



ENCORE PROPERTY MANAGEMENT

Professional Experience
Personal Service

P.O. Box 2104 * Redmond, OR * (541) 548-9994 * www.encorepropertymanagement.com

Professional Property Management Services

Thank you for contacting **Encore Property Management**. We are proud to provide the following information for review of our full time, monthly *management services*.

I, Shannon Smith, have been licensed in the field of Property Management since 1996. Our office staff consists of long term employment relations in our respective profession, who attend educational seminars and classes to ensure the most up to date knowledge of our field and the requirements by the State of Oregon and Federal Fair Housing. We offer extensive and professional services to ensure your property and residents are cared for with knowledge, experience and personal service.

We are proud to disclose that we work solely on commission base of the gross revenues received on behalf of the property. We DO NOT charge Owners fees.

Services provided within the commission rate:

- Vacant Property Inspection and Showing
- Application Review and Tenant Screening
- Rental Agreement and Addendum Forms for All Residents
- Move In Education of Property
- Rent Collections
- City of Redmond Tenant Billing and Collections
- Property Repair Coordination and Follow-up
- After Hours Telephone Monitoring
- All Property Management Notice Posting
- Invoice and Utility Payments for Property
- Direct Deposit Owner Proceeds
- Detailed and Easy To Read Owner Statements Monthly
- End of Year 1099 and Income/Expense Spreadsheet
- Court Filings/Evictions if Necessary (to include mediation services)
- Drive By and Interior Inspections of Property
- Move Out Inspections and Rent Ready Preparations
- Tenant Final Accountings

The only expenditures an owner shall incur will be printed media advertising for their vacant property, utilities and repair invoices. We cover all aspects of professional property management with No Fees To Owners (*other than management fee percentage on gross receipts of property income).

Please review our Services Agreement for a more detailed accounting of our services and assurance of our professionalism and ability to provide you quality service for your rental unit. We would be happy to answer any questions you may have and provide a rental analysis of your rental property free of charge.

** If you are interested in a One Time Placement Service in lieu of Full Time Property Management Services, please ask for separate information/agreement listing.



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RESIDENTIAL REAL ESTATE PROPERTY MANAGEMENT SERVICES AGREEMENT

Owner File Code Number: _____

SECTION 1: PARTIES

This Agreement is entered into this ____ 1st ____ day of ____ January ____, 2016 by and between

Register Business Name: _____ Encore Property Management _____,

hereafter referred to as Agent and

hereafter referred to as Owner. Name(s) as listed above must be in conjunction with Deed of Record of property. Any changes must be provided to Agent in writing.

SECTION 2: CONFIDENTIALITY

Agent agrees to exercise reasonable care and diligence; to deal honestly and in good faith; to not take any action that is adverse or detrimental to the owner's interest and to maintain as confidential all information obtained from or about the owner, except under court order or subpoena or as otherwise required by applicable laws even after the termination of this agreement, except as permitted by the owner.

SECTION 3: EXPERT ADVICE

Agent advises owner to seek expert advice on matters that the owner deems necessary.

SECTION 4: TYPE OF AGREEMENT

This agreement shall be considered a "full service" Management Services Agreement.

SECTION 5: TERM, RENEWAL, TERMINATION

In consideration of the mutual agreements contained herein and for consideration as identified, the parties agree as follows:

- (1) Owner hereby contracts with Agent as the exclusive agent for the Property described as

hereafter referred to as "Property." Full legal description identified in Section 13.4.

- (2) This Agreement shall commence on the __ 1st __ day of __ January __, 2016. This Agreement is for a 30 day period and continues from month to month until either party issues to the other a notice of termination of not less than 30 days.
- (3) This Agreement may be terminated by the Agent by giving not less than forty-eight (48) hours notice to the Owner in the event that a dangerous condition exists on the premises which the Owner fails to remedy, authorizes to be remedied or if the Owner fails to maintain or authorize to maintain the premises in a habitable condition pursuant to applicable city housing codes, if any, and ORS Chapter 90, the Oregon Landlord Tenant Act. In addition, Agent reserves the right to terminate this Agreement by giving not less than forty-eight (48) hours notice to the Owner, if in the Agent's opinion, Owner's actions or intended actions will damage, compromise or in any way jeopardize Agent's reputation.
- (4) Notices of termination by either party shall be served by first class mail.

