**RESIDENTIAL PROPERTY MANGEMENT AGREEMENT**

**The AGREEMENT**, made this ­­­­\_\_\_\_ day of \_\_\_ 2021, between **\_\_\_\_\_\_** hereafter designated as “Owner(s)” and 5 Star Real Estate Services, Inc. dba 5 Star Property Management hereinafter designated as “Broker”.

**WITNESSETH:** In consideration of the mutual promises and covenants herein contained, Owner and Broker agree as follows:

**EXCLUSIVE AGENCY:** The Owner hereby appoints Broker to rent, lease, operate and manage the property for a period of 12 months beginning\_\_\_\_\_ and thereafter for yearly periods. The property is known as:

**PROPERTY ADDRESS:**

**PARCEL #**

**LEGAL DESCRIPTION:**

**DUTIES AND RESPONSIBILITY OF BROKER**

**RENTING THE PREMISES:** Broker 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 the Owner to enlist the services of other estate brokers (no extra charges if outside brokers are used). Rents established will be in keeping with comparable rents in the area and in the best interest of the Owner. Broker is authorized to adjust the schedule of rent payment.

**MARKETING:** Leasing Broker is authorized to advertise property for rent, using periodicals, signs, online marketing, brochures or other such means as Broker may deem proper and advisable. Newspaper ads that are shared with other properties managed by the Broker shall be pro-rated based upon the number of lines in the ad including the use of the Broker’s name, logo, phone number and website address. The cost of advertising outside of what is standard for the firm will be paid by the Owner. Broker is authorized to place signs on the property advertising the property for rent, provided such signs comply with applicable laws. Installation and removal of the “For Rent” or “For Lease” sign will be paid by the Owner. Owner agrees to Broker’s periodic review and adjustment of rental amount to respond to current market conditions with approval of the owner.

**BROKER TO NEGOTIATE LEASES:** All inquiries for any lease or renewals or agreements for the rental or operation of the premises or any party thereof shall be referred to the Broker. All negotiations and signing of the lease documents connected therewith shall be conducted solely by or under the direction of the Broker.

**TENANT SCREENING:** Broker will submit rental application to screening agency for background check of potential tenant(s). The background checks generally include a credit report, criminal history check and telephone contact of listed references. The Broker will also collect paystubs, verify employment and previous rental history. The results of the screening process are generally provided to the leasing Broker by a screening agency and the information is generally deemed reliable but cannot be guaranteed. The Owner should understand that interviews, screening and proper documentation will not completely eliminate the possibility of an inferior tenant. The Broker will use its best efforts to place a quality tenant, but does not guarantee the performance of the tenant. Broker may collect from tenants a charge for credit report/tenant screening fees and Broker need not account to Owner of such charges. Owner understands and accepts the fact that tenant-screening reports may be accomplished by firms or individuals associated with the Broker, but in all situations, charges shall be competitive with those charges in the state.

**TENANT APPLICATION CRITERIA**

•Each individual 18 years or older is required to complete a Rental Application.

•Occupancy must be limited to no more than two persons per bedroom. Studio units are considered to be one bedroom.

•The prospective resident must initially provide current unmistakable identification. Government issued identification such as: valid driver’s license, military ID, or passports are considered acceptable.

•Monthly income must be at least three (3) times the rental amount due. Each tenant may be required to qualify separately.

•A credit report will be pulled, eviction records, and criminal background check will be performed. All active accounts should be reported as current. Credit ratings of R3 or I3 or below may not be acceptable. Individuals with credit challenges may be required to pay additional security deposit.

•Employment must be verifiable through employer contact. Prior 60 days’ worth (2 months) of pay stubs or prior year tax records are required to document income.

•Non-employment will be verified through statements from the Agency providing the income to the applicant (Social Security, Disability, unemployment, etc.). Self-employment records will be verified through current and prior year tax records.

**ENFORCEMENT OF LEASE:** Broker shall use its best efforts in the management of the property, enforcement of the terms and conditions of the lease, and due diligence in collecting the rents and other income. Broker does not have any way to guarantee the performance of the tenant and for the compliance of the tenant to the lease.

