

QFS Property Management
2128 N. Pines Road, Suite 17-2
Spokane, WA 99206
Office and Fax 509-922-3944 Cell 509-868-1485

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT, in consideration of the covenants herein contained, is between QFS PROPERTY MANAGEMENT, a Division of Atlee Contract and Mortgage Corp., hereinafter referred to as "Agent," and _____, hereinafter referred to as the "Owner."

1. EMPLOYMENT OF AGENT

The AGENT shall manage, as the exclusive representative of OWNER, of the property known as a _____ with a street address of _____ upon the terms and conditions hereinafter set forth.

2. TERMS

The initial term of this Agreement shall begin on _____, and shall end on _____. Upon the expiration of the initial term, this Agreement will be automatically renewed for an additional twelve (12) months term unless terminated as hereinafter provided.

3. TERMINATION

After the expiration of the initial term of this Agreement, either party may terminate this Agreement at any time by written notice to the other (hand delivered or sent by certified mail, return receipt requested). The notice shall state the effective date of the termination, which shall be the end of a month not earlier than sixty (60) days after the date the notice is mailed or delivered.

4. AUTHORITY

The OWNER gives the AGENT the following authority and power (all or any of which may be exercised in the name of the OWNER) and assumes all expenses in connection therewith.

A. Leasing

The AGENT shall use its best efforts to lease the property (or any part thereof if the property is a multi-tenant property) to carefully selected tenants. The AGENT may, in its discretion, advertise the property, or any part thereof, for lease, display signs thereon, and rent the same, including executing, renewing or canceling leases.

B. Collection

The AGENT shall take reasonable steps to enforce collection of all rentals, and do all reasonable acts on behalf of, and for the protection of, the OWNER for the collection of such rentals, including, but not limited to, institution and prosecution of actions to remove tenants and recover possession of premises, bring suit to recover rent, and settle, compromise and release such actions or suits.

C. Expenses

The OWNER assumes and will reimburse AGENT for all expenses incurred by, or caused to be made by, AGENT, and to pay for all repairs, advertising, maintenance, utilities, direct labor, decorating and alterations as may be required for the proper operation of the property and the execution of this Agreement.

D. Management

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The AGENT will use its best efforts to accomplish the orderly management of the property. AGENT will contract for and supervise maintenance and repairs, which services may be performed by a Property Maintenance Company affiliated with the AGENT. In the event of extensive repairs (other than emergency repairs), alterations or any other non-recurring type costs in excess of \$ _____, specific authorization shall be obtained from the OWNER prior to incurring such expenses or proceeding with such work. AGENT is hereby authorized to personally perform maintenance tasks on the property, when the AGENT is convinced that it would be the least costly method to accomplish the necessary repair and provided it does not exceed the above stated amount.

E. Employees

The AGENT will employ, direct, control and discharge all personnel performing services in and on the premises, including, but not limited to, engineers, janitors, resident managers, maintenance and gardening employees, all as may be appropriate to the property.

F. Mortgage and Taxes

The AGENT will, if requested by OWNER, and out of funds collected as rents or provided by OWNER, service all loans and mortgages on the property and pay real estate and personal property taxes.

G. Changes in this Agreement

Either the AGENT or the OWNER may propose any change in this Agreement by notice given in the same manner as a termination notice, and if not agreed to by the other, the notice may also constitute a notice of termination.

5. NON-LIABILITY OF AGENT

The OWNER shall reimburse the AGENT for any expenses incurred in carrying out Paragraph Four (4) above or any other expenses reasonably incurred by the Agent for the proper operation of the property, if necessary funds are not available to the AGENT for the proper operation of the property, or if necessary funds are not available to the AGENT from revenues received from the property or are not otherwise made available by the OWNER. If such rents and revenues are not made available to the AGENT by the OWNER, and in the absence of specific instructions from the OWNER, the AGENT shall use its discretion as to which obligations shall be paid and the priority of payment. If necessary funds are made available to the AGENT by the OWNER, and the AGENT fails to tender payments to creditors in a timely manner, the AGENT shall be liable for the payment of any resulting late fees, interest charges, finance charges, and/or any other fees levied because of late payment.

6. ACCOUNTING STATEMENTS

The AGENT shall maintain records of all receipts and disbursements incurred in the management of the property, which records shall be open to inspection by the OWNER at all reasonable times. The AGENT shall mail monthly statements to OWNER at the OWNER'S address set forth below, showing all receipts and disbursements for the calendar month. Statements will, unless prevented by causes beyond the AGENT'S control, be mailed out by the 20th day of the following month.

7. RENTS AND DEPOSITS/INTEREST/TRUST ACCOUNT

The AGENT shall place all rents and deposits received from the OWNER or any Lessee or otherwise for the benefit of the OWNER, in the AGENT'S General Trust Account, which may bear interest for the benefit of the AGENT, at the AGENT'S discretion. All disbursements for the OWNER'S account shall be paid from such general trust account.