SECTION 6: RESPONSIBILITIES OF AGENT

The Owner authorizes and Agent agrees to any or all of the following designated services:

- (1) Advertise the availability for rent of the premises or any portion thereof in manner which Agent deems effective for diligent search of applicants.
 - (a) Advertising costs shall be billed by Agent as within Section 6, 19 (d) from Advertising Invoice(s) per vacancy listings during billing period.
- (2) Display "For Rent" signs and include in Agency's webpage as necessary at discretion of Agent.
- (3) Receive applications and charge non-refundable applicant screening charges as expenses require or market conditions determine not to exceed \$ 45.00 per applicant over age 18. Agent reserves the right to increase or decrease application screening charges.
 - (a) Such non-refundable applicant screening charges shall be credited and paid to the "Agent" within 5 days of receipt thereof. All expenses related to the screening will be paid by the Agent. If screening charges are retained by the Agent any incentives, such as the waiver of applicant screening charges, authorized by the Owner shall become billable expenses to Owner by Agent.
- (4) Screen applications pursuant to the screening criteria identified in Agents Application Screening Criteria accompanying all applications. Agent shall not be required to discuss screening or application discovery with Owner at risk of possible Fair Housing or LTL violations.
- (5) Execute rental agreements (month to month or fixed term lease) and necessary addendum on behalf of the Owner.
 - (a) Initiate rental agreement based on current market and advertised rent at Agents discretion or negotiated rent rate with Owner.
 - (b) Initiate rental agreement and/or lease renewals in either month to month or fixed term lease format based on Agent's discretion.
 - (c) Initiate rent increase or reduction at Agents discretion.
 - (d) Modify or terminate any existing tenancies at Agents discretion.

