



LIVING ROOM PROPERTY MANAGEMENT

TENANT PLACEMENT AGREEMENT

Owner:

Name _____ Phone _____

Email _____ Tax ID/Soc Sec# _____

US Mailing Address _____

Owner:

Name _____ Phone _____

Email _____ Tax ID/Soc Sec# _____

US Mailing Address _____

Trust/LLC: _____

If the home is to be listed in an LLC or Trust, it must match the deed and the homeowner's insurance policy.

please attach additional pages if more than two owners

Property to be Rented/Property Address: _____

Commencement Date: _____ **Identifying Code:** _____

This Tenant Placement agreement ("Agreement") is made between the Owner(s) ("Owner") and Living Room Property Management LLC ("Agent") with respect to the real property identified above ("Property"), which is owned by Owner. Agent and Owner are sometimes referred to herein as a party or the parties. Subject to the terms and conditions set out in this Agreement, the parties agree that the Owner engages the services of Agent to exclusively find and place a ready, willing and able Tenant for the Property.

1. Term:

- 1.1. **Initial Term:** The initial term of this Agreement shall be for a period of one (1) month, commencing on the **Commencement Date** for a monthly basis at which time this agreement shall automatically renew monthly unless it is terminated in writing or the services rendered are satisfied.

- 1.2. The parties agree that services rendered are satisfied once a Tenant is approved through Agent's application process and is prepared to sign a lease at the agreed upon terms disclosed to the Agent prior to the receipt of the Tenant's application.

2. Authority:

- 2.1. The Owner hereby grants to Agent full and exclusive authority to take the following actions, and Owner agrees to **reimburse or pay in advance** all reasonable expenses related thereto:
- a. To find a ready, willing, and able tenant for the Property.
 - b. To advertise the availability for rental of the Property and to display "For Rent" signs thereon.
 - c. To affix on Property in a visible location a sign not to exceed one square foot identifying Living Room Property Management as Leasing Agent unless prohibited by local ordinance or HOA bylaws.
 - d. To accept completed applications and perform tenant screenings in the order they were received.
 - e. To collect prorated rents (up to the first two months of rent) and deposits due in the name of the Owner upon move in only. All rents and deposits will be collected in the name of the Owner and transferred via ACH as stated in section 4.4. After Agent places Tenant in Property, Owner is solely responsible for management of the Property and all things customary and incidental to the management of the Property, including but not limited to rent and late fee collection and maintenance.
 - f. If requested by Owner, Agent may accompany Tenant at the move-in inspection. After placement, all future communications will be between Tenant and Owner, including but not limited to the execution and collection of the rental agreement.
 - g. To collect all fees related to processing tenant applications including but not limited to, NSF (returned check) fees, tenant application fees; as provided in section 3.5 below, all tenant application fees, NSF fees, processing fees, penalties, rebates, and discounts shall be retained by, and the sole property of, Agent.
 - h. To hire, contract for, discharge and supervise all labor and/or employees required for the operation and maintenance of the Property before any tenant placement should the owner request these services. Owner acknowledges that Owner is responsible for all maintenance costs incurred. Owner must deposit funds to cover the maintenance costs in advance, before Agent will schedule any maintenance or repair that will exceed the amount in Owner's cash reserve.
 - i. To disburse from Owner's reserve funds payments for: (X) Placement Fees, (X) Advertising Expenses, (X) Maintenance, Repairs, Alterations, and Decorations before tenant placement.
 - j. To maintain a cash reserve of Owner's funds, for use in payment of various expenses, in the amount of \$_____.
 - k. To take all other actions Agent deems necessary or appropriate to perform Agent's obligations hereunder.
 - l. Owner agrees that Agent may, in the name of and at the expense of Owner, contract with or hire third-party vendors for such services indicated in this section at the request of the Owner. Owner also acknowledges that Agent shall not be responsible to Owner for any act, omission, negligence, or contract default of such third parties.

