

**PROPERTY MANAGEMENT &
EXCLUSIVE RENTAL AGREEMENT**

This Residential Property Management and Exclusive Rental Agency Listing Agreement ("Agreement") is made on this _____ day of _____ by and between _____ Landlord, owner(s) of record of the Premises, or authorized fiduciary representative of the owner(s), hereinafter described, and PROMAX Management, Inc., a Virginia corporation ("Agent"). **(NOTE: Landlord represents and warrants to Agent that Landlord has the power and authority to enter into this agreement, either as owner(s) of record of the Premises or as a duly appointed and authorized fiduciary on behalf of said owner(s); that there are no recorded easements, restrictions, reservations or rights of way which adversely affect the use of the Premises for the purposes intended under this Agreement; that to the best of the Landlord's knowledge, the Premises are zoned for its intended use; that all leasing and other permits for the operation of the Premises have been secured and are current; that the building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders or the like, including without limitation those pertaining to hazardous or toxic substances. Agent represents and warrants to Landlord that Agent is duly licensed and empowered under all applicable statutes and rules and regulations to offer and provide the services described herein. Nothing contained in this Agreement shall be construed as creating in Agent any property interest in or to the property.)**

1. EMPLOYMENT OF MANAGING AGENT.

A. Employment and Acceptance. The Landlord employs the Agent as the sole exclusive agent of the Landlord to lease and manage the Premises located in the Commonwealth of Virginia and known as _____, ("Premises") under the terms and conditions herein set forth; and Agent accepts the employment and shall furnish leasing and management (and other optional) services to Landlord in connection with the Premises. Landlord agrees to pay all expenses in connection with Agent's services and repairs and maintenance of the Premises; authorizes Agent to collect all funds due and payable on Landlord's account for the Premises; authorizes Agent to initiate (solely as Landlord's Agent) such action(s) as Agent deems necessary, in Agent's sole discretion, to enforce the terms and conditions of any lease agreement applicable to Landlord's Premises; and grants to Agent the exclusive right to rent or lease the Premises, as necessary. Landlord acknowledges, and agrees that, Agent shall use Agent's best judgment in exercise of authority and responsibility hereunder, it being Agent's goal to provide a fair economic return on Landlord's Premises, subject to such constraints as may be consistent with the Landlord's instructions and market forces. (Note: The terms "rent" and "lease" are used interchangeably herein and for the purposes of this Agreement, unless otherwise noted, are deemed to be synonymous.)

B. Termination. Either party may terminate this Agreement, without cause or penalty, at any time, by providing thirty (30) days' written notice to the other. Upon termination of this Agreement for any reason, Agent shall transfer to Landlord any security deposit being held on behalf of any tenant then occupying Landlord's Premises and close out Landlord's reserve account, forwarding any balance (less any fees/reimbursements due Agent), within 30 days of said termination.

2. AGENT'S COMPENSATION AND EXPENSES. As compensation for the Agent services under this Agreement, the Landlord shall pay the Agent the following non-refundable fees: (These rates are guaranteed for two (2) years from the date of commencement of this agreement.)

A. For Management Services. A monthly management fee of _____% of the gross monthly rental income for the Premises, due and payable on the first day of each month, and continuing on the first day of each month so long as this Agreement remains in force. Payments due the Agent for periods of less than a calendar month shall be prorated over the number of days for which compensation is due. Landlord shall pay Agent a flat fee of \$50 per month for any month in which no rental income is received for the Premises. This management fee shall cover the following services, which are deemed "normal" management services for the purposes of this Agreement:

- Monthly rent collection with disbursements
- E-mail electronic or paper monthly statements
- End-of-year summary with Form 1099
- Pre/post-occupancy inspections & annual occupancy inspections
- Coordinating, scheduling, and overseeing routine maintenance
- E-mail, facsimile, and telephone communication
- Responding to and coordinating, scheduling, and overseeing emergency repairs

B. For Finder's Fee. A finder's fee of _____ % of one month's rent for a one-year to two-year lease when a tenant has been secured and lease signed. The fee shall include any cooperative listing brokerage fee. (Note: Leasing services are not covered under management fee). The finder's fee shall cover the following services, which are deemed "normal" leasing services for the purposes of this Agreement:

