

OKLAHOMA REAL ESTATE COMMISSION

This is a legally binding Contract if not understood, seek advice from an attorney

**RESIDENTIAL PROPERTY MANAGEMENT
AND
EXCLUSIVE RIGHT TO LEASE AGREEMENT**

THIS RESIDENTIAL PROPERTY MANAGEMENT AND EXCLUSIVE RIGHT TO LEASE AGREEMENT (the "Agreement") is entered into by and between _____ Owner) and _____ (Broker) on the _____ day of _____, 20_____, (the "Effective Date") 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 includes both Broker's exclusive right to lease the Property and Broker's management of the Property. The term for the Agreement shall be:

- a. **The term of the Exclusive Right to Lease the Property** begins on the Effective Date and expires at midnight on first anniversary of the Effective Date.
- b. **The term of the Property Management of the Property** begins on the Effective Date and shall continue thereafter from year to year, automatically renewing on the anniversary of the Effective Date, unless otherwise terminated earlier as allowed under Section 18.

3. Authorization. Owner hereby grants Broker the exclusive authority to negotiate, prepare, and execute all leases for the Property, 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's Compensation. Owner agrees that:

- a. Anytime during the term of this Agreement, the Property is vacant, Broker shall be paid a vacancy fee of \$ _____ per month until the Property is leased.
- b. Following the execution of a lease of the Property Broker shall be paid from the first full month's rental a leasing fee of _____% of the first full month's rental or \$ _____, whichever is greater and lease renewal fee of \$ _____ upon renewal of the lease.
- c. Broker shall be paid a monthly management fee of \$ _____ or _____% of each month's rental during the term of the lease and any renewals of the lease.
- d. If tenant or prospective tenant (someone who has been shown the Property by Broker or has completed a Lease Application) 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 or termination of this Agreement, Owner agrees to pay Broker a sales commission of _____% of the sales price. Provided, however, Broker shall deliver to Owner a list in writing of the name or names of such Prospective Tenants on the Expiration Date, or within ten (10) days of the notice of termination. If Owner enters into an exclusive listing agreement with another licensed real estate broker with respect to the Property, Owner agrees to exclude the "Prospective Tenant" from any such other exclusive listing agreement for and during the period stated herein
- e. If permitted by applicable law, Broker may collect from tenants any or all of the following: a 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. Owner agrees that such amounts may be retained by the Broker and Broker need not account to Owner for such charges or Broker's commission for sub-leasing.
- f. If during the term of this Agreement, Owner shall offer the Property for sale or exchange, 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 Owner and Broker.

5. Marketing of Property. In connection with this Agreement, Owner authorizes Broker:

- a. To place a "For Lease" sign on the Property and to remove all other similar signs.
- b. At Owner's expense, to turn on, or leave on, all utilities, and to authorize servicemen to do so, in order to show the Property to its best advantage or to permit inspection thereof.
- c. To have access to the Property for the purpose of showing it to prospects at any reasonable hour.
- d. To advertise the Property for lease by classified advertising, Web site advertising and/or any other commercially reasonable means of advertising. Owner agrees to pay the actual cost of all advertising incurred by Broker. If this Agreement is terminated, Owner agrees to pay for all advertising placed up to the date of termination.
- e. To obtain a credit report and completed application for each prospective tenant. Broker has the right to charge the prospective

tenant a processing fee, which is paid to Broker and not Landlord and is not refundable to tenant regardless of whether or not the prospective tenant is approved.

- f. At Broker's discretion and expense, to cooperate and compensate other property management companies that might represent a tenant who is approved by Owner and leases the Property.
- g. To facilitate the showing of said Property, Owner grants Broker permission to place on the Property a "Lock Box" containing a key which gives access to the Property at times when Broker is not present. Owner understands that Broker does not control access to said "Lock Box" and that members of Multiple Listing Services (MLS) and unauthorized persons who are not members of MLS may gain access to the Lock Box. Owner has been fully advised that neither Broker, associates of Broker, MLS nor Oklahoma Association of REALTORS® ("OAR"), assumes any responsibility, nor shall they have any liability, for the acts of any other persons or for any loss, theft or damage which may be sustained by Owner through entry by use of the key deposited in the "Lock Box" or in any other manner. Owner hereby assumes all risk of loss, theft and damage arising from or related to a Lock Box being placed on the Property and Owner agrees to indemnify and hold Broker, Broker's associates, MLS and OAR harmless from any liability or claims arising from or related to a Lock Box being placed on the Property.
- h. **Broker (check one) is is not authorized to place a "Lock Box" on the Property.**

Owner hereby discloses to Broker the following video or audio recording devices are in or around the Property:

Owner understands the recording or transmitting of video or audio recordings may result in a violation of state or federal laws. Owner agrees to indemnify and hold Broker, associates of Broker, MLS and OAR harmless from any liability or claims arising out of or related to Owner's use of the video or audio recording devices in or around the Property.