Please note the Agent has no authority to enter into a rental agreement with a potential tenant. Owner is responsible for providing a rental agreement to the Tenant. Agent may provide Owner with templates but it is Owner's responsibility to ensure that the rental agreement complies with all legal requirements. It is Owner's responsibility to provide a rental agreement for Tenant to execute.

By initialing below, Owner(s) acknowledges and agrees to the terms in section 2.

X _____ X _____

3. Owner's Representations and Covenants:

- 3.1. The Owner represents that Owner holds the title or is purchasing the Property described herein above and has the sole right to engage the services of the Agent. Owner hereby represents and warrants that all references to "Owner" shall include each and every joint and several owners, and the Agreement shall be binding on each of them jointly and severally. Owner is the sole owner of the Property and has full power and authority to enter into this Agreement.
- 3.2. **Insurance:** The Owner shall obtain and maintain full control of renewal of property and liability insurance coverage, including fire and a minimum of \$300,000 liability coverage; the Agent has no duty or responsibility with respect to any insurance coverage. Owner agrees to indemnify Agent for any damages suffered as a result of any lapse in or failure by Owner to maintain insurance coverage.
- 3.3. **Data & Records:** Owner agrees to make available to Agent all data, records, and documents pertaining to the Property which the Agent may require to properly perform its duties hereunder. This includes but is not limited to HOA bylaws, lead-based paint disclosures, utility information, pet restrictions/guidelines, maintenance agreements, lawn care requirements, tenant responsibilities, copies of service contracts in effect, detailed lease terms, and house rules. The Owner must also disclose future plans to reoccupy, or sell the home. Owner will disclose any mandatory lease terms to Agent before Agent takes any effort to find a ready, willing, and able Tenant. If the Tenant secured by Agent does not execute a rental agreement with Owner because of an undisclosed rental term, Owner is still responsible for paying for Agent's commission fee and costs.
- 3.4. **Move-In Ready Required:** At the commencement of the term hereof, the Owner shall have the Property clean and move-in ready with all smoke alarms, lights, and appliances in working order. Owner warrants that the Property shall be in good operating condition and free of material defects. During the term hereof, the foregoing shall be the Owner's responsibility, before the Property is to be shown to prospective tenants. If the Property is not move-in ready at the commencement of the term hereof, the Owner will delegate the responsibilities to the Agent in writing or facilitate any cleanup/maintenance necessary to make the Property move-in ready at the expense of the Owner.
- 3.5. **Compensation:** The Owner shall pay the Agent a placement commission fee of _____% of one month's rent (current advertised or negotiated rate, whichever is higher) for the procurement of an approved, ready, willing and able renter. Such fee shall in no case be less than \$750 regardless of the rental amount. The fee will be deducted from the

Identifying Code: _____

remaining reserve and/or from Tenant's first month rent to Owner. Any remaining balance due must be made payable to Living Room Property Management LLC, within ten (10) business days of the tenant's scheduled move in date. In addition, Owner shall pay all advertising expenses (upon prior approval of non-standard marketing program). Agent will retain returned check/NSF fees, application fees, penalties, rebates, discounts, and processing fees.

Agent shall retain \$_____ to be held in reserve for use by the Agent for payment of the placement fee or bills specific to the Property to comply with section 2(j) above. Owner may be entitled to replenish the funds in such account in order to maintain a balance of \$_____.

Any remaining amount at the end of the contract term shall be refunded to the Owner in full. Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of the Agent's duties set forth herein. Please see Agent's most current Placement Only Services Menu for other line items. In no event shall the Agent be required to use its own funds to pay any of the Owner's obligations.