- Initial consultation/advice and assistance to Landlord regarding lease terms and conditions
- Tenant application processing, to include review of credit report and checking references
- Lease preparation and tenant orientation
- Professional signage, Metropolitan Regional Information Systems (MRIS) listing, and Internet advertising
- Digital photographs for use in MRIS listing and advertising
- Written move-in property condition report and written move-out property condition report

C. Lease Renewal Fees

- 25% of one month's rent

3. BANK ACCOUNTS.

A. Escrow Account. The Agent has established a separate, non-interest bearing bank account known as the PROMAX Management, Inc., Property Management Escrow Account, funds from which are not commingled with Agent's operating accounts. This Escrow Account shall be used for the deposit of Landlord's funds collected as described herein. Funds in the Escrow Account(s) remain the property of the Landlord subject to disbursement of expenses by the Agent as described in this Agreement.

B. Contingency Reserve. Upon ratification of this Agreement, Landlord shall remit to the Agent the sum of **\$300** to be deposited in the Escrow Account(s) as a contingency reserve. If Agent is required to make payments for Agent's compensation, mortgages, HOA/Condo dues or taxes, the Landlord will maintain with Agent a contingency reserve fund equal to \$300 plus the aggregate of one-month payment to be disbursed. The Landlord shall periodically remit to Agent, upon demand, supplemental funds sufficient to maintain the contingency reserve at the amount required, as noted above (i.e., \$300 or \$300 plus one month's obligations). Agent shall not be obligated to disburse funds to any third party in excess of Landlord's then-available amount; however, Agent may, solely at Agent's option, make such disbursements from Agent's operating funds, in which case Landlord agrees to, and shall, immediately upon notice from Agent of such disbursement(s), reimburse Agent for such funds as Agent may then demand. Landlord shall, as required, furnish Agent adequate advance written notice, with appropriate information, in any event that Landlord desires the agent to make any additional disbursements, whether one-time, periodic, or recurring, and shall advance to Agent such additional funds as may be necessary to meet the revised contingency reserve requirements.

4. COLLECTION OF RENTS AND OTHER FUNDS.

A. Agent. The Agent shall use best efforts to collect all rents, charges, and other amounts due on the Landlord's account in accordance with the terms of the lease now in effect or any future lease and to keep accurate records of all deposits and disbursements into and out of Landlord's account. All Landlord's funds shall be deposited in the Escrow Account described above. Excess funds not required by Landlord's contingency reserve shall be remitted to Landlord on or before the 10th day of each month. It is understood that Agent does not guarantee collection of rents or any other funds due Landlord.

B. Special Charges. The Agent may collect from the tenants and retain any or all of the following, all of which shall be deemed Agent's funds: administrative charges for late payment of rent, charges for resumed or non-refundable checks, rental application fees, administrative charges, and/or broker's commission for leasing or subleasing.

C. Security Deposits. The Agent shall collect and retain security deposits as specified in Landlord's lease agreement, which deposits shall be deemed to be tenant's funds, and shall be maintained in a separate, interest-bearing (if required) escrow account, to be disbursed in accordance with the terms of each tenant's lease. Any earned interest will be retained by the Agent unless State or local laws require payment to tenant.

D. Disbursements from the Escrow Account. Landlord authorizes Agent to pay for all operating expenses, reimburse Agent for advanced funds, and pay all expenses and costs of operating the Premises, including Agent's compensation, from the Landlord's contingency reserve, and to make such additional disbursements as Agent, in Agent's sole discretion, shall deem to be necessary, from time to time, for the proper care and maintenance of Landlord's premises covered by this Agreement.

5. ADVERTISING.

A. Landlord authorizes Agent to advertise the Premises or portions thereof for rent or lease, using periodicals, signs, plans, brochures, displays, or such other means as the Agent may deem, in Agent's sole discretion, proper and advisable. The Agent is authorized to place signs and a Realtors® key-safe/lockbox on the Premises advertising the Premises for rent, provided such signs comply with applicable laws and regulations. The Agent is authorized to make a blanket unilateral offer of cooperation and compensation to other agents in any Multiple Listing Service that the Agent deems appropriate.

B. Landlord authorizes Agent to show and make available the Premises to all persons otherwise deemed legally competent, without regard to race, sex, color, religion, national origin, mental or physical handicap, familial status, age, sexual orientation, and all other classes protected by any law.

