

# 1. Management Agreement

## 1.1 APPOINTMENT OF MANAGING AGENT

This AGREEMENT FOR THE EXCLUSIVE RIGHT TO MARKET, LEASE, AND MANAGE (the "Agreement") is entered into between Holland Properties, Inc. (the "Manager") and <<Owner Name(s)>> (the "Owner") who hires Manager to provide property management services as described in this agreement for the property commonly known as: <<Property Address>> (the "Property").

Property ID: Property ID Street House-Owner Owner

This agreement shall commence on <<Management Start Date>> and shall continue until the Termination Date. The Owner hereby appoints Manager as the Owner's sole and exclusive leasing agent, to collect rent and otherwise manage the Property. Owner represents and warrants that it has the legal authority and capacity to enter this Agreement and lease the Property that they own, and that there are no other undisclosed Owners. If Owner is a corporation, limited liability company, trust, or partnership the party signing on their behalf makes the same representations and warranties listed herein.

## 1.2 MANAGEMENT SERVICES

The management services include performing the following tasks on behalf of the owner: marketing and preparing (e.g. cleaning, painting, repairs, and other pre-market maintenance) the Property for lease; collecting application fees; conducting tenant screening including background checks; executing lease agreements; acting on behalf of the Owner on all utility accounts serving the Property; collecting security deposits, monthly rent, and any other associated fees; responding to tenant maintenance requests and maintenance emergencies (whether using in-house maintenance, trusted professionals, or other third parties to complete the maintenance or repairs); evictions, and other disputes between tenant and the Owner or Manager; all tenant communications; and periodic property reviews. (the "Management Services").

In furtherance of providing the Management Services, the Manager shall: (a) Use all reasonable efforts to keep the Property rented by obtaining tenants in compliance with all Federal Fair Housing Laws and other such similar State and Local laws, rules and regulations; (b) negotiate, prepare and execute all rental agreements or suspend, cancel, or modify any existing rental agreements (the "Lease"); (c) receive all rents, deposits, or other monthly charges into the Owner trust account pursuant to this Agreement; (d) receive and process any tenant complaints, requests, or allegations of breach and to remediate, cure, or otherwise remedy any matters arising therefrom; (e) bill and collect any non-rent fees, including, but not limited to application fees, late fees, non sufficient funds fees, pet rent, lease break fees, non-compliance fees which shall accrue to the Manager; (f) manage interim billing of utilities as needed; and, (g) sign and serve such notices as Manager deems necessary to enforce the Lease, to settle, compromise, and release such legal actions or suits or reinstate such tenancies.

The Manager is authorized to institute, in Manager or Owner's name as applicable, all reasonable legal actions or proceedings for the enforcement of any Lease term, for the collection of rent or other income from the property, or for the eviction, ejectment, or other actions to dispossess tenants or other persons of the Property; and to sign and serve such notices as Manager deems necessary to enforce the Lease, to settle, compromise and to release such legal actions, or suits. Owner shall directly reimburse Manager for all reasonable filing fees, court costs, attorney fees, and other necessary expenses incurred in connection with such actions not recovered from the tenant. Manager, in its sole discretion, may select an attorney or eviction service to handle such litigation at the Owner's expense.

## 1.3 ACCESS AND KEYS

Upon executing this Agreement, Owner will provide complete access to the Property. A lock box may be used for key control at the Property. Owner agrees to hold the Manager harmless from any liability which may arise from damage, theft, negligence or loss which may occur in connection with the delivery of the key to the Property or utilization of a lock box system as stated herein absent gross negligence or willful misconduct by Manager or its agents. Manager will re-key after each tenancy at Owner's expense to avoid liability issues.

THE OWNER HEREBY ACKNOWLEDGES AND AGREES THAT BY ENTERING THIS AGREEMENT WITH THE MANAGER THAT OWNER WILL, UPON THE MANAGER NOTIFYING THE OWNER THAT THE PROPERTY HAS BEEN SUCCESSFULLY LEASED TO A TENANT, NO LONGER HAVE ANY RIGHT OR AUTHORITY TO ENTER ONTO OR WITHIN THE PROPERTY WITHOUT FIRST PROVIDING NOTICE TO THE MANAGER SO THAT THE MANAGER MAY PROVIDE PROPER NOTICE TO THE TENANT PURSUANT TO THE LEASE.

