

Exclusive Property Management Agreement

This Exclusive Property Management Agreement ("Agreement") is between

_____ ("Owner") and

_____ ("Broker")

1. AUTHORITY TO MANAGE PROPERTY: Owner gives Broker the EXCLUSIVE RIGHT TO MANAGE the real and personal property (collectively "Property") described below beginning the _____ day of _____, _____ ending at 11:59 p.m. the _____ day of _____, _____, except that either party may terminate this Agreement by giving _____ calendar days written notice to the other party by certified mail. Owner certifies and represents that he/she has the legal authority and capacity to lease the Property and improvements.

2. DESCRIPTION OF PROPERTY:

(a) **Real Property: Street Address:** _____

(b) **Legal Description:** See Addendum _____, Legal Description of Real Property.

(c) **Personal Property, including appliances:** See Addendum _____, Inventory.

(d) **Type of Property (single family home, warehouse, etc.):** _____

(e) **Occupancy:** Property is is not currently occupied by a tenant. If occupied, the lease term expires _____.

3. BROKER OBLIGATIONS AND AUTHORITY: Broker will use due diligence to manage, operate and lease the Property in accordance with this Agreement.

(a) **Tenant Matters:** Owner authorizes Broker to (check if applicable):

- Secure a tenant for the Property, see Addendum _____, Exclusive Right to Lease Agreement.
- Enter into a lease/contract to lease on Owner's behalf (Owner must execute special power of attorney).
- Complete and sign the lead-based paint/hazards certification on Owner's behalf (for Property built before 1978).
- Manage tenant relations, including negotiating renewals of existing leases; collecting, holding and disbursing rents and other amounts due or to become due to Owner; handling tenant requests and negotiations; terminating tenancies and signing and serving appropriate notices on behalf of Owner; initiating and prosecuting eviction and damages actions on behalf of Owner; and procuring legal counsel when necessary to protect Owner's interests and rights in connection with the Property.

(b) **Property Maintenance:** Owner understands that Florida law requires licensed professionals in the construction trades to perform relevant repairs on rental properties unless the repairs can be made for under \$1,000 and are not of a life/safety concern. Additionally, Owner understands that when Broker acts as the Owner's agent Florida law provides the Broker may contract for repairs, maintenance, remodeling or improvement of the Property with a certified or registered contractor when labor and materials together do not exceed \$5,000. Subject to these limitations set by law, Owner authorizes Broker to (check if applicable):

- Maintain and repair interior, exterior and landscaping of Property, including making periodic inspections; purchasing supplies; and supervising alterations, modernization and redecoration of Property. Broker will obtain prior approval of Owner for any item or service in excess of \$_____, except for monthly or recurring expenses and emergency repairs which, in Broker's opinion are necessary to prevent the Property from becoming uninhabitable or damaged, to avoid suspension of services required to be provided by law or lease, or to avoid penalties or fines to be imposed by a governmental entity.
- Enter into contracts on Owner's behalf for utilities, public services, maintenance, repairs and other services as Broker deems advisable.
- Hire, discharge and supervise all labor and employees required for the operation and maintenance of the Property, and to arrange for bonding for employees who will handle cash on behalf of Owner and Broker.

(c) **Other Matters:** Owner authorizes Broker to (check if applicable):

- Make payments on Owner's behalf, including (check all that apply):
 - mortgage \$_____ per _____ to _____
 - insurance \$_____ per _____ to _____
 - property taxes \$_____ per _____ to _____ and special assessments as made.
 - condominium or homeowners' association dues \$_____ per _____ and assessments as made.

Owner (____) (____) and Broker/Sales Associate (____) (____) acknowledge receipt of a copy of this page, which is Page 1 of 3 Pages.

- charges for repairs, materials, equipment, labor and attorneys' fees and costs.
- state and local sales and service taxes.
- Maintain accurate records of receipts, expenses and accruals to **Owner** in connection with managing the Property. **Broker** will render to **Owner** itemized financial statements (how often) _____

and will promptly remit to **Owner** the balance of receipts less disbursements and accruals for future expenses.

