

EXCLUSIVE PROPERTY MANAGEMENT AGREEMENT
Long-term Rental Property

This Exclusive Property Management Agreement is entered into by and between Larry Landlord ("Owner")
and OPEN DOOR REAL ESTATE ("Agent").

IN CONSIDERATION of the mutual covenants and promises set forth herein, Owner hereby contracts with Agent, and Agent hereby contracts with Owner, to lease and manage the property described below, as well as any other property Owner and Agent may from time to time agree in writing will be subject to this Agreement (the "Property"), in accordance with all applicable laws and regulations, upon the terms and conditions contained herein.

1. Property. City: Winston Salem County: Forsyth, NC
Street Address: 1234 Happy Lane Zip Code: 27101
Other Description: _____

2. Duration of Agreement. This Agreement shall be binding when it has been signed and dated below by Owner and Agent. It shall become effective on January 1, 2014 ("Effective Date") and shall be for an initial term of 1 year. NOT LESS THAN 30 DAYS PRIOR TO THE CONCLUSION OF THE INITIAL TERM, EITHER PARTY MAY NOTIFY THE OTHER PARTY IN WRITING OF ITS DESIRE TO TERMINATE THIS AGREEMENT, IN WHICH CASE IT SHALL TERMINATE AT THE CONCLUSION OF THE INITIAL TERM. IF NOT SO TERMINATED, THIS AGREEMENT SHALL AUTOMATICALLY RENEW FOR SUCCESSIVE TERMS OF 1 month EACH UNLESS EITHER PARTY GIVES THE OTHER PARTY WRITTEN NOTICE OF ITS DESIRE TO TERMINATE THIS AGREEMENT AT LEAST 30 DAYS PRIOR TO THE CONCLUSION OF ANY SUCH RENEWAL TERM, IN WHICH CASE THIS AGREEMENT SHALL TERMINATE AT THE CONCLUSION OF SUCH TERM. If Owner terminates this Agreement within 90 days of the Effective Date, Owner shall pay Agent a termination fee of 500.

3. Agent's Fee. For services performed hereunder, Owner shall compensate Agent in the following manner:
 A fee equal to Ten Point Zero percent (10.000 %) of gross rental income received on all rental agreements, or \$ _____ per month, whichever is greater.
 Other (describe method of compensation): 1/2 of first full month's rent

Agent may deduct Agent's Fee from gross receipts and collections received before remitting the balance of the receipts and collections to Owner. **Note:** No fees may be deducted from any tenant security deposit until the termination of the tenancy. Thereafter, any fees due Agent from Owner may be deducted from any portion of the security deposit due to Owner.

4. Other Fees: Agent may charge tenants reasonable administrative fees permitted by law and retain any such fees, including but not limited to, fees to cover the costs of processing tenant rental applications. If, in Agent's discretion, tenant leases provide for late payment fees and/or returned check fees, such fees, when collected by Agent, shall belong to late fees shared equally, nsf fees to agent. (Owner or Agent). Fees for purposes covered under the Tenant Security Deposit Act will be collected, held and disbursed in accordance with paragraphs 9 and 10 of this Agreement.

5. Authority and Responsibilities of Agent. During the time this Agreement is in effect, Agent shall:

- (a) Manage the Property to the best of Agent's ability, devoting thereto such time and attention as may be necessary;
- (b) OFFER THE PROPERTY FOR RENT IN COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE LAWS, REGULATIONS AND ETHICAL DUTIES, INCLUDING BUT NOT LIMITED TO, THOSE PROHIBITING DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP, FAMILIAL STATUS OR SEXUAL ORIENTATION IN THE LEASING OF THE PROPERTY;
- (c) Use Agent's best efforts to solicit, secure and maintain tenants, including the authority to negotiate, execute, extend and renew leases in Owner's name for terms not in excess of 1 YEAR ;
- (d) Collect all rentals and other charges and amounts due under tenant leases and give receipts for amounts so collected;
- (e) Deliver to Owner within 45 days following the date of execution of any rental agreement an accounting which sets forth the name of the tenant, the rental rate and rents collected, and promptly provide a copy of any rental agreement to Owner upon reasonable request;

