

RESIDENTIAL PROPERTY MANAGEMENT & LEASING AGREEMENT

THIS AGREEMENT is entered into by and between

_____ (Owner)
and _____ (Broker)

_____ day of _____ and upon approval by both Owner and Broker as evidenced by their signatures hereto, a valid and binding Property Management and Leasing Agreement shall exist, the terms and conditions of which are as follows:

1. Appointment of Broker and Legal Description of Property: The Owner engages and appoints the Broker as the sole and exclusive Manager and Rental Broker of the following:

Street Address: _____

Legal Description: _____

_____ (the "Property").

2. Term: This Agreement shall commence on _____ and shall remain in force for a period of _____ and year-to-year thereafter.

3. Authorization: The Owner confers on the Broker the sole power and authority to negotiate as Broker for the Owner. Broker is authorized to negotiate, prepare, and execute all leases, including all renewals and extensions of leases and to cancel and modify existing leases. All cost of leasing shall be paid by the Owner.

4. Broker Relationships: Broker's relationship with Owner and duties under that relationship as provided under the *Broker Relationship Act* are set out in the attached *Owner/Broker Relationship Addendum*. At the time of any initial contact, Broker shall inform all prospective tenants and their brokers, of the relationship Broker has with Owner. The Broker also agrees to use Broker's best efforts to lease and keep leased and occupied all space in the Property, and to collect and to receive all rents and other income due and payable from tenants.

5. Compensation: The Owner agrees that:

- a. On the commencement of this Agreement and anytime during this Agreement, the property is vacant, Broker shall be paid a vacancy fee of _____ per month until the property is leased.
- b. The Broker shall be paid a leasing fee of _____ of the first full month's rental or _____, whichever is greater and lease renewal fee of _____.
- c. The Broker shall be paid a management fee of _____ of each month's rental during the term of the lease and any renewals of said lease.
- d. If Tenant purchases the Property, Owner agrees to pay the undersigned Broker _____ of the sales price.
- e. If during the term of this Agreement, the Owner shall offer the Property for sale or exchange, the Broker shall have the exclusive right to offer the Property for sale or exchange under such terms and conditions as agreed to in writing by the Owner and Broker.

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6. Security Deposits: Broker shall collect, deposit, and disburse tenant's security deposits in an FDIC approved Escrow Account in the State of Oklahoma in accordance with the Landlord Tenant Act and the tenant's lease agreement. It is understood and agreed by all parties that these funds may be deposited into a FDIC insured interest bearing escrow account with the Broker retaining the interest to compensate for the cost and burden of maintaining such an account. Any other interest paid on the operating accounts or the escrow account will also be retained by the Broker.

7. Initial Deposits and Contingency Reserve: Immediately upon commencement of this Agreement, Owner shall remit to Broker the sum of \$_____ to be deposited in the Operating and/or Reserve Accounts as an initial deposit representing the estimated disbursements to be made in the first month following the commencement of this Agreement, plus an additional sum of \$_____ as a contingency reserve. Owner agrees to maintain the contingency reserve stated above at all times in the Operating and/or Reserve Account(s) to enable Broker to pay the obligations of Owner under this Agreement as they become due. Owner and Broker shall review the amount of the contingency reserve from time to time and shall agree in writing on a new contingency reserve amount when such is required.

8. Operating and/or Reserve Account(s): Broker shall establish a separate account known as _____ Trust Account separate and apart from Broker's corporate accounts, for the deposit of receipts collected as described herein, in a bank or other institution whose deposits are insured by the federal government. Such depository shall be selected by the Broker. However, Broker shall not be held liable in the event of bankruptcy or failure of a depository. Funds in the Operating and/or Reserve Account(s) remain the property of the Owner subject to disbursement of expenses by the Broker as described in this Agreement.

9. Expenses of the Owner: All operating and maintenance expenses, including expense of advertising and annual audit, shall constitute deductions from gross annual rentals in addition to the fee specified in paragraph 5. Where Broker is acting as Owner's General Contractor for purposes other than ordinary maintenance due to ordinary wear and tear, the Broker shall be paid a supervision fee of _____.

10. Deductions from Rental Income: Owner agrees the Broker shall be entitled to deduct from the monthly rental income any earned commissions, fees, or other obligations the Owner has authorized the Broker to pay on behalf of the Owner. If the Broker is authorized to pay the Owner's monthly mortgage payments, including taxes and insurance, or any other expense assessed on the Property, the Owner must maintain enough money in the Owners account deposited in _____ Owner's Trust Account to allow for such payment plus any other fees required to maintain the Owner's Property. In the event any rent check previously collected and accounted for is returned insufficient an appropriate adjustment in the fee and balance paid to Owner shall be made in the next ensuing month. Payment of the first mortgage is a service and shall not be construed as a liability on the part of the Broker.

