



Real Property Services Inc.

A subsidiary of Exit Realty Professionals
(An Equal Housing Opportunity Company)



PROPERTY MANAGEMENT AGREEMENT

This is a legally binding contract. If any of the terms are unclear to you, seek competent advice before signing.

THIS AGREEMENT is made this _____ day of _____ between

Owner(s) and Exit Realty Professionals and/or assigns, herein after known as Agent.

Owner hereby employs Agent exclusively to rent and manage the Property known as:

_____, and any other property that the Owner appoints to the agent upon the terms hereinafter set forth for an initial period beginning on the _____ day of _____, and ending on the _____ day of _____, and thereafter for annual periods unless, on or before sixty (60) days prior to the expiration of any such period, either party shall notify the other in writing of an intention to terminate this Agreement, in which case this Agreement shall be terminated, excepting however, the parties agree this contract shall remain in full force and effect so long as any tenant placed in said property by the Agent shall remain in possession thereof.

1. THE AGENT ACCEPTS THE EMPLOYMENT AND AGREES TO:

- a) Conduct business with diligence and within the Virginia Residential Landlord Tenant Act, to extent applicable, furnishing the services of its organization for leasing, operating and managing of Premises.
- b) On a monthly basis, render statements of receipts, expenses and charges and remit to Owner all receipts less disbursements. Agent is authorized to deduct from Owner's account any fees or commissions due. In the event the expenses shall be in excess of the rents collected by Agent, the Owner hereby agrees to pay such excess within fifteen (15) days of notification, or no further expenditures will be made on behalf of Owner. Such statements shall be made available through the web portal at the following website: **www.rentwithexit.com.**
- c) Deposit all gross receipts and security deposits collected for Owner in one or more accounts in a national or state institution qualified to engage in the banking, savings and loan or trust business, separate from Agent's personal account. Agent will not be held liable in the event of the failure of a depository.
- d) Collect a security deposit equal to one months rent unless Owner instructs Agent otherwise. No more than two months rent will be collected at anytime per the VRLTA.

2. EXIT REALTY PROFESSIONALS SHALL BE AGENT FOR AND REPRESENT ONLY THE OWNER:

- a) Agent shall promote the interests of the Owner with the utmost good faith, loyalty and fidelity, including, but not limited to:
 - 1) Seeking a rental price and terms which are acceptable to the Owner and which also take into account the current market conditions;
 - 2) Presenting all offers to and from the Owner in a timely manner regardless of whether the property is subject to a rental contract or lease;
 - 3) Disclosing to the Owner adverse material facts actually known by the Agent;
 - 4) Counseling the Owner as to any material benefits or risks of a transaction known by the Agent;
 - 5) Advising the Owner to obtain expert advice as to material matters about which the Agent knows, but may have specifics of which are beyond the expertise of the Agent;
 - 6) Accounting in a timely manner for all money and property received;
 - 7) Informing the Owner that such Owner may be vicariously liable for the acts of such Owner's agent or any subagent when the Agent is acting within the scope of the agency relationship.
- b) Agent shall not disclose the following information without the informed consent of the Owner;
 - 1) That the Owner is willing to accept less than the advertised rent for the Property;
 - 2) Motivating factors for the Owner to rent the Property;
 - 3) That the Owner will agree to terms other than those offered;
 - 4) Any material information about the Owner unless the disclosure is required by law or failure to disclose such information would constitute fraud or dishonest dealing.
- c) Broker shall disclose to any prospective tenant all adverse material facts actually known by Broker including but not limited to adverse material facts pertaining to the title to the Property, the physical

3. THE OWNER HEREBY GIVES TO THE AGENT THE FOLLOWING AUTHORITY AND OWNER AGREES TO ASSUME THE EXPENSES IN CONNECTION HERewith:

