

# RESIDENTIAL PROPERTY MANAGEMENT & EXCLUSIVE RIGHT TO LEASE 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 incorporates both the Exclusive Right to Lease the Property and the Agreement to Manage the Property and the term for each shall be:

**a. The term of this Exclusive Right to Lease Listing Agreement** begins on \_\_\_\_\_, \_\_\_\_\_ and expires (except for the provisions of paragraph ( ) at midnight on \_\_\_\_\_, \_\_\_\_\_.

**b. The term of this Property Management Agreement** shall begin upon the execution of a lease and occupancy of the Property by a tenant and shall remain in force for a period of \_\_\_\_\_

\_\_\_\_\_ and year-to-year thereafter.

**c. Owner understands and agrees that the Broker will not provide the care, maintenance and management of the Property until the deposits provided for in Paragraph 8 are received.**

**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 in paragraph 29 of this Agreement. 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 the term of the Property Management Agreement and anytime during the Property Management 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 or prospective Tenant purchases the Property or the Property is purchased for the benefit of and/or on behalf of the tenant during the term of this Agreement or within \_\_\_\_\_ days of the expiration of the Listing Agreement or the Property Management Agreement, whichever expires last, Owner agrees to pay the undersigned Broker a sales commission of \_\_\_\_\_ of the sales price.

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.

**6. Marketing of Property.** During the term of this Agreement Owner authorizes Broker to advertise the lease of the Property by classified advertising and/or Web site advertising. Owner agrees to pay the actual cost of any classified advertising.

## Residential Property Management & Exclusive Right to Lease Agreement (Continued)

**7. Security Deposits.** Broker shall collect, deposit, and disburse tenant's security deposits in an FDIC approved Trust 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 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 Trust Account will also be retained by the Broker.

**8. 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.

**9. 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.

**10. 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 \_\_\_\_\_.

**11. 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 Owner's 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.

**12. 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 sub-leasing.

**13. 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.

**14. Disbursement of Net Proceeds.** Each month, Broker will remit any net proceeds, in excess of that amount deemed necessary by Broker to meet operational expenses and provide a detailed statement of receipts, disbursements and charges. Such remittance, shall be made payable to Owner and mailed to address listed below or deposited electronically via separate authorization. In the event disbursements are in excess of rents collected, Owner agrees to pay such excess promptly upon demand and understands that Broker may terminate this agreement if the excess is not paid.

**15. 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

## Residential Property Management & Exclusive Right to Lease Agreement (Continued)

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

**16. 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.

**17. 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.

**18. 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). Owner agrees to pay the costs, including legal fees, incurred by Broker for such enforcement.

**19. Legal Fees for Legal Advice.** Upon Owners authorization Broker may obtain legal assistance regarding issues affecting the Property. Owner shall also pay the expense of any legal advise or proceedings affecting the Property.

**20. 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, 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.

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

**22. 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.

**23. 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.

**24. 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.

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

**26. 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.

## Residential Property Management and Leasing Agreement (Continued)

**27. 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.

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

**29. Broker Relationship.** Broker duties and responsibilities.

- A. A broker shall have the following duties to all parties in a transaction, which are mandatory and may not be abrogated or waived by a broker:
1. Treat all parties with honesty and exercise reasonable skill and care;
  2. Unless specifically waived in writing by a party to the transaction:
    - a) receive all written offers and counteroffers,
    - b) reduce offers or counteroffers to a written form upon request of any party to a transaction, and
    - c) present timely such written offers and counteroffers;
  3. Timely account for all money and property received by the broker;
  4. Keep confidential information received from a party or prospective party confidential. The confidential information shall not be disclosed by a firm without the consent of the party disclosing the information unless consent to the disclosure is granted in writing by the party or prospective 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 firm. The following information shall be considered confidential and shall be the only information considered confidential in a transaction:
    - a) that a party or prospective party is willing to pay more or accept less than what is being offered;
    - b) that a party or prospective party is willing to agree to financing terms that are different from those offered;
    - c) the motivating factors of the party or prospective party purchasing, selling, leasing, optioning, or exchanging the property; and
    - d) information specifically designated as confidential by a party unless such information is public.
  5. Disclose information pertaining to the property as required by the Residential Property Condition Disclosure Act; and
  6. Comply with all requirements of The Oklahoma Real Estate License Code and all applicable statutes and rules.
- B. A broker shall have the following duties and responsibilities only to a party for whom the broker is providing brokerage services in a transaction which are mandatory and may not be abrogated or waived by a broker:
1. Inform the party in writing when an offer is made that the party will be expected to pay certain costs, brokerage service costs and approximate amount of costs; and
  2. Keep the party informed regarding the transaction.
- C. When working with both parties to a transaction, the duties and responsibilities set forth in this section shall remain in place for both parties.

**Specific Directions.** The Landlord and Broker agree that the specific directions provided for in the *Broker Relationship Act* shall be in writing, and that Landlord shall pay any costs Broker incurs in complying with such instructions.

**30. 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 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.

**Residential Property Management and Leasing Agreement (Continued)**

**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.

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

**32. 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 \_\_\_\_\_

Home Phone No. \_\_\_\_\_ Cell Phone No. \_\_\_\_\_

Fax \_\_\_\_\_ E-Mail \_\_\_\_\_

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 \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_