**MAINTENANCE:** Broker 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 materials. The expense to be incurred for any one transaction shall not exceed the sum of **$500.00** unless authorized by Owner, except under such circumstances as Broker shall deem to be an emergency. It is expressly understood and agreed that all individuals and firms providing maintenance or services are doing so on behalf of the Owner only, and not the Broker. Broker is in no way liable for such providers for their compensation, and Broker is in no way liable to Owner or others for any act or omission on the part of any such provider. Best efforts will be made to use licensed, bonded and insured individuals or firms that provide maintenance services on the Owner’s property or on behalf of the owner, unless otherwise directed by the Owner in writing to do differently.

**STATEMENTS:** Broker shall render to Owner a monthly statement of receipts and disbursements, remitting any balance shown due to the Owner. The disbursement shall include compensation of Broker on the bases thereinafter provided.

**SEPARATION OF OWNER’S FUNDS:** All funds received by Broker for or on behalf of Owner (less any sums property deducted by Broker pursuant to any of the provisions of this Agreement) shall be deposited in the bank in a Trust Account maintained by the Broker. Any interest earned on said Trust Account is to be retained by the Broker as compensation in administering these funds. Broker will not be held liable in event of bankruptcy or failure of a depository. As of the creation of this Agreement, the Broker holds Client Trust funds and Security Deposit funds with Home Street Bank in Lakewood WA.

**SECURITY AND DAMAGE DEPOSITS**: Broker will collect, deposit and disburse tenant’s security deposits in accordance with the terms of each tenant’s lease. Broker 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 Broker as compensation for administering these funds. Broker shall comply with all applicable state and local laws concerning the responsibility for security deposits and interest.

**MANAGEMENT FEE:** Owner agrees to pay Broker a minimum fee equal to $100 per month or \_\_% of the monthly gross rent whichever is greater for occupied properties.

**LEASING COMMISSION:** Owner agrees to pay Broker a sum equivalent to one half month’s rent for up to a one-year lease for property that are clean, in good repair and “ready to rent”. **\_\_\_\_\_\_(initial here)**

Owner agrees to pay Broker a sum equivalent to one full month’s rent for up to a one-year lease for properties that require maintenance and/or repair coordinated by the Broker. A lease renewal fee equivalent to one-half month’s rent will be collected for each and every renewal of tenant’s lease. **\_\_\_\_(initial here).** For travel nurse/corp. rentals see separate addendum.

**OWNER RESERVE:** To provide for contingencies and prompt payment of bills, Owner agrees to deposit with Broker a sum of **$300.00** or more as requested by Owner $\_\_\_\_\_ After using any or all of this deposit, Broker will re-establish a balance equal to the original amount upon receipt of subsequent rent collections.

**RENT SCHEDULE:** Rents shall be collected by Broker as follows: All rents pro-rated to the first of each month, and are due the first of each month and late after the 5th of each month (unless stated differently in the rental agreement). Owner should expect disbursements to be received by the 15th of each month.

**DUTIES AND RESPONSIBILITIES OF OWNER**

**INDEMNIFICATIONS FOR ALL ACTS OR NON-ACTIONS BY OWNER:** The Owner shall indemnify, defend and save the Broker harmless from all claims, suits, investigations and litigations arising from actions or failures to act of the Owner, regardless of the nature or character of the claim. Further, the Owner agrees that his actions and activities shall comply fully with all applicable state, federal and local laws, statutes, ordinances, regulations and agreement. And the Owner shall indemnify and hold the Broker harmless against any claims, suits or litigation, including legal expenses, resulting from the Owner’s non-compliance or violation.

**OWNER TO PAY BROKER’S DEFENSE EXPENSE**: The Owner pay all expenses by the Broker including, but not limited to reasonable attorney’s fees and Broker’s costs and time in connection with any claim, proceeding or suit involving an alleged violation by the Broker or Owner or both, provided however, that the Owner shall not be responsible for Broker for any such expenses in the event the Broker is finally adjudicated to have personally, and not in a representative capacity, violated the law. Nothing contained herein shall obligate the Broker to employ counsel to represent the Owner in any such proceeding or suit. The Owner also agrees to pay reasonable expenses incurred by the Broker in obtaining legal advice regarding compliance with any law affecting the premises or activities related thereto. A billing from an attorney giving such advice to Broker shall be conclusive evidence of reasonable attorney’s fees.

