



Block & Associates Realty

EXCLUSIVE PROPERTY MANAGEMENT AGREEMENT

This Exclusive Property Management Agreement is entered into by and between _____ (“Owner”) and **Block & Associates Realty** (“Agent”).

IN CONSIDERATION of the mutual covenants and promises set forth herein, Owner hereby contracts with Agent, and Agent hereby contracts with Owner, to 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: _____ County: _____, NC
Street Address: _____
Other Description: _____

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 Lease Commencement, initiation of Property Management services or other mutually agreed upon date, whichever occurs first, and shall be for an initial term equal to the Residential Rental Contract for the property, with the exception of the provisions of Paragraph 14(b), which shall state a separate term relating a sale of the Property by Owner. Not less than Sixty (60) days prior to the conclusion of the initial term or other mutually agreed upon date, 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 Twelve (12) months each unless either party gives the other party written notice of its desire to terminate this Agreement at least Sixty (60) 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 NINETY (90) DAYS OF ITS EFFECTIVE DATE, OWNER SHALL PAY AGENT A TERMINATION FEE OF FIVE HUNDRED DOLLARS (\$500.00).**

3. **Agent’s Fees.** For services performed hereunder, Owner shall compensate Agent in the following manner:
 During lease term, a fee equal to Eight percent (8%) of the gross rent on all rental agreements, or \$80.00 per month, whichever is greater. Should rent not be received from renter, Agent will deduct management fee from Owner maintenance fund. Agent will charge Owner an \$80.00 management fee for the one month following Rental Contract expiration to compensate Agent for handling the move-out process, including, but not limited to, assessing condition, upon Owner’s authorization, make or cause to be made any repairs attributable to tenant damage and completing the Tenant Security Deposit Itemization within the required timeframe.
 Other (*described method of compensation*): _____

(Check if applicable) Agent may from time to time provide services for Owner or arrange services for Owner from third-party vendors, including but not limited to services relating to maintenance, repair, inspection(s) and/or improvements to the Property. Owner agrees that Owner shall compensate Agent for the provision or arrangement of any such services in the following manner: _____

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 as follows: late payment fees to Owner, return check fees to Agent. Fees for purposes covered under the Tenant Security Deposit Act will be collected, held and disbursed as provide for elsewhere in this Agreement. Agent shall also have the authority to charge tenants any eviction fees and court costs permitted by law and may retain such fees and costs in consideration of Agent’s administrative burden relating to residential evictions.

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) **MANAGE THE PROPERTY FOR RENT IN COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE LAWS, REGULATIONS AND ETHICAL DUTIES, INCLUDING BUT NOT LIMITED TO, THOSE PROHIBITING**

DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP, FAMILIAL STATUS, SEXUAL ORIENTATION OR GENDER IDENTITY IN THE LEASING OF THE PROPERTY;