 **North Carolina Association of REALTORS®, Inc.**
Owner Initials _____ Agent Initials _____



STANDARD FORM 401
Revised 1/2013
© 7/2013

- (f) Provide Owner monthly statements of all monies received and disbursed in connection with Agent's management of the Property, and remit to Owner rental proceeds collected, less any deductions authorized hereunder; provided: (1) this shall not constitute a guarantee by Agent for rental payments that Agent is unable to collect in the exercise of reasonable diligence; and (2) if, pursuant to this Agreement or required by law, Agent either has refunded or will refund in whole or in part any rental payments made by a tenant and previously remitted to Owner, Owner agrees to return same to Agent promptly upon Agent's demand;
- (g) Make or cause to be made any repairs which, in Agent's opinion, may be necessary to preserve, maintain and protect the Property; provided, Agent may not make any repairs that exceed \$ 250.00 without prior approval of Owner, except that in the case of an emergency, Agent may, without prior approval, make whatever expenditures on behalf of Owner that are reasonably necessary to preserve the Property or prevent further damage from occurring;
- (h) Answer tenant requests and complaints and perform the duties imposed upon Owner by tenant leases or any local, state or federal law or regulations, including the authority to purchase such supplies and hire such labor as may be necessary in Agent's opinion to accomplish any necessary repairs;
- (i) Retain such amounts from Owner's rental proceeds as may be necessary from time to time to establish and maintain a fund on behalf of Owner in the amount of \$ _____, from which Agent may pay expenses associated with the management and operation of the Property for which Owner is responsible hereunder;
- (j) Negotiate partial refunds with tenants if, in Agent's reasonable opinion, the tenant's use and enjoyment of the Property has been or will be materially and adversely affected as a result of a defect in the condition of the Property (such as a repair to the electrical, plumbing, sanitary, heating or ventilating facilities or a major appliance that cannot be made reasonably and promptly);
- (k) Institute and prosecute such proceedings in small claims court as may be necessary and advisable, in Agent's opinion, to recover rents and other sums due the Owner from tenants or to evict tenants and regain possession, including the authority, in Agent's discretion, to settle, compromise and release any and all such small claims proceedings; provided, that with respect to any such small claims proceeding, Agent shall have actual knowledge of the facts alleged in the complaint; and
- (l) n/a

6. Cooperation With/Compensation To Other Agents. Agent has advised Owner of Agent's company policies regarding cooperation and the amount(s) of any compensation, if any, that will be offered to subagents, tenant agents or both. Owner authorizes Agent to (*Check ALL applicable authorizations*):

- Cooperate with subagents representing only the Owner and offer them the following compensation: _____
- Cooperate with tenant agents representing only the tenant and offer them the following compensation: _____
- Cooperate with and compensate agents from other firms according to the attached company policy.

Agent will promptly notify Owner if Agent offers compensation to a cooperating agent(s) that is different from that set forth above.

7. Marketing. Owner authorizes Agent to advertise the Property in such manner as may be appropriate in Agent's opinion, including the authority to: (*Check ALL applicable sections*)

- place "For Rent" signs on the Property (where permitted by law and relevant covenants) and to remove other such signs.
- submit pertinent information concerning the Property to any listing service of which Agent is a member or in which any of Agent's associates participates and to furnish to such listing service notice of all changes of information concerning the Property authorized in writing by Owner. Owner authorizes Agent, upon execution of a rental contract for the Property, to notify the listing service of the rental, and to disseminate rental information, including rental price, to the listing service, appraisers and real estate brokers.
- advertise the Property in non-Internet media, and to permit other firms to advertise the Property in non-Internet media to the extent and in such manner as Agent may decide.
- display information about the Property on the Internet either directly or through a program of any listing service of which the Agent is a member or in which any of Agent's associates participates, and to authorize other firms who belong to any listing service of which the Agent is a member or in which any of Agent's associates participates to display information about the Property on the Internet in accordance with the listing service rules and regulations. *If Owner does not authorize Internet advertising as set forth above, Owner MUST complete an opt-out form in accordance with listing service rules. (NOTE: NCAR Form #105 may be used for this purpose.)*

If Owner authorizes Internet Advertising as set forth above, Owner further authorizes the display of (Check ALL applicable sections):

- The address of the Property
- Automated estimates of the market value of the Property
- Third-party comments about the Property