**INDEMNITIES TO REMAIN IN FORCE**: All indemnities covenanted by Owner in this agreement shall remain in force beyond the termination of this agreement, whether termination is by expiration of time, operation of law, or otherwise.

**REIMBURSEMENT:** Owner shall reimburse Broker promptly for any monies, which Broker may elect to advance the Owner. Nothing herein contained, however, shall be construed to obligate the Broker to make any such advances.

**ADDITIONAL SERVICES:** In the event Broker is required to perform services other than those set forth in this agreement or addendum, the Broker shall be paid additional compensation at the rate of $90.00 per hour. Additional services are described as non-routine services necessitated by special problems, small claims court appearances, meetings, litigations or lawsuit issues, insurance claim administration, catastrophic damages to property and the rehab or remodeling of a property and its improvements that require an unusual amount of time to correct, monitor or coordinate.

**INSURANCE:** Owner agrees to carry a minimum public liability insurance of $1,000,000 CSL for residential single-family properties and a minimum of $2,000,000 for multi-family properties, or as may be necessary for the protection of the interest of the Owner and the Broker as an additional insured. Any deductible required under such insurance policies shall be Owner’s expense. A certificate of insurance including the Waiver of Subrogation shall be mailed annually to Broker’s office. Riders and/or addendums, if any, attached hereto are made a part of this agreement by reference.

**CONDOS AND HOAS:** If the dwelling is a condominium or located in a Homeowner’s Association, please provide the Broker with copies of the By-laws, covenants and/or restrictions.

**SMOKE ALARMS, CO DETECTOR AND DEADBOLTS:** Washington state law requires that all rental dwellings have operating smoke alarms, carbon monoxide detectors and deadbolts. Broker requires that all deadbolts have “flippers” on the interior of all exterior doors, with exception of doors with windows. Broker will not move a tenant into a residence that does not have an operating smoke alarm(s) with new batteries. Washington state building code requires a smoke alarm in each bedroom and hallway. Washington state building code requires a carbon monoxide detector on each floor for safety and liability protection.

**APPLIANCES & REPAIRS:** Owner agrees to maintain and keep in good working condition all appliances, plumbing, electrical and heating systems as stated in RCW 59.18.060 (see below).

|  |
| --- |
| The landlord shall commence remedial action after receipt of such notice by the tenant as soon as possible but not later than the following time periods, except where circumstances are beyond the landlord's control:  (1) Not more than twenty-four hours, where the defective condition deprives the tenant of **hot or cold water, heat, or electricity**, or is imminently hazardous to life;  (2) Not more than seventy-two hours, where the defective condition deprives the tenant of the use of a **refrigerator, range and oven, or a major plumbing fixture** supplied by the landlord; and  (3) Not more than ten days in all other cases.  In each instance the burden shall be on the landlord to see that remedial work under this section is completed promptly. If completion is delayed due to circumstances beyond the landlord's control, including the unavailability of financing, the landlord shall remedy the defective condition as soon as possible. |

**OTHER ITEMS OF MUTUAL AGREEMENT**

**SAVE HARMLESS**: Owner agrees to hold and save Broker free and harmless for damage or injuries to person or property by reason of any cause under the express or implied directions of Owner. Owner agrees to waive subrogation for any insured loss to Broker.

**FEES PAID BY TENANT:** Tenant fees – NSF check fees, notice fees and screening fees are paid to the Broker. Late fees paid between the 6th and the 9th are paid to the Owner. Late fees paid after the 10th are split between the Owner and the Broker.

**LEGAL PROCEEDINGS:** Broker 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 eviction or disposal of tenants other than or other tenants. Such expense may include the engagement of legal counsel for such matter.

**LANDLORD TENANT ACT OF WASHINGTON STATE:** Owner acknowledges awareness of this statute and understands Broker will act according to its provisions. Broker recommends Owner obtain a copy of the Washington State Landlord Tenant Act for reference to their rights and their tenant’s rights. Broker will act according to any local laws and ordinances.