11. Special Charges: If permitted by applicable law, Broker may collect and retain from tenants any or all of the following: an administrative charge for late payment of rent, a charge for returned or non-negotiable checks, a credit report fee, and administrative charge and Broker's commission for sub-leasing. Broker need not account to Owner for such charges or Broker's commission for subleasing.

12. Payment of Expenses: The Owner authorizes the Broker to pay all expenses as hereinafter provided to the extent funds are available from rental income or funds from the Owner for the operating, maintenance, and repair of the Property and equipment. In the event funds from rental income or funds from Owner shall fail to pay any such bills and assessments when due, Owner shall be liable for any assessments, legal fees, court costs, interest or any other penalties that are incurred as a result of such failure to pay the bill.

13. Payment to Owner: After Broker deducts all authorized expenses and reserves relating to the operation and management of the Property from funds collected for the account of the Owner, Broker shall disburse to Owner in accordance with Owner's written instructions.

14. Maintenance of Property: The Owner authorizes the Broker to manage and maintain, at Owner's expense, the Property and Owner's equipment therein. Owner agrees that Broker shall only use the services of independent contractors

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who carry and are covered by liability and workmen's compensation insurance (or have a workman's compensation insurance waiver).

15. Maintenance of Records: The Broker agrees to keep and maintain at all times all necessary books and records relating to the leasing, management and operation of the unit.

16. Approval of Contracts: Before entering into any contract, the Broker agrees to obtain approval of the Owner for repairs, replacements, or any other maintenance expense which contracts involve an expenditure of more than \$ _____. In the event of an emergency however, for the protection of the Property and its tenants, the Broker shall have power to take the necessary action without obtaining the Owner's consent. The Broker will inform Owner of such emergency action taken as soon as practicable.

17. Enforcement of Leases: The Owner authorizes the Broker to make all reasonable efforts to enforce the terms of the lease, in accordance with the Oklahoma Residential Landlord Tenant Act and any applicable Fair Debt Collection Practices Act (FDCPA).

18. Legal Fees For Legal Advice: Owner shall pay expenses incurred by Broker in obtaining legal assistance regarding issues affecting the Property. Owner shall also pay the expense of any legal proceedings affecting the Property.

19. Broker's Supervision: All persons contracted for, or to be contracted for the maintenance and repair of the Property, shall be under the control and supervision of the Broker. Notwithstanding this authority, it is recognized that such persons are the contractors of the Owner and not contractors of the Broker.

20. Owner's indemnification: The Owner shall indemnify and save harmless the Broker from and against all claims, losses and liabilities with respect to the Property and arising out of or related to the leasing and managing agency established by this Agreement (including costs and attorney's fees), saving and excepting only those resulting from, arising out of or occasioned by the gross negligence or willful misconduct of the Broker or its employees.

21. Broker Assumes No Liability: Broker assumes no liability whatsoever for any acts of omissions of Owner, or any previous Owners or Agents or Tenants of the Property. Broker assumes no liability for any failure of or default by any tenant in the payment of any rent or other charges due Owner or in the performance of any obligations owed by a tenant to Owner pursuant to any lease or otherwise. The Broker does not assume any liability for previously unknown violations of environmental or any other regulations, which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Broker will be brought to the attention of Owner in writing, and Owner shall promptly cure them with no liability for the Broker.

22. Owner Responsible For All Expenses of Litigation: Owner shall pay all expenses incurred by Broker, including, but not limited to, reasonable attorney's fees, Broker's costs, Broker's time, any liability, fines, penalties or the like, in connection with any claim, proceeding, or suit involving an alleged violation by Broker or Owner, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes, or fair housing, including, but not limited to, any law prohibiting or making illegal discrimination on the basis of race, sex, creed, color, religion, national origin, or mental or physical handicap, or familial status provided, however, that Owner shall not be responsible to Broker for any such expenses in the event Broker is finally adjudged to have personally, and not in representative capacity, violated any such law. Nothing contained in this Agreement shall obligate Broker to employ legal counsel to represent Owner in any such proceeding or suit.

23. Insurance: On execution of this Agreement, Owner will review existing coverage with his insurance broker to determine adequacy of coverage and to change policy to a rental policy. Owner agrees to carry bodily injury, property damage and personal injury liability insurance in limits of not less than Three Hundred Thousand Dollars (\$300,000). The Owner will not hold Broker liable for any tenant damages or damages incurred by third party or any violations of law by Tenant. Owner agrees to name Broker as additional insured and to provide a copy of the policy for the file.

