



1. **DEFINED TERMS**

- a. **AGENT:** The term *Agent* shall refer to that certain licensed real estate brokerage firm and its licensees as provided for under the laws of the State of Washington.
- b. **OWNER:** The term *Owner* shall refer to that/those individuals either in title to the Property or that are duly appointed and have legal authority to execute this agreement.
- c. **PROPERTY:** The term *Property* shall refer to the commonly known address of the real property described herein.

2. **APPOINTMENT:** The Owner hereby exclusively appoints and engages the Agent to manage the Property. This expressly creates a relationship between the Owner and the Agent of principal and agent, respectively. It is expressly understood that no partnership, joint venture or other relationship not expressly provided for in this agreement exists. PROPERTY shall also include any subsequent rental dwelling unit(s) placed into management by the Owner with the Agent herein.

3. **AGENT'S PLACE OF BUSINESS.** The Agent's place of business shall be the office of Watson Management Co., Inc., 102 East Baldwin Avenue, Spokane, Washington 99207-2240. The Agent's telephone number is (509) 325-2127. The Agent shall promptly notify the Owner of any change in the Place of Business or other contact information.

4. **TAX PARCEL NUMBER AND LEGAL DESCRIPTION:** These two items are the legal identifiers used by the County Auditor and County Assessor to identify the Property. If omitted, the Agent may fill in this information.

5. **TERM:** The Term of this agreement shall be periodic as indicated on page one of this agreement and automatically renew in successive terms of equal time in length. Either the Owner or Agent may terminate this agreement by delivering to the other party a written termination notice a minimum of sixty (60) days prior to the periodic anniversary of this Agreement.

6. **FEES:** The following is an explanation of the fees and charges for professional services provided under this Agreement.

- a. **Management Fee.** These fees are due and payable monthly and are calculated as a percentage of the gross collected income from the property. This includes but is not limited to rent and laundry income. A minimum monthly management fee, regardless of income will be:
  - \$50.00 per house
  - \$60.00 per Duplex
  - \$25.00 per unit for 3 and 4 unit buildings
  - \$20.00 per unit for 5 to 10 unit buildings
  - \$15.00 per unit for buildings over 10 units
- b. **Tenant Placement Fee.** This fee will be deemed earned and payable each time the Agent procures a willing, able and qualified. The services for this fee include but are not limited to: showing the property for rent, videotaping property, preparing a written property condition report, preparing and executing a written rental contract.
- c. **Renewal Fee.** A fee is charged each time the Agent negotiates an extension of tenancy by an existing tenant in the form of a lease renewal for a period equal to or greater than the original term of a tenant contract.

7. **ADVERTISING:** A monthly fee for advertising will be charged for each Property (building) advertised. This advertising will include but not be limited to:

- a. Exposure on [www.rentals.com](http://www.rentals.com) or a comparable web site.
- b. Exposure on [www.watsonmgt.com](http://www.watsonmgt.com) (our web site)
- c. Periodic print advertising in local newspaper(s).
- d. Exposure on a public handout listing all available properties prepared by the Agent.

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A one time fee will be charged for placement of a *For Rent* sign in your yard for each vacancy. The rates are subject to change based on uncontrollable increases charged by outside advertising providers.

8. **TENANT FEES RETAINED:** In order to minimize fees and charges to the Owner, the Agent is authorized to charge and collect fees from a Tenant based on the tenant's rental agreement and the Residential Landlord Tenant Act (RLTA). These charges include but are not limited to: bad check fees, notice fees, application processing fees and late payment fees.

9. **SALE OF PROPERTY:** The following conditions apply if the Property is offered "For Sale" during the effective period of this agreement.