- (c) Use Agent's best efforts to maintain tenants, including the authority to negotiate, execute, extend and renew leases in Owner's name for terms not in excess of _____;
- (d) Receive all rentals and other charges and amounts due under tenant leases and give receipts for amounts so collected;
- (e) Deliver to Owner within Thirty (30) 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;
- (f) 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;
- (g) 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 \$500.00 from which Agent may pay expenses associated with the management and operation of the Property for which Owner is responsible hereunder. If there is prepaid rent of more than 2 month's rent, the \$500 reserve shall be increased to \$800. (Note: if all or a portion of the maintenance fund is used in one month, Agent may replenish the fund as needed, in Agent's sole discretion, from the rental proceeds so the minimum balance is maintained.);
- (h) Make arrangements on Owner's behalf for any repairs which, in Agent's opinion, may be necessary to preserve, maintain and protect the Property; provided, Agent may not make arrangements for any repair that exceeds \$300.00 for Owner residing in the continental United States, \$500.00 for Owner residing overseas without prior approval of Owner, except that in the case of an emergency. Agent may, without prior approval, make arrangements for whatever expenditures on behalf of Owner that are reasonably necessary to preserve the Property or prevent further damage from occurring. The \$300/\$500 authorization limit is per repair.
- (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) 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);
- (k) Institute and prosecute such proceedings in small claims court as may be necessary and advisable, in Agent's opinion, 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; provided, that with respect to any such small claims proceeding, Agent shall have actual knowledge of the facts alleged in the complaint; Agent shall have Authority to consult with and/or engage legal counsel as needed in the Agent's discretion, such costs incurred by Owner;
- (l) In the event of a default of a Lease by tenants, Agent shall: (i) send letter to tenants notifying tenants of default; (ii) perform itemization of Owner's use of security deposit pursuant to applicable law; and (iii) report any delinquent debt to a consumer credit reporting bureau. In the event of a default of a Lease by tenants, Agent shall not have any duty to: (a) collect unpaid rents or other debts owed to Owner; (b) collect any debt or damage exceeding security deposits or other deposits; (c) collect a re-leasing fee or similar commission; (d) file any lawsuit other than a proceeding to regain possession of the Property, subject to Owner tendering all court costs, attorney's fees, and related expenses; (e) pay for any court costs, attorney's fees, or related expenses; or (f) pay any loss or damage incurred by Owner arising from tenants' default of the Lease; and
- (m)

6. Use of Tenant Personal Information; Indemnification; Non-Verification of Tenant Insurance.

- (a) Owner acknowledges and understands that state and federal laws regulate the maintenance, dissemination, and disposal of certain personal information of consumers, such as Date of Birth, Social Security Number, Driver License Number, Account Numbers and other numbers that may be used to assess a person's financial resources. As part of its receipt of a rental application from tenant, Agent may receive and maintain certain personal, nonpublic information (hereinafter "private information") from tenant, and such private information may include, but is not limited to, the tenant's birth date, social security number, driver's license number, banking account information, employment information, prior addresses, and contact information regarding tenant's family members. Owner understands and agrees the need for such private information to be kept in the strictest of confidence; as such, Owner agrees that Owner shall never ask Agent to disclose such private information to the Owner or to any third party without the express, written consent of the

tenant, though upon Owner's written request, Agent agrees to provide such private information to Owner's attorney relating to a pending lawsuit, or to Owner's licensed collection company, if any. Notwithstanding the foregoing, Owner agrees that Agent shall not, under any circumstances, provide Owner or any other party with a copy of any background report or credit report absent a subpoena or similar court order compelling the production of such documents. In consideration of Agent's disclosure of any such private information to either Owner's attorney or Owner's licensed collection company, Owner agrees to indemnify and hold Agent harmless from any and all claims that may arise from Owner's use or misuse of such private information.

- (b) Should Owner require the tenant to obtain insurance coverage of any kind pursuant to a lease or addendum, Owner specifically agrees that Agent shall not, under any circumstances, be required to confirm the existence of such coverage or to verify the form, type, or amount of any coverage. Owner understands and agrees that any verification of insurance shall be performed by Owner personally (or via some other person acting on Owner's behalf, other than Agent) and that Owner shall never request Agent to perform such verifications on Owner's behalf.