- a) Agent may set the rental price of the property (based on market conditions and criteria set forth by Owner in this contract), may advertise the availability for rental of the Premises or any part thereof and to display "for rent" signs thereon: to sign, renew and/or cancel leases for the Premises or any part thereof: to collect rents due or that become due. Agent may terminate tenancies and sign and serve in the name of the Owner such notices as appropriate to institute and prosecute actions: to evict tenants to recover rents and other sums due: and to expedite, to settle, compromise and release such actions or suits or reinstate such tenancies. Any lease executed for the Owner by Agent shall not exceed three years.
- b) Agent is authorized to screen prospective tenants; to accept applicants based on their qualifications and owners needs (not on a "first- come, first – served basis").
- c) Owner agrees to provide and or have installed a sufficient number of working smoke alarms as per local and state housing codes, to be maintained by tenant, including replacement of batteries.
- d) To make or cause to be made and supervise repairs and alterations: and pay all bills solely from rents collected for Owner. The Agent agrees to secure the prior approval of the Owner on all expenditures in excess of \$250.00 for any one item, except emergency repairs in excess of the maximum if, in the opinion of the Agent, such repairs are necessary to protect the Premises from damage or prevent damage to life or to the property of others or to avoid suspension of necessary services or to avoid penalties or fines or to maintain services to the tenants called for in their leases. Nothing herein contained, however, shall be construed to obligate the Agent to make such advances.
- e) To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises, it being agreed that all employees shall be deemed employees of the Owner and not the Agent. The Agent may perform any of its duties through attorneys, agents or employees and shall not be responsible for their acts, defaults or negligence, if reasonable care has been exercised in their appointment and retention.
- f) Locks will be changed/rekeyed after each tenancy at owner's expense.
- g) To execute contracts for utilities and services for the operation, maintenance and safety of the premises as the Agent shall deem advisable and/or necessary, the Owner thereby agreeing to assume the obligation of any contract so entered into until the termination of this Agreement.
- h) Owner is made aware that all cities require rental inspection in some areas, if an inspection is required the property Owner will be responsible for the cost of the inspection and all repairs needed to pass said inspection.

4. THE OWNER FURTHER AGREES:

- f) That whenever it shall be required by law that interest be paid on a tenant's security deposit, it shall be an expense chargeable to the Owner. Agent shall be entitled to retain any interest collected on any security deposits from a tenant(s) or any other moneys of Owner held by Agent above that interest which is lawfully required to be paid to tenant.
- g) To make available to Agent all data, records and documents pertaining to the Premises which the Agent may require to properly exercise his duties.
- h) To indemnify and save the Agent harmless from all damages, suits and costs incurred, including attorney fees, in connection with the management of the Premises and from liability from injuries suffered by any employee or other person whomsoever. **The Owner shall carry, at Owners expense, a "Landlords Insurance policy" for the property with a minimum liability insurance coverage of \$300,000 to protect the interest of the parties hereto. Policies shall be written to protect the Agent in the same manner and to the same extent as the Owner. Owner shall provide agent evidence of insurance naming Agent as additional insured.** In the event Owner fails to obtain or maintain such insurance, Agent may, but shall not be obligated to, obtain such a policy from the company of its choice and the cost thereof shall be borne by Owner.
- i) Owner hereby authorizes Agent to obtain legal counsel to act on Owner's behalf should legal action need be taken. Owner understands that Agent will not be responsible for court filings or court appearances, an attorney will be hired and that Owner will be responsible for all court costs and legal fees for all filings until the fees have been collected from the tenant.
- j) That Agent shall not be liable for any error of judgment or for any mistake of fact of law or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence. Owner agrees that Agent shall not be held liable for cost of any damage or restoring any damage caused by the tenant or for any missing or broken appliances or personal property belonging to

- k) Owner shall be responsible for paying directly all mortgage, condo and or property association fee payments. Owner agrees, in the event funds are not available in Owner's account to pay utility, repair or any other cost, the Agent will not be held responsible or liable for any penalties, fees, discontinued services, adverse action, or other consequences or damages resulting from the non-payment of such cost.
- l) All return check fees, application, credit report fees and late charges or lease transfer fees paid by tenants under any lease shall be retained by Agent for enforcing the respective lease provisions. These fees are not treated as rent.
- m) 1. Notwithstanding anything to the contrary in this Agreement, Owner shall determine the standards by which tenants for the Premises shall be selected, the rents to be charged in connection with the Premises, and the terms and conditions of any lease in connection with the Premises. It is the intention of the parties hereto that Owner shall actively participate in and be charged with the final decision with respect to the management of the Premises. 2. While it is the intention of the parties that Owner shall actively participate in the management of the Premises, and Agent has taken steps to assist in the same, Owner acknowledges that neither the congress of the United States of America nor the Internal Revenue Service has established definitive standards for active participation in the management for rental investment property. Accordingly, Agent makes no representation or warranty that the provisions of this Agreement shall comply with any statute, rule, regulation, or decision enacted, published or issued after November 1988, with respect to the same, and Agent shall have no liability to Owner for the deductibility or non-deductibility of any item of loss, expense, or otherwise, with respect to Owner's state or federal income tax.
- n) Agent has the responsibility to offer equal service to all clients and prospects pursuant to state and federal fair housing law. Owner shall conduct itself with respect to the Premises, in accordance to all rules, regulations, and laws relating to equal housing opportunity that are applicable to Agent.
- o) Owner agrees to maintain a minimum \$_____ escrow repair reserve to be retained by the management company for the duration of the management agreement. Money will be deducted from monthly rental proceeds as needed to maintain the minimum repair reserve. No interest will ever be paid on these funds.
- p) To have no more than two people or children per bedroom living on premises.
- q) To cut grass when the house is vacant.

