

Preiss Company The
1700 Hillsborough St.
Raleigh, NC, 27605

PROPERTY MANAGEMENT AGREEMENT
Residential Property

THIS PROPERTY MANAGEMENT AGREEMENT, entered into this n/a day of n/a, by
Owner First Middle Last Name

("Owner") and
The Preiss Company ("Agent").

IN CONSIDERATION of the mutual covenants and promises each to the other made herein, the Owner does hereby contract with the Agent exclusively, and the Agent does hereby contract with the Owner, to rent, lease, operate and manage the property more particularly described below and any other property the Owner may assign to Agent from time to time (the "Property") upon the following terms and conditions:

1. **The Property:** Located in the City of n/a,
County of Wake,
state of North Carolina, being known and more particularly described as:
 Street Address: n/a
 Apartment, Townhouse or Condominium Complex(es): n/a
 Other description: (Room, portion of the above address, etc.):
n/a

2. **Duration of Agency:** This Agreement and the agency and employment created shall commence and become effective on n/a, and shall continue thereafter until terminated as provided herein.

3. **Termination of Agency:** Either the Owner or the Agent may terminate the agency and employment created hereby by giving written notice of his intention to do so 30 days prior to the desired termination date. In the event the Owner terminates within 365 days of the days of the commencement, Owner shall pay to the Agent a termination fee of **8.5 of the rents from the unexpired term of any existing lease or actual cost up to the time of termination if property is vacant (ncluding but not limited to maintenance repairs, advertising costs, legal fees, etc.)**.

No termination fee shall be required of the Owner for termination after the expiration of the number of days above specified and the Agent shall not be entitled to any percentage of any subsequently accruing rentals upon termination. Upon any termination of the Agreement by either the Owner or the Agent, each shall take such steps as are necessary to settle all accounts between them including the following: (1) the Agent shall promptly render to the 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 the Agent incurred in connection with operating the Property; (2) the Agent shall render to the Owner records showing all tenants who paid security deposits under leases affecting the Property; (3) the Agent shall deliver to the Owner copies of all tenant's leases and other instruments entered into on behalf of the Owner (Agent may retain copies of such leases and agreements for Agent's records); (4) the Agent shall transfer to the Owner any security deposits held by Agent; (5) the Owner shall promptly pay to Agent any fees or amounts due the Agent under the Agreement and shall reimburse the Agent for any expenditures made and outstanding at the time of termination; and (6) the Owner shall notify all current tenants of the termination of the agency status and transfer of such security deposits, if applicable.

4. **Agent's Fee:** The owner shall pay to the Agent each month during the existence of this Agreement the following:
See Conventional Management Addendum A

The amounts due the Agent pursuant to this paragraph shall herein be referred to as the Agent's Fee and the Agent may deduct the Agent's Fee monthly from the gross receipts and collections received before remitting the balance of the receipts and collections to the Owner. **Note:** No fees may be deducted from the tenant security deposit until the termination of the tenancy. Thereafter, any fees due the Agent from the Owner may be deducted from any portion of the security deposit due to the Owner.

5. **Agent's Authority:** The owner hereby authorizes and empowers the Agent to perform such acts and take such steps as are necessary, in the Agent's opinion, to operate, manage and lease the Property to the Owner's advantage including, but not limited to:

Owner Initial Where Applicable:

 Advertising the Property, displaying signs thereon, and renting the Property, including the authority to negotiate, execute, extend and renew leases in the Owner's name for terms not in excess of (1) **one** year(s) or (12) **twelve** month(s);



_____ Instituting and prosecuting such judicial actions and proceedings as may be necessary to recover rents and other sums due the Owner from the tenants or to evict tenants and retain possession, including the authority, in the Agent's discretion, to settle, compromise and release any and all such judicial actions and proceedings;

_____ Collecting all rentals and other charges and amounts due or to become due under all leases covering the Property and giving receipts for the amounts so collected;

_____ Making or causing to be made any repairs which, in the agent's opinion, may be necessary to preserve, maintain and protect the Property; to maintain the facilities and services to the tenants as required by their tenancies; and to comply with any duties or obligations imposed upon the Owner by any local, state or federal law or regulation; including the authority to purchase such supplies and hire such labor as may be necessary in the Agent's opinion to accomplish such repairs;

