

F.M. SWIGARD, INC.
d.b.a.
PREMIERE PROPERTY SERVICES
MANAGEMENT AGREEMENT

This agreement made this _____ day of _____, 20____, by and between _____, hereinafter referred to as "Owner", and F. M. SWIGARD, INC. d.b.a. PREMIERE PROPERTY SERVICES, a licensed Real Estate Broker in the State of Washington, hereinafter referred to as "Agent/Broker".

Agent is hereby designated as the exclusive Agent and representative of the Owner for the purpose of managing for Owner's account, the following described property:

Address:_____

Type of property:_____

Number of residential units:_____

Approximate Square Footage:_____

Year Built:_____

A. DUTIES OF AGENT

It is agreed that the authorities, duties and responsibilities of Agent in connection with the management of the above described property shall be as follows:

1. Agent shall take all reasonable steps to collect and enforce collection of all rent and other charges due Owner from tenants of said property in accordance with the terms of their tenancies.

2. From gross revenues collected from the property, Agent shall, in the following order:

a. Pay Agent its monthly management fee(s).

b. Pay all operating expenses, and such other expenses as may be authorized by Owner.

3. After deducting all authorized expenses and reserves relating to the operation and management of the property, the net amount of all funds collected for Owner's account shall be paid by Agent as follows: Remit monthly to Owner at the address specified herein

or deposit to Owner account in a bank designated by Owner or make payments as Owner may otherwise elect in writing.

4. Agent will maintain records of all monies received and disbursed in connection with Agent's management of the property and said records shall be open for inspection by the owner at all reasonable times. Monthly, Agent shall also render to Owner a summary statement showing income and disbursements.

5. Agent will maintain a Trust account at Washington Trust Bank. Agent will deposit into this account all rents, tenant security deposits and other income receipts from Owner's property and provide Owner a monthly accounting of all such funds.

6. Agent holds all resident deposits. Owner authorizes Agent to retain or to refund all or part of any such deposits to tenant to the extent tenant returns premises in a clean and undamaged condition and in such case Agent shall comply with the provisions of RCW 59.18.270/280 regarding notification to tenant for the reason for retention of such deposits.

7. Agent shall advertise the availability for rental of the described property, or any part thereof, and display "For Rent" signs thereon. Expenses for such advertising shall be borne by Owner.

8. Agent shall have the authority and exclusive right to negotiate leases and month-to-month tenancies with existing and prospective tenants upon terms approved by Owner. All leases shall be signed by owner except for month-to-month tenancies and term leases of one (1) year or less, which shall be signed by Agent on behalf of Owner.

9. Agent shall respond to all tenant requests and requests for negotiations which may arise from time to time. Owner agrees not to communicate directly with tenants and agrees to refer all tenant contacts to Agent.

10. At Owner's request, Agent is authorized, as necessary, to make contracts for electricity, gas, fuel, window cleaning, telephone service and system repairs, rubbish hauling and any other services as Agent may deem advisable and Owner agrees to assume the obligation of such contracts entered into under this agreement at the termination of this agreement.

11. MULTI-FAMILY - RESIDENT MANAGER. Agent will supervise the Resident Manager and other personnel as Agent deems necessary to operate the property in a safe, economically viable and physically sound manner.

It is agreed that such personnel are employees of Premiere Property Services. Owner agrees to reimburse in total all expenses - wages and employment taxes - pertaining to the employment of the Resident Manager and other personnel to agent immediately. At Owner's direction, Agent will reimburse said employee/s expenses from Owner funds.

Agent will conduct normal payroll accounting procedures, pay all withholding and social security taxes as well as applicable state labor and industries taxes and employment taxes and file the required reports with appropriate taxing agencies.

12. Inasmuch as Agent is not authorized to practice law, where legal assistance is required for such matters as enforcing the collection of rent or eviction of a tenant, such action shall be through counsel designated or approved by Owner. The expenses of such counsel shall be borne by Owner.

13. To the extent allowed by WAC 308-124E-014, Owner hereby assigns to Agent all interest on any Trust account for property management purposes. This assignment is made to allow Agent to reduce operating costs.

14. At Owner request, Agent shall provide an 'Economics of Alternatives' report breaking down return on cost of improvements.

