable for the failure of the hired providers to perform their service.
- (9) make or cause to be made and supervise necessary repairs and alterations of the interior, exterior, and landscaping of the Property; provided, however, that expenditures for repairs, alterations, decorations, or furnishings in excess of \$«**LEAD_MAINTENANCE_LIMIT**» shall not be made without the Owner's prior written consent, except (i) in case of emergency, (ii) if the Manager in good faith determines that such expenditures are necessary to protect the Property from damage, to prevent injury to persons or loss of life, or to maintain services to tenants, or (iii) if the expenses are monthly or recurring; and that Manager is not providing a guarantee, nor warrants the contractor or service provider(s) work, and that Managers responsibility is to use reasonable efforts to hire qualified service providers; and that Manager is not liable for the failure of the hired providers to perform their service.
- (10) hire, discharge, and supervise all labor and employees required for the operation and maintenance of the Property.
- (11) advertise the Property and any vacant units therein by all reasonable means, including the placement of "For Rent" signs or other signs on the Property in accordance with applicable laws, regulations, ordinances, restrictions, and Owners' association rules.
- (12) cause references of prospective tenants to be investigated, and to approve new tenants based on criteria permitted by applicable law, including job security and creditworthiness;
- (13) execute and enter, on the Owner's behalf, into **Fixed Term** tenancies of units and to negotiate all extensions and renewals of such **Fixed Term** tenancies and leases; provided, however, that the Manager shall not, without the Owner's prior written approval, enter into any lease agreement that has a term of less than **Twelve (12)** months or more than **Eighteen (18)** months;

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

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- (8) utilities to be paid by tenant while tenancy and Owner to pay utilities while vacant. Manager has no responsibility in paying utilities.

3. OWNER'S OBLIGATIONS.

The Owner shall:

- (a) Provide Access. Provide 4 sets of all necessary keys for Property or you approve Manager to have 4 sets made your cost. Give of all keys, garage door openers, entry codes, leases, and rental agreements to the Manager;
- (b) Taxes and Liens. Owner will pay taxes on Property. No liens against Property.
- (c) Taxes and Mortgage. Pay all taxes and mortgage payments on the Property. Owner ensures this Property is current with mortgage payments and taxes.
- (d) Facilitation. Cooperate with the Manager in carrying out the purposes of this Agreement, and to facilitate the showing, marketing, and lease of the Property;
- (e) Records. Provide all documentation and records required by the Manager to manage and operate the Property, including all known facts that materially affect the value of the Property;
- (f) All Prospects Managers. Once contract is signed, Owner may not rent Property on their own. All rental prospects must be directed to PropM, Inc., whether contact to prospect was made prior to the signing of agreement or not.
- (g) Sale or Lease Notice. Inform the Manager before conveying or leasing the Property;
- (h) Insurance. Owner agrees to carry, at Owner's expense, adequate public and premises liability, property damage, and hazard insurance, and any other insurance adequate to protect the interests of the Owner and the Manager. Said policy shall name PropM, Inc. on an endorsement as an "Additional Insured – Managers or Lessors of Premises" or its equivalent, in such amounts as may be required by PropM, Inc.. On an annual basis, Owner will provide a Certificate of Insurance establishing said coverage. Both Parties, Owner and Manager, must demonstrate that they each, separately carry liability insurance for a minimum of \$«LEAD_APPROXIMATE_HOME_VALUE» which is maintained in force throughout the term of this contract and its renewals or extensions.

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- (i) Lack of Funds. Pay any late charges, penalties, and/or interest imposed by lenders or other parties caused by a lack of the Owner's funds held by the Manager and available for payment to same parties.
- (j) Reserve Funds. Maintain a minimum balance of \$«LEAD_RESERVE_AMOUNT» in reserve with Manager in the Trust Account. In the event the reserve falls below such minimum balance, Owner agrees to deposit funds necessary to maintain the balance or to allow Manager to replenish the minimum balance from the monthly proceeds due to the Owner. The reserve will be returned at the termination of the agreement or used against any outstanding balance. The reserve will be accessed by PropM, Inc. to expedite required maintenance and pay for any requested repairs.
- (k) Professional Cleaning. Manager requires professional cleaning of the entire Property prior to tenant occupancy. Owner can instruct PropM, Inc. contracted professional cleaners, or may hire their own to perform the professional cleaning. A "move-in, move-out" checklist will be provided to any professional cleaner detailing specific requirements of their service, and must be returned to PropM, Inc. for verification.
- (l) Lock Replacement. Manager may require re-keying or replacement of door locks for security/liability purposes at the termination of each lease at Owners expense. Owner may instruct PropM, Inc. to contract local locksmith or may hire their own to perform the re-key services.