6. Security Deposits. Broker shall collect and deposit tenant's security deposits in a trust account established by Broker in the State of Oklahoma at a federally insured financial institution in accordance with the Oklahoma Landlord and Tenant Act and the tenant's lease agreement. The security deposit may be deposited in an interest-bearing account and Broker may retain any interest earned to compensate Broker for the cost of maintaining the account.

7. Operating/Reserve Trust Account.

- a. Broker shall establish a separate operating/reserve account to be held in trust separate and apart from Broker's corporate accounts, for the deposit of rents collected by Broker, in a federally insured financial institution selected by the Broker (the "Trust Account"). Monthly and annual statements of receipts and disbursements relating to the Property will be provided to the Owner. In no event shall Broker be liable in the event of bankruptcy or failure of the Bank.
- b. Immediately upon commencement of this Agreement, Owner shall remit to Broker the sum of \$_____ to be deposited in the Trust Account 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 Trust Account 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 as such may be required. Funds in the Trust Account shall at all time remain in trust subject only to disbursements as provided for in this Agreement.
- c. All operating, maintenance, and repair expenses of the Property, including expense of advertising and annual audit (collectively "Expenses of Owner"), shall be deducted from rents collected in addition to Broker's Compensation described in paragraph 4. Where Broker is acting as Owner's General Contractor for purposes other than ordinary maintenance due to ordinary wear and tear, Broker shall be paid a supervision fee of \$_____.
- d. Owner hereby authorized Broker to pay from the Trust Account the following: Broker's Compensation, costs for the Marketing of the Property, Expenses of Owner, and any other obligations Owner has authorized Broker to pay on behalf of the Owner (collectively "The Expenses"). If Broker is authorized to pay the Owner's monthly mortgage payments, including taxes and insurance, or any other expense assessed on the Property, Owner must maintain sufficient funds in the Trust Account for such payments to be timely made plus the payment of The Expenses. Payment of the Owner's monthly mortgage payments, including taxes and insurance, or any other expense assessed on the Property is a service provided by Broker and shall not be a liability of Broker, nor shall the Broker be obligated to pay such in the event sufficient funds of the Owner are not available in the Trust Account.
- e. In the event any rent check is returned due to insufficient funds an appropriate adjustment shall be made to funds to be paid to Owner shall be made in the next ensuing month.

8. Disbursement of Net Proceeds. Each month, Broker will disburse to Owner any net proceeds, in excess of that amount deemed necessary by Broker to pay The Expenses and Broker will provide a detailed statement of all receipts and disbursements. Any disbursement and the statement will be mailed to address listed below or funds may be deposited electronically if Broker is provided written authorization. In the event disbursements are in excess of rents collected, Owner agrees to pay such excess upon demand and understands that Broker may terminate this Agreement if the excess is not promptly paid.

9. Maintenance/Repair of Property.

- a. Owner authorizes Broker to manage and maintain at Owner's sole expense, the Property. Maintenance of the Property includes the payment of regular reoccurring expenses such as utilities and lawn care. Owner also authorizes Broker to make repairs to the Property at the Owner's sole expense, to the extent Broker has knowledge of the need for repairs. Owner agrees that Broker shall only use the services of reputable independent contractors who are covered by liability insurance in a mounts of not less than \$_____ and have workmen's compensation insurance as required by applicable law.
- b. Broker agrees to obtain prior approval of Owner for repairs to the Property which involve an expenditure of more than \$_____. However, in the event of an emergency, for the protection of the Property and its tenants, Broker shall have authorization to take the appropriate action without obtaining Owner's consent. Broker will inform Owner of such emergency action taken as soon as reasonably practicable. All persons contracted for the maintenance and repair of the Property, shall be under the control of Broker. Notwithstanding this authority, it is recognized that such persons shall be contractors of Owner and not contractors of Broker.
- c. **Broker shall not be required to incur any expense for the maintenance or repair of the Property, even in the event of an emergency, unless sufficient funds of the Owner are in the Trust Account for the payment of such expenses. However** in the event sufficient funds are not available and Broker pays directly for any of such expenses, Owner shall be liable to Broker for the payment of such amounts, and if incurred by Broker any legal fees, court costs, and interest to recover any such amounts paid by Broker for the benefit of Owner.

10. Maintenance of Records. Broker agrees to keep and maintain at all times all necessary books and records relating to the leasing, management and operation of the Property.

11. Enforcement of Lease. Owner authorizes Broker to make all reasonable efforts to enforce the terms of the lease, in accordance with the Oklahoma Residential Landlord and 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.

12. Choice of Law and Forum. This Contract shall be governed by and construed in accordance with the laws of the State of Oklahoma, without giving effect to any choice of law or conflict of law rules or principles that would cause the application of the laws of any jurisdiction other than the State of Oklahoma. The Parties agree that all disputes, claims, and causes of action arising out of or related to this Contract shall be decided by either Oklahoma State Courts or Federal Courts in the State of Oklahoma.