**FAIR HOUSING AND DISCRIMINATION LAWS:** Owner acknowledges awareness of these statues and understands Broker will act according to their provisions.

**COLLECTION AND ATTORNEY’S FEES:** The prevailing party in disputes concerning this agreement shall be entitled to the cost of collection and enforcement, including but not limited to reasonable attorney’s fees, court costs and all necessary expenses.

**WASHINGTON LAW AND COURTS TO GOVERN:** This agreement shall be construed to be under the law of the State of Washington and choice of jurisdiction and venue for suit shall be Pierce County, Washington.

**SEVERABILTY:** Any provision of the Contract found to be invalid or in violation of any statute, rule, regulation, or common law shall be considered null and void, with the remaining provisions remaining valid and if effect.

**TERMS OF CANCELLATION:** Any notice of cancelation must be in writing and may be serviced personally or by certified mail to Broker’s business address or the Owner’s address as designated on the Broker’s monthly statement. If said notice is by certified mail, then said notice shall be deemed to have been serviced when post marked. Such cancellation shall not terminate any liability or obligation of the Owner to the Broker for any payment, reimbursement, or other sum of money then due and payable to the Broker hereunder. Prior to termination, the Owner shall pay or reimburse Broker for any sums of money due it under this agreement not withstanding any termination of the agreement. The parties understand and agree that the Broker may withhold funds for sixty (60) days after the end of the month in which the agreement is terminated to pay bills previously incurred but not yet invoiced and to close accounts.

**If Broker terminates agreement**

On or before thirty (30) days prior to expiration of the above term or any renewal period, either party shall notify the other in writing of an intention to terminate this Agreement, in which case this Agreement may be terminated on the last-mentioned date. The Broker may elect to cancel this agreement upon occurrence of any of the following circumstances:

• In the event of a bona fide sale or demolition of the premises.

• If a petition for bankruptcy is filed either the by the Owner or the Broker, or if either shall make an assignment for the benefit of creditors to take advantage of any insolvency act.

• If the Owner shall fail to comply with any rule, order, termination, ordinance of law of any federal, state or local authority, relating to the operations of the premises.

• At the discretion of the Broker, a written notice of voluntary cancellation by the Broker will be mailed to the Owner with a thirty (30) day notice of cancellation prior to.

**If Owner terminates agreement**

Should the Owner decide to terminate this Agreement prior to expiration of the above term, Owner agrees to pay the Broker half of the desired rent for one month as an early termination fee to cover administrative (listing, advertising and promoting) costs associated with the property.

**DIRECT DEPOSIT AUTHORIZATION**

The Broker is authorized to initiate credit entries, and if necessary, debit entries and adjustments for any corrections and/or errors. This means that only the EXACT entry amount may be reversed on the same day for the EXACT dollar amount that was transmitted to your account and the depository name below, hereinafter calls DEPOSITORY, to credit and/or debit the same to such account. This authority is to remain in full force and effect until Agent has received written notification from me (us) of its termination in such time and in such manner as to afford Agent and Depository a reasonable opportunity to act on it. ***PLEASE PROVIDE A VOIDED CHECK***

Depository: Home Street Bank 10802 Gravelly Lake Drive SW Lakewood WA 98499

|  |  |  |
| --- | --- | --- |
| Bank Name & Address |  |  |
| ABA/Routing Number |  |  |
| Account Number: |  |  |

**EXCLUSIVE RIGHT TO SELL**

Should the owner decide to sell the property described herein, he/she agrees to employ the Broker as their sole sales representative and grant the Broker the exclusive right to sell, trade or option. Owner agrees to execute a standard listing agreement when active marketing is desired. The employment and the sole right to sell shall continue irrevocably from the date of this agreement until the termination date of this contract term any annual extensions thereof. Owner agrees to pay Broker a fee equal to \_\_\_% of the selling price as compensation for brokerage services at the closing of the sale, trade or option. If owner sells the property within 180 days after expiration of this agreement and any annual extensions to any person with whom Broker negotiated or to who’s the attention the property was brought through advertising or renting during the term of this agreement, then Owner shall pay the Broker the above compensation. \_\_\_\_\_\_\_\_(OPT OUT)

