

EXCLUSIVE PROPERTY MANAGEMENT AGREEMENT
Long-term Rental Property

This Exclusive Property Management Agreement is entered into by and between

 ("Owner")
 and n/a _____ ("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: n/a _____ County: n/a _____, NC
 Street Address: n/a _____
 Other Description: n/a _____

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 n/a _____, and shall be for an initial term of n/a _____.
 Not less than n/a _____ 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 n/a _____ each unless either party gives the other party written notice of its desire to terminate this Agreement at least n/a _____ 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 n/a _____ days of its effective date, Owner shall pay Agent a termination fee of n/a _____.

3. Agent's Fee. For services performed hereunder, Owner shall compensate Agent in the following manner:
 A fee equal to n/a _____ percent (_____ n/a %) of gross rental income received on all rental agreements entered into during the term of this Agreement, or \$ n/a _____ per month, whichever is greater.
 Other (describe method of compensation): n/a _____

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 n/a _____ (Owner or Agent). Fees for purposes covered under the Tenant Security Deposit Act will be collected, held and disbursed in accordance with paragraphs 7 and 8 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) Advertise the Property in such manner as may be appropriate in Agent's opinion, including the right to display a "For Rent" sign on the Property (unless prohibited by law or restrictive covenant) and photograph the Property for use in Agent's advertising;
- (c) OFFER THE PROPERTY TO THE PUBLIC FOR LEASING IN COMPLIANCE WITH ALL STATE AND FEDERAL HOUSING LAWS, INCLUDING BUT NOT LIMITED TO, ANY STATE AND FEDERAL LAWS PROHIBITING DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP OR FAMILIAL STATUS;
- (d) 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 n/a _____;
- (e) Collect all rentals and other charges and amounts due under tenant leases and give receipts for amounts so collected;
- (f) 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;

- (g) 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;
- (h) 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 \$ n/a 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;
- (i) 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;
- (j) 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 \$ n/a, from which Agent may pay expenses associated with the management and operation of the Property for which Owner is responsible hereunder;
- (k) 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);
- (l) 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; and
- (m) n/a

6. 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 n/a percent (n/a %) per month on the amount of any outstanding balance thereof not paid to Agent within n/a days of Agent's written request therefor;
- (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 AND REGULATIONS, INCLUDING BUT NOT LIMITED TO, THOSE LAWS AND REGULATIONS PROHIBITING DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP OR FAMILIAL STATUS IN THE LEASING OF THE PROPERTY;
- (d) Carry, at Owner's expense, commercial general liability insurance (including products and completed operations coverage) 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, which policies shall be written to the extent allowable so as to protect Agent in the same manner as Owner and which shall be in the minimum amounts of \$ n/a for each injury or death of one person in each accident or occurrence, and \$ n/a for property damage in each accident or occurrence; and provide at least annually a copy of such insurance policy or policies to Agent upon Agent's request; (Name of insurance agent: n/a; telephone no.: n/a)
- (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; and
- (f) n/a

7. 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.

8. Trust Account Interest. Agent may, in Agent's discretion, place gross receipts and collections, including Tenant Security Deposits, in an interest bearing trust account in the name of Agent in an insured bank or savings and loan association in North Carolina. Interest on any such amounts shall belong to n/a (Owner or Agent), except that with respect to any Tenant Security Deposits, tenant leases shall specify, in Agent's discretion, whether such interest shall be payable to Owner or to the tenant. If the lease provides that such interest is payable to the tenant, Agent shall account for the interest in the manner set forth in such lease. If the lease provides that such interest is payable to Owner or as Owner directs, then such interest shall be paid to Owner or Agent as set forth above. Agent may remove any interest payable to Agent from the account at all times and with such frequency as is permitted under the terms of the account and as the law may require.

9. Entry by Owner. Owner agrees that neither Owner nor any third party acting at Owner's direction, shall enter the Property for any purpose whatsoever during any time that it is occupied by a tenant in the absence of reasonable notice to Agent or tenant and scheduling by Agent or tenant of an appropriate time for any such entry.

10. Lead-Based Paint/Hazard Disclosure. If the Property was built prior to 1978, Landlord understands that Landlord is required under 42 U.S.C. 4852(d) to disclose information about lead-based paint and lead-based paint hazards, and that Agent is required to ensure Landlord's compliance with said law. Landlord agrees to complete and sign a "Disclosure Of Information On Lead-Based Paint And Lead-Based Paint Hazards" form (NCAR form #430-T), photocopies of which will be provided by Agent to prospective tenants. In the alternative, Landlord authorizes Agent, in Agent's discretion, to fulfill Landlord's disclosure obligations by completing and signing said form on Landlord's behalf based on information provided by Landlord to Agent.

11. Duties on Termination. Upon termination of this Agreement by either party, each shall take such steps as are necessary to settle all accounts between them, including, but not limited to, the following:

- (a) Agent shall promptly render to Owner all rents then on hand after having deducted therefrom any Agent's fees then due and amounts sufficient to cover all other outstanding expenditures of Agent incurred in connection with operating the Property;
- (b) Agent shall transfer any security deposits held by Agent to Owner or such other person or entity as Owner may designate in writing; provided, Owner understands and acknowledges that the Tenant Security Deposit Act requires Owner to either deposit any such deposits in a trust account with a licensed and insured bank or savings institution located in North Carolina, or furnish a bond from an insurance company licensed to do business in North Carolina;
- (c) Owner shall promptly pay to Agent any fees or amounts due the Agent under the Agreement and shall reimburse Agent for any expenditures made and outstanding at the time of termination;
- (d) Agent shall deliver to Owner copies of all tenant leases and other instruments entered into on behalf of Owner (Agent may retain copies of such leases and instruments for Agent's records); and
- (e) Owner shall notify all current tenants of the termination of this Agreement and transfer of any advance rents and security deposits to Owner.

12. Sale of Property. In the event Owner desires to sell the Property through Owner's own efforts or those of a firm other than Agent, Owner shall: (a) promptly notify Agent that the Property is for sale and, if applicable, disclose to Agent the name of the listing firm; and (b) promptly notify Agent if the Property goes under contract and disclose to Agent the agreed-upon closing date.

13. Entire Agreement; Modification. This Agreement contains the entire agreement of the parties and supercedes all prior written and oral proposals, understandings, agreements and representations, all of which are merged herein. No amendment or modification to this Agreement shall be effective unless it is in writing and executed by all parties hereto.

14. Non-Waiver of Default. The failure of either party to insist, in any one or more instances, on the performance of any term or condition of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term or condition, and the obligations of the non-performing party with respect thereto shall continue in full force and effect.

15. Governing Law; Venue. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, and that in the event of a dispute, any legal action may only be instituted in the county where the Property is located.

16. Relationship of Parties. Although Owner and Agent agree that they will actively and materially participate with each other on a regular basis in fulfilling their respective obligations hereunder, the parties intend for their relationship to be that of independent contractors, and nothing contained in this Agreement shall be construed to create a partnership or joint venture of any kind.

17. 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.

18. 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.

19. 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.

20. 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 n/a or n/a 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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 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 _____ DATE _____

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Neuse Realty
601 Broad Creek Rd
New Bern NC, 28560-9330
Phone: 252-633-4888, Fax: 252-633-1124

By: _____

Signature

Administrator

Date

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PREPARED BY AGENT: Administrator, Administrator

STANDARD FORM 401, Exclusive Property Management Agreement, © 7/2003. North Carolina Association of REALTORS®

North Carolina Association of REALTORS®, Inc.

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Agent _____

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Owner(s) _____