5. OWNER AGREES TO PAY THE AGENT:

- a) For Management: 10% of the collected monthly rent.
- b) For Leasing: _____ of the one months rent shall be payable as a finders fee.
- c) For Existing Lease Renewals: _____ per occurrence.
- d) Sale of property To Tenants (should Owner decide to sell the Property): _____ of purchase price shall be paid to Exit Realty Professionals should any tenant procured by Agent purchase the property during this agreement, or within 6 months after its termination. Broker will act as a Transaction-Broker when selling Owner's property to tenants unless an Exclusive Right-To-Sell Listing Contract is executed with Owner.
- e) For supervision or coordination of maintenance work in excess of \$1500: an additional fee of 10% of the total job cost. (Examples: Painting, landscaping, roof repair, purchasing and installation of new carpet, heat pump, heating or A/C replacement, etc.)
- f) For administering and overseeing Owner's insurance claims (coordinating claims adjuster, obtaining mortgage/mortgagor endorsements, obtaining bids and hiring contractors for Owner, verifying current workman's compensation and liability insurance coverage or exemptions, obtaining lien waivers, etc.): \$100.00 per each claim.
- g) Owner recognizes Agent in any negotiations relative to the Premises or any part thereof, which may have been initiated during the Term hereof and, if consummated, shall compensate Agent as set forth above. If Owner terminates this Agreement, Agent shall receive commission and or management fees for any unexpired terms or renewal thereof of any lease made by Agent and/or Owner during the Term of the agreement and Agent shall receive such commission and or management fees for so long as any tenants(s) procured by Agent occupies, rents or leases the premises.
- h) Upon Owners authorization of any court action taken, Owner agrees to reimburse Agent for expenses.
- i) Refinancing related needs such as meeting appraiser at property, sending copy of lease or other needed paper work to Mortgage Company or appraiser. A separate charge will be invoiced to the owner at \$50.

7. OWNER AND AGENT AGREE NOT TO DISCRIMINATE UNLAWFULLY AGAINST ANY PROSPECTIVE TENANT BECAUSE OF THE RACE, CREED, COLOR, SEX, MARITAL STATUS, NATIONAL ORIGIN, AND FAMILIAL STATUS, PHYSICAL OR MENTAL HANDICAP, RELIGION OR ANCESTRY OF SUCH PERSON.

8. OWNER DEFAULTS ON MORTGAGE/TERMINATION:

- a) The failure of the owner to pay the mortgage and or any other lien holders is a material breach non-curable of this agreement and will terminate this agreement. If the agent receives notice and/or knowledge that the owner's mortgage/ deed of trust is in default or scheduled for a trustee sale, the owner authorizes the agent at the agent's option and discretion to notify (1) the tenant(s) of the said nonpayment, default and/or foreclosure, (2) release the tenant from the lease agreement, (3) prorate the tenant's rent upon the tenant's departure, (4) return the unearned rent to the tenant, (5) return the tenant's refundable security deposit without off sets, deductions or charges for damages, (6) and authorize the agent relocate the Tenant to another rental property even a property that is managed by the agent and is owned by another client. In addition, the owner will hold harmless and indemnify the agent for any and all actions that may arise from the impending and/or actual non-payment, default and/or foreclosure by the owner of the property that may arise as a result of these remedies, this agreement, the non-payment, default and/or foreclosure and/or the agency between the owner and the agent.
- b) Agent shall have the right to terminate this agreement unilaterally if the Agent deems the owner is in material breach or has become uncooperative and is hindering the Agent from complying with any lease provision(s)

9. OWNER'S RESPONSIBILITIES REGARDING SMOKE DETECTORS

The Following Section is from the Virginia State Code about Rental Properties and Smoke Detectors Sec. 12-53.