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 Brokers 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 the party to be changed thereby. If any owner should have any special requests of the Broker, it is required to be attached to this agreement in writing.

|  |  |  |
| --- | --- | --- |
| By: |  | By: |
| Broker, 5 Star Real Estate Services, Inc.  dba 5 Star Property Management date |  | Property Owner date |
|  |  |  |
|  |  | By |
| Designated Broker, Delores Cante’ date |  | Property Owner date |

5 Star Real Estate Services, Inc.

10025 Lakewood Drive SW, Ste. F, Lakewood, WA 98499

<http://www.5starRES.com> 253-314-1057 office/ 253-444-5381 fax

**PROPERTY OWNER INFORMATION**

**Individual Ownership**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Owner Name: |  |  | SSN: |  |  |
| Phone: |  |  | Email: |  |  |
| Address: |  |  |  |  |  |
| Emergency: |  | Name: | Phone: |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Owner Name: |  |  | SSN: |  |  |
| Phone # |  |  | Email: |  |  |
| Address |  |  |  |  |  |
| Emergency: |  | Name: | Phone: |  |  |

**LLC, Corp or Partnership Ownership**

|  |  |
| --- | --- |
| Legal name of property owner(s): |  |
| EIN & UBI for LLC or Corp. |  |

**PROPERTY INFORMATION**

|  |  |
| --- | --- |
| Property Address: |  |
| Year Built | (lead based paint disclosure if after 1978) |
| Water shutoff valve location: |  |
| Drain clean-out location: |  |
| Septic lid location (if any): |  |
| Corp rental/Travel Nurses: | (see separate addendum) |

**UNIT LAYOUT**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Bedrooms: |  | Bathrooms: |  | Parking Spaces |  | W/D hookup? |  | Mail box # |  | Aprox. Sq. Ft. |
| SFH |  |  |  |  |  |  |  |  |  |  |
| 1- BD units |  |  |  |  |  |  |  |  |  |  |
| 2- BD units |  |  |  |  |  |  |  |  |  |  |
| 3- BD units |  |  |  |  |  |  |  |  |  |  |

**INSURANCE INFORMATION**

|  |  |  |  |
| --- | --- | --- | --- |
| Provider: |  | Policy Exp. date |  |
| Policy # |  | Agent Name: |  |
| Agent Address: |  | Agent Email: |  |

**SCHOOL DISTRICT**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Elementary** |  | **Middle** |  | **High** |
|  |  |  |  |  |

**UTILITIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Provider’s Name** |  | **Contact Info** |  | **Account #** |
| ELECTRIC: |  |  |  |  |
| WATER: |  |  |  |  |
| SEWER: |  |  |  |  |
| GARBAGE: |  |  |  |  |
| GAS: |  |  |  |  |
| SEPTIC: |  |  |  |  |

**APPLIANCES:**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Appliance** |  | **Color** |  | **Model/Serial #** |  | **Year Purchased** |  | **Warranty**  **Yes No** |
| REFRIGERATOR |  |  |  |  |  |  |  |  |
| RANGE/OVEN |  |  |  |  |  |  |  |  |
| DISHWASHER |  |  |  |  |  |  |  |  |
| WASHER |  |  |  |  |  |  |  |  |
| DRYER |  |  |  |  |  |  |  |  |

Please provide warranty information below

**APPLIANCE WARRANTY**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Company Name** |  |  |  | **Contact Info** |  | **Account #** |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

**OWNER PROVIDED SERVICES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Provider’s Name** |  | **Contact Information** |  | **Terms/Account #** |
| Landscaping |  |  |  |  |
| Pest Control |  |  |  |  |
| Alarm Systems |  |  |  |  |

**HOA INFORMATION – CC&Rs required**

|  |  |
| --- | --- |
| Association Name: |  |
| Management of HOA |  |
| Contact Name & Number |  |
| HOA Mailing Address |  |
| HOA Email address: |  |