B. OWNER'S RESPONSIBILITIES:

In consideration of the property management services to be rendered under this agreement, Owner agrees:

1. To promptly furnish Agent with all documents and records to properly manage the property, including but not limited to leases (including amendments and pertinent correspondence relating to said leases), property condition reports, status of rental payments, loan payment information and copies of existing service contracts.

2. To furnish the Agent with a property contingency fund to be held in the Owner's account along with all resident security deposits.

Single family house to tri-plex \$200.00

Multiple unit buildings - \$50.00 per unit up to \$500.00 maximum

3. To promptly furnish agent all public liability and fire and extended coverage insurance policies which are carried by Owner during the term of this agreement and the endorsement called for in Section C, subsection 1.

4. To promptly make necessary funds available to agent should operating expenses, including payments to lenders, vendors or agent become in arrears.

5. To pay Agent for property management services as follows:

a. Lease-Up fee at one-half of the first full month's rent on each apartment/house/duplex unit/condominium rented by Agent. Such Lease-Up fee shall not be collected more frequently than once every lease term unless the fee is paid by a resident incurring a "broken lease fee".

b. Management fee at ten percent (10%) of gross monthly income i.e. rents and income generated by property.

Should a resident manager be placed in the property the lease up and the management percentage will be negotiated with the owner.

c. NSF fees and late/posting fees accrue solely to F.M. Swigard Inc.

d. Minimum management fee of \$60.00/month. This fee is to be deducted from monthly gross rents collected by Agent or paid by owner funds.

e. Balances owed to Premiere Property Services over 30 days old are subject to 1.5% monthly service charge on the outstanding balance.

6. In the event the property described in this contract is sold to a resident placed in the property by Agent, Owner agrees to inform listing and selling broker and his/her agent that Agent is entitled to a referral fee in line with current market practice for providing a willing, able and ready buyer.

7. If Owner terminates this agreement for any reason other than misconduct by Agent, Owner shall pay Agent a 'special management fee' for early termination equal to one half ($\frac{1}{2}$) of the management fees that would have been paid to Agent for the balance of the term of this agreement. The terms of payment for this 'special management fee' shall be lump sum on the date of termination.

8. Agent reserves the right to notify Owner in writing, not less than thirty (30) days prior to the delinquent date of sums due lenders, of Agent's intent to withhold payments of monies due lenders in order to satisfy Accounts Payable aged sixty (60) days or older. Owner agrees to make such payments in order to maintain the operation of the property and maintain the good credit rating and business community standing of Agent.

C. LIABILITY

Except for Agent's willful misconduct, Owner shall indemnify and save Agent harmless from any and all costs, expenses, attorney's fees, suits, liabilities or damages from or connected with the management of the property by Agent or the performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to Agent.

D. INSURANCE

1. Owner agrees to secure and maintain bodily injury, property damage and personal injury/public liability insurance in amounts agreed upon by Owner and Agent. Should Owner and Agent disagree on liability insurance coverage, the level will be set to the level considered reasonable in the industry.

Owner agrees that at all times during the continuance of this agreement all bodily injury, property damage and personal injury property insurance and any other insurance coverage carried by Owner in the property shall, by the appropriate endorsement of all policies evidencing such insurance and without cost to Agent be extended to insure and indemnify Agent as well as Owner in the following way: F.M. Swigard, Inc. d.b.a. Premiere Property Services is hereby named as an additionally insured party and the insurance company agrees that this policy shall be primary in respect to any coverage carried by the insurance company.

2. Fire and Extended Coverage Liability. Owner shall obtain and maintain in force for the duration of this agreement, fire and extended coverage insurance on each parcel of property managed herein and Agent shall have no obligation to pay any premiums on such insurance unless directed by Owner in writing. Owner shall be responsible for the amount of such insurance and the company chosen to provide coverage.