Owner Name: _____ Prop #: _____

- (6) Collect fees, deposits, rent and/or other charges or funds in the name of the Agent (Agent is not a “guarantor” of income to Owner)
 NOTE: (REA requires all payments to be made in the name of the Registered Business Name, however, for the purposes of 1099’s and possibility of other agencies policies (such as Section 8 vouchers) it may be recommended that the Agent identify that the Owner designates that payments received shall be in the name of the building and/or owner in care of the Registered Business Name and give receipts as necessary.
- (7) In accordance with Oregon statute and Real Estate Agency Oregon Administrative Rules, Agent shall maintain accurate records of all funds received and disbursed in connection with Agent’s management of Property.
- (a) Said records shall be available for Owner’s inspection or request copy at reasonable times upon receipt of written notice.
- (b) After deducting all expenses, reserves, any sums required by law and Agent’s fees/authorized expenses, a check in the net amount shall be remitted monthly by Agent to Owner at the the Owner’s mailing address, or as hereby authorized to direct deposit in the Owner’s account identified (please provide us banking institution, routing number and account number from a CURRENT CHECK) as:
-
- Direct deposit may consist of electronic funds transfer and may take 24 - 48 hours from acknowledgement to post to Owner’s account.
- (c) Agent shall render to Owner a statement showing all amounts received and disbursed for the period reported, together with a listing of all disbursements made to Agent pursuant to authorizations contained within this agreement. Agent’s accounting records and reports will be provided monthly in Agent’s current standard report format. Owner understands and accepts that Agent may use a variety of accounts and accounting systems in support of its real estate management activities and reserves the right to alter from current format in future if Agent feels it is in best interest of accounting procedures and State guidelines/requirements.
- (d) Pursuant to statute, such reports and Owners funds will be provided by the 5th of the month following the end of the rental period.
- (8) End of the year statements & 1099 reporting forms will be prepared and furnished no later than January 31 of the following year.
- (9) ORS Chapter 90 provides for the charging of non-refundable fees to be paid by the tenant during the tenancy. A disclosure to the tenant is required and provided as to what expenses the fee/s will be applied.
- (10) If tenancy is a “lease” there will be a “lease buyout penalty” disclosed and charged to a tenant for early termination and vacating of the tenancy. Any “lease buyout penalty” collected will be paid to Owner at the next Owner Proceeds processing period less the stated commission rate outlined in section 10.1 compensation. This “lease buyout penalty” will be treated as gross rents received under such section. If unit remains vacant thru the Owner Proceeds processing period and funds are necessary to ensure timely payment of any expenses incurred after tenant vacates such as utilities, repairs or maintenance, charges to tenants final accounting over and above the conditionally held security deposit or other pursuant to Section 6, lease buyout funds will be used to pay for such obligations of disbursements due / owing to third persons as described in referencing section.
- (11) Non-refundable fees charged to the tenant for late fees will be collected by the Agent and credited to the Owner at next Owner Proceeds processing.
- (12) Non-refundable fees charged to the tenant for violations of the rental agreement such as NSF fees, non-compliance fees, bank charges, utility late fees, etc., fees charged to the tenant to inspect the unit at move in and move out, fees and labor to handle tenant’s abandoned property shall be collected by and credited to Agent to include all Court Filing, Service & Appearance Fees. Such fees will be paid to Agent within 5 days of receipt. Monies collected from Tenant may be credited to fees and other charges owed on Tenant Ledger prior to crediting current rents owed. If such, Agent will continue with reasonable means of collection of rents due, to include formal notice posting, court filing and obtaining either collection of monies due or restitution of property. Fees charged by Agent for Court Filing, delivery of service to Legal Processing/Sheriff, Appearance, Mediation, Affidavit Of Noncompliance, Notices of Restitution, Writ of Executions and Lockouts will be billed as \$25.00 per item and will be billed to Tenant along with Court Filing Fees, Forms and Legal Service Fees. Agent shall attempt all methods of collection from Tenant of these charges. If eviction is eminent, Agent shall withhold such charges outlined above from Tenants conditionally held security deposit.
- (13) Sign and serve such notices as are appropriate to property management duties in relation to this agreement and the rental/lease contract and all accompanying addendums. Examples of notifications served are as follows but not limited to, Nonpayment of Rent notification, violations of the contracts and addendums signed, Notice of Entry for either inspections or repairs and/or general notifications related to tenancy.
- (14) Institute, prosecute and represent, at Owner’s expense, actions to: (a) evict tenants in the property; (b) recover possession of the property; (c) Negotiate mediation agreements in court on behalf of the property; (d) attend any court actions to enforce; (e) schedule and attend lockouts and appointments for Tenant(s) retrieval of personal property (Once personal property has been removed and unit is secured, Encore will proceed with normal practices of preparations for cleaning, waste hauling, lawn care and marketable means to make available the unit for immediate renting ability); (f) act on Owner’s behalf for proper handling of such actions; and/or (g) recover loss rent and other damages. Agent shall charge a \$25.00 fee for each trip made on behalf of enforcement of the above. Agent may pay for necessary court actions of out Agent’s Operations Account. All charges incurred by Agent, to include filing, service, appearance, mediation, trip(s) for recovery, abandoned property, retrieval of property from tenant shall be paid to Agent as any repair or utility charge for property. Most generally, bills are paid on the 10th of each month excluding weekends/holidays. In some instances, payment is due and shall be paid at time of action generating charge and/or within 5 days of receipt.
- (a) Any charges incurred that are the responsibility of Tenant(s) as outlined within their agreement shall be billed to Tenant(s) either still occupying or billed to the final accounting if unit has been vacated.
- (b) Agent shall attempt collection of monies owed by Tenant as described throughout this Agreement including but not limited to Section 6, 12.
- (15) Initiate, compromise, settle and/or release any actions or suits associated with the premises;
- (16) Process and provide to vacating Tenant(s) any and all final accountings and reinstate any tenancies. Owner shall be responsible to pay for any and all invoices or amounts owing on Tenant(s) final accounting which goes over and above the held security deposit.
- (17) Make necessary inspections to protect the Owners Property. Agent is not a qualified General Contractor as to assess repair needs or make alterations or suggestions of repairs for protection of property. At least 12 exterior drive by inspections will be made per year by Agent. In the event unscheduled inspections are specifically requested by the owner, a fee of \$ 25.00 will be applied for each unit inspected at Owners request. Such fee shall be paid as a utility, repair or payment to third party under this agreement or as described within.
- (18) Agent shall conduct interior inspections at Agent’s discretion at no cost to the owner if Agent feels there is reason to inspect Tenant dwelling for housekeeping, repairs, etc..
- (19) Make or cause to be made repairs and alterations.
- (a) Receive on behalf of property repair requests, evaluate and assign to appropriate contractors for repair, damage, reoccurring operating charges and/or emergency repairs or essential services necessary to protect and preserve the property from damage or to maintain services to the tenants as required by ORS Chapter 90 or the rental agreement.
- (b) Owner agrees that Agent may contract for repairs with outside entities or retain the services of qualified personnel within “Agent’s” organization for maintenance and repairs. Repair rates vary with a one hour minimum trip charge and charges for “estimates” depending on contractor needed. Specializing contractors shall charge their current hourly or estimated rate deemed to the public. Special rates or incentives given to Agent by Contractors or Establishments shall be inflicted upon billings and credited to Owner within the billing invoice.
- (c) Upon repair being conducted, if Agent finds reason to believe repair was inflicted or caused by Tenant neglect, damage and/or within Tenant control as outlined within Tenant Rental/Lease Agreement and Addendums, Agent shall bill tenant separately for any charges found to be within the Tenant(s) responsibility. Encore shall seek reimbursement from Tenant to include posting Notice of Termination With Cause if necessary.

