

PROPERTY MANAGEMENT AGREEMENT

This AGREEMENT, made this _____ day of _____, 2014 between: _____, hereinafter designated as "Owner" and **Coldwell Banker Commercial Danforth & Associates, Inc. Property Management**, hereinafter designated as "Agent". In consideration of the mutual promises and covenants herein contained, Owner and Agent hereby agree as follows:

1) EXCLUSIVE AGENCY. The Owner hereby exclusively appoints Agent as owner's representative to rent, lease and manage the property known as: _____, for a period of **one year** beginning on the ____ day of _____, 2014 and thereafter for annual periods unless on or before thirty (30) days prior notice is given by either party, in which case, this agreement will be considered terminated thirty days (30) days from receipt of said notice. Should this Agreement be terminated by the Owner within the first ninety days (90) from the aforementioned date, a set-up fee of \$500.00 will be due to the Agent from the Owner upon cancellation.

2) RENTING OF PREMISES. Agent shall use its best efforts in disposing of vacant space and in keeping the premises rented to desirable tenants, and to this end is authorized on behalf of Owner to enlist the services of other real estate brokers. Rents established will be in keeping with comparable rents in the area and in the best interests of the Owner.

3) MARKETING. Agent shall pay for such marketing as part of the property leasing service. Owner agrees to Agent's periodic review and adjustment of rental amount to respond to current market conditions.

4) AGENT TO NEGOTIATE LEASES. All inquiries for any lease or renewals or agreements for the rental or operation of the premises or any part thereof shall be referred to Agent. All negotiations, signing, renewal, cancellation, termination, settlement, compromise, release, or reinstatement connected therewith shall be conducted solely by or under the direction of Agent. Owner authorizes agent to collect NSF check fees, screening fees, various administrative notice charges and need not account for such charges to owner. Owner authorizes agent to screen applicants personally and/or hire professional services to do same.

5) COLLECTION OF RENT. Agent shall use its best efforts in the management of the property and due diligence in collecting the rents and other income there from.

6) LEGAL PROCEEDINGS. Agent may, in the name of and at the expense of the Owner, institute any and all legal actions or proceedings for the collection of rent or other income from the property or the ousting or dispossessing of tenants or other persons there from, and such expense may include the engaging of counsel for any such matter. This agreement shall be construed under the State of Washington, and choice of jurisdiction and venue for any suit shall be the state and county where the subject property is located.

7) MAINTENANCE. Agent is authorized, in the name of and at the expense of the Owner, as may be advisable or necessary, to make or cause to be made ordinary repairs and/or alterations to the premises, make contracts for gas, fuel, water, trash collection or other services, and to purchase supplies and material. The expense to be incurred for any one transaction shall not exceed the sum of \$300.00/or \$____.00 unless authorized by Owner, except under such circumstances as Agent shall deem to be an emergency. Owner understands and accepts the fact that maintenance may be accomplished by firms/individuals associated with Agent but in all situations charges shall be competitive with those in the area. It is expressly understood and agreed that all individuals or firms providing maintenance or services are doing so on behalf of Owner only, and not Agent, and Agent is in no way liable to such providers for their compensation, and Agent is in no way liable to Owner or others for any act or omission on the part of any such provider. It is the Agent's policy to use only licensed and insured vendors.

8) STATEMENTS. Agent shall render to Owner a monthly statement of receipts and disbursements, remitting any balance shown to be due Owner. The disbursements shall include the compensation of Agent on the basis hereinafter provided. Agent shall cause all employees of the Agent who handle or are responsible for the safe-keeping of any monies of the Owner to be covered by indemnity insurance in an amount and with a company determined by the Agent.

9) OWNER FISCAL RESPONSIBILITIES. Owner shall reimburse Agent promptly for any monies which Agent may elect to advance for the account of Owner, including disbursement and charges in excess of monthly receipts. Nothing herein contained, however, shall be construed to obligate Agent to make any such advances.

10) SEPARATION OF OWNER'S MONIES. All monies received by Agent for or on behalf of Owner (less any sums properly deducted by Agent pursuant to any of the provisions of this Agreement) shall be deposited in the bank in a General Account maintained by Agent. Agent will not be held liable in event of bankruptcy or failure of a depository.