24. Furnishing Documents: Owner agrees to promptly furnish Broker all documents and records required to properly manage the Property, including, but not limited to leases (including amendments and pertinent correspondence relating

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thereto), status of rental payments, loan payment information, and copies of existing service contracts.

25. Termination: Owner or Broker may terminate this Agreement at any time with a _____ day written notice with notice and settlement by Owner of final expenses.

26. Fair Housing. As provided in Oklahoma's Landlord Tenant Regulations, Owner and/or Broker shall not deny or terminate tenancy to a blind, deaf or physically handicapped person because of the guide, signal or service dog of such person unless such dogs are specifically prohibited in the rental agreement entered into prior to November 1, 1985.

As provided by Federal law, Owner and Broker shall not refuse to lease or rent or refuse to negotiate for the lease or rent of the property or otherwise make the property unavailable to any person because of race, color, religion, sex, familial status or national origin.

27. Additional Fees. See attached addendum for additional fees, if any.

28. Broker Relationship. The undersigned Broker (and all real estate licensees affiliated with the broker) is acting as a Single-party Broker for the Landlord. Under the Oklahoma Broker Relationship Act, the duties and responsibilities of a Single-party broker are as follows:

- a. The broker **must enter into a written brokerage agreement** with an owner prior to providing services as a single-party broker.
- b. To perform the terms of the written brokerage agreement.
- c. To treat all parties with honesty.
- d. To comply with all requirements of the Oklahoma Real Estate License Code and all applicable statutes and rules.
- e. To exercise reasonable skill and care including:
 - ◆ Timely presentation of all written offers and counteroffers.
 - ◆ Keeping you fully informed regarding the transaction.
 - ◆ Timely accounting for all money and property received by the broker.
- f. The following information shall not be disclosed by a broker unless consent to disclosure is granted by the party disclosing the information, the disclosure is required by law, or the information is made public or becomes public as the result of actions from a source other than the broker:
 - ◆ That a party is willing to pay more or accept less than what is being offered.
 - ◆ That party is willing to agree to rental terms that are different from those offered; and
 - ◆ The motivation of either party in the leasing of the property.

However, the broker must disclose pertinent facts relating to the property, which have been disclosed by the owner, or are otherwise known by the broker.

- g. Perform all brokerage activities for the benefit of the party for whom the single-party broker is performing services unless prohibited by law.
- h. Obey the specific directions of the party for whom the single-party broker is performing services that are not contrary to applicable statutes and rules or contrary to the terms of a contract between the parties to the transaction.
- i. The party for whom the single-party broker is performing services **can be held liable** for the actions and words of the broker and all licensees affiliated with the broker.

29. Property Condition.

a. FLOOD NOTIFICATION. Have you been notified by any City or County governmental agency, or are you aware that the property is in a flood hazard area? ☐ yes ☐ no.

In order to fulfill Landlord's and Broker's obligations of disclosure, if the Property has been flooded within the past five (5) years and such fact is known to the Landlord, the Landlord shall disclose such information. As provided in the Landlord Tenant Act, the landlord shall include such information prominently and in writing as

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part of any written rental agreements. Failure to provide such information entitles a tenant who is a party to the rental agreement to sue the landlord of the premises in a court of appropriate jurisdiction and to recover the personal property damages sustained by the tenant from flooding of the premises.

b. LEAD-BASED PAINT DISCLOSURE. Lead-Based Paint Disclosure. If property was built prior to 1978, Landlord shall complete the Disclosure and Acknowledgment of Lead-Based Paint and as provided under Federal Statute a copy of the Disclosure along with a copy of the pamphlet *Protect Your Family from Lead in Your Home*, shall be provided to potential tenants.

c. OTHER PROPERTY DEFECTS. To fulfill Landlord's and Broker's obligations of disclosure, Landlord will disclose any property defects he has knowledge of and Broker shall disclose such defects to a potential tenant.

30. GTAR. Landlord and tenants You Need to Know! Landlord received a copy of, read and understands the **GTAR Landlords and Tenants You Need to Know!** document, **which includes an explanation of Single-party and Transaction Broker Relationships.** The Landlord further understands and agrees that a copy shall also be provided to potential tenants.

31. Notices: All notices to be given by either party to the other shall be given by personal delivery or certified mail and shall be effective on receipt. Notices to the respective parties shall be addressed as follows:

Landlord:

Mailing Address _____

Phone _____ Fax _____ E-Mail _____

Social Security Number _____

Insurance Company _____ Policy # _____

Insurance Agent _____ Phone # _____

Broker:

Mailing Address _____

Phone _____ Fax _____ E-Mail _____

In the event either party's address changes, 30-day written notice shall be given to the other party.

APPROVED AND AGREED TO BY OWNER

This ____ day of _____

APPROVED AND AGREED TO BY BROKER

This ____ day of _____