- (d) In either event, unless paid by the tenant, the cost of said maintenance or repairs shall be paid by the Owner in addition to any management fee provided for herein. Owner authorizes Agent to pay all obligations out of rent/monies received during the current and/or next rental cycle. An additional Management Fee of zero shall be added to any subcontractor billings for maintenance, alternation or remodeling.
- (e) Agent shall obtain bids when possible from all parties Owner requests. ** Contractors may charge for estimates.
- (f) Negotiation of repairs/remodeling shall be between Owner and Contractor, Agent shall not be held liable for negotiations or to provide access to unit upon request.
- (g) Any and all negotiation or work involving or related to insurance claims shall be handled between Owner and Insurance/Contractor. Agent shall not be held responsible to negotiate with Insurance Agents or Companies on behalf of Owner or property. Agent shall not be held responsible to hire contractors under name of Agent and provide invoices to or "wait" for payment from Insurance Agents or Companies. In such event, Agent shall report to Owner situation and require updates from Owner to keep Tenant(s) properly informed.
- (20) Purchase and pay for out of Clients' Trust Account necessary supplies, services and regular or routine expenses. If purchases are necessary, Agent may pay for and submit a receipt on behalf of and be properly reimbursed for material and/or labor in accordance with such billing invoice.
- (21) Upon entire vacating tenancy, Agent will rekey a unit under charge of Tenant(s) only if it is documented Tenant(s) did not return the same number of keys as given upon move in. If Owner desires rekey of locks upon an entire tenancy vacate to ensure safety of the unit, indication must be documented below:
 _____ I require all locks of this property to be rekeyed during a change of complete tenancy. I hereby acknowledge State Law requires Owner/Agent to provide keys to tenant(s) for ALL lockable doors including garage, leading to or providing access to or from the premises. We are unable to rekey only specific doors. By choosing this option, Owner hereby assumes responsibility for payment of all lock changes and keys necessary to provide one set to new tenancy occupants and one set for Agent.
 _____ I do not require rekey of locks to this property during tenancy change.
- (22) Upon receiving a 30 day notice from, tenant vacating without notice and/or evicting occupied units, Agent shall hold in Owner(s) ledger/Clients' Trust Account, a reserve of no less than \$250.00 from the last monies received on behalf of property prior to vacancy date, for the purpose of retaining a small reserve to pay for utilities, maintenance or services Agent deems necessary for proper operation of the vacant unit. In the event, more funds are necessary to operate the unit until next tenant occupancy, Owner agrees to promptly advance Agent needed funds as outlined within Section 11, 1 b.
- (23) Make or cause to be made contracts for utilities and services as the Agent shall deem necessary or advisable. Such contracts shall be paid as a regular disbursement from the Owner's receipts as outlined within (19) above.
- (a) In the event City of Redmond services are necessary, Owner acknowledges service must be in the name of the owner c/o Encore Property Management and billing invoice mailed to Agent if Agent will be responsible for payment or Tenant billing.
- (b) Unless otherwise documented on the last page, if usage is to be paid by Tenant, Agent shall have authority to "bill" Tenant monthly for usage directly from the City of Redmond billing invoice. Agent shall provide billing in detail to Tenant with a due date of the 15th of the month following service end date and shall collect monies from Tenant for utility usage on behalf of Owner.
- (c) Monies collected on behalf of Owner for utilities shall be entitled to management fee compensation as outlined within Section 10: Compensation and shall be deemed as part of the "gross monthly collections from property".
- (d) If Tenant fails to pay utility by due date, a \$50.00 utility late fee will be charged to Tenant and handled as described within (12) above in this section.
- (e) Noncompliance of Tenant to pay utility to Agent may result in Agent proceeding with action identified within (14) above in efforts to collect.
- (f) Amounts paid by Tenant over and above City of Redmond obligations resulting in credit shall be received and credited as follows:
 (1) In manner in which Tenant labels payment upon delivery to Agent.
 (2) Towards City of Redmond future account billing resulting in credit on ledger.
- (g) In the event a tenant is vacating or being evicted, Agent will include any outstanding City of Redmond utility amounts owed to Tenant(s) final accounting as with any other charges from their held security deposit.
- (h) City of Redmond utility billings will be paid prior to due date from Owner receipts as outlined within (19) above. If payment has not been made by Tenant, Agent will continue collection methods for reimbursement to Owner and such reimbursement collection may appear in the next Owner Proceeds timeframe.
- (i) If City of Redmond utility is to be included in rent, Agent will receive and pay such billing monthly out of Owner received monies as outlined within (19) above at no additional charge to Owner.
- (24) Deposit all receipts collected on the Owner's behalf in a Clients' Trust Account in a federally insured financial institution;
- (25) Retain conditionally refundable deposits and deposit in a Clients' Trust Account pursuant to statute. Agent shall hold all refundable deposits as outlined within in order to proceed with necessary use/accountability within the time documentation outlined in Oregon Landlord Tenant Law in the event of tenant vacancy. Such conditionally refundable deposits shall be maintained:
 (a) In an interest bearing account, as allowed by federal law. Note: Federal Regulation Q prohibits accounts of Corporations from being held in interest bearing accounts. Disclosure shall be made to the tenant as to whom the interest is paid.
 (a1) Interest shall be paid by the banking institution to the State Of Oregon.
- ** A Trust Account must be separate from Agent's operating account and must be designated as a trust, property management or other similar name. Agent may obtain one trust account for all properties Agent manages for others.
- (b) Agent shall hereby be authorized to transfer from the interest bearing Clients' Trust Account to the general Clients' Trust Account, Tenant(s) conditionally refundable deposit in the event Agent receives notification of a method of payment received on behalf of said Tenant(s) has been returned for any reason resulting in removal of funds from the original deposit into the Clients' Trust Account. This is for the purpose of covering such nonsufficient or returned funds only.
- (c) Upon collection of guaranteed funds from Tenant(s) for replacement of returned funds notification, Tenant(s) conditionally refundable deposit shall be returned to the interest bearing Clients' Trust Account.
- (d) Agent shall hereby be authorized to transfer from the interest bearing Clients' Trust Account to the general Clients' Trust Account, Tenant(s) conditionally refundable deposit to cover repairs to the property that are Tenant(s) responsibility as Agent deems necessary.
- (e) Agent shall have authority to set security deposit amounts required by new tenant(s) at Agent's discretion.
- (f) Agent shall have authority to request additional security deposits from existing tenant(s) as deemed necessary.
- (26) Last Months Rent collected from Tenant on behalf of Owner shall be held in the Owners Ledger of the general Clients' Trust Account until said tenant gives 30 day notice to vacate or vacates premises by other methods. At that time, Last Months Rent amount will be considered active and will be subject to management fees and disbarment to Owner as otherwise outlined.
- (27) Mortgage payments, insurance payments and tax payments shall be paid by the Owner unless otherwise directed by Owner/Agent. Agent will not be held liable for late payments in the event insufficient funds from rents or other collections including monies received by Owner for said purpose are not received and available in Agent's Clients' Trust Account for payment to be made and/or for mailing/delivery/posting errors. Agent shall not advance funds to Owner at any time.
- (27) In the event multiple properties are managed by Agent for one Owner, Owner hereby gives Agent authorization in this agreement to transfer funds between Owner's different property ledgers for payment of utilities, repairs, advertising and/or management fees as deemed needed and