11) SECURITY & DAMAGE DEPOSITS. Agent shall collect, deposit, and disburse tenant's security deposits in accordance with the terms of each tenant's lease. Agent shall pay tenant's interest upon such security deposits only if required by law to do so; otherwise, any interest earned on tenant's security deposits is to be retained by Agent as compensation for administering these funds. Agent shall comply with all applicable state or local laws concerning the responsibility for security deposits and interest, if any.

12) RENT SCHEDULE. Rents shall be collected by Agent as follows: All rents prorated to the first of each month, and **are due** by the 1st business day of each month. Owners should expect funds to be **disbursed** within **seven (7) business days (which does not include Saturday, Sunday, or holidays)** of receipt of funds. Owner will be paid a late fee of \$50 when rent and late fees are received from tenant. Owner acknowledges that Agent retains late fees collected beyond the first \$50 to cover administrative costs associated with said collection.

13) SAVE HARMLESS. Owner agrees to hold and save Agent free and harmless from damage or injuries to person or property by reason of any cause under the express or implied directions of Owner. Owner will reimburse agent for any fees or legal expenses connected with defense of Owner/Agent against any claim or suit involving an alleged violation by Owner/Agent of any laws or regulations, unless Agent willfully or negligently incurred such violation, in which case Owner has no obligation to reimburse Agent for fees or legal expenses.

The Owner agrees to indemnify, defend, and save the Agent harmless from all claims, investigations and suits, and from all actions based upon Agents reliance of Owner's right, title, custody and possession of said premises with respect to Owner's authority to engage Agent for the purposes of this agreement and Owner hereby warrants his is the only party in title to the property, other than existing mortgage liens.

14) INSURANCE. Owner agrees to carry at Owner's expense, public liability insurance as may be necessary for the protection of the interest of Owner and Agent. Agent shall be named as additional insured and shall be furnished a certificate of insurance within twenty (20) days from the date of this agreement. All said policies shall provide that the Agent shall receive thirty (30) days notice prior to cancellation of the policy. Should Agent be required to supervise and/or arrange for major repairs due to fire, flooding, and/or any other major damage, Owner then agrees to pay Agent a service fee of ten percent of the total cost involved.

Policy # _____ Company _____ Agent _____ Phone _____

15) AGENT AUTHORITY. Agent is hereby authorized and instructed to deduct the following items from rents collected and make disbursements in the following order (circle corresponding letter of which items you wish us to pay):

- a) Leasing & Management Fees
- b) Current invoices and any over 30 days past due _____
- c) Homeowner Association Dues: Please attach a separate page indicating how much, payable to who, and address
- d) Taxes & Insurance: Please attach most recent tax assessment
- e) Funds to Owner: Bank Deposit (Please provide a voided check)

and make such payments from Owner's fund, accrued for this purpose if necessary. It is the Owner's responsibility to notify Agent in writing of any change in funds disbursement.

16) MANAGEMENT FEE. Owner agrees to pay Agent **TEN percent (10%)** of monthly gross rent as collected with a minimum of \$100 per month.

17) LEASING FEE: Owner agrees to pay to Agent a sum equivalent to one month's rent for up to a one year lease. This agreement shall be effective upon receipt of Owner's payment to Agent of a \$500.00 deposit, in advance. Fee is equivalent to one-half (1/2) of one month's rent for each and every renewal of tenant's lease. For takeover of management on a property that is currently leased there will be a \$500.00 set-up fee. Lease fee and Management fee shall NOT both be charged for the same calendar month.

18) OWNER DEPOSIT. To provide for contingencies and prompt payment of vendor bills, Owner agrees to have Coldwell Banker Commercial Danforth to hold a deposit of \$300.00. Agent, after using any or all of this deposit, will re-establish a balance equal to the original amount upon receipt of subsequent collections.

19) APPLIANCES WARRANTED. Owner agrees to maintain all appliances supplied by Owner in accordance with Washington State Law.

20) RESIDENTIAL LANDLORD/TENANT ACT OF WASHINGTON STATE, RCW 59.18. Owner acknowledges awareness of this statute and understands Agent will act according to its provisions.

21) FAIR HOUSING/DISCRIMINATION LAWS. Owner acknowledges awareness of these statutes and understands Agent will act according to their provisions.

22) AGENCY Coldwell Banker Property Management is acting as general agent on behalf of the Owner in regards to this property. Owner hereby acknowledges receipt of the *Law of Agency* pamphlet as required by law.

