

# LOYAL REALTY

## AUTHORIZATION TO MANAGE PROPERTY

This agreement, made this \_\_\_\_\_, \_\_\_\_\_ day of \_\_\_\_\_  
(month) (day) (year)

By and between

hereinafter referred to as "owner" and  
**Loyal Property Management**, hereinafter referred to as "agent".

Agent is hereby designated as the exclusive agent and representative of owner for the purpose of filling vacancies for Owners account at the following described property:

### DUTIES OF AGENT

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

1.  Agent shall take all reasonable steps to collect, and enforce the collection of, all rentals 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:
  - a.) Pay all operating expenses and such other expenses as may be authorized by Owner.
  - b.) Pay all lenders designated by Owner all sums which may become due on loans Affecting the property.
3. Taxes: (Owner shall *check* one of the following and by doing so shall have made an election as to the procedure).

(a.) Owner shall pay all real property and other taxes levied and assessed against the property, and Agent shall have no responsibility

(b.) Agent shall pay all real property and other taxes levied and assessed against the property subject to the condition that Agent shall notify Owner not less than fifteen (15) day prior to the date on which each installment of such taxes becomes delinquent and of the full amount required to pay such installment and Owner shall then promptly make available to Agent the funds necessary to pay same.

c) Agent shall pay real property taxes and other taxes levied and assessed against the property, and Agent shall withhold from gross revenues and amount equal to the estimated annual taxes and then pay such taxes from this reserve prior to delinquency.

4. Agent shall do everything reasonable necessary for the proper management of the property including periodic inspections, the supervision of maintenance and arranging for such

improvements, alterations and repairs as may be required of Owner. No improvements, or alterations or repair work costing more than \$ \_\_\_\_\_ shall be made by Agent without Owner's prior authorization. However, in case of an emergency which requires immediate repairs or alterations, if Owner is not readily available for consultation, Agent shall use its own discretion regarding same.

5. 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.

6. Agent shall have authority to hire, supervise and terminate on behalf of Owner all independent contractors and property employees, if any, reasonably required in the operation of said property, but it is agreed that all such property employees are employees of Owner and not employees of Agent. Where applicable, Agent shall prepare for Owner payroll tax returns and make payments of such taxes to appropriate agencies out of gross revenues.

7. Agent shall handle all tenant requests and negotiations in that regard that may arise from time to time.

8. Inasmuch as Agent is not authorized to practice law, where legal assistance is needed 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 for such counsel shall be borne by Owner.

9. Agent shall maintain accurate records of all monies received and disbursed in connection with its management of the property and said records shall be open for inspection by Owner all reasonable times. Agent shall also render to Owner a monthly statement showing all receipts and disbursements, together with supporting vouchers.

10. 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 as follows by Agent: remit monthly to Owner at the address specified herein, or deposit to Owner's account in a bank designated by Owner, or make payments as Owner may otherwise elect in writing.

## **INSURANCE**

(Owner shall *check* one of the following and by doing so shall have made an election as to the procedure).

(a) Agent, as Owner's agent, will survey, recommend and, upon the approval of the recommendations, will place agreed upon insurance coverage for the subject property(ies). As the insurance broker, Agent will be responsible for offering Owner insurance coverage normally available for the property involved with reliable companies, expediting loss adjustment, maintaining records of insurance requirements of tenants, and will act on behalf

Of Owner in attempting to conclude claims or disputes with insurance companies, but not including legal counsel. An engineering inspection for the safety and protection of Owner's property shall be arranged wherever possible with the insurance carrier, at no cost to the Owner. Owner agrees to consider all reasonable recommendations as a result of the inspection to minimize the cost of insurance, possibility of bodily injury, personal injury, property damage and loss of rental income.

OR

(b) If Agent is not the insurance broker, as provided in (a) above, Agent will be held harmless from any of the above. Owner agrees that he will, upon execution of this agreement, review existing coverage with his insurance broker for adequacy of coverage.

#### **HOLD HARMLESS PUBLIC LIABILITY**

Except for Agent's willful misconduct, Owner shall indemnify and save the Agent harmless from any and all costs, expenses, attorney's fees, suits, liabilities, 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 the Agent.

Owner agrees to carry bodily injury, property damage and personal injury public liability insurance in limits of not less than \$500,000.00 combined single limit coverage or \$500,000.00/\$500,000.00 bodily injury and personal injury, and \$500,000.00 property damage insurance.

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 coverage carried by Owner on 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, as follows: LOYAL REALTY, Inc. Is hereby named as an additional insured and insurance company agrees this policy shall be primary in respect to any coverage carried by Agent.

#### **OWNER'S RESPONSIBILITIES**

In consideration of the property management services to be rendered by Agent 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 thereto), status of rental payments, loan payment information and copies of existing service contracts.
2. If Agent is not the insurance broker, copies of all insurance policies which are from time to time carried by Owner during the term of this Agreement and the endorsement called for herein shall be furnished to Agent.
3. To reimburse Agent, upon demand, to the full extent of all monies advanced by Agent for Owner's account in carrying out the purpose of this agreement; it being understood, however, that Agent is not obligated to make such advances.

## NOTICES

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

Name: \_\_\_\_\_

Street: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

Office Phone: \_\_\_\_\_

Email: \_\_\_\_\_

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

**Loyal Property Management**

7725 24th Ave NW

Seattle, WA 98117

206-783-1304

Email: loyallyalty@hotmail.com

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

X \_\_\_\_\_ date \_\_\_\_\_  
owner

X \_\_\_\_\_ date \_\_\_\_\_  
owner

Printed name: \_\_\_\_\_

X \_\_\_\_\_ date \_\_\_\_\_  
agent

James F. Coleman Jr., Property Manager

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4. To pay Agent for its property management services **the first months rent** on **vacant units** and (\$ \_\_\_\_\_) dollars per month or \_\_\_\_\_ ( ) percent of gross monthly collections and income from the property, whichever is the greater. This amount shall be paid to Agent monthly and shall each month be deducted by Agent from said gross monthly collections.

5. If, during the continuance of this agreement, owner desires to sell the property, then agent shall have the exclusive right to sell on behalf of Owner. Owner shall indicate the desired sales price and other terms and conditions, if any, upon which Owner will sell the property: and if a sale is made Agent shall be entitled to received from Owner a real estate brokerage commission at the rate normally charged by Agent at the time of said sale: said commission to be paid through escrow and upon the closing thereof or, if there be no escrow, then upon recordation of the deed.

Property owner is prohibited from listing this property with another real estate agency within six (6) months after termination of this contract.

6. Advertising on vacant units will be paid at Owner's expense and monies used will come from Owner's trust account held by Agent.

## TERMS OF AGREEMENT

This agreement shall be for a term commencing on the \_\_\_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_ and ending with a 30 day notice mutually agreed upon by both parties. At the expiration of said term, this agreement, if not renewed in writing for an additional fixed period, but if not terminated in writing by either party, shall then be deemed a month to month agreement which can be canceled by either party on not less than 30 (thirty) days advance written notice, which notice may be given at any time during a month, provided that in any event the cancellation shall be effective at the end of the calendar month during which the thirty day notice period runs.

This agreement shall be binding upon the Owner and Agent and their successors and assigns, subject, however, to the privilege of termination above stated.

Owner agrees that Agent shall manage the property in full compliance with the requirements of the Fair Housing Act and that Agent is authorized to take those steps it deems appropriate to effectuate the purposes of the Act.