- a. Tenant Purchase. If the current tenant or a previous tenant purchases or options the Property during or within 180 days of their tenancy, the Agent herein shall be deemed to be the procuring cause and shall be paid a sales commission as provided for in this Agreement. If the Owner was referred to the Agent by another real estate professional, then the other real estate professional's broker shall be paid one half of this commission.
- b. Should the Owner sell, convey, option or transfer their interest in the Property to any other individual or entity other than a Tenant as provided for above, the Agent shall be compensated as provided for in this Agreement for facilitating such a transaction.
- c. Closing Agent Directive. The Owner directs the closing agent of any sale, transfer or exchange transaction of the Property to disburse to the Agent herein, at closing, the sums described in "a" and "b" of this section.

10. **REPAIRS AND MAINTENANCE:** The owner expressly authorizes the Agent to contract for and have performed repairs, maintenance and capital improvements to the Property that the Agent deems necessary to adequately maintain the Property. The Agent shall first contact the Owner for any items of an unusual nature or for items not necessary to preserve the dwelling or its habitability by a Tenant or for items that exceed the dollar amount provided for herein. When deemed cost effective and expedient the agent may employ firm(s) in which the agent has an ownership interest.

11. **BID FEE:** A bid fee as provided for herein will be paid by the Owner to the Agent for all projects where the Owner requests competitive bidding. This fee will be calculated on the dollar amount of the accepted bid or on the dollar amount of the low bid should the Owner choose not to proceed with the project.

12. **AGENCY DISCLOSURE:** The laws of the State of Washington provide for many types of agency. The Agent herein has disclosed orally and by this writing their agency relationships relating to the Owner and the Property. The many forms of agency are described in the pamphlet attached and referenced as an addendum titled *The Law of Real Estate Agency*.

13. **AGENT RESPONSIBILITIES:** The agent assumes the following responsibilities:

- a. To accept the management of the Property and to provide the professional services of renting, operating and managing the property.
- b. To investigate carefully all prospective tenant applicants.
- c. To provide the Owner a monthly statement (prepared on or about 25<sup>th</sup> of each month) of receipts and disbursements and to disburse remaining balances as directed by the Owner.

14. **OWNER AUTHORIZATIONS:** The Owner hereby grants to the Agent the following rights, powers and authority and the Owner agrees to assume the expenses thereof:

- a. To advertise said property for rent and to install a "For Rent" sign on the Property.
- b. To rent the Property and to sign, renew or cancel rental contracts for a period not to exceed twelve months.
- c. To collect rents, security deposits and other sums tendered on behalf of the Owner and to issue receipts for said sums.

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- d. To institute and prosecute actions to evict tenants and recover possession of the Property.
- e. To sue for and recover rents or other sums due.
- f. To settle, compromise or release any actions initiated by the Agent.
- g. To make or cause to be made repairs to the Property, to purchase supplies and pay bills/charges as they become due to the extent that Owner funds are available.
- h. To deposit all funds received on behalf of the Owner in a trust account at River Bank, 202 E Spokane Falls Boulevard, Spokane, WA 99202.
- i. The Agent may, after the initial term of this agreement, modify its fee structure and/or charges as it deems necessary with thirty days written notice.

15. **OWNER RESPONSIBILITIES:** The Owner further agrees:

- a. In the event expenses, charges, bills or disbursements exceed receipts and/or Owner funds available, the Owner agrees to remit necessary funds to the Agent upon demand.
- b. Owner shall save the agent harmless from any and all damage suits in connection with the management of the Property to any employee or person whomsoever and to carry at Owner's expense adequate public liability insurance written to protect the Agent to the same extent it protects the Owner.
- c. Owner understands that he/she is required by federal law to disclose any knowledge of lead or lead-based paint in the dwelling. Owner will complete a lead disclosure statement if dwelling was constructed prior to 1978.
- d. The Owner shall keep the Agent advised of any changes in the ownership of the property.
- e. The Owner agrees to keep current all financial obligations such as mortgages, deeds of trust, or other similar encumbrances, and to advise the Agent of any impending breach or default of such financial obligations. In the event of a breach or default that results in a notice of foreclosure, notice of default or notice of trustee's sale, Agent may, at the Agent's sole discretion, declare a breach by the Owner and immediate termination of this agreement without notice, and Agent shall be entitled to damages equal to the fees and charges provided for herein that would have been earned through the remainder of the current term of this agreement.

