

PROPERTY MANAGEMENT AGREEMENT (VIRGINIA)

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF PROPERTY MANAGER]
a Virginia corporation with a head office in the City of _____, Virginia
(the "Agent")

- and -

[NAME OF PROPERTY OWNER]
(the "Owner")

THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement, the parties hereby agree as follows:

1. *Engagement and Grant of Authority.* The Owner hereby retains the Agent on an exclusive basis, and the Agent accepts the retainer, to rent, lease and otherwise manage the residential property located at:

[insert address of rental property] (the "Premises")

as more particularly described in the Addendum to this Agreement. The Owner grants the Agent the authority and power to perform its duties and responsibilities under this Agreement, and the Owner shall pay the Agent's expenses in connection with such performance.

2. *Term and Termination.* The term of the Agreement shall be for a period of ____ year(s), commencing on the ____ day of _____, _____ and terminating on the ____ day of _____, _____, and continuing thereafter on a monthly basis until terminated by either party upon thirty (30) days' written notice to the other party.

3. *Management Fees.* For finding and screening qualified tenants, preparing the rental agreements, and establishing new tenant records, the Owner shall pay the Agent a fee of ____% of the first month's gross collections from the tenant. For all other ongoing management services, a management fee of ____% of the monthly gross rental income will be paid, commencing the second month and continuing each month of the tenancy thereafter. If the Owner rents the Premises to a tenant procured by the Agent, then the Agent shall be entitled to the management fee for such rental for the term of the rental contract.

4. *Additional Fees.*

- (a) In the event that the Owner requests the Agent to undertake work outside of the duties and responsibilities of the Agent hereunder, the parties shall agree upon an appropriate hourly fee before the work begins. Such work would include such tasks as improvements to the Premises, major restoration after fire, flood or other damage, and similar work.
- (b) In the event that the Owner sells the Premises at any time to a tenant placed by the Agent, the Owner agrees to pay the Agent a finder's fee of ____% of the sale price. The Agent shall release the Owner from contract at the close of escrow.
- (c) The Owner agrees that the Agent may be compensated by the party requesting an assignment of lease for services rendered in negotiating the consent to the assignment.

5. *Duties and Responsibilities of Agent.* At all times during the term of this Agreement, the Agent shall:

- (a) diligently perform its obligations hereunder;

- (b) prepare monthly statements of receipts, expenses and charges and provide the Owner with all such statements. Agent is authorized to retain all late fees and returned check charges;
- (c) collect monthly rents, security deposits and other charges from tenants with respect to the Premises, and deposit the same into separate trust accounts maintained for that purpose. The Agent must maintain separate trust accounts for operating expenses ("Operating Trust Account") and security deposits ("Security Deposit Trust Account"). The Agent will hold all security deposit funds in the Security Deposit Trust Account. The Agent will pay expenses involved in the operation of the Premises from funds on hand in the Operating Trust Account;
- (d) accumulate and maintain a reserve in the Operating Trust Account of ____% of all monthly rental revenue, or such other amount as the Owner may direct in writing. The Agent shall not be required to perform any act or duty hereunder involving the expenditure of funds unless there are sufficient funds in the Operating Trust Account for such expenditure. The Agent may advance sums as necessary, but is not obligated to do so. In any such case Owner agrees to reimburse Agent for such advances promptly upon receipt of notice thereof;
- (e) immediately notify the Owner if the reserve in the Operating Trust Account drops below ____% of monthly rental revenue;
- (f) sign, renew or cancel leases and rental contracts for the Premises;
- (g) establish a competitive rental rate for the Premises in accordance with existing market conditions, and change the rental rate as necessary to stay competitive, with the objective of maximizing the Owner's return;
- (h) conduct or arrange for inspections of the Premises prior to a tenant moving in and again when a tenant moves out;
- (i) advertise the availability of the Premises for rent or lease;
- (j) perform reference background checks on prospective tenants, including employment, financial, prior eviction and criminal background checks;
- (k) terminate tenancies, and sign and serve in the name of the Owner such notices as are appropriate;
- (l) coordinate with legal representatives to institute actions to evict tenants and recover possession of the Premises, and to recover rent and other charges due. The Agent shall pay all legal fees (up to a maximum of \$_____) in the event an eviction is necessary, but only if the tenant was recommended and placed by the Agent;
- (m) when expedient, and with the Owner's consent, settle, compromise and release actions or suits against tenants, and/or reinstate tenancies which have been terminated;
- (n) make or arrange for repairs to the Premises, and provide 24-hour repair service for after-hours emergencies;
- (o) make contracts for utilities and services to the Premises as the Agent shall deem advisable. The Owner agrees to assume the obligation of any such contract at the termination of this Agreement;
- (p) purchase supplies and pay all bills with respect to the Premises, including without limitation, utilities, garbage collection, mortgage loan payments, ground lease rent, condominium or homeowner fees, management fees, property taxes, special assessments and levies, and State and Federal revenue taxes (if applicable). The Agent shall not be liable for late fees assessed unless due to the Agent's negligence. The Agent agrees to secure the prior written approval of the Owner on all expenditures in excess of \$_____ for any one item except for:
 - (i) monthly or recurring operating charges,

- (ii) emergency repairs if, in the opinion of the Agent, such repairs are necessary to prevent damage and to protect the Premises, the occupants, the Owner and/or the Agent,
 - (iii) charges which must be paid to avoid suspension of services or the assessment of penalties or fines,
 - (iv) turn-over maintenance expenses to prepare the Premises for move-in of tenants;
- (q) within __ days after the end of each calendar year, prepare and submit to the Owner a complete report of receipts and disbursements relating to the Premises for the preceding year;
- (r) submit to the IRS at the conclusion of each calendar year a Form 1099 indicating the total income from the Premises and provide a copy thereof to the Owner;
- (s) arrange, pay for and supervise labor and employees required for the maintenance of the Premises, including maintenance and janitorial staff, and an on-site licensed property manager. The Agent shall have the right to perform any of its duties through the Owner's attorneys, agents or employees, and shall not be responsible for the acts, defaults or negligence of such parties if reasonable care has been exercised in their appointment and retention.

THIS IS A 7-PAGE DOCUMENT.