8. Responsibilities of Owner. During the time this Agreement is in effect, Owner shall:

- (a) Be responsible for all costs and expenses associated with the maintenance and operation of the Property in accordance with the requirements of tenant leases or any local, state or federal law or regulations, including but not limited to NC General Statutes Section 42-42, and advance to Agent such sums as may be necessary from time to time to pay such costs and expenses;
- (b) Provide funds to Agent promptly upon Agent's request for any cost or expense for which Owner is responsible that Agent, in Agent's discretion, incurs on Owner's behalf, including but not limited to, the costs of advertising, emergency maintenance and repairs, utilities, property taxes, owners' association dues and assessments, court costs and attorney's fees; and further, pay interest at the rate of One Point Five percent (1.500 %) per year on the amount of any outstanding balance thereof not paid to Agent within 30 days of Agent's written request therefore;
- (c) NOT TAKE ANY ACTION OR ADOPT ANY POLICY THE EFFECT OF WHICH WOULD BE TO PREVENT AGENT FROM OFFERING THE PROPERTY FOR RENT IN COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE LAWS, REGULATIONS AND ETHICAL DUTIES, INCLUDING BUT NOT LIMITED TO, THOSE PROHIBITING DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP, FAMILIAL STATUS OR SEXUAL ORIENTATION IN THE LEASING OF THE PROPERTY;
- (d) Carry, at Owner's expense, public liability insurance against any and all claims or demands whatever arising out of, or in any way connected with, the operation, leasing and maintenance of the Property, including property damage and personal injury, in the amount of not less than \$ 300,000.00 , which policies shall be written to the extent allowable so as to protect Agent in the same manner as Owner, and provide at least annually a copy of such insurance policy or policies to Agent upon Agent's request;
(Name of insurance agent: _____ ; telephone no.: _____)
- (e) Indemnify and hold Agent harmless to the extent allowable by law from any and all costs, expenses, attorneys' fees, suits, liabilities, damages or claims for damages, including but not limited to, those arising out of any injury or death to any person or loss or damage to any property of any kind whatsoever and to whomsoever belonging, including Owner, in any way relating to the management of the Property by Agent or the performance or exercise of any duty, obligation or authority set forth herein or hereafter granted to Agent, except to the extent that such may be the result of gross negligence or willful or intentional misconduct by Agent;
- (f) Be responsible for timely payment of all property taxes, mortgage payments, governmental or owners' association assessments associated with the Property, and any other expenses which could become a lien against the Property, and for promptly notifying Agent in the event that Owner receives any notice(s) from the holder of any loan or from any other lien holder of any kind, regarding a default in payment, threatened foreclosure or the filing of a foreclosure proceeding; and
- (g) **N/A**

9. Tenant Security Deposits. Agent may, in Agent's discretion, require tenants to make security deposits in an amount permitted by law to secure tenants' lease obligations (such security deposits shall hereinafter be referred to as "Tenant Security Deposits"). If the Agent requires Tenant Security Deposits, they shall be placed in a trust account in Agent's name in a North Carolina bank or savings and loan association. Upon the commencement of this Agreement, Owner shall deliver to Agent a list of any current tenants who previously made Tenant Security Deposits under existing leases and the amounts thereof. Simultaneously therewith, any such Tenant Security Deposits shall be placed in a trust account in Agent's name in a North Carolina bank or savings and loan association, and shall thereafter be administered in accordance with this Agreement.

Page 3 of 6
Owner Initials _____ Agent Initials _____

STANDARD FORM 401
Revised 1/2013
© 7/2013

19. Exclusivity. Owner agrees that Agent shall be the exclusive rental agent for the Property, and that no other party, including Owner, shall offer the Property for rent during the time this Agreement is in effect. Any rent nevertheless received by Owner or any third party will be transferred to Agent and thereafter accounted for as if originally received by Agent, including the deduction therefrom of any fee due Agent hereunder.

20. Default. If either party defaults in the performance of any of its obligations hereunder, in addition to any other remedies provided herein or by applicable law, the non-defaulting party shall have the right to terminate this Agreement if, within thirty days after providing the defaulting party with written notice of the default and the intent to terminate, the default remains uncured.