necessary by Agent to promptly pay bills accrued. Even if multiple Agency Services Agreements are signed individually for each property Owner owns or has acting power of authority unto.

- (28) If property managed is a/are multi unit(s) such as duplex or building(s) consisting of 2 or more units connected together and all units are owned by same owner, Agent may pay bills acquired from a vacant unit(s) from an occupied unit(s) without a separate written authorization agreement.
- (30) If Owner's ledger balance is insufficient to make all disbursements due / owing to third persons, disbursements will be made in the following order:
- (a) Return of tenant conditionally refundable deposits;
 - (b) Property Management fees and other payments authorized by this Agreement including fees on final accountings;
 - (c) Expenses of operation identified in this Agreement;
 - (d) Mortgage payments;
 - (e) Property tax payments required to prevent foreclosure;
 - (f) Delinquent property tax payment not covered by (d) above; and
 - (g) Owner funds

** Note: In any event funds disbursed on behalf of property are unclaimed by Pay To The Order Of on said check for any period over 6 months, Agent shall turn unclaimed funds over to the Department of State Lands.

- (31) Notices For Sale... At any time Owner places unit(s) For Sale, Shortsale, Foreclosure, Refinance, etc... that requires access to unit inside and/or outside and Tenant notification for any reason other than Property Management related issues, Agent shall hereby not be required or liable to post notices of entry or notice of persons on premises.
- (32) Agent will hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises. All such employees shall be deemed the employees of the Agent for administrative purposes only. In the event an on-site staff is required to manage the property, Agent shall pay all compensation, payroll taxes and other charges and expenses associated therewith and Agent shall comply with state and federal employment requirements. Such expenses shall be reimbursed to the Agent by the Owner as a disbursement. Specific compensation for on-site staff shall be agreed upon in advance and set forth in a separate addendum.
- (33) Agent shall manage property under this Agreement in full compliance with the requirements of the Fair Housing Act of 1968 and the Federal Fair Housing Act of 1988 and shall take action considered appropriate to carry out the purposes of the Acts.
- (34) Agent is not authorized to practice law. If Agent deems legal assistance is necessary for any reason, including but not limited to rent collection or tenant eviction, Agent shall obtain such assistance from counsel approved by Owner or by Agent's counsel of choice. Any legal action undertaken shall be in Owner's name. All legal fees, costs and expenses shall be the responsibility of Owner and paid from Owner's funds in same manner as outlined in (19) of this section and considered as operating expenses.
- (35) If Owner so requests, Agent may transfer funds between the Owners' ledger account of two or more different owners only with a prior written and dated agreement signed by the affected owners who are authorizing the transfer. The agreement shall be separate from the property management agreements of the owners and include the terms of repayment and collection and any interest to be paid by the borrowing owner. The property manager shall have a separate agreement for each transfer between owners. The transfer shall be accomplished by the writing of billings and receipts as evidence of the charging and crediting of the appropriate owners' ledger accounts. The property manager shall give to each owner a monthly accounting on the transfer or include the accounting in the regular monthly report to the owner. At the time of the transfer the property manager must enter the transfer information on each affected owners' ledger account, including but not limited to the amount of the transfer, date of the transfer and the source of the transferred funds;

SECTION 7: PROHIBITED AGENT ACTIONS

Owner authorizes and empowers Agent with the same powers of the Owner except as herein expressly prohibited.

