

In consideration of the covenants herein contained, \_\_\_\_\_, (herein after called "Owner"), and **Westview Real Estate, Inc.**, (herein after called "Agent") agree as follows:

The Owner hereby employs Agent solely and exclusively to manage the rental and operations of the real property described as: \_\_\_\_\_ (herein after called "Premises"), located in the city of **Bellingham, in Whatcom County, State of Washington**, upon the terms set forth herein, for an indefinite term until cancelled (**see Section 3**). Regarding cancellation terms) beginning on the \_\_\_\_ day of \_\_\_\_\_. The Premises is classified as a(n) \_\_\_\_\_ bedroom, \_\_\_\_ bathroom **house** and consists of approximately \_\_\_\_\_ residential square feet.

1. **Agent's Authority:** The Owner grants Agent the following authority and powers and Owner shall pay expenses in connection herewith:
  - A. **Advertising:** Agent shall solicit prospective tenants by advertising in various local, Whatcom County newspapers and other media sources the Agent deems appropriate. Agent agrees to procure such advertising at reasonable and customary costs and the expense of such advertising will be reimbursed to Agent by the Owner on a monthly basis. Agent will not incur advertising costs in excess of \$500 per year without Owner's prior approval. Agent will display "For Rent Signs" at the Agent's own cost when there is a vacancy and will promptly respond to leasing calls. Agent may add an administrative fee to advertising charges to cover Agent cost to administer advertising program which includes internet advertising, vacancy lists and their delivery.
  - B. **Tenant Screening:** Agent shall screen each tenant by reviewing past credit histories, verifying current or past employment information and calling current and past landlords. The Agent shall pay for the cost of the screening and charge each tenant an application fee to reimburse the Agent for such costs. The Agent will keep any fee in excess of the cost.
  - C. **Unit Inspections:** Each tenant is required to complete and sign a Condition Check-in List that is reviewed by the Agent and verified. At the end of the lease term, there will be a walk-through inspection of the unit identifying physical condition of the unit.
  - D. **Leasing:** Agent shall negotiate and execute a lease or leases and all necessary addendums for the Premises based upon parameters established by the Owner. Such lease negotiations may include, but are not limited to: Lease Renewals, Lease Amendments, Lease Extensions, Assignments, Consents. Agent may enter into Sublease Agreements for the Premises using the same criteria as defined in 1.B. above.
  - E. **Deposits:** Agent shall collect a Cleaning, Damage and Performance Deposit and/or a Pet Deposit at time of lease signing and deposit these amounts in the Agent's Security Deposit Trust Account: Agent may retain, on behalf of the owner, any or all of the deposit as deemed necessary to pay any incurred costs due under the terms of the tenant's deposit agreement. The remainder deposit, if any, shall be refunded to the tenant. The Agent shall not be held liable in the event of bankruptcy or failure of depository.
  - F. **Rents:** Agent shall collect rents on behalf of the Owner and deposit it into the Agent's Owner Trust Account. Owner is responsible to reimburse Agent for any overdraw due to tenant returned checks deposited into the Agent's Owners Trust Account. Agent will pay bank charges associated with these returned checks. The Agent shall not be held liable in the event of bankruptcy or failure of depository.
  - G. **Electronic Funds Transfers:** Agent shall offer tenants the ability to pay their rent via the internet, as electronic funds transfers. Agent shall also offer Owner the ability to receive monthly owner distributions via electronic funds transfer.
  - H. **Fees:** Agent may collect and retain various fees associated with the Premises including late rent fees, charges for non-negotiable checks, charges for violation of rules and regulations, early vacate fees, lease exit fees, fees associated with non-compliance of lease terms, and/or service fees for subleasing or re-leasing. These fees do

not include charges for damages or back rent (for back rent see Item 2. Compensation to Agent). Agent may also retain one-half of the non-refundable pet fee.