16. **OWNER/TENANT COMMUNICATION:** No provision of this contract shall prohibit the Owner having contact with the Tenant. However, Owner shall not modify or allow any change to the terms of the Tenant's rental contract without first advising the Agent. Contact between the Owner and Tenant that is deemed to interfere with the Agent's ability to effectively manage is a breach of this agreement.

17. **BREECH:** Other than as provided for elsewhere in this Agreement, if the Owner breaches this contract, and continues to be in breach of this contract after thirty days written notice, then the Agent may terminate this contract without further notice and the Owner shall pay to the Agent a sum equal to the maximum management fees that could have been earned by the Agent through the next anniversary date of this agreement based on full occupancy and current market rents, and all other fees and charges provided for herein.

18. **ATTORNEY'S FEES AND VENUE:** If either party initiates litigation regarding this contract, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other award, judgment or costs the courts order. The venue for such action will be Spokane County, Washington.

19. **OTHER TERMS:** This agreement is binding on the heirs, successors and assigns of the Agent and the Owner, and may be recorded.

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20. **OWNER INFORMATION AND INSTRUCTIONS:**

**OWNER INFORMATION:**

- a. Primary Name: \_\_\_\_\_
- b. Street Address: \_\_\_\_\_
- c. City, State, Zip: \_\_\_\_\_
- d. Primary Social Security Number: \_\_\_\_\_
- e. Home Phone Number: \_\_\_\_\_
- f. Cell Phone Number: \_\_\_\_\_
- g. Work Phone Number: \_\_\_\_\_
- h. Fax Phone Number: \_\_\_\_\_
- i. E-Mail Address: \_\_\_\_\_

**REMIT MONTHLY PROCEEDS TO:**

- j. Name On Check: \_\_\_\_\_
- k. Address: \_\_\_\_\_
- l. City, State, Zip: \_\_\_\_\_  
*If proceeds are to be sent to a Financial Institution:*
- m. Bank Name/Branch: \_\_\_\_\_
- n. Bank Address: \_\_\_\_\_
- o. Bank Account Number: \_\_\_\_\_

**PROPERTY INSURANCE INFORMATION:**

- p. Insurance Company: \_\_\_\_\_
- q. Address: \_\_\_\_\_
- r. City, State, Zip: \_\_\_\_\_
- s. Policy Number: \_\_\_\_\_
- t. Agent's Name: \_\_\_\_\_
- u. Phone Number: \_\_\_\_\_
- v. Paid By:  Owner  Agent  Mortgage

**MORTGAGE INFORMATION:**

- w. Company Name: \_\_\_\_\_
- x. Address: \_\_\_\_\_
- y. City, State, Zip: \_\_\_\_\_
- z. Account Number: \_\_\_\_\_
- aa. Monthly Payment: \_\_\_\_\_
- bb. Payment Due Date: \_\_\_\_\_
- cc. Paid By:  Owner  Agent  None

**PETS ALLOWED WITH ADDITIONAL PET DEPOSIT:**

- dd. Dogs  Yes  No
- ee. Cats  Yes  No
- ff. Other \_\_\_\_\_
- gg. Pet Deposit Required \$ \_\_\_\_\_

**UTILITIES**

- hh. Electricity Paid By:  Owner  Agent  Tenant
- ii. Gas Paid By:  Owner  Agent  Tenant
- jj. Oil Paid By:  Owner  Agent  Tenant
- kk. Water Paid By:  Owner  Agent  Tenant
- ll. Sewer Paid By:  Owner  Agent  Tenant
- mm. Refuse Paid By:  Owner  Agent  Tenant

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