13. Legal Fees for Legal Advice. Upon Owner's authorization Broker may obtain legal assistance regarding issues affecting the Property. Owner shall pay the expense of any legal advice or proceedings affecting the Property.

14. Owner Responsible For All Expenses of Litigation: Owner shall pay all expenses incurred by Broker, including, but not limited to, 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 credit reporting, environmental protection, rent control, taxes, or fair housing, including, and including, any law prohibiting or making illegal discrimination on the basis of race, sex, age, 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 if 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.

15. Owner's Indemnification. Owner shall indemnify and hold harmless Broker from and against all claims, losses damages, expenses, injuries and liabilities, including costs and attorney fees, arising out of or related to the leasing and managing of the Property, except for such claims, losses, damages, expenses, injuries or liabilities arising out of or caused solely by the gross negligence or willful misconduct of Broker or its employees.

16. 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. Broker shall not be liable for any violations of environmental or any other regulations. 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 at its sole expenses and for which Broker shall have no liability for such.

17. Insurance: Prior to the execution of this Agreement, Owner will review with its insurance agent existing coverage to determine adequacy of coverage. Owner agrees to maintain coverage for bodily injury, property damage and personal injury, in addition to other coverage that may be recommended by its insurance agent. **Owner agrees to name Broker as additional insured and to provide a copy of the policy to Broker.** In no event shall Broker be liable to Owner or to any other party, for any damages to the Property caused by tenants or by third party or for any violations of any laws, rules, regulations or ordinances by tenant.

18. 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.

19. Termination: Owner or Broker may terminate this Agreement at any time with a day written notice and settlement by Owner of final expenses. Any obligations of the Owner to the Broker shall survive the termination of this Agreement.

20. Fair Housing Compliance. The Parties agrees to comply with all applicable fair housing laws, rules, regulations and ordinances in the leasing of the Property.

21. Multiple Listing Service. Broker is a member of the MLS Multiple Listing Service. The Parties hereto understand and agree that the Broker is hereby authorized to (i) enter this listing in the MLS as a blanket unilateral offer of cooperation and compensation to other Participants of MLS regardless of their brokerage relationship, payment of compensation shall be as stated in the Property Data form; (ii) file timely notice of all changes in the above information as approved by the Owner; (iii) upon the leasing of the Property, file leased information, including monthly rental price, with the MLS for processing and dissemination to the MLS Participants and other members of the Oklahoma Association of REALTORS® ("OAR") and (iv) that the Property information, once transmitted to MLS, shall be owned by it and subject to its copyright and may be used and disseminated by it.

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

23. Broker Relationship. Broker duties and responsibilities.

A. Broker shall have the following duties to all parties in a transaction, which are mandatory and may not be abrogated or waived by 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 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. 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 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. Owner and Broker agree that the specific directions provided for in the Broker Relationship Act shall be in writing, and Owner shall pay any costs Broker incurs in complying with such instructions.

24. Property Condition.

- a. FLOOD NOTIFICATION.** Has Owner been notified by any City or County governmental agency, or is Owner aware that the Property is in a flood hazard area? Yes No

In order to fulfill Owner'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 Owner, Owner shall disclose such information. As provided in the Landlord and Tenant Act, Owner 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 Owner of the Property in a court of appropriate jurisdiction and to recover the personal property damages sustained by the tenant from flooding of the Property.

b. LEAD-BASED PAINT DISCLOSURE. Lead-Based Paint Disclosure. If Property was built prior to 1978, Owner 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.

25. Material Defect. If the Property has any material defect, Owner has communicated any such defect to the Broker. Broker is authorized to disclose to any potential Tenant any such defects and any other material information, including the flood hazard status of the Property, known by the Broker relating to the Property.

26. Owner's Duties.

- a. All of the information provided herewith, or which may be provided to Broker, shall be true to the best of Owner's knowledge and Owner agrees to hold Broker, Broker's employees and sales associates harmless from any cost, expense, or damage due to any information which is withheld by Owner from Broker, or which is incorrect.
- b. Owner agrees to cooperate with Broker, Broker's sales associates and cooperating brokers fully with respect to Broker's efforts to lease the Property. Owner agrees to refer to Broker all inquiries received by Owner relating to the lease of the Property and to conduct all negotiations with prospective Tenants of the Property through Broker. Owner further agrees to furnish Broker such information concerning the Property as Broker may reasonably request from time to time as a result of inquiries by prospective Tenants.

27. 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.

28. Notices: All notices to be given by either Party to the other shall be given by personal delivery, email or certified mail and shall be effective on receipt. Notices to the respective Parties shall be addressed as follows:

Owner:

Mailing Address _____
Home Phone No. _____ Cell Phone No. _____
Fax _____ Email _____
Insurance Company _____ Policy # _____
Insurance Agent _____ Phone # _____

Broker:

Mailing Address _____
Phone _____ Fax _____ Email _____

In the event either Party's address or email 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 _____