SECTION 8: INSURANCE AND INDEMNIFICATION

- (1) Owner shall contract for insurance coverage and to carry, at the Owner's expense, necessary fire and liability insurance adequate to protect the interests of the parties hereto, which policies shall be to the same extent and amount that protect the Owner. Owner shall provide proof of insurance to the Agent.
- (2) Owner agrees that at all times during the continuance of this Agreement all bodily injury, property damage and personal injury insurance carried by Owner on Property shall, without cost to Agent, extend to insure and indemnify Agent, as well as Owner, by endorsement of such insurance coverage to specifically name Agent as an additional insurance.
- (3) Copies of all insurance coverage and endorsements required under this Agreement shall be delivered promptly to Agent.
- (4) Owner shall indemnify and hold Agent harmless from all damage suits in connection with the rental of the Property and from liability from injury suffered by any employee or other persons including bodily injury. Agent also shall not be held liable for any error of judgment, for any mistake or fact of law, or for anything which it may do or not do hereafter.
- (5) Agent shall not be held liable for any acts of neglect or abuse to Owner's property by Tenant(s), Vandals, or Others. Agent shall not be liable for loss or damage to personal property of Owner's left on premises by either Tenant(s) or Owner.
- (6) Agent shall not be held liable for cancellation of Owner's insurance policy due to acts of Tenant(s) or failure to comply.

SECTION 9: AGENT DISCLOSURE OF OWNERS INTEREST

Agent hereby discloses the use of employees or a business to perform work for or on behalf of the Owner's property in which the agent has a financial (pecuniary) interest as follows:

- (1) Applicant Screening services are contracted out at Agent's expense with exception of in house screening practices/procedures. Applicant screening charges shall be obtained from applicant and paid to Agent as outlined within Section 6, 3(a).
 - (2) Repair, Maintenance, Construction, Cleaning or similar services or Repair Company identified as:
 - (a) Agent may obtain in future and/or minor repairs may be conducted by Agent or Agent representative in lieu of higher charging contractor. Rates shall be determined and charged as indicated in Section 6, 19(b).
 - (b) Other: _____
- Such disclosure includes the use of any company owned or operated by a spouse or relative of the agent or an employee of the agent.

SECTION 10: COMPENSATION

Pursuant to OAR 863-025-0025, Property Management Client Trust Account Requirements, property management fees and other authorized funds are considered earned and may be withdrawn when the monthly or other periodic cycle represented by the fees being withdrawn has been completed. This cycle ends & pays on the last business day of each month unless otherwise outlined within Section 6. Exception to management fee withdraw in the event there are not sufficient funds in the Clients' Trust Account to withdraw all or part. If so, management fee funds will be withdrawn as soon as there are sufficient funds to cover properly.

- (1) Owner shall pay Agent as the fee for its management services, 9% (nine) of all gross monthly collections from property, including collections made by Owner or others designated by Owner. "Gross monthly collections" is defined as the grand total of all rents and other funds received on behalf of said property. Other funds shall include but may not be limited to lease buyout fees, late fees, utilities to Tenants billed and collected by Agent.
 - (a) Agent **will not** charge management fees on Tenant(s) security deposits, NSF Fees paid by Tenant(s), Owner contributions for account shortages or repairs, reimbursement incentives from any utility company, utility late fees or noncompliance fees collected from Tenant(s).
- (2) Agent shall receive as compensation other items as designated within this Agreement.

Management Fee commission of 9% (nine) will be calculated on the gross rent stated on the Rental Agreement when we honor such items as reductions in rents as authorized by owner and/or "move in specials" or incentives given to tenant or perspective tenant in lieu of securing occupancy of this dwelling unit(s).

For example, move in specials of 1/2 off first months rent or "\$99" first months rent, commission will be taken on total rent charged to tenant on Rental Agreement at time of move in signing.

For example, incentives given to Tenant such as temporary reductions in rent or "free" rent for any timeframe under 3 months and/or services, repairs rendered by Tenant and incentive is given as "payment", commission will be figured on stated rent as it is listed on Rental Agreement at time of tenant signing.
- (3) Agent shall also be entitled to commission of 9% (nine) of all charged rents or listed fees in (1) above on Tenant(s) final accountings.