23) HAZARDOUS WASTE. If at any time during or after the term of this agreement, the premises are found to be contaminated with hazardous waste, Owner agrees to indemnify and hold Agent harmless from all claims, demands, actions, liabilities, costs, expenses, damages and obligations of any nature arising from or as a result of said hazardous waste. The foregoing indemnification shall survive the termination or expiration of this agreement.

23.1 LEAD-BASED PAINT. If the property includes housing that was built before 1978, then the Addendum entitled "Disclosure of Information on Lead-Based Paint and Lead-Based Hazards" must be attached to this Agreement unless this lease/rental transaction is exempt from all applicable federal regulations.

24) EMERGENCY CONTACT. Owner agrees to provide Agent with an emergency contact that has the written authority to make decisions pertaining to the management of the premises in the event Owner cannot be reached.

Emergency Contact Name	Phone	Relationship
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- 25) RENT READY CONDITION. Owner agrees to do the following upon vacating the property:
- a) Leave utilities **ON** (and thermostat set at 55° October through April to prevent freeze damage) while property is vacant.
 - b) Have smoke alarms installed on each floor or for the existing smoke alarms to be in good working order, to be tested and have fresh batteries. COLDWELL BANKER requires the installation of a Carbon Monoxide detector in all properties with gas heat, oil heat, propane heat, or gas fixtures.
 - c) Owner agrees to supply the utility companies with permission slips authorizing them to bill Owner, c/o Coldwell Banker (i.e. water/sewer).
 - d) Professionally service gas/oil furnaces.

26) ADDITIONAL PROVISIONS/INFORMATION.

YEAR BUILT: _____ BEDROOMS: _____ BATHS: _____ STYLE: _____ SQ FEET: _____
RENTAL RANGE: \$ _____ to \$ _____ PETS: YES NO or Case by Case
TENANT SECURITY DEPOSIT AMT: _____ SMOKERS: YES NO or OUTSIDE ONLY
TYPE OF HEAT: (circle one) Gas Oil Elec. _____
ANY MAINTENANCE CONTRACTS: _____
LANDSCAPE MAINTENANCE PROVIDED BY (Check one) Tenant Landlord
LEASED FIXTURES: Water heater _____ Others: _____

27) UTILITIES. Utilities shall be paid as indicated on the following chart:

UTILITY	PROVIDER	O or T Pays	UTILITY	PROVIDER	O or T Pays
Water			Gas		
Sewer			Phone		
Garbage			Cable		
Electricity			Oil		

Do the water pipes ever freeze? **Y/N** (circle one) If so, where? _____

28) When a house/condo is turned over to a tenant, it is assumed that all systems are in working order, i.e. plumbing, electrical, heat, drainage, roof, etc. The law requires that all systems function properly and are the Owner's responsibility, unless the tenant creates the problem. We should be informed of any problems and they should be resolved prior to occupancy. The following preventative maintenance should be done on a regular basis and are an Owner's responsibility:

- a) Automatic sprinkler systems draining & winterizing to protect from freeze. Does the property have auto sprinklers? **Y/N**
- b) Chimney inspection and cleaning (yearly for wood stoves and inserts). Date of last cleaning: _____
- c) Roof and gutter cleaning. Date of last cleaning: _____
- d) Annual servicing of furnace. Date of last inspection/service: _____
- e) Septic Tank? **Y/N** Date last pumped: _____. As Built must be supplied to Agent. Septic tanks must be pumped prior to new tenant moving in and/or annually as needed.

29) Owner agrees to provide Agent with a copy of any Rules, Regulations, CC & R's and By-laws pertaining to the property.

To improve the safety and marketability of your house/condo, we recommend and would be willing to make arrangements for the following, at Owner's expense: (circle yes or no)

<u>yes</u> <u>no</u> Interior:	Professionally cleaned
<u>yes</u> <u>no</u> Carpets:	Professionally cleaned
<u>yes</u> <u>no</u> Windows:	Professionally cleaned
<u>yes</u> <u>no</u> Drapes/blinds:	Professionally cleaned
<u>yes</u> <u>no</u> Fumigation:	Professionally done if domestic animals have lived on premises
<u>yes</u> <u>no</u> Deadbolts:	Installed on all outside doors
<u>yes</u> <u>no</u> Sliding doors:	Charlie bars or locks in accordance with state and city codes
<u>yes</u> <u>no</u> Locks:	Re-keyed in accordance with state and city codes
<u>yes</u> <u>no</u> Yard:	Mowed, raked, trimmed, free of garbage and refuse
<u>yes</u> <u>no</u> Garbage:	Removed
<u>yes</u> <u>no</u> Chimneys:	Inspected and cleaned once a year
<u>yes</u> <u>no</u> Wall Heaters:	Vacuumed and cleaned once a year