4. REIMBURSEMENT OF EXPENSES.

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

- (a) copy charges; NO CHARGE
- (b) charges for long-distance telephone calls or faxes; NO CHARGE
- (c) notary fees; NO CHARGE
- (d) photos and videos; NO CHARGE
- (e) reasonable travel expenses, including (but not limited to) mileage reimbursement, parking expenses, and tolls; NO CHARGE
- (f) express, or certified mail charges; (If Necessary)

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- (g) any other expenditures the Manager is authorized to make under this Agreement for the Owner or that Owner otherwise authorizes the Manager to make on the Owner's behalf.

5. TERM.

- (a) **Primary Term.** This Agreement shall become effective as of the Effective Date and, unless otherwise terminated in accordance with the provisions of Section 9 of this Agreement, will continue for an initial period of **«LEAD_LENGTH_OF_INITIAL_TERM» Months**, from the start of the tenant lease agreement (the "Initial Term"). Owner may, at his/her sole discretion, terminate the contract without liability in the event that Manager cannot successfully identify and place a renter within 90 days of initiation of contract.
- (b) **Automatic Extension.** Unless either Party provides written notice of termination pursuant to Section 9 of the Agreement at least **30 days** before the expiration of the Initial Term, the Agreement will extend automatically for an additional **12 month term** until such time as either Party terminates the Agreement by providing at least **30 day** notice to the other Party. In accordance with the **«LEAD_PROPERTY_STATE»** Unlawful Trade Practices Act be advised that:

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

PropM, Inc. will provide notice of the automatic renewal as follows:

- PropM, Inc. will include a notice of automatic renewal provision in each statement provided to the Owner.
- PropM, Inc. will mail a reminder of automatic renewal between 60 and 30 days prior to the automatic renewal occurring that will state, "The contract will renew automatically unless the Owner cancels the contract in accordance with the cancellation and termination provisions of the Property Management Agreement."

Express Consent is required for the automatic renewal provision:

By: _____
Name: **«LEAD_FULLNAME»**
Title: Owner

Date:

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By:
Name: «LEAD_OWNER_2__R»
Title: Owner

Date:

6. COMPENSATION.

- (a) Management Fee. The Manager shall receive a management fee equal to «**LEAD_MANAGEMENT_FEE**» of the gross rental receipts collected **Per Unit Per Month** from the operation of the Property, or **\$100**, whichever is greater. “Gross rental receipts” are defined as monthly rental income. Any such monies due to the Manager hereunder shall be paid to the Manager on or about the **6th day** of each month. These charges will be due whether the Property is leased by Manager, the Owner, or any third party during the term of the Agreement.
- (b) Tenant Placement Fee. For any lease agreement, a charge of «**LEAD_LEASING_FEE**» is due from the tenants first month rent. For any lease agreement that has an agreed duration of 18 months or more, a charge of **75%** of one month’s rent is due from the tenant’s first month rent. These charges will be due whether the Property is leased by Manager, the Owner, or any third party during the term of this Agreement. Owner is obligated to pay the monthly «**LEAD_MANAGEMENT_FEE**» management fee for the full term of the lease signed by the tenant regardless of the termination of this Agreement.
- (c) Initial Inspection. No charge for general walk thru to proactively identify any areas of concern or areas which may need attention and/or suggestions to keep happy tenants and your property in normal working condition.
- (d) Semi-Annual Property Inspection. «**LEAD_SEMI_ANNUAL_PROPERTY_INSPECTION**» fee per inspection. Manager will perform a detailed inspection of the Property every 6 months, providing the Owner an inspection form detailing the status of the Property, outlining any damage or necessary repairs, and any violations of the lease agreement including pet and smoking restrictions. Damage will be documented with photographs and/or video if necessary.
- (e) Move-Out Inspection. Manager will provide a move-out inspection to the Owner upon tenant vacating. Owners should expect normal wear and tear on their Property. Please refer to the contract addendum “Owners Normal Wear and Tear Addendum” for reference. Manager is not liable for any damage or normal wear and tear to the Property.
- (f) Recovery of Expenses. Termination of this Agreement by the Owner prior to Manager finding a suitable tenant, or if Owner decides to rent Property on their own without approval from Manager, will obligate the Owner to reimburse Manager for expenses used to prepare the Property for rent. Actual costs such as photography, sign, marketing, and reasonable time will be billed back to the Owner. Manager will prepare and deliver an invoice to Owner with detailed costs to be due upon receipt.