_____ Performing any duties and exercising any rights conferred upon the Owner as Landlord under any leases entered into in connection with the Property; and

_____ **Owner agrees to pay The Preiss Company court and sheriff fees plus \$35 for each legal proceeding. The Preiss Company reserves the right to terminate this agreement within 24 hour notice if the property owner refuses to allow repairs which in the agents opinion are necessary.**

6. Agent Covenants: During the duration of this Agreement the Agent agrees:

- (a) To manage and operate the Property to the best of Agent's ability, devoting thereto such time and attention as may be necessary;
- (b) To furnish the services of Agent's organization for renting, leasing, operating and/or managing the Property;
- (c) To solicit tenants and investigate all prospective tenants and to use Agent's best efforts to secure and maintain tenants;
- (d) TO OFFER THE PROPERTY TO THE PUBLIC FOR LEASING IN COMPLIANCE WITH ALL STATE AND FEDERAL HOUSING LAWS, INCLUDING BUT NOT LIMITED TO, ANY FEDERAL AND STATE LAWS AND REGULATIONS PROHIBITING DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP OR FAMILIAL STATUS.
- (e) To collect all monthly rentals and other charges due the Owner from the Property and to make or cause to be made such repairs as he deems appropriate in order to preserve and maintain the Property and to comply with all lease requirements and obligations imposed upon the Owner by North Carolina law (N.C.G.S. §42-42);
- (f) To answer Tenant requests and complaints and to perform the duties imposed upon the Owner by law or pursuant to the tenant leases covering the Property;
- (g) To render monthly statements of receipts, collections, expenses, charges and disbursements to the Owner and to remit monthly to the Owner the balance of such receipts and collections (unless some other period is agreed upon);
- (h) To furnish the Owner with copies of all tenant leases unless this block is checked and initialed by the Owner [] _____, in which event the Owner waives the right to receive copies of tenant leases unless Owner specifically request such copies from the Agent; and
- (i) **Owner statements and disbursement checks will be mailed the week of the 20th - 25th of each month. Due to the high volume of transactions, August statements will be mailed by August 31st.**

7. Owner's Covenants: During the duration of this Agreement the Owner agrees:

- (a) To advance to the Agent such sums as may be necessary to cover the costs of repairing the Property and maintaining it in a safe, fit and habitable condition as required by North Carolina law (N.C.G.S. §42-42);
- (b) To reimburse the Agent for any expense actually incurred by him in operating, managing and maintaining the Property, including, but not limited to, advertising expenses, general operating expenses, court costs, attorney's fees and maintenance and supply expenses;
- (c) NOT TO TAKE ANY ACTION OR ADOPT ANY POLICY THE EFFECT OF WHICH WOULD BE TO PREVENT THE AGENT FROM OFFERING THE PROPERTY FOR RENTAL 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

North Carolina Association of REALTORS®, Inc.
PREPARED BY: agent, agent

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OF THE PROPERTY.

- (d) To carry, at his expense, comprehensive general public liability insurance 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 so as to protect the Agent in the same manner as the Owner and which shall be in the minimum amounts of \$ 300,000 for each injury or death of one person in each accident or occurrence, \$ 300,000 for injuries to or death of more than one person in each accident or occurrence, and \$ 300,000 for property damage in each accident or occurrence;
- (e) To defend, indemnify and save the Agent harmless from any and all damages, claims, suits or costs, whether for personal injury or otherwise, arising out of the Agent's management of the Property whether such claims are filed or damages incurred before or after the termination of this Agreement; and
- (f) **Owner will provide proof of insurance within 15 days of acceptance of this agreement. On an umbrella liability policy, The Preiss Company will be a "named insured".**

Also, with regard to Late Payment Fees and Returned Checks: If the tenant leases provide for late payment fees, such fees, when collected by the Agent, shall be split 50/50 with the owner. NSF fees shall be paid to the Agent.