- I. **Evictions:** Agent shall pursue delinquent accounts until it becomes apparent to the Agent the account is uncollectible. Agent may terminate tenancies and sign and serve required notices. Agent, only after receiving written approval by the Owner, may initiate legal action and investigate eviction procedures. Owner shall pay expenses of serving notices and litigation, including attorney's fees and court costs which the Agent does not recover from tenants. Owner may select the attorney.
- J. **Monthly Statements:** Agent will email Owner a monthly summary of cash receipts and expenses within 5 business days after the 20<sup>th</sup> of each month. The summary statements will be mailed or emailed to the following individuals: \_\_\_\_\_ (any changes must be made in writing.)
- K. **Disbursements to Owner:** The Agent shall maintain in trust \$\_\_\_\_\_ in the Owner's ledger for unexpected expenses such as minor repairs and Agent shall remit via EFT net proceeds within 5 business days after the 20<sup>th</sup> of each month:  
**Bank Name:** \_\_\_\_\_ **Routing #:** \_\_\_\_\_ **Account #:** \_\_\_\_\_. **In the event present or future disbursements are in excess of the rents that are collected by the Agent, Owner agrees to pay such excess promptly to the Agent upon demand by the Agent.**
- L. **Disbursements for Owner:** The Agent is authorized to pay for all expenses relating to the operation and management of Premises. Such expenses include, but are not limited to: for electricity, gas, fuel, water, sewer, telephone, garbage, grounds maintenance and any other services deemed necessary by Owner. The Agent agrees to make the following disbursements from the Owner's fund to pay loan indebtedness, property taxes, special assessments and insurance as designated by Owner:  
First Mortgage to: \_\_\_\_\_  
Second Mortgage to: \_\_\_\_\_  
Property Insurance to: \_\_\_\_\_  
Condominium Fees to: \_\_\_\_\_  
Property Taxes to: \_\_\_\_\_  
Other: \_\_\_\_\_
- M. **Maintenance:** Agent shall supervise and perform repairs or routine maintenance, provide services and purchase supplies of the Premises as necessary. If the Agent uses their own maintenance personnel, Agent will charge a competitive hourly rate not to exceed \$45 (forty-five dollars) for said service plus WSST and materials. If Agent uses a qualified independent service provider, charge will be equal to the actual amount charged by the service provider. Agent shall not be responsible whether, employee or independent contractor, for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention. Agent agrees to obtain the Owner's prior authorization on all expenditures in excess of **\$300.00** for any one item, except monthly or recurring operating charges and if repairs are of an emergency nature or necessary to protect the Premises from damage or prevent damage to life or the property of others or to avoid suspension of necessary services or to avoid penalties or fines or to maintain services to the Tenants as called for in their Lease Agreements. Agent's decisions will be without liability except for willful misconduct or recklessness. Payments for such services shall be deducted from the Owner's fund on a monthly basis. If there are not adequate funds in the account, Owner shall advance adequate funds to the account within 48 (forty eight) hours of verbal or written communication. The Owner may request copies of all invoices paid from Owner's funds related to such expenditures in the monthly statements sent to Owners as part of J above.
- N. **Remodeling:** If Agent supervises and/or oversees any projects not considered to be routine in nature, the Agent shall charge an hourly rate not to exceed \$45 (forty dollars) for said supervision, only with prior written approval from Owner.
- O. **Service Contracts:** When making contracts for electricity, gas, water, sewer, garbage, grounds maintenance, or other services deemed advisable by the Agent, the Agent agrees to obtain the prior approval of the Owner. The Owner agrees to assume the obligation of any Owner approved contracts entered into by the Agent on the Owner's behalf. All contracts will be terminable on 30 days notice.
- P. **Re-Keying Premises:** The Owner acknowledges having been advised by Agent of the increase security and limitation of liability of Owner and Agent afforded by changing locks in each unit when possession is taken by each new tenant.  Owner elects to bear the cost of such re-keying for each new tenant of each unit, or

Owner agrees to indemnify and hold Agent harmless from any and all claims asserted by any tenant from the failure of Agent to re-key a unit for a new tenant.

**2. Compensation to Agent:** The Owner shall pay Agent the following fees:

- A. \_\_\_\_%(\_\_\_\_\_) of gross income from all sources each month related to the Premises.
- B. \_\_\_\_%(\_\_\_\_\_) of the first month's full rent on each resident turnover (in addition to normal commission).  
If any existing tenant renews their lease agreement, no turnover fee is charged.
- C. Minimum monthly fee of \$\_\_\_\_\_(\_\_\_\_\_) per unit, vacant or occupied.
- D. Pay 50% (fifty percent) reward or incentive for collecting bad debts on former tenants or on small claims court collections, providing Agent accepts Owner's request to pursue such collections.
- E. Setup fee of \$\_\_\_\_\_(\_\_\_\_\_) per unit.