21. Costs in Event of Default. If legal proceedings are brought by a party to enforce the terms, conditions or provisions of this Agreement, the prevailing party shall be entitled to recover all expenses (including, but not limited to, reasonable attorney fees, legal expenses and reasonable costs of collection) paid or incurred by such prevailing party in endeavoring to enforce the terms, conditions, or provisions of this Agreement and/or collect any amount owing in accordance with this Agreement.

22. Authority to Enter into Agreement; Principal Contact. Owner represents and warrants to Agent that Owner has full authority to enter into this Agreement, and that there is no other party with an interest in the Property whose joinder in this Agreement is necessary. Either LARRY LANDLORD or LAURA LANDLORD shall serve as Owner's principal contact for purposes of making all decisions and receiving all notices and rental payments contemplated by this Agreement, and all persons signing this Agreement as Owner hereby appoint either of said persons as Owner's agent and attorney-in-fact for the purposes set forth in this section.

23. Notices. Any notices required or permitted to be given hereunder shall be in writing and mailed by certified mail to the appropriate party at the party's address set forth below.

24. Binding Nature of Agreement. This Agreement shall be binding upon and inure to the benefit of the heirs, legal and personal representatives, successors and permitted assigns of the parties.

25. Assignments by Agent; Change of Ownership. Owner agrees that at any time during the term of this Agreement, Agent may either assign Agent's rights and responsibilities hereunder to another real estate agency, or transfer to another person or entity all or part of the ownership of Agent's real estate agency, and that in the event of any such assignment or transfer, this Agreement shall continue in full force and effect; provided, that any assignee or transferee must be licensed to engage in the business of real estate brokerage in the State of North Carolina. In the event of any such assignment or transfer, Owner may, in addition to all other termination rights hereunder, terminate this Agreement without cause on sixty (60) days' prior written notice to the assignee or transferee of Owner's intent to terminate this Agreement.

26. Other Professional Services. Owner acknowledges that Agent is being retained solely as a real estate professional, and understands that other professional service providers are available to render advice or services to Owner at Owner's expense, including but not limited to an attorney, insurance agent, tax advisor, engineer, home inspector, environmental consultant, architect, or contractor. If Agent procures any such services at the request of Owner, Owner agrees that Agent shall incur no liability or responsibility in connection therewith.

27. Addenda. Any addenda to this Agreement are described in the following space and attached hereto: N/A

The parties agree that any such addenda shall constitute an integral part of this Agreement. In the event of a conflict between this Agreement and any such addenda, the terms of such addenda shall control.

THE AGENT SHALL CONDUCT ALL BROKERAGE ACTIVITIES IN REGARD TO THIS AGREEMENT WITHOUT RESPECT TO THE RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP OR FAMILIAL STATUS OF ANY PARTY OR PROSPECTIVE PARTY TO THE AGREEMENT. FURTHER, REALTORS® HAVE AN ETHICAL DUTY TO CONDUCT SUCH ACTIVITIES WITHOUT RESPECT TO THE SEXUAL ORIENTATION OF ANY PARTY OR PROSPECTIVE PARTY TO THIS AGREEMENT.

Page 5 of 6
Owner Initials _____ Agent Initials _____

STANDARD FORM 401
Revised 1/2013
© 7/2013

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

OWNER:

Larry Landlord (SEAL) DATE: **01/01/2014**

(SEAL) DATE: _____

(SEAL) DATE: _____

(SEAL) DATE: _____

AGENT: **OPEN DOOR REAL ESTATE**
[Name of real estate firm]

BY: _____ Individual license # **185063** DATE: **01/01/2014**
[Authorized Representative]
JOE LUCK

Address: **3455 POLO ROAD SUITE 103, WINSTON SALEM, NC 27104**

Telephone: **(336) 813-5488** Fax: _____ Email: **joe@opendoortriadre.com**

Owner: Larry Landlord

Address: _____

Contact information: _____
Home Work Cell Email

Social Security/Tax ID#: _____

Owner: _____

Address: _____

Contact information: _____
Home Work Cell Email

Social Security/Tax ID#: _____

Owner: _____

Address: _____

Contact information: _____
Home Work Cell Email

Social Security/Tax ID#: _____

Owner: _____

Address: _____

Contact information: _____
Home Work Cell Email

Social Security/Tax ID#: _____