- 3.6 **Reimbursement Requests:** The Owner, upon request of the Agent, shall promptly, within 5 (five) business days, reimburse the Agent for any disbursements in excess of the reserve fund. The Agent shall provide to the Owner proof of excess expenditures when requested before reimbursement is made.
- 3.7 **Lead-Based Laws Acknowledgement:** Owner acknowledges that Agent has advised Owner of the laws regarding disclosure of Lead-Based Paint Hazards in residential dwellings built prior to 1978 and Owner agrees to furnish Tenant with a completed signed and dated "Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards" form if the Property was built prior to 1978.
- 3.8 **Other Fees:** Owner will be responsible for fees under the current year's Tenant Placement Only Services menu, including but not limited to Set Up Fees, Tenant Placement Fees, Maintenance Fees, Property Report Fees and Turnover Management Fees. Owner acknowledges that except for the items listed and agreed upon in the Tenant Placement Only Services menu, Agent will not be managing the Property for Owner.

If before tenant placement, Owner requests Agent to oversee, supervise, or in anyway manage any maintenance or construction project at the Property (a) for which the total estimated or actual expense for labor and materials exceeds \$2,500 or (b) requires multiple bids, vendors, or home warranty providers, Owner shall pay Agent a project management fee upon commencement of Agent services regarding such project, and such fee shall be equal to 15% of the total project cost. Agent retains the discretion to refuse to oversee, supervise, or in any way manage such project.

- 3.9 OWNER RECOGNIZES AND AGREES BOTH OWNER AND AGENT MUST COMPLY WITH ALL FEDERAL, STATE AND LOCAL **FAIR HOUSING** LAWS WHICH PROHIBIT DISCRIMINATION BASED ON, AMONG OTHER THINGS: RACE, RELIGION, COLOR,

NATIONAL ORIGIN, FAMILIAL STATUS, DISABILITY, SEX, MARITAL STATUS, SOURCE OF INCOME, SEXUAL PREFERENCE AND GENDER IDENTITY. OWNER FURTHER RECOGNIZES THAT PERSONS WITH DISABILITIES MAY REQUEST A REASONABLE ACCOMMODATION WHICH MAY REQUIRE OWNER TO WAIVE CERTAIN POLICIES OR PROCEDURES, OR REASONABLE MODIFICATION WHICH MAY REQUIRE THE OWNER TO ALLOW THE TENANT TO MAKE MODIFICATIONS TO THE PROPERTY.

- 3.10 **Indemnification/Hold Harmless:** Owner acknowledges that there are risks when renting out property. Owner shall defend, indemnify, and hold Agent, its employees, officers and directors (“Indemnities”) harmless from all damages, loss, costs or attorneys’ fees and against all allegations, claims, actions, suits, demands, liabilities, obligations, losses, settlements, or judgments which arise out of, relate to, or result from any act or omission of Agent’s performance of this Agreement, except to the extent caused by the gross negligence or willful misconduct of Agent. The Owner acknowledges it is impossible for the Agent to know the use that a tenant may put the Property to, and the Owner assumes the risk of the rental of the Property to a tenant who fails to pay rent or otherwise breaches the rental agreement, or misuses the Property, or impairs its use or value by an improper use such as, but not limited to, housing of animals, drug manufacturing, drug dealings, or other improper or illegal activities. Owner understands that Agent is not responsible if Tenant’s situation changes after Tenant moves into the Property and/or if the Tenant does not follow the terms of the rental agreement.

This indemnification and hold harmless provision includes but is not limited to: a) Any damage to or destruction of any Property; b) Any unpaid rents, deposits, utilities, etc. due by tenants; c) Any injury to or death of any person; d) Any acts of Owner; e) Any error of judgment by Indemnities or any mistakes of law or fact by Indemnities; f) Any alleged violation of any law pertaining to fair employment, fair credit reporting, fair debt collection, environmental protection, rent control, taxes, fair housing, or any other such laws; and g) Any loss of client funds where such loss is incurred as a result of bank conduct, lost mail, or omission and exceeds applicable federal deposit insurance limitations. Nothing contained in this section shall relieve Agent from responsibility to Owner for Agent’s gross negligence or willful misconduct.