6. LEASING.

A. Agent. The Agent shall use best efforts to keep the Premises rented. The Agent is authorized to negotiate, prepare, and sign all leases, including all renewals and extensions of leases, on behalf of Landlord and to cancel and modify existing leases, unless and until notified in writing to the contrary by Landlord. Unless otherwise directed by Landlord in writing, Agent shall, in Agent's sole discretion, renew existing leases or procure new tenants at the termination of any lease agreement. The Agent shall sign all leases as agent for Landlord. All costs of leasing shall be paid out of the Landlord's Escrow account. No lease shall be in excess of _____ year(s) without written approval by the Landlord. Leases are to be written on a lease form as provided by the Agent.

B. Rental Rates. The Agent shall employ best efforts to obtain a suitable tenant as soon as practicable at a monthly rental of \$_____, or such other amount as may be agreed upon by Landlord and the Agent, in writing, but not less than \$_____.

C. Enforcement of the Lease. Agent shall initiate, in the Landlord's name, all legal actions or proceedings for the enforcement of any lease term, including, but not limited to, collection of rent or other income from the Premises or for the eviction or dispossession of tenants or other persons from the Premises. The Agent is authorized to sign and serve such notices as the Agent deems necessary for

lease enforcement, including the collection of rent or other income. Landlord shall be responsible for all expenses of such enforcement. Agent shall, on Landlord's behalf, engage the services of legal counsel for enforcement actions. Landlord, however, reserves the right to replace counsel at any time, and agrees to provide Agent reasonable notice of such replacement, and further agrees to secure leave of court for substitution of counsel, as needed.

7. REPAIRS AND MAINTENANCE.

A. Routine Repairs and Maintenance. Agent shall make or cause to be made, through contracted services or otherwise, all ordinary utilities (unless or until utilities become the responsibility of tenants), repairs and replacements reasonably necessary, in Agent's sole discretion, to preserve the Premises in their present condition, and for the operating efficiency of the Premises, including, but not necessarily limited to, such alterations as may be required to comply with lease requirements, governmental regulations, insurance requirements, or for the health or safety of persons occupying or utilizing the Premises. Any single expense in excess of \$300.00, except as described in B, below, shall be approved in writing by Landlord.

B. Emergency or Urgent Repairs. Agent shall make or cause to be made such emergency or urgent repairs as may be immediately or urgently necessary, in Agent's sole discretion, for the preservation and safety of the Premises or health of its occupants, to avoid the suspension of any essential service to the Premises, to otherwise avoid danger to life or property, as Agent shall determine in Agent's sole discretion, or as may be directed by competent government authority as requiring immediate action. Landlord shall be responsible for payment of all such emergency or urgent repairs, or shall promptly reimburse Agent for the same, as otherwise provided herein.

8. INSPECTIONS.

A. Routine Inspections. Agent shall make an initial inspection of the Premises when vacated by Landlord or immediately prior to occupancy of Premises by tenant. Subsequent inspections will be made as deemed necessary, in Agent's sole discretion, by Agent. A property condition inspection report will be made when tenants vacate the Premises to determine, among other things, fair wear and tear. Landlord may contract with Agent for additional routine inspections as described in Section 2C, above.

B. Extraordinary Conditions. In the event of existing "extraordinary conditions" in which Agent, in Agent's sole discretion, deems it necessary to report to Landlord the existence of some condition which Agent believes violates any governmental law, rule, or regulation, or could lead to unreasonable deterioration of the Premises or danger to any person occupying or visiting the Premises, and where Agent believes corrective action will cost in excess of \$300.00, Agent shall inspect such condition and provide a report to Landlord of such condition, along with recommended action/repairs. After conferring with Landlord, and obtaining Landlord approval, Agent will undertake completion of the improvements. In the event that Landlord refuses to authorize corrective action satisfactory to Agent, then Agent may immediately cancel this Agreement, and shall be released by Landlord from any and all liability for any event ensuing from such condition.

9. VACANCIES. Agent shall use best efforts to safeguard and maintain the Premises during vacant periods. This includes, but is not limited to, utilities service, lawn care, and snow and trash removal. All costs incurred shall be at Landlord's expense.

10. INDEMNIFICATION OF AGENT. Except for willful misconduct of Agent, Landlord agrees to indemnify Agent against all costs, expenses, attorneys' fees, suits, liabilities, and damages from or connected with the management of the Premises by Agent or the performance or exercise of any of the duties, obligations, or powers herein or hereafter granted to Agent.