7. 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: (i) NC General Statutes Section 42-42, including but not limited to the placement of new batteries in a battery-operated smoke or carbon monoxide alarm at the beginning of a tenancy, (ii) any other local, state or federal law or regulations and (iii) tenant leases, and advance to Agent such sums as may be necessary from time to time to pay such costs and expenses. Owner further agrees that Owner shall pay for, and Agent shall maintain with Owner's monies (whether derived from rents or otherwise) a fund in the amount of \$500.00 (five hundred dollars), from which the Agent may pay expenses associated with the management and operation of the Property, for which the Owner is responsible hereunder. (Note: if all or a portion of the maintenance fund is used in one month, Agent may replenish the fund as needed, in Agent's sole discretion, from the rental proceeds so the minimum balance is maintained.);
- (b) Provide funds to Agent, within seven (7) business days, 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 Two percent (2%) per month on the amount of any outstanding balance thereof not paid to Agent within Thirty (30) days of Agent's written request therefore;
- (c) Be responsible to Agent for a \$25 processing fee for each check Agent must advance from Agent's operating account to pay utilities and/or legal fees for the Property when funds have not been received from Owner as requested by Agent.
- (d) NOT TAKE ANY ACTION OR ADOPT ANY POLICY THE EFFECT OF WHICH WOULD BE TO PREVENT AGENT FROM MANAGING THE PROPERTY IN COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE LAWS, REGULATIONS AND ETHICAL DUTIES, INCLUDING BUT NOT LIMITED TO, THOSE PROHIBITING DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP, FAMILIAL STATUS, SEXUAL ORIENTATION OR GENDER IDENTITY IN THE LEASING OF THE PROPERTY;
- (e) Carry, at Owner's expense, a Residential Dwelling Policy (RDP) 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. This policy(s) shall be written to the extent allowable so as to protect Agent in the same manner as it protects Owner and the policy(s) shall be in an amount adequate to cover each injury or death of any person in each accident or occurrence, and in an adequate amount for property damage in each accident or occurrence, and in an adequate amount for any attorney fees and/or other costs incurred to defend against any claim relating to injury, death, property damage, or any other occurrence. Owner shall provide Agent with a certificate of insurance within 7 days of Rental Contract commencement and thereafter as requested; and *said policy shall, without cost to Agent, name Agent as an additional insured as its interest may appear, using Agent's legal name: Relocation Services SS, LLC dba Block & Associates Realty*. Should Owner fail to provide such insurance coverage and certificate of insurance to Agent, Agent may, notwithstanding any other provision of this Agreement, terminate this Agreement immediately with one (1) day's written notice, and such notice may be provided by either facsimile, electronic mail, U.S. Mail, or overnight courier.

(Name of insurance company: _____; policy number: _____)

(Name of insurance agent: _____; telephone no.: _____)

- (f) Indemnify and hold Agent harmless to the extent allowable by law from any and all costs, expenses, attorney's 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, those claims arising out of, or in any way related to mold, any environmental hazard, or any condition related to local or state habitability or minimum housing laws including but not limited to N.C. Gen. Stat. § 42-42, and to whomsoever belonging, including Owner, in any way relating to the management of the Property by Agent or by the performance or exercise of any duty, obligation or authority set forth herein or hereafter granted to Agent, or arising out of a tenant's breach of any lease for the Property, except to the extent that such may be the result of willful or intentional misconduct by Agent;
- (g) Owner shall (i) review all applicable Homeowner's Association (HOA) covenants and bylaws; (ii) confirm that the Homeowner's Association permits the Owner to rent the Property to tenant(s); (iii) fully inform Agent of any rules or

restrictions promulgated by the Homeowner's Association that would in any way impair Owner's rental of the Property and Agent's ability to manage said Property, and (iv) pay Agent for any and all fees and commissions arising under this Agreement in the event that the Homeowner's Association prohibits Owner from renting the Property to tenant(s). Owner further agrees that Agent has no duty whatsoever to perform the aforementioned duties relating to Homeowner's Associations. Should Owner fail to honor these obligations, or should the HOA ever revoke or otherwise remove Owner's ability to lease the Property, Agent may terminate this Agreement with twenty-four (24) hours' oral or written notice to Owner. Owner understands and agrees that Agent has no duty whatsoever to ensure that the HOA will permit Owner to lease the Property;