- Other Duties: See **Addendum** _____, entitled _____.

4. OWNER OBLIGATIONS: In consideration of the obligations of **Broker/Owner** agrees:

- (a) To cooperate with **Broker** in carrying out the purpose of this Agreement.
- (b) To provide **Broker** with the following keys to the Property (specify number): unit ____/ building access ____/ mailbox ____/ pool ____/ garage door/opener ____/ other _____
- (c) To provide complete and accurate information to **Broker** including disclosing all known facts that materially affect the value of the Property (see **Addendum** _____, entitled _____). If the Property was built in 1977 or earlier, **Owner** will provide **Broker** with all information **Owner** knows about lead-based paint and lead-based paint hazards in the Property and with all available documents pertaining to such paint and hazards, as required by federal law. **Owner** understands that the law requires the provision of this information to **Broker** and to prospective tenants before the tenants become obligated to lease the Property. **Owner** acknowledges that **Broker** will rely on **Owner's** representations regarding the Property when dealing with prospective tenants.
- (d) To carry, at **Owner's** sole expense, public liability, property damage and worker's compensation insurance adequate to protect the interests of **Owner** and **Broker**. Said insurance will name both **Broker** and **Owner** as insured parties, and will specifically cover the indemnity and hold harmless provision of subparagraph 4(h). **Broker** will not be liable for any error of judgment or mistake of law or fact or for any loss caused by **Broker's** negligence, except when the loss is caused by **Broker's** willful misconduct or gross negligence. **Owner** will carry insurance as follows:
 - (1) Perils of fire, lightning, wind, hail, explosion, smoke, riot, aircraft, vehicles, vandalism, and burglary on the contents of the Property in the amount of \$_____.
 - (2) "At Risk" protection on the building in the amount of \$_____, and on rental income in the amount of \$_____.
 - (3) Liability for personal injury and property damage in the amount of \$_____ (\$500,000 minimum).
- (e) To inform **Broker** before conveying or leasing the Property.
- (f) Upon termination of this Agreement, to assume obligations of all contracts that **Broker** entered into on **Owner's** behalf.
- (g) To pay all amounts billed by **Broker** for authorized expenditures within ____ calendar days after written notice of the expense is placed in the mail by **Broker**. If **Owner** fails to promptly reimburse **Broker**, **Owner** authorizes **Broker** to reimburse itself out of rents collected, if applicable.
- (h) To indemnify and hold harmless **Broker** and **Broker's** officers, directors, agents and employees from all claims, demands, causes of action, costs and expenses, including reasonable attorneys' fees at all levels, and from liability to any person, to the extent based on (1) **Owner's** misstatement, negligence, action, inaction or failure to perform the obligations of this contract or any lease or agreement with a vendor; (2) the existence of undisclosed material facts about the Property; (3) **Broker's** performance, at **Owner's** request, of any task beyond the scope of services regulated by Chapter 475, F.S., as amended, including **Broker's** referral, recommendation or retention of any vendor; or (4) services or products provided and expenses incurred by any vendor. This subparagraph will survive **Broker's** performance and the transfer of title.
- (i) To reasonably inspect the Property before allowing the tenant to take possession and to make the repairs necessary to transfer a reasonably safe dwelling unit to the tenant.
- (j) To exercise reasonable care to repair dangerous defective conditions upon notice of their existence by the tenant, after the tenant takes possession.

5. COMPENSATION: **Owner** agrees to compensate **Broker** as follows, plus any applicable taxes on **Broker's** services:

- (a) For securing a tenant, see **Addendum** _____, Exclusive Right to Lease Agreement.
- (b) For managing tenant relations, a fee of:
 - _____% of the gross lease value
 - _____% of rent due in each rental period
 - \$_____
 - other _____
 The above fee is to be paid (when, how) _____
- (c) For managing the Property, a fee of:
 - \$_____ to be paid (when, how) _____
 - _____% of rent due in each rental period to be paid (when, how) _____
 - other _____
- (d) For supervising alterations, modernization, redecorating, or repairs above and beyond normal refurbishment of the Property, a fee of \$_____ per hour OR _____ to be paid (when, how) _____.
- (e) Other: See **Addendum** _____, Attachment to Property Management Agreement.