11. INSURANCE. Landlord will provide Agent with copies of fire insurance policies and carry public liability insurance with a minimum coverage of \$_____ naming the Agent as additional insured. Unless the Landlord provides a certificate of coverage to the Agent within _____ days, the Agent may contract for such coverage at the Landlord's expense. Coverage for code enforcement, water damage, flood or sewer back-up, and rent replacement are also suggested. Landlord will provide vandalism coverage for any Premises vacant for more than 30 days. Extraordinary Management Fee's may be charged to Landlord by PROMAX for insurance claim coordination.

12. SAVE HARMLESS. The Landlord shall indemnify, defend, and save the Agent harmless from all loss, investigation, suits, damage, cost, expense (including attorneys' fees), liability, or claims for, personal injury or property damage incurred or occurring in, on, or about the Premises.

13. REFERRING BROKER. Landlord chooses to use the services of _____ brokerage for the purpose of procuring tenant(s). Landlord hereby authorizes PROMAX Management, Inc., to execute a separate listing agreement with said Brokerage for the purpose of procuring tenants or such other leasing agent as PROMAX shall at its sole discretion select, based on the Terms contained herein.

14. WEAR AND TEAR. Landlord understands that the physical condition of the Premises will be affected by the passage of time in addition to wear caused by normal living conditions. Landlord agrees that the decision of Agent will be accepted as final with regards to financial amounts to be deducted from tenant's security deposit and with regards to what constitutes normal wear, and Landlord shall be bound by any such decision.

15. CHOICE OF LAW. This Agreement has been made and entered into in the Commonwealth of Virginia, and the laws of such Commonwealth shall govern the validity and interpretation of this Agreement and the performance due hereunder.

16. NOTICES. All notices, requests, demands, or other communications hereunder shall be in writing, and shall be deemed to have been duly given if delivered in person, or within ten (10) days after deposit in the United States mail, postage prepaid, certified, with return receipt requested, or otherwise actually delivered to Agent and Landlord as described below.

Notice to Agent at: 7007 Kilworth Lane, Springfield, VA 22151
Or by facsimile at: 703-658-2248
Or by e-mail at: info@promaxrealtors.com

Notice to Landlord at:
Or by facsimile at:
Or by e-mail at

17. COMPLETE AGREEMENT. This Agreement and its attachments (if any) shall be binding upon the parties, and each of their respective heirs, executors, administrators, successors, and assigns. This Agreement, unless amended in writing and signed by the parties, contains the final and entire Agreement of the parties, and the parties shall not be bound by any terms, conditions, oral statements, warranties or representations not herein contained. Time is of the essence as to all terms of this Agreement.

18.DISCLOSURES

- Landlord will ___ or will not ___ permit smokers.
- Landlord will ___ or will not ___ permit pets. Case by case _____. Restrictions _____
- Landlord will ___ or will not ___ consider HUD subsidized housing applicants.
- Landlord will ___ or will not ___ require a Transfer Clause with 60 days notice to tenant to vacate the premises.
- Landlord is ___ or is not ___ a licensed real estate agent.
- Landlord will consider a maximum of ___ incomes to qualify and a maximum of ___ unrelated adults.
- Landlord owns ___ leased homes in Virginia. Landlord is ___ or is not ___ subject to the Virginia Landlord Tenant Act.
- Landlord is responsible for filing appropriate forms with IRS and, for non-residential property owners with the Virginia Department of Taxation.
- Property is ___ or is not ___ subject to an existing lease.
- Property is available for occupancy on _____.
- Are there any visible signs of mold/mildew? Yes No If yes, where? _____
- Landlord agrees that all existing window coverings, garden tools, furniture, stored items, and other chattels left by Landlord convey in as-is condition and are left at landlord's risk. Landlord agrees to hold Agent harmless for loss/damage to any of these items. Landlord shall remove all grills, fuel-powered equipment, ladders, swing sets, and playground equipment from the Premises prior to leasing.

19. ADDITIONAL TERMS

20. ATTACHMENTS. Property Management Information Form _____
Lead Base Paint Disclosure _____ Yes _____ N/A
Form W-9 _____

By Ronald L. Riddell, Broker/President for
PROMAX Management, Inc.

Landlord Signature

Date

Signature

Date

Landlord Signature

Date



Revised August 17, 2015