- (h) Be responsible for timely payment of all property taxes, mortgage payments, governmental or owners' association assessments associated with the Property, and any other expenses which could become a lien against the Property, and for promptly notifying Agent in the event that Owner receives any notice(s) from the holder of any loan or from any other lien holder of any kind, regarding a default in payment, threatened foreclosure or the filing of a foreclosure proceeding;
- (i) Provide operable smoke detectors and carbon monoxide detectors as required by NC real estate law on each floor of the home and replace batteries at the beginning of each new tenancy;
- (j) Provide information on any warranties, whether on home or equipment/appliances. If new construction, provide a list of builder contractors. In the absence of Owner's warranty information and/or Owner's preferred vendors, Agent will use the appropriate ones from Agent's vendor/contractor list;
- (k) Provide instructions on any systems, e.g., irrigation, security system, well, septic;
- (l) Provide all items requested on Property Management Checklist;
- (m) **Upon notice of a pending vacancy**, provide written instructions to Agent as to management of the property during a vacancy period (See Attachment B);
- (n) Owner understands and agrees that direct communication with tenant outside of Agent is inappropriate and that all communications concerning the management of the Premises should be made through Agent. However, should Owner communicate directly with tenant, whether in writing or verbally, Agent is not responsible or liable for the enforcement or performance of any promises, warranties, or representations made or otherwise discussed or agreed to by Owner and tenant. Owner agrees that Agent is not responsible for the enforcement of any promises, warranties, representations or agreements made without Agent's knowledge and/or consent, and Owner releases and forever discharges Agent from any liability whatsoever arising from any such communications which may occur between Owner and tenant, or any such promise, warranty, representation or agreement that is made between Owner and tenant.
- (o) _____

8. Property Condition Reports. During the time this Agreement is in effect:

- (a) Property inspections will be coordinated by Agent using an independent third-party inspection service, ("Inspector"). All properties managed by Agent may have periodic photo inspections performed by Inspector, and a report will be delivered to Owner detailing the condition of the property. The cost to the Owner for these inspections is as follows:
 - Move-in Inspection – no cost to Owner
 - Move-out Inspection – no cost to Owner
 - Interim Inspection – Owner may order an interim inspection at any time (but no more often than quarterly) at a cost of \$150.00 per inspection.
- (b) **Pet Occupied Property:** To ensure that the property is being properly cared for, the Owner requires that tenants with pets submit to an initial 6-month "Pet Inspection" by Inspector. This inspection is to assure the Owner that the property is being well maintained and that the pet living at the property is not causing damage. The cost for this inspection is paid for as part of the initial Pet Fee and collected from the tenant. Tenant will remit a minimum (at Owner's discretion) non-refundable pet fee of \$300.00. This fee will be dispersed as follows: \$125.00 to Agent to coordinate and/or order the initial 6-month Pet Inspection from Inspector; \$175.00 to Owner.

9. Lease Renewals: Should Owner and tenant wish to renew/extend the Residential Rental Contract at the end of the initial term, or any subsequent renewal thereof, Agent will negotiate renewal terms, and upon Owner's approval draft the renewal Residential Rental Contract and obtain signatures. The fee for this service is \$150.00, which includes a property inspection by Inspector.

10. 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. In addition, Owner agrees that Agent shall apply any Tenant Security Deposits only in accordance with North Carolina law,

specifically Chapter 42, Article 6 of the North Carolina General Statutes. Should Owner demand that Agent apply or otherwise deduct any portion of the Tenant Security Deposits for any reason that is, in Agent's sole discretion, (i) prohibited by the spirit or the letter of applicable law or (ii) harmful either to the business interests or to the reputation of either Owner or Agent, then Agent may, immediately with or without notice: (a) disburse the entire amount of the Tenant Security Deposits to Owner and (b) disclose all of Owner's address(es), telephone number(s), and email address(es) to tenants for the purpose of tenants contacting Owner directly. In such an event, Owner agrees to indemnify Agent from all costs and attorney's fees related to any and all claims and actions that may be brought by tenants against Agent arising out of or in any way related to the Tenant Security Deposits.

11. Entry by Owner. Owner agrees that neither the 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.

12. Lead-Based Paint/Hazard Disclosure. If the Property was built prior to 1978, Owner understands that Owner 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 Owner's compliance with said law. Owner 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, Owner authorizes Agent, in Agent's discretion, to fulfill Owner's disclosure obligations by completing and signing said form on Owner's behalf based on information provided by Owner to Agent.