8. ADVANCES BY AGENT

The AGENT may, but shall not be obligated to, advance any funds on behalf of the OWNER for any purpose

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whatsoever.

9. PAYMENTS TO OWNER

The AGENT shall remit to the OWNER periodically, with the monthly statement, on or before the 20th of the month, the net proceeds due OWNER as of the end of the preceding month. The AGENT may retain OWNER'S funds up to \$ _____ as a reserve for payment of anticipated obligations of the OWNER and such further sums as may reasonably be expected to come due in the month, whichever is greater. If, at any time, there are sufficient funds on hand to pay the OWNER'S obligations then due, the OWNER will promptly (within seven [7] days) on request of the AGENT, furnish such funds to the AGENT.

10. INSURANCE AND INDEMNITY

The OWNER agrees to maintain, in effect, general fire and liability insurance covering the property. The fire insurance policy shall be for a minimum of eighty (80%) of replacement cost. The OWNER agrees to hold the AGENT harmless from all damages, claims, and suits arising out of, or in connection with, the management, use or occupancy of the property and from liability for injuries to persons or damage to property suffered by any persons whomsoever, unless caused by the AGENT'S own negligence or failure to perform its duties as set forth in the Agreement, and to keep in full force and effect, a public liability insurance policy adequate to protect the interest of the OWNER as well as the AGENT.

The OWNER released the AGENT and waives any claim against the AGENT for:

- A. Loss of rents, unless caused by AGENT'S negligence or failure to perform its duties as set forth in this Agreement.
- B. Any losses resulting from damage to the premises or contents thereof, other than loss or damage due to the AGENT'S negligence or failure to perform any of the AGENT'S obligations in this Property Management Agreement.

11. FEE

The OWNER agrees to pay to the AGENT, a management fee equal to _____ of the gross rents collected from the rental of the subject property, which fee shall be payable monthly and may be withheld by the AGENT as a first charge out of rents collected. In addition, if supervision of major remodeling or construction is required, a fee of _____ of the total amount involved in said remodeling or construction will be paid to the AGENT for supervision. No fee shall be due with respect to deposits or reimbursement of expenses. Rents collected within sixty (60) days after the termination of the Agreement, which were due prior to the termination of this Agreement, shall be subject to the payment of the stated percentage fee.

12. FINDERS FEE

The OWNER agrees to pay to the AGENT a Finder's Fee equal to _____ of the first full month's rent received, upon AGENT securing a ready, willing, and able tenant whose rental application is acceptable to AGENT in accordance with this Agreement.

13. TERMINATION FOR CAUSE

If the AGENT or the OWNER breaches any of the terms of this Agreement, the non-breaching party may give written notice to the other, specifying the alleged breach. If the AGENT or the OWNER, as the case may be, fails to remedy the breach within ten (10) days after receiving said notice, the OWNER or the AGENT, whichever gave the notice, may terminate this Agreement.

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14. OTHER TENANT CHARGES DISCLOSURE; AGENT hereby discloses that it charges prospective tenants a \$20.00 application fee. Also, in accordance with the terms of the lease, AGENT charges tenants a \$25.00 NSF check charge for any check given to the AGENT that is returned by their bank, for any reason. When Tenants vacate prior to the end of a lease term, in addition to outstanding rent, damages, etc., Tenants become liable to the AGENT for a \$35.00 inspection fee and a \$50.00 new document fee.

15. ATTORNEY FEES
In the event of any suit, controversy, claim, or dispute between the parties hereto, arising out of, or related to, this Agreement or the alleged breach thereof, the prevailing party shall be entitled to recover reasonable expenses, attorney fees and costs.

16. BENEFIT
This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the AGENT, and the heirs, administrators, executors, successors and assigns of the OWNER.

18. ADDITIONAL TERMS:

19. SPECIFIC INSTRUCTIONS - OWNER TO COMPLETE

Debt Service:

To: _____

Account #: _____

Who Pays: _____

Insurance Premiums

To: _____

Amount of Coverage: _____

Who Pays: _____

Real Estate Taxes

To: _____

Who Pays: _____

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Owner's Funds

To: _____

Account Number: _____

Miscellaneous

20. ADVERTISING DEPOSIT

An advertising deposit of \$100.00 will be required to open an account.

21. Law of Real Estate Agency: Owners acknowledges receipt of said pamphlet as per law.

Both parties acknowledge that no representation or condition or agreements varying or adding to this Agreement have been made, either orally or in writing, and further that no modification, addition or change shall be made or shall be effective unless reduced to writing and executed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

DATED this _____ day of _____, _____.

AGENT

OWNER (S):

QFS PROPERTY MANAGEMENT
A Division of ACMC
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SPOKANE, WA 99206
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(509) 922-8208 fax