The obligations under this section 3.10 will survive the expiration or termination of this Agreement.

- 3.11 **Other Representations:** Owner represents and warrants that: a) Owner’s name on this Agreement is the same as shown on the real property records as the owner of the Property; b) there are no written or oral agreements affecting the Property; c) the building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders, or the like (including, but not limited to, those pertaining to hazardous or toxic substances); d) the building does not contain any mold, asbestos, urea, formaldehyde, radon, or other toxic or hazardous substance and that no unsafe condition exists; e) Owner is not in default with any lender that holds a lien on the Property; f) Owner will take all responsibility for drafting, providing, and maintaining a rental agreement that

complies with all legal requirements; g) Owner has the responsibility and capacity to comply with all legal requirements in renting and managing the Property; and g) Owner can provided Agent a true and complete copy of the instrument under which Owner took title to the Property should it be requested.

- 3.12 **Rent Ready Units:** Owner acknowledges that it is Agent’s stated business policy to offer for rent only units in Rent Ready Condition. Rent Ready Condition means that the unit is habitable under applicable law, clean according to Agent’s standards, that all amenities are in working order and that the unit has been re-keyed, at Owner’s expense, since the prior tenant.
- 3.13 **Earthquake, Terrorism, & Acts of God:** Owner is and shall remain solely responsible for any and all liability, loss, damage, claim, costs and expenses associated with or arising out of earthquake hazards, earthquakes, terrorist acts, acts of God, fire, flood and other casualties on or about the Property.
- 3.14 **Owners of Property in the City of Portland:** For Owners with properties within the City of Portland, Owner understands that it is responsible for understanding and complying with any applicable legal requirements or ordinances, including but not limited to Portland’s Mandatory Renter Relocation Assistance Ordinance (which mandates that renters in Portland must be paid relocation assistance by their landlord if they are served a no-cause eviction, served a rent increase of 7% above annual change in consumer price index or higher over a 12-month period, receive a substantial change in their lease terms, or do not receive the option to renew their lease). It is the Owner’s responsibility to notify Agent of all approved exemptions and future plans related to the potential need for a tenant to vacate to ensure that advertising about the Property is accurate. The Owner is also encouraged to discuss future plans with an attorney and/or the Portland Housing Bureau to stay current on any local ordinance.

By initialing below, Owner acknowledges and agrees to the terms in this section 3. Owner understands the indemnification and hold harmless clause (section 3.10), including but not limited to the fact that Agent is not responsible for any damages to the Property caused by tenants.

X _____ X _____

4. **Agent’s Representations and Covenants:**

- 4.1. Agent agrees to use due diligence in the tenant placement of the Property for the terms, conditions and provisions contained herein.
- 4.2. All records relating to the Property that are required to be maintained by Agent under Oregon’s Real Estate Law will be maintained by Agent for a period of six years after the transaction is terminated. Unless directed otherwise by Owner at the time of termination, Agent will dispose of such records. Owner may request copies of any or all records

relating to the Property at any time. The costs of copies, and if the request is made after termination of this Agreement, copying charges and the costs of Agent's staff time, will be paid by Owner.

- 4.3. Agent shall provide to the Owner(s) both monthly and annual statements of receipts, expenses, fees and charges.
- 4.4. **Clients' Trust Accounts and Segregation of Security Deposits:** All funds collected for the Owner will be deposited into Agent's trust account. Agent shall then forward all funds collected for the Owner via ACH within five (5) days of receipt.
- 4.5. Agent agrees to secure the prior approval of the Owner(s) on all expenditures outside of the Set Up Fee and Tenant Placement Fee outlined in the current year's Tenant Placement Only Services Menu.
- 4.6. For maintenance services performed by Living Room Property Management's maintenance employees, Agent shall bill Owner at the rate(s) and/or price(s) reflected in the current year's Tenant Placement Only Services Menu.
- 4.7. Agent will disclose to the Owner, in writing, Agent's planned use of any employees or a business in which Agent has a pecuniary interest to provide services for the Owner's property, if such employees or business are not disclosed in this Agreement. Agent reserves the right to utilize any qualified maintenance staff, contractors, or other service providers as may be selected by Agent, regardless of their affiliation with Agent, and Owner acknowledges Agent may receive a direct or indirect benefit from such maintenance staff, contractors, or other service providers. All maintenance shall be performed by vendors approved by Agent in Agent's sole discretion.