SECTION 11: RESPONSIBILITIES OF OWNER

- (1) Owner agrees to the following:
 - (a) Deposit with Agent a sum in the amount of \$ zero to cover initial operating expenses;
 - (b) Owner shall at all times maintain sufficient funds in the Client Trust Account to enable Agent to pay all obligations of the Property in a timely manner. Owner and Agent agree that Agent shall maintain a balance in the Client Trust Account of \$ zero per unit to ensure adequate funds are available to pay the operating expenses of the property. If rent collections are projected to be insufficient or will not be received in time to satisfy this requirement, Owner shall promptly provide Agent with the necessary funds, in advance. If Owner has not provided said funds within seven (7) days following the Agent's request for funds, the Agent at their option, may terminate this Agreement. Agent shall not be required to advance funds for Owner's Account. All bills, charges and obligations outlined within this agreement will be Paid prior to any Owner Proceeds payments.
 - (2) Provide all information and documentation regarding lead-based paint and lead-based paint hazards to Agent upon the signing of this Agreement or directly upon subsequent knowledge. If the property was built before 1978, federal law requires Owner/Agent (before a tenant is obligated under a lease/rental agreement) to: (1) provide the tenant with the federally approved pamphlet on lead poisoning prevention; (2) disclose the presence of any known lead-based paint or hazards in the property and (3) deliver all records and reports to the tenant related to such paint or hazards.
 - (3) Be responsible for all environmental damage existing on the premises as of the date of this Agreement or resulting thereafter from the negligence of the Owner or other parties. Owner agrees to indemnify and hold harmless from any claims by the State of Oregon or agency charged with protecting the environment for any environmental damage, other than that caused directly by the negligence of Agent;
 - (4) That all inquiries regarding any rental agreement or operation of the premises or any part thereof shall be referred to the Agent and all negotiations connected shall be conducted solely by or under the direction of the Agent;
 - (5) To notify Agent immediately upon receipt of any notice of foreclosure action. If Agent receives notification of the Owner's delinquency in the payment of any mortgages, property taxes or property insurance, Agent may give Owner 15 days written notice to cure the delinquency during which period Owner authorizes Agent to freeze any funds held by Agent and no disbursements will be made to Owner related to this agreement or the property outlined. If after the 15 day period, the delinquency is not cured and the foreclosure process is initiated or verified, Owner authorizes Agent to deduct from any funds held, due management fees, repairs, and or any other bills related to property. Additionally, Owner authorizes Agent to return any security deposits being held by Agent to a tenant of the property in addition to any pro-rated amount of rent being held by Agent and Agent may terminate this agreement. This paragraph does not preclude Agent from seeking any other remedies under this agreement or at law that may be available to Agent.
 - (6) To assume, upon termination of this Agreement, any obligation or liability associated with any contract so entered into, holding the Agent harmless;
 - (7) Owner shall provide or give authorization for Agent to obtain at Owner's expense duplicate keys and access devices including mailbox keys to facilitate convenient and efficient showings of the property and to provide to approved resident at least one copy for all locking doors in premises and one copy of all keys residential and/or mailbox for Agent to retain within office.
 - (8) Owner agrees to provide to Agent home where carpets have been professionally steam cleaned by a licensed party. House is to be cleaned to Agent's standards.
 - (9) Owner hereby has been informed and agrees to have installed prior to signing this agreement or authorize Agent to have installed at Owner expense a fully functional Carbon Monoxide Detector in all units that are deemed necessary by State Law. Any unit with carbon omitting devices or services and/or an attached garage to the living unit.
 - (10) Owner and Agent are obligated under law to disclose to a tenant or to a perspective tenant any known condition that materially and adversely affects the health or safety of a tenant or parties of the household. Owner is obligated to repair any such condition for a tenant.
 - (a) Owner hereby discloses any known condition that may materially or adversely affect the health of all tenants:
-
- (11) Agent hereby advises Owner to conduct Lead Base Paint and Radon Testing. For more information go to www.healthoregon.org/radon
 - (12) Owner hereby grants Agent to make decisions on behalf of property to the best of Agent's discretion in circumstances which shall protect Property and/or Tenant.

SECTION 12: TERMINATION ACCOUNTING AND RECORD MAINTENANCE

As required by law, Agent shall maintain the originals of all documents for a period of six years after termination of this agreement or the time designated by the governing state or federal Agency. At the completion of the retention period, Agent shall dispose of all documents:

- (1) By having the documents cross-cut shredded either by staff or subcontractor.
- (2) As required by tax law, the original leasing documents for properties operated under a state or tax credit program shall be returned to the Owner after termination of this agreement.