Owner (____) (____) and **Broker/Sales Associate** (____) (____) acknowledge receipt of a copy of this page, which is Page 2 of 3 Pages
 EPM-5x 10/06 © 2006 Florida Association of REALTORS® All Rights Reserved

6. DISPUTE RESOLUTION: This Agreement will be construed under Florida law. All disputes between **Broker** and **Owner** based on this Agreement or its breach will be mediated under the rules of the American Arbitration Association or other mediator agreed upon by the parties. Mediation is a process in which parties attempt to resolve a dispute by submitting it to an impartial mediator who facilitates the resolution of the dispute but who is not empowered to impose a settlement on the parties. The parties will equally divide the mediation fee, if any. In any litigation based on this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees and costs at all levels, unless the parties agree that disputes will be settled by arbitration as follows:

Arbitration: By initialing in the space provided, **Owner** (____) (____), Listing Associate (____) and Listing Broker (____) agree that disputes not resolved by mediation will be settled by neutral binding arbitration in the county in which the Property is located in accordance with the rules of the American Arbitration Association or other arbitrator agreed upon by the parties. The arbitrator may not alter the Contract terms. Each party to any arbitration or litigation (including appeals and interpleaders) will pay its own fees, costs and expenses, including attorneys' fees at all levels, and will equally split the arbitrators' fees and administrative fees of arbitration.

7. ATTORNEYS' FEES: In any action between **Owner** and a tenant in which **Broker** is made a party because of acting as an escrow agent under this Agreement, or if **Broker** interpleads escrowed funds, **Broker** will recover reasonable attorneys' fees and costs, to be paid out of the escrowed funds and charged and awarded as court costs in favor of the prevailing party.

8. MISCELLANEOUS. This Agreement is binding on **Broker's** and **Owner's** heirs, personal representatives, administrators, successors and assigns. Signatures, initials, documents referenced in this Agreement, counterparts and modifications communicated electronically or on paper will be acceptable for all purposes and will be binding.

9. ADDITIONAL CLAUSES:

Broker advises Owner to consult an appropriate professional for related legal, tax, property condition, environmental, foreign reporting requirements and other specialized advice.

Date: _____ **Owner:** _____ Tax ID/SSN: _____

Date: _____ **Owner:** _____ Tax ID/SSN: _____

Home Telephone: _____ Work Telephone: _____ Facsimile: _____

Address: _____
E-mail: _____

Date: _____ **Authorized Licensee or Broker:** _____

Home Telephone: _____ Work Telephone: _____ Facsimile: _____

Address: _____
E-mail: _____

Copy returned to **Owner** on the ____ day of _____, _____ by: personal delivery mail facsimile

The Florida Association of REALTORS and local Board/Association of REALTORS make no representation as to the legal validity or adequacy of any provision of this form in any specific transaction. This form is available for use by the entire real estate industry and is not intended to identify the user as a REALTOR. REALTOR is a registered collective membership mark that may be used only by real estate licensees who are members of the National Association of REALTORS and who subscribe to its Code of Ethics. The copyright laws of the United States (17 U.S. Code) forbid the unauthorized reproduction of blank forms by any means including facsimile or computerized forms.

Owner (____) (____) and **Broker/Sales Associate** (____) (____) acknowledge receipt of a copy of this page, which is Page 3 of 3 Pages.

EPM-5x 10/06 © 2006 Florida Association of REALTORS® All Rights Reserved

This software is licensed to [James Broadus - DIVERSIFIED REALTY HOLDINGS] www.transactiondesk.com.