## 1.4 ADVERTISING

Manager, at the Owner's expense, is authorized to advertise the Property by any means as Manager may deem proper and advisable in compliance with any local laws or HOA requirements.

## 1.5 COLLECTION OF RENT, FEES, AND SECURITY DEPOSITS

All rent, money, and fees received on behalf of Owner shall be held, until released, in a property management client trust account with all funds disbursed electronically to Owner on a monthly basis, or as designated in this agreement. Owner acknowledges and agrees that the Manager will retain pre-paid rents in a trust account until said rent is due and payable. At such time when rent becomes due and payable, it will be remitted to Owner. Security deposits will be held by the Manager in a separate trust account.

ALL RENT, MONEY, SECURITY DEPOSITS AND FEES RECEIVED MAY BE PLACED INTO A FEDERALLY INSURED INTEREST-BEARING CLIENT TRUST ACCOUNT, ANY INTEREST EARNED WILL INURE TO THE BENEFIT OF THE MANAGER OR TENANT ACCORDING TO LAW.

## 1.6 TENANT DELINQUENT ACCOUNTS

Manager has final disbursement authority with the tenant's security deposit refund and is authorized to pay any bills related to the security deposit. If an account is delinquent when the tenant vacates the Property, or otherwise owes a balance not covered by the security deposit, Manager will have the authority to negotiate a settlement with the tenant. If the tenant does not pay the balance due or make payment arrangements, the account will be turned over to a collection agency of Manager's choice. If the collection agency successfully collects delinquent funds, it will first deduct its fee/commission then remit any remainder to the Manager. After receiving the collected funds, Owner and Manager shall divide the remaining funds in proportion to their respective entitlements to the same.

## 1.7 COMPENSATION FOR MANAGEMENT SERVICES

The Owner acknowledges and agrees to pay the following costs: (a) one-time \$200 initial set up fee for the first unit and \$100 per additional unit; (b) a fee of 8% of monthly gross rents the Manager collects, without reduction for any Owner concessions, which is due and owing when rent is due for all full and prorated months for the Management Services; (c) a leasing fee of 50% of one full month's rent due upon Lease execution; (d) periodic property review, market rent assessment, and Lease renewal for a fee of 12.5% of one month's rent; (e) \$25 administrative fee per unit for preparation of annual year end statements.

If any Federal, State or Local Government laws, rules, regulations, ordinances, orders, declarations, or otherwise temporarily suspend, cease, or abate a tenant's rent payment the management fee shall remain due and owing. If someone besides Manager (E.g. prior property manager, owner) placed the tenant and tenant does not pay rent on time the management fee shall remain due and owing. If the property rents for less than \$1800/month then that amount will be used for management fee calculations.

## 1.8 DISBURSEMENT OF FUNDS

Owner acknowledges and agrees that Manager shall pay from the Owner's trust account all reasonable expenses incurred in providing the Management Services and all other amounts due and owing to the Manager each month. If the funds in the Owner trust account are not sufficient to cover the amounts owed to the Manager pursuant to this Agreement, the Owner shall remit full payment within 7 days of written notice. If the Manager is managing multiple properties for the Owner, Owner hereby authorizes the manager to transfer funds between the properties to cover any deficiencies for the Owner's other properties under management.

## 1.9 MANAGER REPORTS AND RECORD MAINTENANCE

The manager shall: (a) provide an accounting statement of monies received and disbursed for each Property covered by this Agreement to the Owner on or about the 15th day of each month; (b) prepare an annual account summary and 1099 IRS rental income form for the Owner; (c) provide electronic copies of the Lease or any other tenant agreements, this Agreement and any amendments hereto, and any other records of the management of the Property in compliance with Oregon statutes and administrative rules. All the aforementioned statements, summaries, copies and records are provided electronically.

## 1.10 TERMINATION

This Agreement shall terminate under the following circumstances: (a) 60 days after written notice of termination from either party ("Termination Notice"); (b) immediately if the Property is sold, foreclosed, becomes subject to bankruptcy proceedings, or title is otherwise legally transferred to a party other than the Owner; (c) at the Owner's option, if the Manager has failed to place a tenant for the Property 60 days after it has placed the Property on the market for rent and the Owner has complied with all pricing, advertising and maintenance recommendations of the Manager; (d) at the Manager's option, if the Owner fails to follow the provisions of this Agreement. Unless otherwise agreed between the Manager and the Owner, the Agreement shall terminate on the date described in this Termination provision (the "Termination Date").