8. Tenant Security Deposits: The Agent may, in Agent's discretion, either (1) require tenants of the Property to make a security deposit in an amount as permitted by law to secure the tenants' obligations under leases of the Property (such security deposits shall hereinafter be referred to as "Tenant Security Deposits") or (2) to forego the requirement that Tenant Security Deposits be made. If the Agent requires such Tenant Security Deposits, they shall be placed in a trust account in the Preiss Co.'s (Owner's or Agent's) name in a North Carolina bank or savings and loan association. The Agent shall be authorized to make withdrawals therefrom for the purpose of returning and accounting for them to the tenants. **THE AGENT MAY IN AGENT'S DISCRETION PROVIDE IN THE LEASES THAT THE TENANT SECURITY DEPOSITS MAY BE PLACED IN AN INTEREST-BEARING ACCOUNT. IF THE LEASES PERMIT THE PLACEMENT OF TENANT SECURITY DEPOSITS IN AN INTEREST-BEARING ACCOUNT, THE LEASES SHALL SPECIFY WHETHER SUCH INTEREST SHALL BE PAYABLE TO THE OWNER OR TO THE TENANT AS THE AGENT, IN AGENT'S DISCRETION, DEEMS APPROPRIATE. IF THE LEASE PROVIDES THAT SUCH INTEREST IS PAYABLE TO THE TENANT, THE AGENT SHALL ACCOUNT FOR THE INTEREST IN THE MANNER SET FORTH IN SUCH LEASE. IF THE LEASE PROVIDES THAT SUCH INTEREST IS PAYABLE TO THE OWNER OR AS THE OWNER DIRECTS, THEN AS BETWEEN THE OWNER AND THE AGENT, SUCH INTEREST SHALL BELONG TO The Preiss Co (Owner or Agent). IF THE INTEREST IS TO BE PAID TO AGENT, THE AGENT MAY REMOVE SUCH INTEREST FROM THE ACCOUNT AT ALL TIMES AND WITH SUCH FREQUENCY AS IS PERMITTED UNDER THE TERMS OF THE ACCOUNT.**

9. Existing Tenant Security Deposits: Upon the commencement of this Agreement the Owner shall deliver to the Agent a list showing the current tenants of the Property who previously made Tenant Security Deposits under existing leases of the Property and the amounts they deposited. Simultaneously therewith, the Owner shall either: (1) place the Tenant Security Deposits held under existing leases in a trust account in the Preiss Co.s (Owner or Agent's) name and authorize the Agent to make withdrawals therefrom for the purpose of returning them to the current tenants as required by their leases or by law or (2) supply the Agent with evidence of a surety bond from a North Carolina insurance company securing the Owner's obligation to return the Tenant Security Deposits to the proper tenants as required by law. In the event the Owner elects to furnish a surety bond pursuant to this paragraph, Owner shall thereafter advance to the Agent such sums as may be necessary from time to time to allow the Agent to return the deposits to the existing tenants as required by their leases or by law.

10. Late Payment Fees: Returned Check Fees: If the tenant leases provide for late payment fees and/or returned check fees, such fees, when collected by Agent, shall belong to See sec. 7f (Owner or Agent).

11. Notices: Any notices required or permitted to be given hereunder shall be written and shall be mailed by certified mail by each party to the following address:

Owner:

Owner First Middle Last Name
address, ,

Agent: The Preiss Company, 1700 Hillsborough Street, Raleigh, NC 27605

12. Form: The Owner and Agent hereby acknowledge that their Agreement is evidenced by this form contract which may contain some minor inaccuracies when applied to the particular circumstances of the parties. The Owner and Agent agree that the courts shall liberally and broadly interpret this Agreement, ignoring minor inconsistencies and inaccuracies, and that the courts shall apply the Agreement to determine all disputes between the parties in the manner which most effectuates their intent as expressed herein. The following rules of construction shall be applied: (1) handwritten and typed additions or alterations shall control over the preprinted language when there is an inconsistency between them; (2) the Agreement shall not be strictly construed against either the Owner or the Agent; (3) paragraph headings are used only for convenience of reference and shall not be considered as a substantive part of this Agreement; (4) words in the singular shall include the plural and the masculine shall include

the feminine and neuter genders, as appropriate; (5) no waiver of any breach of any obligation or promise contained herein shall be regarded as a waiver of any future breach of the same or any other obligation or promise; and (6) the invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provisions were not included.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

AGENT _____ (SEAL)

OWNER _____ (SEAL)

OwnerFirst Middle Last Name