Owner further agrees that Agent may retain one half of all forfeited holding deposits by applicants on bona fide offers to lease or rent.

**3. Terms of Cancellation:**

Owner may cancel this agreement during the renewal period of March 1<sup>st</sup> through March 31<sup>st</sup> each year for any reason without penalty. Cancellation must be in writing. If cancellation is given during this period, cancellation will be effective 30 days from date of notice.

Owner, upon 30 days written notice, may cancel this contract for any reason. If cancellation is not made during renewal period, and occurs within the first 12 (twelve) months of the date of this contract hereof Owner shall pay a cancellation fee equal to 4 month's compensation as calculated in Section 2 above plus 1/2 (one half) of the first month's rent for any newly signed lease agreements generated prior to a lease expiration as part of our pre-leasing program.

If cancellation is not made during the renewal period and cancellation occurs after the first 12 months of this agreement or any earlier agreement, owner shall pay a cancellation fee equal to 3 month's compensation as calculated in Section 2 above plus 1/2 (one half) of the first month's rent for any newly signed lease agreements generated prior to a lease expiration as part of our pre-leasing program.

If cancellation occurs due to sale, no fee will be charged if the Agent is retained by the new owner(s) to provide management services. Owner must give Agent notice of intent to sell a minimum of 60 days in advance of offering property for sale.

Agent, upon 30 days written notice, may cancel this contract for any reason without penalty.

**4. Owner Agrees To:**

- A. **Indemnification:** Except for the Agent's willful misconduct or gross negligence, Owner shall indemnify and hold Agent harmless from costs, expenses, attorney's fees, suits, liabilities and damages arising from all claims and/or suits in law brought as a result of Agent's performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to Agent. Owner agrees to indemnify, defend and hold harmless Agent from any third-party claims, including bodily injury and property damage, arising out of proper performance by Agent of its responsibilities and obligations pursuant to this Agreement; provided, however, that this indemnification shall exclude Agent's gross negligence, willful misconduct or acts beyond the scope of the Agent's authority pursuant to this Agreement. Agent hereby elects to indemnify and hold harmless Owner from and against any loss, damage, injury or liability, including attorney's fees and court costs, as a result of Agent's gross negligence or willful misconduct.
- B. **Funds Shortfalls:** Remit funds as requested by Agent immediately if current rental income is insufficient to pay all expenses. If Owner is unable or unwilling to send funds as requested by Agent the following priority will be followed in disbursing funds: Management fees, advertising, maintenance over 30 days old, utilities subject to

cutoff, mortgages, other utilities and other miscellaneous bills. Owner agrees to pay late charges, interest charges and other penalties caused by lack of sufficient funds.

**C. Owner's Insurance:** Owner agrees to carry and keep in force fire and extended coverage insurance, including vandalism and malicious mischief coverage, in an amount equal to the full replacement value of the property. Owner agrees to carry bodily injury, property damage and personal injury public liability insurance with an aggregate limit of not less than \$1,000,000, unless otherwise specified here (\_\_\_\_\_) and name Agent as additional insured on the liability policy.

**5. Owner Acknowledgement of Disclosures:**

- Owner acknowledges receipt of the pamphlet required by R.C.W. 18.86.030(1)(f) entitled "The Law of Real Estate Agency"**
  
- Owner acknowledges reading and signing the "Lead Paint Disclosure" attached to this Agreement.** Owner hereby notifies Agent that if they know or become aware of any lead-based paint or lead-based paint hazards at the Premises that Owner will immediately notify Agent so that Agent can disclose known information to Tenant and provide to Tenant any records available. Agent may sign on behalf of owner all required disclosures and inform Tenant of any known hazards or records pertaining to lead-based paint and lead-based paint hazards.
  
- Owner acknowledges receipt of the "Property Intake Form," to be completed and attached to this agreement by the Owner.**

**6. Entire Agreement:**

This agreement contains all agreements of the parties and there are no verbal or other agreements, which modify or effect this Agreement. All other additional services not provided for herein will be provided at the Owner's expense. This Agreement may not be modified, altered or amended in any manner except by an agreement in writing executed by the parties hereto, **and referenced hereon, dated and signed by all parties.**

**Parties acknowledge having read the foregoing prior to execution and receipt of a duplicate original.**

Executed On \_\_\_\_/\_\_\_\_/\_\_\_\_

Owner: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_ Date

Agent: Westview Real Estate, Inc.

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_ Date