By initialing below, Owner acknowledges and agrees to the terms in this section 4.

X _____ X _____

5. **Termination:**

- 5.1. **24 Hours' Notice:** Agent or Owner shall have the right to terminate this agreement at any time by giving a twenty-four (24) hour written notification. All notices to Owner may be addressed to the Email and/or US Mailing Address listed on page 1 and all notices to Agent may be addressed to coty@livingroomre.com or to 1636 NW Lovejoy St, Portland OR 97209.
- 5.2. **Termination Upon Property Sale:** This Agreement shall terminate upon the sale of the Property to an entity that is not affiliated with Owner.
- 5.3. **Bankruptcy and Insolvency:** In the event a petition in bankruptcy is filed by or against either Owner or Agent, or in the event that either shall make an assignment for the benefit

of creditors or take advantage of any insolvency act, either party hereto may immediately terminate this Agreement by written notice. Remedies set forth herein above shall be in addition to and shall not exclude any other remedy available under applicable law to the parties hereto.

5.4. **Actions on Termination:** If this Agreement expires or is terminated for any reason Agent shall comply with all requirements set forth in the Oregon Real Estate Agency Rules, to the extent applicable.

By initialing below, Owner acknowledges and agrees to the terms in this section 5.

X _____ X _____

6. **Heirs and Assigns:**

Unless in connection with a sale of all or substantially all of its assets, reorganization, conversion, or a merger, neither Party may assign this Agreement or a service order without the prior written consent of the other. All rights, remedies and liabilities herein given to or imposed upon either of the parties hereto shall inure to the benefit of and bind the heirs, executors, administrators, successors and, so far as this Agreement is assignable by the terms hereof, to the assigns of such parties.

7. **Total Agreement:**

This Agreement contains the entire agreement between the parties pertaining to the Property and cannot be changed or terminated except by a written addendum, signed by both parties.

8. **Applicable Law & Venue:**

This Agreement shall be governed by and construed in accordance with the laws of the state of Oregon, and in the event of any litigation arising out of this Agreement, the parties hereto stipulate and agree that the venue for any such action shall be the county in which the Property is located.

9. **Attorney Fees & Costs:**

In case suit or action, or any appeal therefrom, instituted to enforce compliance with any of the terms of this Agreement, the losing party agrees to pay the prevailing party a reasonable attorney's fee, together with all costs and expenses incurred in connection with such actions, including the reasonable cost of searching records to determine the condition of title at the time suit is commenced.

10. **Cooperation:**

The parties agree to fully cooperate in carrying out this Agreement, including the execution of all documents reasonable necessary to effectuate the intention of the parties.

11. **Waiver:**

No delay or failure by any party to exercise any right, power or remedy with regard to any breach or default by any party to this Agreement, or to insist upon strict performance of any of the provisions hereof, shall impair any right, power or remedy of such party, and shall not be construed to be a waiver of any breach or default of the same or any other provisions of this Agreement. No action or conduct of any of the parties hereto shall be deemed or construed as a waiver or modification of the non-waiver provisions contained in this section.

12. **Relationship to the Parties:**

Neither party shall exercise any control over the activities and operations of the other party, and each party hereto is recognized as an independent contractor. Under no circumstances shall the parties be construed as partners, joint venturers, franchisor and franchisee, nor employer and employee.