13. 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 there from 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; and provided further, Owner shall be responsible for any out-of-pocket transfer costs incurred by Agent;
- (c) Owner shall promptly pay to Agent any fees or amounts due the Agent under the Agreement or any current rental 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 and Agent shall notify all current tenants of the termination of this Agreement and transfer of any advance rents and security deposits to Owner.

14. Sale of Property.

- (a) In the event Owner desires to sell the Property through Owner's own efforts or those of a firm other than Agent, Owner shall: (i) promptly notify Agent that the Property is for sale and, if applicable, disclose to Agent the name of the listing firm; and (ii) promptly notify Agent if the Property goes under contract and disclose to Agent the agreed-upon closing date.
- (b) Term. The provisions of this Paragraph 14 shall have a term ("Term") of Thirty-Six Months (36) from the signing of this agreement, ending at 11:59 p.m. on _____ (list exact month, date and year). If, at any time during the Term, the tenant enters into a contract with Owner to purchase the Property, the Owner agrees to pay a commission of five percent (5%) of the gross sales price to Agent, which shall be due and payable upon the closing of the property.

15. Entire Agreement; Modification. This Agreement contains the entire agreement of the parties and supersedes 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.

16. 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.

17. 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.

18. 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. In the event that Owner either fails to act or requests for Agent to take any action, and where the Owner's requested action or the Owner's failure to act may, in Agent's sole opinion, either cause injury to Owner's and/or Agent's interests or reputation or may in any way violate the spirit or letter of any law or regulation or contract, Agent shall have the right to terminate this Agreement with seven days' notice to Owner, and such notice may be in written, oral, or electronic (email, etc.) forms at Agent's sole discretion.

19. 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 there from of any fee due Agent hereunder.

20. 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 seven days after providing the defaulting party with written notice of the default and the intent to terminate, the default remains uncured. Notwithstanding the foregoing, Agent shall have the right to terminate this Agreement immediately on written notice in the event Owner seeks bankruptcy protection, or the Property becomes subject to a foreclosure proceeding, or Owner fails to promptly pay for any costs associated with Owner's obligations under NC General Statutes Section 42-42 or to advance to Agent such sums as may be necessary to pay such costs.

Mediation. If a dispute arises out of or related to this Agreement or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to arbitration, litigation, or some other dispute resolution procedure, including, but not limited to, complaint filed with North Carolina Real Estate Commission. If the need for mediation arises, the parties will choose a mutually acceptable mediator and will share the costs equally. Nothing in this Paragraph 20 shall limit the right of the Agent to terminate this Agreement with seven days' notice as provided in either Paragraph 18 or Paragraph 20.

21. 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.

22. 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 _____ or _____ 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.

23. Use of Electronic Means; Notice. The parties agree that electronic means may be used to sign this Agreement or to make any modifications the parties may agree to, and that any written notice, communication or documents may be transmitted to any mailing address, e-mail address, cell phone number or fax number used by the parties to communicate during the course of this Agreement. Either party may change the address to which any notice or documents should be sent by written notification to the other party in a manner permitted by this paragraph.

24. 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.

25. 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, and provided further that Agent promptly notifies Owner of such assignment or transfer. In the event of any such assignment or transfer, Owner may, in addition to all other termination rights hereunder, for a period of sixty (60) days' following the effective date of any such assignment or transfer, 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.

26. 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.

27. Mortgages, Taxes, Mold, and Dues Certification. By signing this Agreement, Owner represents that all mortgages, taxes, and homeowner's association dues are current and in good standing at the inception of this Agreement, and Owner also represents