Responsibilities of Owner/Tenant.

- a) The owner of a multifamily residential building containing four (4) or more dwelling units shall provide smoke detectors as required by section 12-52(c) in hallways, stairwells and other public or common areas, and shall maintain them in good working order.
- b) **The owner of a dwelling unit, which is rented or leased in any building containing any one or more dwelling units, shall furnish the tenant at the beginning of each tenancy and at least annually thereafter with written certification that all smoke detectors required by section 12-52(c) are present, have been inspected and are in good working order.**
- c) The tenant shall be responsible for reasonable care of the smoke detector in accordance with section 55-248.16, Code of Virginia, and for the interim testing and battery replacement, and for providing written notice to the owner requesting the repair of any malfunctioning smoke detector. In accordance with section 55-248.13, Code of Virginia, the owner shall be obligated to provide and pay for service of any malfunctioning smoke detector. Such service, or replacement of the unit, must occur within five (5) days of receipt of written notice from the tenant that a smoke detector is malfunctioning.
- d) The owner of a dwelling unit, which is rented or leased in any building containing one or more dwelling units shall provide written notification to the tenant of the responsibilities and duties proposed by subsection (c) of this section.
- e) In those instances where responsibilities for maintenance and upkeep of dwelling units has been transferred from the owner(s) to a managing authority, the managing authority shall be charged with the responsibility imposed by this section in addition to the owner(s).

I (we) Understand that the smoke detectors in the home will need to be inspected and certified on a yearly basis with a yearly certification fee due to the contractor and to make sure that all smoke detectors are up to state and local code.

THIS AGREEMENT shall be binding upon the Agent, the Agents successors and or assigns, and upon Owners and their heirs, administrators, executors, successors or assigns of the Owner. IN WITNESS THEREOF, the parties hereto have affixed their respective signatures this _____ day of _____.

Owner Signature

Owner Signature

Manager, Real Property Services Inc.
1932 Kempsville Rd #107, Virginia Beach, VA 23464

Addendum to Property Management Agreement

Please fill this form in it's entirety and check the appropriate boxes

Persons to notify in case of emergency or that you cannot be reached:

Name: _____ Phone Number: _____
Name: _____ Phone Number: _____

Homeowners/Landlord Insurance Company:

Company: _____ Policy Number: _____
Name: _____ Phone Number: _____

Termite Company Policy

Company: _____ Policy Number: _____
Name: _____ Phone Number: _____

Warranties

Company: _____ Phone Number: _____
Items: _____
Heating and Air Conditioning: _____
Appliances: _____
Home Warranty: _____ Phone Number: _____
Account Number: _____

Mortgage Company

Mortgage Company: _____ Phone Number: _____
Account Number: _____

Pets Acceptable: Yes No

If yes, what kind(s) of pets are allowed? How many? What size limit? _____

Security System Company

Security Company: _____ Phone Number: _____
Code: _____

Home Owner's Association Information: _____

Condo Association Information: _____

Fixtures and other Personal Property

Heat & Air Type/Location: _____
Main water Shut Off Location: _____ Crawl Door Location: _____
Lawn Equipment: _____
Window Treatments Remaining: _____
Additional Instructions and agreements between parties:

Addendum to Property Management Agreement

The Owner further agrees and requests the following of the Agent and has so indicated by placing a check mark in the space provided next to each item so requested:

1. To mail net proceeds directly to the Owner monthly.

Check to be made payable to: _____

Sent to: _____

2. To fund net proceeds to Owner's bank monthly.

Bank Address: _____

Account Number: _____ Routing Number: _____

3. Arrange for utilities to be left on when vacant in the winter months. ☐ Y ☐ N

Select
One

4. To do the following in regards to termites:

Have the property inspected for termites, notify owner of such condition with an estimate for treatment, if needed.

Have the same put under contract and continue contract until otherwise notified.

Owner has property under termite contract with _____, please supervise yearly inspections.

Do nothing concerning termites or inspections.

Select
One
Select
One

5. Multiple singles ☐ will ☐ will not be permitted.

6. Length of Lease desired: ☐ 1 Year Lease ☐ Multiple Year Lease

Owner Signature

Owner Signature

Property Manager, Real Property Services Inc.
1932 Kempsville Rd #107, Virginia Beach, VA 23464

Owner Signature