13. **Survival of Representations and Warranties:**

All representations and warranties made in this Agreement and liability of the parties for the breach, inaccuracy, or other failure of such representations and warranties shall survive the expiration or termination of this Agreement, and shall remain in full force and effect thereafter.

14. **Headings/Construction:**

The captions used in this Agreement are intended for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. The rule of construction that a written agreement is construed against the party preparing or drafting such agreement shall specifically not be applicable to the interpretation of this Agreement.

15. **Third Party Beneficiaries:**

The provisions of this Agreement are intended solely for the benefit of the parties hereto, and shall create no rights or obligations enforceable by any third party, or any other person or entity not expressly made a party hereto, including but not limited to creditors, partners, agents, employees, owners, officers, directors, or other parties affiliated with any of the parties hereto.

16. **Authority:**

The parties signing below personally represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing.

17. **Limitation of Liability:**

Agent agrees that it shall use its best efforts to perform the services requested of it by Owner in accordance with this Agreement, but makes no warranties of any kind, express or implied, with respect to the services to be provided hereunder. IN NO EVENT SHALL EITHER PARTY BE

Identifying Code: _____

LIABLE TO THE OTHER FOR INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OF ANY KIND WHATSOEVER. AGENT'S LIABILITY WITH RESPECT TO ITS PERFORMANCE OR NONPERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL IN NO EVENT EXCEED THE SUMS PAID TO AGENT PURSUANT TO THIS AGREEMENT.

18. **Severability:**

If any term of this Agreement is to any extent illegal, otherwise invalid, or incapable of being enforced, such term shall be excluded to the extent of such invalidity or unenforceability; all other terms hereof shall remain in full force and effect.

19. **Special Provisions:**

In Witness Whereof the respective parties have executed this Agreement on the date first set forth above.

Owner(s):

Signed: _____ Date: _____
Print Name/Title:

Signed: _____ Date: _____
Print Name/Title:

(If legal representative, trustee, or attorney in-fact please state capacity and name of real party in interest)

Agent: Living Room Property Management, LLC, an Oregon Corporation Property Manager: Coty Thurman

Signed: _____ Date: _____

2019 TENANT PLACEMENT ONLY SERVICES MENU

Service	Includes	Fee
RENTAL ASSESSMENT REPORT	A rent report that outlines average rents along with a list of comparable properties and a suggested range for your property.	\$0
NEW UNIT SET UP: VACANT UNIT	Creating a digital file for your property. Establishing owner portal access. Providing blank lease/addendum templates. Photo inspection to capture pre-tenant conditions and suggested repairs/upgrades. Install of lock box or electric door lock. Up to 15 professional hi-res marketing photos .	\$399/Unit
TENANT PLACEMENT	Agent tours. Self-tour organization. Signage. Online advertising. Tenant screening. Agent accompanied move-in inspection with tenant. Collection of security deposits & prorated rents.	Equal to 50% of 1 month's rent. Minimum of \$750
ON-SITE VISIT	LRPM Team Member presence to the property. Typically requested to accompany a vendor, grant access for insurance/appraisal inspections. This service can also be used for owner requested courier services.	\$70/hour

A LA CARTE MAINTENANCE SERVICES

Service	Includes	Fee
MAINTENANCE TECH	1 tech. 1 hour minimum. Additional hours broken into quarters. General Maintenance and Handyperson services only. Supplies not included.	\$70/hour
PROPERTY REPORT	Formatted report filled with photos and notes pertaining to the interior and/or exterior of the property. Typically requested annually, upon completion of a major repair or upon report of suspicious activity. Own	\$150 each

TURNOVER MANAGEMENT

Turnover is the process of making a vacant home rent-ready for a new tenant.

Turnover Type	Vendors Coordinated	Bids	Make Ready Inspection	Fee
LEVEL 1	1-4		x	\$200
LEVEL 2	5-7		x	\$300
LEVEL 3	8 +		x	\$400
PROJECT MGMT	Individual repairs \$2500 & over	x	x	15% of total project