that there are no known mold or potential habitability issues or disputes present on the property, and Owner shall ensure that all mortgages, taxes, and homeowner's association dues are paid when due so as not to allow them to become delinquent. In the event that Agent discovers (prior to the Owner providing notice to Agent) that Owner's representation(s) regarding either mold or potential habitability issues or claims or regarding the good-standing of any mortgages, taxes, and homeowner's association dues are false, or that any of the above have otherwise become delinquent or if the property is in foreclosure, Owner understands and agrees that such misrepresentations or delinquency or foreclosure shall constitute Owner's immediate and instant default of the Management Agreement. In such an event, and notwithstanding any contrary provision in the Agreement, Owner agrees that: (i) Agent may immediately (same day) terminate this Agreement with notice (said notice may be oral, in writing, or electronic [email]), and where any provision of the Agreement conflicts in terms of providing a minimum notice provision, this subsection shall control; (ii) Agent may retain any monies held for Owner in trust, other than tenant security deposits, as liquidated damages, and Owner agrees that such liquidated damages shall not be considered a penalty but rather a reasonable estimate of Agent's expenses and administrative costs related to Owner's misrepresentations; (iii) Agent may disburse any Tenant Security Deposits, without deductions of any kind, to the tenant(s) then-currently residing at the property; (iv) Agent is released from any and all duties it may have under the Agreement, including but not limited to any fiduciary duties mandated by either common law, statutory law, or any government regulation; and (v) Owner shall indemnify Agent and hold it harmless from any and all claims arising from any source relating to the property, including but not limited to any claim brought by current or former tenants, governmental entities, or banking institutions.

28. Addenda. Any addenda to this Agreement are described in the following space and attached hereto:

Attachment A – Property Management Checklist

Attachment B – Sample Instructions regarding Management during a vacancy period

Attachment C – Automated Clearing House (ACH) Authorization

Attachment D – Owner's Personal Property Addendum, if applicable.

Other: _____

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 AGENT SHALL CONDUCT ALL BROKERAGE ACTIVITIES IN REGARD TO THIS AGREEMENT WITHOUT RESPECT TO THE RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP OR FAMILIAL STATUS OF ANY PARTY OR PROSPECTIVE PARTY TO THE AGREEMENT. FURTHER, REALTORS® HAVE AN ETHICAL DUTY TO CONDUCT SUCH ACTIVITIES WITHOUT RESPECT TO THE SEXUAL ORIENTATION OR GENDER IDENTITY OF ANY PARTY OR PROSPECTIVE PARTY TO THIS AGREEMENT.

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.

Agreed and Accepted:

Owner 1: _____ (SEAL) DATE: _____
I am I am not a foreign investor.

ENTITY OWNER (Name of LLC/Corporation/Partnership/Trust/etc.) Owner/Officer/Manager/Trustee (SEAL) _____
Entity is domiciled in _____ Date _____
(city, state, and country).

Print Name of Owner/Officer/Manager/Trustee _____ Title _____

Owner 2: _____ (SEAL) DATE: _____
I am I am not a foreign investor.

Owner 3: _____ (SEAL) DATE: _____
I am I am not a foreign investor.

Owner 4: _____ (SEAL) DATE: _____
I am I am not a foreign investor.

Owner 1 / Entity Owner: _____

Address: _____

Primary/ Cell Home Work Alt 1/ Cell Home Work Alt 2/ Cell Home Work

E-Mail: _____

Owner 2: _____

Address: _____

Primary/ Cell Home Work Alt 1/ Cell Home Work Alt 2/ Cell Home Work

E-Mail: _____

Owner 3: _____

Address: _____

Primary/ Cell Home Work Alt 1/ Cell Home Work Alt 2/ Cell Home Work

E-Mail: _____

Owner 4: _____

Address: _____

Primary/ Cell Home Work Alt 1/ Cell Home Work Alt 2/ Cell Home Work

E-Mail: _____

Please provide an alternate contact person (other than an Owner) who can authorize repairs on Owner's behalf if Agent is unable to reach Owner in case of emergency.

Alternate Contact: _____

Address: _____

Telephone: (home) _____ (work) _____

(cell) _____ E-Mail: _____

AGENT: Block & Associates Realty
107 Edinburgh South Drive, Suite 100
Cary, NC 27511
Office: 919-459-6300
Fax: 919-459-6301

By: _____
(Authorized Representative/Agent)
_____ Date
License #: _____
Phone: _____
Agent Email: _____