E. MAINTENANCE AGREEMENT:

1. Duties of Agent:

- a. General description of maintenance staff capabilities: general and finish carpentry, plumbing skills, minor electrical repairs excluding service panels and addition of new circuits, floor repairs including preparation and installation of floor coverings (vinyl, carpet and repairs to hardwood), drywall, texturing and painting.
- b. Agent will provide Owner a Work Order detailing the work performed.
- c. Agent will bill maintenance performed by Agent's staff at \$30.00/hr. Emergency calls on nights (after 6:00 pm) and weekends will be billed at \$60.00/hr.
- d. Agent will respond to emergency maintenance situations in compliance with the provisions of RCW 59.18.070 and all other maintenance requests in compliance with RCW 59.18.060 and other applicable portions of the Washington Landlord/Tenant Law.
- e. Whenever possible, Agent will notify Owner of any requested non-emergency maintenance procedure estimated to exceed \$200.00.
- f. At Agent's discretion, an outside contractor will be called for a bid or services where mandated by local ordinance or code or when situations require expertise outside the capabilities of Agent's staff.

2. Maintenance Rate Changes:

Maintenance rates are subject to change upon thirty (30) day written notice from Agent to Owner.

3. Disclosure of Relationships

WAC 308-124D-050 provides that a Broker engaging in property management may provide other services to Owners provided a full written disclosure is made detailing relationships between Broker and persons providing such services.

Agent/Broker hereby discloses that the following person is related to Agent/Broker and may be providing the following services:

Edward Parents is the husband of F.M. Swigard and is currently a licensed Real Estate Salesperson in Washington State and does act as a property manager for Agent. Edward Parents occasionally performs maintenance services and is currently billed at \$30.00/hr for such services. Edward Parents is an employee of, and paid by F.M. Swigard, Inc.

Edward Parents is the Secretary/Treasurer of the corporation.

F. TERMS OF AGREEMENT:

This agreement shall be for a term of one year.

Commencing on: _____ This agreement shall, thereafter, continue on a month to month basis until canceled by either party giving written notice to the other not less than thirty (30) days prior to the desired date of termination.

G. NOTICES:

1. For purposes of this agreement, and until changed by written notice to Agent, Owner's mailing address for all purposes shall be:

PHONE: (_____) _____

2. For purposes of this agreement, and until changed by written notice to Owner, Agent's mailing address for all purposes shall be:

F.M. SWIGARD, INC.

d.b.a. PREMIERE PROPERTY SERVICES

2829 S. GRAND BLVD. SUITE 204

SPOKANE, WASHINGTON 99203

Telephone (509) 456-6570

(509) 456-4976 FAX

e-mail<premiereproperty@yahoo.com>
website: www.premierepropservices.com

H. Owner recognizes that Agent is a corporation and as such, may merge with another corporation that is engaging in real property management business or may sell substantially all of its assets out of the ordinary course of business to another property manager who would then be successor to Agent. This agreement shall be binding upon the successors and assigns to the Agent and to the Owner and any other property manager to whom this contract may be assigned. Owner agrees that such assignment shall not be a breach of this contract so long as the successor to Agent performs all of the terms of this agreement in accordance with the standards of the Agent.

I. Addendums accompanying this agreement are:

- a. W-9 Tax Form
- b. Washington State Law of Real Estate Agency
- c. Other: _____

IN WITNESS WHEREOF, the parties have executed this agreement this _____ day of _____, 20____.

AGENT/BROKER

OWNER

OWNER

FEDERAL TAX ID # _____

PLEASE ANSWER THE FOLLOWING QUESTIONS

CURRENT MORTGAGE AMOUNT: _____

MORTGAGE COMPANY AND ADDRESS: _____

INSURANCE COMPANY, AGENT & ADDRESS _____

PETS ALLOWED? YES _____ NO _____ DEPOSIT/ANIMAL \$ _____.

SMOKING ALLOWED: YES _____ NO _____

SPRINKLER SYSTEM: YES _____ NO _____

YARD CARE: RESIDENT _____ HIRED _____

SNOW REMOVAL: RESIDENT _____ HIRED _____

UTILITY PROVIDERS:

ELECTRICITY _____

GAS _____

OIL _____

WATER _____

SEWER _____

GARBAGE _____

PREFERRED PROVIDERS: (PLEASE LIST ANY CURRENT SERVICE CONTRACTS AND THE ITEMS COVERED OR ANY SERVICE COMPANIES WHERE YOU PREFER TO REFER MAINTENANCE)