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- (g) Additional Fees. Normal property management does not include providing on-site management services, preparing the Property for sale, modernization, fire, or major damage restoration, rehabilitation, obtaining income tax, accounting, representation before public agencies, counseling, attending Owner's association meetings, bill payment, or insurance claims. If the Owner requests the Manager to perform services not included in normal property management or specified above, a fee shall be agreed upon for these services before any such work begins.
- (h) Lease Renewal. For each lease renewal, «**LEAD_LEASE_RENEWAL_FEE**» will be due, and deducted from Owners distribution.
- (i) Eviction Protection Program. For each living unit managed by PropM, Inc., \$10 per month will be due, in consideration for which PropM, Inc. will cover costs incurred for Attorney to process Eviction for Possession. Program will cover fees and costs for Eviction for Possession of any lessee or tenant whose tenancy was commenced or placed by PropM, Inc. Program will not cover past due rents or damages to property. For \$120 per year (\$10 per month) Owner can be assured they will not be hit with unexpected costs of eviction for possession. (Program to include costs up to \$1500.) However, should any lessee or tenant request and be granted a jury trial for any eviction action, or if any lessee or tenant shall assert any counterclaim against Owner or PropM, Inc., Owner shall remain liable for payment of all expenses incurred for such legal action pursuant to other terms of this Agreement.

«**LEAD_EVICTION_INSURANCE_PROGRAM**»

7. LIABILITY AND INDEMNIFICATION.

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

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by PropM, Inc. in connection with such action, including reasonable attorney fees. The undersigned shall not make any disparaging remarks of any sort or otherwise communicate any disparaging comments about the Company, entities or persons to any third party at any time following the execution of this Agreement. Company agrees that it shall not make any disparaging remarks about the undersigned to any third party at any time. Any violation will be prosecuted to the full extent of the law.

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

8. REPRESENTATIONS AND WARRANTIES.

The Parties each represent and warrant as follows:

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

The Owner hereby represents and warrants as follows:

- (e) The Owner has fee simple title to and peaceable possession of the Property and all its improvements and fixtures, unless rented, and the legal capacity to lease the Property;
- (f) There are no written or oral agreements affecting the Property other than disclosed tenant leases, copies of which have been furnished to the Manager.
- (g) There are no recorded easements, restrictions, reservations, or rights of way that adversely affect the use of the Property for the purposes intended under this Agreement.

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- (h) The Property is zoned for the intended use.
- (i) All permits for the Property's operation have been secured and are current.
- (j) The building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders, or the like.
- (k) Any pool, spa, pond, and any required enclosures, fences, gates, and latches comply with all applicable laws and ordinances;
- (l) The Owner is unaware of any condition concerning the Property that materially affects the health or safety of an ordinary tenant.
- (m) All information related to the Property that the Owner provides to the Manager is true and correct to the best of the Owner's knowledge.
- (n) All loans, notes, mortgages, dues, or trust deeds are fully paid and are current without defaults.