## 1.11 EFFECT OF TERMINATION

Except as to the fees, costs, or disbursement owed to either party at the time of Termination, both parties shall be released from all responsibility and any liabilities accruing after the Termination Date. Upon receipt of the Termination Notice from the Owner, the Manager will assess a \$250 termination fee per unit for administrative tasks for closing the Owner's account. If Termination Notice is provided within 180 days of initiation of the Agreement or the first tenant placement an additional \$500 per unit will be added to the termination fee. In

addition, all other sums owed to the Manager are due and owing no later than the Termination Date. Upon full payment of all fees owed to the Manager, the Manager will return keys, tenant security deposits and lease agreements to the Owner within 30 days. Notwithstanding the foregoing, in the event this Agreement is terminated by the Owner pursuant to Section 1.10(c), Owner shall not be responsible for any termination fee.

## 1.12 PERIODIC PROPERTY REVIEW

Unless otherwise determined by the Manager, the Manager will perform a Periodic Property Review, which generally occurs in the 3rd and 8th month of the first year of a Lease and annually thereafter.

## 1.13 MAINTENANCE AND REPAIRS

Owner acknowledges and agrees that in order to preserve the Property in its rental ready condition, to maintain efficient operation of the Property, to comply with any Lease requirements, or any federal, state or local law, rule or regulation the Manager may use its own contractors or contract with independent contractors to provide maintenance, repairs, and replacement of any fixtures, appliances, or equipment on the interior or exterior of the Property. Except for Emergency Repairs as defined in this Agreement, the Manager shall first obtain the Owner's approval for any individual maintenance, repair, or replacement item costing greater than \$500. Owner shall have no right to object to any maintenance, repair, or replacement if said maintenance, repair, or replacement is otherwise required to be provided under the Lease. "Emergency Repairs" means any maintenance, repairs, or replacements that are immediately necessary: for preservation and safety of the Property; to avoid suspension of an essential service or casualty to the Property; to eliminate an immediate threat to the life of the tenant, other occupant, or any other person living within a reasonable distance of the Property; or, to comply with any federal, state or local law, rule, regulation, ordinance or code.

At all times, the Owner must maintain a \$500 per unit minimum reserve balance in its client trust to pay any maintenance ("Maintenance Reserve"), utilities or other costs incurred while providing the Management Services after distributions have been sent out.

Owners may complete repairs and manage their own contractors only while the Property is vacant. Owner shall ensure that any repairs are completed to code, fully permitted if so required and otherwise meet the standards of the Manager.

## 1.14 CONFLICT OF INTEREST DISCLOSURE

OWNER ACKNOWLEDGES AND AGREES THAT PURSUANT TO THE OREGON REGULATIONS FOR PROPERTY MANAGEMENT, THAT UPON DISCLOSURE TO THE OWNER, THE MANAGER HAS A RIGHT TO PERFORM ANY OF ITS DUTIES, AND TO OBTAIN ANY NECESSARY PRODUCTS OR SERVICES THROUGH EMPLOYEES OR BUSINESSES IN WHICH THE MANAGER HAS A PECUNIARY INTEREST.

## 1.15 COMPLIANCE WITH LAW

Owner and any other parties to this Agreement will comply with all obligations, duties, and responsibilities under the Oregon Residential Landlord Tenant Laws, Federal Fair Housing Laws, and any other federal, state or local statute, rule, regulation, ordinance, restrictive covenant, or directive applicable to the use, leasing, management, or care of the Property. If at any time, the Property is found to be in violation of a statute, rule, regulation, ordinance, or restrictive covenant or directive, the Owner shall promptly remedy the violation and bring the Property into compliance at Owners cost and expense. The Manager may terminate this Agreement upon 24 hour written notice to the Owner for any failure of the Owner to promptly remedy the violation.

## 1.16 HABITABILITY

Owner represents and warrants that, except for any of the conditions otherwise disclosed pursuant to the terms of this Agreement, the Property is in good and habitable condition, sanitary and otherwise free from any hazards to the safety of the tenant, and that the building is in compliance with any applicable federal, state, or local statute, laws, rules, regulations, or ordinances or codes.

Owner acknowledges and agrees that the Manager may order and complete any repairs to put the Property into clean tenant-ready condition prior to occupancy, or immediately if there is an existing tenant, subject to the maintenance, repair, and replacement provisions of this Agreement.