INVENTORY LIST -- Items left for Tenants use:

ITEM	YES/NO	BRAND / MODEL / COMMENTS
Refrigerator/Freezer		
Stove/Oven		
Dishwasher		
Microwave		
Garbage Disposal		
Washer		
Dryer		
Hot water Tank/ Serial #		
Furnace: <input type="checkbox"/> Gas <input type="checkbox"/> Electric		
Wood stove/Insert/Fireplace		
Curtains/Rods/Blinds		
Chandelier		
Ceiling Fan/Light		
Garage/Carport		
# of Garage Door Openers		
# of Keys		
Fenced Back/Front		
Security System/Sprinkler		
Other		

THIS AGREEMENT shall be binding on the parties hereto, their heirs, executors, administrators, successors, assigns, and contains the final and entire agreement between the parties hereto and neither they nor their agents shall be bound by any terms, conditions, statements, warranties, or representations, oral or written, not herein contained, and may not be changed orally but only in writing signed by both parties. If one or more provisions or clauses of this agreement shall be held invalid or unenforceable, such sections shall be deemed severable and the remainder of this agreement shall be deemed valid and in full force and effect.

OWNER: _____ DATE: _____
Signature

PRINT NAME _____ SS#: _____
Name must read exactly as SSN or Tax ID SSN required before owner payment can be made

ADDRESS _____
House Number & Street City/State/Zip

EMAIL _____
Home Phone Work Phone Fax #

AGENT: _____ DATE: _____
Signature

Associate Broker's Approval: Byron K. Hiller _____
Byron K. Hiller Date

ADDENDUM TO CONTRACT

1. Additional Owners:

Name: _____ Telephone: _____ Email: _____

2. After Hours Emergency:

_____ Coldwell Banker Commercial Danforth provides an after-hour emergency number. A contractor will take the call/or return
(Initial) message and try to mitigate the problem until the property manager can be reached. The owner agrees to pay the cost of immediate mitigation not to exceed the deposit amount, for repairs, maintained in the owner's account. The number for this service is 877-269-2411.

3. Termination:

_____ If the Owner terminates this agreement within the first annual period without legal cause, after a tenant has been placed
(Initial) in the property, a cancellation fee in an amount equal to 50% of the management fees that would have accrued over the remainder of the stated term of the agreement must be paid to the Broker.

4. Ownership and Loan Status:

_____ Owner warrants that Owner is the sole owner of the property, or has unconditional authority to execute this agreement on
(Initial) behalf of any Co-owner. Owner warrants that the property is not subject to current legal actions or foreclosure proceedings. Owner agrees to notify agent immediately upon entering into a default with their lender.

5. Insurance:

_____ Owner authorizes Agent to contact Owner's insurance agent as stated in INSURANCE paragraph (14) of this contract to
(Initial) obtain proof of insurance. Agent will recommend to tenant that they secure "Renter's Insurance".

6. Inspection:

_____ Agent will complete a move-in visit, a first month visit to the property, and visits every six (6) months.
(Initial)

7. What is Not Covered by the Management Fee:

- a. Monthly inspections by Agent of the property.
- b. Representation at court hearings.
- c. Depositions.
- d. Homeowner meetings.
- e. Property tax assessment appeal hearings.
- f. Insurance claim related paperwork and estimates.
- g. Department of building inspection, Director hearing.
- h. Other exceptional building-related events.

_____ Should Agent be asked to render the above services, Owner shall reimburse Agent for their time at the rate of \$75.00 per
(Initial) hour, with a one-hour minimum. A full accounting of billable hours will be provided to the Owner.

Normal property management does not include providing on-site management services, property sales, refinancing, preparing property for rental, sale or refinancing; supervising and coordinating modernization, rehabilitation, fire or major damage restoration projects; obtaining income tax, accounting or legal advice; advising on proposed new construction, debt collection, counseling, or attending Owner's association meetings. If Owner desires Agent to perform service not included in normal property management or specified above, a fee shall be agreed upon for these services before the work begins.

8. Other Provisions or Contract Modifications:

Owner Initial: _____ Date: _____

Agent Initial: _____ Date: _____

Owner Initial: _____ Date: _____