9. TERMINATION.

- (a) Termination Procedures. This Agreement may be terminated:
 - (1) By either Party for a material breach of any provision of this Agreement by the other Party, if the other Party's material breach is not cured within **90 days** of receipt of written notice thereof.
 - (2) By the Owner at any time and without prior notice, if the Manager is convicted of any crime or offense, fails or refuses to comply with the written policies or reasonable directives of the Owner, or is guilty of serious misconduct in connection with performance under this Agreement.
 - (3) If the Owner terminates this contract after approved tenant is placed in residence, Owner will owe to Manager remaining monthly management fees for duration of tenants lease agreement.
 - (4) If the Property becomes vacant during the 12 month lease, PropM, Inc. will use best efforts re-lease the Property with no additional leasing fee.
 - (5) If a tenant re-leases or continues as tenant at the Property, then the Owner is liable to pay the Management fees for the length of the tenant's occupancy of the Property. This Agreement stays in effect for the extension of the re-lease.

Initials _____



The Professional Property Management Company

- (b) Management Fees After Termination. Following the termination of this Agreement under Termination guidelines, the Owner shall pay the Manager within **10 days** any fees earned under Section 6 hereto for services rendered before the effective date of the termination.
- (c) Early Termination. If the Owner chooses to terminate this agreement during the first Six (6) months, a charge of \$500 will be applied to Owner's account and due to the Manager.
- (d) No Other Compensation. The Manager acknowledges and agrees that no other compensation, of any nature or type, shall be payable hereunder following the termination of this Agreement except where funds are received by Manager after termination.
- (e) Funds Received by Manager After Termination. If the Manager receives any funds on the Owner's behalf after the end of the Agreement (e.g., rent, damages, past due amounts, etc.), the Manager shall (i) retain **«LEAD_MANAGEMENT_FEE»** of the funds received as compensation for services rendered (i.e., for research, accounting, communicating, and processing) at that time and (ii) pay the balance of the amount received to the Owner. Security Deposit(s) are to be used 100% for the repair, replacement and alike for the Property. Manager does not keep or retain any part of security deposit.
- (f) Owner Responsible for Further Payments. After termination of the Agreement, the Owner shall assume the obligations of any contract or outstanding bill incurred by the Manager under this Agreement. The Manager may withhold funds for **45 days** after the end of the month in which the Agreement is terminated in order to pay bills that were previously incurred but not yet invoiced and to close accounts. The Manager shall deliver to the Owner, within **45 days** after the end of the month in which the Agreement is terminated, any balance of monies due to the Owner or tenant security deposits, or both, that were held by the Manager with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination or withdrawal.

10. ADDITIONAL AGREEMENT TERMS.

The Parties hereby agree to the following additional terms:

«LEAD_PM_LEASE_ONLY_AGREEMENT_ADDENDUMS»

11. MODIFICATION.

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

Initials _____



12. ASSIGNMENT.

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

13. SUCCESSORS AND ASSIGNS.

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

14. NO IMPLIED WAIVER.

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

15. NOTICE.

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

If to the Owner:

«LEAD_FULLNAME» & «LEAD_OWNER_2_R» &
«LEAD_MAILING_STREET_1», «LEAD_MAILING_STREET_2»
«LEAD_MAILING_CITY» «LEAD_MAILING_STATE» «LEAD_MAILING_ZIP»

If to the Manager:

PropM, Inc. Headquarters
5 Centerpointe Drive, Suite 220
Lake Oswego, Oregon 97035

Initials _____



The Professional Property Management Company

(888) 780.2938

16. GOVERNING LAW.

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

17. COUNTERPARTS/ELECTRONIC SIGNATURES.

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

18. SEVERABILITY.

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

19. ENTIRE AGREEMENT.

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

20. HEADINGS.

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

Initials _____



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

OWNER	«LEAD_FULLNAME» & «LEAD_OWNER_2_R»
	By: _____ Date: _____ Name: «LEAD_FULLNAME» Title: Owner
	By: _____ Date: _____ Name: «LEAD_OWNER_2_R» Title: Owner

MANAGER	PropM, Inc.
	By: _____ Date: _____ Name: «LEAD_BROKER_SIGNATURE_R» Title: Authorized Representative

SAMPLE