## 1.17 INSURANCE

At all times during this Agreement the Owner at their expense, will secure and maintain in effect a liability insurance policy in the form and with an insurer satisfactory to the Manager, naming the Manager as additional named insured, for and against any liability for damages related to any injury to persons or property in or about the Property which amount shall not be less than \$300,000/single unit or \$500,000/multiple units combined single limit of liability. Owner shall provide the Manager with a certificate of such insurance coverage. If the Owner intends to change insurers or otherwise alter its policy, it shall provide 30-day notice to the Manager of said changes.

## 1.18 OWNER DISCLOSURES

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Prior to entering this Agreement, Owner shall fully disclose to Manager, any problems, or potential problems with the Property including but not limited to ongoing or possible lawsuits, construction or structural defects, problems affecting habitability (e.g. pest infestations, mold, plumbing, water leaks, methamphetamine use or manufacture), whether Owner is a party to any bankruptcy proceedings, a guarantor of any delinquent mortgage(s), tax liens, property line encroachments, neighbor disputes, CC&R violations, any federal, state, or local statute, law, rule, regulation, ordinance, or code violations or any other situation that may adversely affect Managers ability to provide the Management Services effectively and efficiently. The responsibility of the Owner to disclose matters of the foregoing nature and type is ongoing. Owner has a duty to promptly report such matters throughout the term of this Agreement.

Manager may terminate this Agreement upon 24 hour notice if discovered that the Owner intentionally misled or otherwise negligently failed to disclose any problems of the type or nature described in this Owner Disclosure Provision.

## 1.19 NOTICE OF INTENT TO SELL OR DELINQUENCY

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Owner shall promptly notify the Manager if the Owner decides to list the Property for sale, or otherwise transfer the Property.

Owner is responsible for paying mortgage, taxes and HOA dues if any. If the Owner fails to make monthly payments or otherwise becomes delinquent on any mortgage, loan, security, or other investment that is secured by the Property, it shall promptly disclose the delinquency to the Manager. Manager reserves the right to terminate this Agreement 24 hours after receiving such notice; failure of the Manager to terminate this agreement within 24 hours of receiving notice shall not be considered a waiver unless expressly stated in writing. Any written waiver shall not serve to waive any future delinquency notices.

## 1.20 HOMEOWNERS ASSOCIATION

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If the Property is subject to an active Homeowners Association ("HOA"), Owner is wholly liable for the complete and timely payment of any membership fees, and any other assessments, or other costs of capital improvement projects the HOA undertakes, and any fines, late fees or otherwise for any other reason whatsoever.

Owner shall provide Manager with electronic copies of the current Conditions Covenants & Restrictions (CC&Rs) and HOA Bylaws including any amendments, and notify the Manager if any HOA approval is required prior to entering a Lease for the Property. Additionally, the Owner shall disclose any recorded easements, or other encumbrances that may affect a tenant's full use and quiet enjoyment of the Property. Any failure to provide this information to Manager releases Manager and tenants from liability due to unintentional violations of HOA rules and regulations.

## 1.21 RELEASE AND INDEMNITY

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Owner releases and forever discharges the Manager from any liability for the action of the tenant or the tenant's failure to perform under the conditions and terms of the Lease.

Owner and Owner's Agents shall indemnify, defend and hold harmless the Manager and any of Manager's Agents from any claim, demand, suit, cause of action, injury, damages, or attorney's fees for any reason whatsoever except for Manager or Manager's Agents' intentional acts of misconduct. This indemnity provision shall survive the termination of this Agreement and continue to protect the Manager or Manager's Agents if any proceeding or litigation should materialize after termination of this Agreement arising from Manager or Manager's Agents having been the Owner's Agent under this Agreement.