- (3) Upon termination of the management Agreement, refundable deposits and move-out fees shall be transferred to the:
 - (a) Owner;
 - (4) In the event any payments for the Owner's account are received by Agent following the expiration or earlier termination of this Agreement, they shall be used to pay outstanding invoices. In the event and to the extent that there are not sufficient funds in Owner's account, Agent shall forward to Owner any unpaid invoices and Owner shall be solely responsible to pay same. Agent's fee will be paid through the next accounting report period following the expiration or earlier termination date of the Agreement. All recovered funds or collected funds after termination will go directly to owner after Agent fees and/or invoices.
 - (5) Any request by Owner of Agent to produce copies of information in regards to Tenant(s) rental agreement, payment schedule or history, security deposits held shall be delivered to Agent in written form. Agent shall have 5 days to deliver requested information except in situations where this Agency Agreement is terminated.
 - (6) Upon termination of this Agency Agreement, Agent agrees to:
 - (a) Within 60 days from effective date of termination, provide Owner with all disbursements held within the respective Owner Ledger.
 - (b) Provide Owner with a final accounting of Owner Ledger Account within 60 days.
 - (c) An accounting of and disbursement of all security deposits held on behalf of Tenant/property named within this Agreement.
 - (d) Copies of all current rental or lease Agreements.
 - (e) Notification as outlined within this agreement of Agent's method of destruction of documents of management activity after six years.
- ** Any change to the a thru e outlines of termination procedures such as directions of Owner to disburse documents or funds to anyone other than Owner, must be submitted in writing to Agent at time of termination of this Agreement.
- (7) The next business day after effective date of termination of this Agreement, Agent shall notify each tenant for whom Agent holds a security deposit:
 - (a) The security deposit and all fees held for Tenant will be transferred to Owner or to another management/other persons.
 - (b) The name and address of Owner, other management company or person to whom these deposits will be transferred.
 - (8) If a tenant's termination of tenancy occurs on or before the effective date of termination of the property management agreement, Agent will complete any final accounting, inspection of or other procedures within the timeline of the Rental Agreement unless the owner otherwise directs and delegates in writing prior to the completion of the final accounting.
 - (9) Upon termination notification by either party to this agreement, Owner shall assume all responsibility to verify all utility companies holding an account in the name of Owner or Agent are given updated account responsibility and mailing address information. Such notification shall be done within 15 days from termination notice date. Agent reserves the right to call to assure all responsibility for accounts are out of Agent's name and shall terminate any accounts remaining in Agent's name at that time.

SECTION 13: OWNER'S DISCLOSURE OF OWNERSHIP DOCUMENTATION

The Owner identifies that the property is held as

- (1) Individual or joint ownership in the name(s) identified and who will sign this Agreement are:

_____ and a copy of the deed shall be provided as proof of ownership to the Agent.

- (2) As a partnership. The names of all partners are identified and who will sign this Agreement are:

_____ and a copy of the document shall be provided to the Agent.

- (3) As a Corporation legally filed and identified by the name:

_____ The designated Corporation officer to sign on behalf of the Corporation is identified as:

_____ and a copy of the Corporation documents shall be provided to the Agent.

- (4) Complete legal description of the property is as follows: _____

_____ Copy of deed of record is helpful and shall obtain legal description.

- (5) Disclosure of any known provisions about said property/dwelling being located within a 100 year flood plain. Owner hereby authorizes Encore Property Management to inform perspective/current tenant (s) of such knowledge. If property/dwelling is in fact in a 100 year flood plain and tenant incurs subsequent uninsured flood loss, Owner(s) hereby acknowledge that tenant can seek to recover from Owner (s) the lesser of the actual loss or two months rent. _____

- (6) Disclosure of property being currently listed "For Sale" or intent to list "For Sale" in the next 9 months. _____

SECTION 14: NAMES, ADDRESSES AND SIGNATURES OF PARTIES

Agent: Actual Registered Business name: Encore Property Management

By: _____ Shannon E. Smith, President Encore Property Management LLC _____

DBA: Encore Property Management

Mailing Address: _____ P.O. Box 2104 in Redmond, OR 97756 _____

Address For Service Of Notice: 730 SW 11th Street in Redmond, OR 97756

Physical Address: 730 SW 11th Street in Redmond, OR 97756

Telephone Number: _____ Office 548-9994 Cell 541-480-1685 _____ Fax Number: _____ 541-548-9941 _____

E-Mail: _____ 41studebaker@bendcable.com _____

Social Security Number or Federal Tax Identification Number: 20-8651377

By signing this agreement, Owner(s) acknowledges receipt of copy of this agreement and any accompanying addendums.

Signature(s) of all Named Owners, Partners, or Designated Corporate Officer as listed on the Deed of Record:

Mailing Address: _____

Address For Service Of Notice if different.

Telephone Number: _____ Fax Number: _____

E-Mail: _____

Social Security Number or Federal Tax Identification Number:

Delivery of Statements : _____ Mailed _____ E-Mailed _____ Faxed

Items To Accompany:

- _____ Copy of Deed of Record (providing legal ownership and legal description)
- _____ Copy of Insurance Declaration page showing Agent as "additional interest or additional insured"
- _____ Banking Information For Direct Pay
- _____ W/S/G/ Services by: _____
- _____ Mortgage, Tax or Insurance payment requests _____

_____ Additional requested addendums or alterations _____