For purposes of this provision "Manager's Agents" includes any of its principals, officers, board members, owners, employees, agents, and independent contractors

For purposes of this provision "Owner's Agents" includes any of its principals, officers, board members, owners, employees, agents, and independent contractors

## 1.22 FORCE MAJEURE

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Manager shall not be responsible for delays or cancellation in the performance of its obligations under this Agreement when caused by: industry wide strikes or labor disputes of any third party vendor, or non third party vendor; natural disasters (including, but not limited to floods, earthquakes, wildfire fire, hurricanes, tropical storms or other such similar destructive weather phenomena), inclement weather; inability to obtain or the delay in obtaining materials or their reasonable substitutes which could not reasonably have been anticipated; any change in government laws, regulations, rules, restrictions or controls or any abnormal delay in issuing permits of the type in the area where the Property is located; or, any acts of an enemy or hostile governmental action, war, terrorism, civil commotion (such as mass protests, violent protests or riots), fire or other casualty, or any incidence of disease or other illness that has reached outbreak, epidemic, or pandemic proportions (expressly including but not limited to, plague, Ebola, SARS, MERS, Influenza viruses and any other variant of zoonotic disease, and the novel Coronavirus 2019 ("COVID-19") and any of the foregoing or subsequent events or restrictions caused as a result of COVID-19 or other such diseases).

### 1.23 CHOICE OF LAW

This Agreement shall be made and entered into in the State of Oregon and without giving effect to any principles of the conflict of laws, and subject to all State of Oregon laws. Venue shall be in the County in which the Property is located, and the parties shall submit to the personal jurisdiction of the same. All matters which are subject to jurisdiction of the United States, or Federal District Courts shall have proper venue in the United States District Court for the District of Oregon located at Multnomah County, Oregon.

### 1.24 SEVERABILITY

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement shall not be affected and shall be enforceable to the fullest extent permitted by law.

### 1.25 ATTORNEY'S FEES

In the event legal action is instituted to enforce or determine the parties' rights or duties arising out of the terms of this Agreement or the parties' relationship or a suit or action permitted herein is brought, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such proceeding. The determination of who is the prevailing party and the amount of reasonable attorney fees to be paid to the prevailing party shall be decided by the court or courts, including any appellate court, in which such a matter is tried, heard, or decided.

### 1.26 BINDING AGREEMENT

Except as to when a Property is sold, transferred, or otherwise conveyed to an unaffiliated third-party (which shall not include a Corporation, Limited Liability Company, or Partnership of which the Owner holds the majority share) each of the covenants, terms, provisions and agreements in this Agreement shall be binding upon and inure to the benefit of Manager, and its successors in interest, affiliates, administrators, and assigns. For any Qualified Transfer, this agreement shall be binding upon and inure to the benefit of Owner and its successors, heirs, administrators, receivers, trustees, and assigns. For any other transfer, this Agreement shall be automatically terminated.

### 1.27 AMENDMENT

Manager reserves the right to unilaterally amend this Agreement in its sole discretion to comply with any federal, state, or local statute, rule, regulation, or ordinance which may affect the terms of this Agreement. Any amendment for the foregoing reason shall be immediate. Notwithstanding any other provision of this Agreement, in the event of a unilateral amendment the Owner shall have the right to terminate this Agreement without penalty within 5 days of the notice of the unilateral amendment.

Manager may unilaterally amend the terms of this Agreement upon 30 days' notice to the Owner. If the Owner fails to terminate this Agreement within 30 days of the date the Notice is issued, then it shall have been deemed that the Owner accepts any such amendment.

### 1.28 NOTICES

Written notice may be given to Manager at: Holland Properties, Inc 5295 NE Elam Young Pkwy, Ste 110 Hillsboro, OR 97124 or such other address as Manager may designate or by email at main@hollandprop.com or such other address as Manager may designate. Manager may give notice to Owner by mail and/or e-mail at the last known address or email.

### 1.29 ENTIRE AGREEMENT

This Agreement, any amendments, and any other document to be furnished pursuant to the provisions hereof embody the entire agreement and understanding of the parties hereto as to the subject matter contained herein. Further each of Owner's representations and warranties contained herein shall survive the termination of this Agreement. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings among the parties with respect to the subject matter hereof.

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

X \_\_\_\_\_  
Initial Here

## 2. Sign and Accept

### 2.1 ACKNOWLEDGEMENT

The persons signing this Agreement as Owners certify that they are the owner (or owner's legal agent) of the subject property. This written Agreement contains the entire agreement between Owner and Holland Properties, Inc. and supersedes any and all previous written or verbal agreements or understandings. Any and all changes shall be in writing. I certify that all mortgage payments on the property noted above are current and there are no delinquent payments due (or property is owned free and clear of any mortgages on the property).

X

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date Signed

X

\_\_\_\_\_  
Agent/Broker

\_\_\_\_\_  
Date Signed

