

## PROPERTY MANAGEMENT & EXCLUSIVE RENTAL AGREEMENT - VA

This Residential Property Management and Exclusive Rental Agency Listing Agreement ("Agreement") is made on \_\_\_\_\_ by and between \_\_\_\_\_ the Owner. Owners of record of the Premises or authorized fiduciary representative of the Owner(s), hereinafter described, and PROMAX Management, Inc, a Virginia corporation ("Agent"). The Owner represents and warrants to Agent that the Owner 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 the 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 Owner'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 about hazardous or toxic substances. Agent represents and warrants to Owner 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 an Agent any property interest in or to the property.

### 1. EMPLOYMENT OF MANAGING AGENT.

- A. **Employment and Acceptance.** The Owner employs the Agent as the sole exclusive Agent of the Owner to lease and manage the Premises located in the Commonwealth of Virginia and known \_\_\_\_\_, ("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 the Owner in connection with the Premises. The Owner agrees to pay all expenses in connection with the Agent's services and repairs and maintenance of the Premises; authorizes the Agent to collect all funds due and payable on the Owner's account for the Premises; authorizes the Agent ((solely as the Owner'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 Owner's Premises; and grants to Agent the exclusive right to rent or lease the Premises, as necessary. The Owner acknowledges and agrees that Agent shall use Agent's best judgment in the exercise of authority and responsibility hereunder, it being Agent's goal to provide a fair economic return on the Owner's Premises, subject to such constraints as may be consistent with the Owner's instructions and market forces. (Note: The terms "rent" and "lease" are used interchangeably herein and for 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 written notice to the other. Upon termination of this Agreement for any reason, Agent shall transfer to the Owner any security deposit being held on behalf of any Tenant then occupying the Owner's Premises and close out the Owner's reserve account, forwarding any balance (less any fees/reimbursements due Agent), within 30 days of said termination. If the property is listed for sale with another Brokerage, this Agreement terminates at the end of the current lease Term.

### 2. AGENT'S COMPENSATION AND EXPENSES.

As compensation for the Agent's services under this Agreement, the Owner shall pay the Agent the following non-refundable fees which are guaranteed for one year from the date of this agreement.

- A. **Normal Management Services.** A monthly management fee of 8% of the gross monthly rental fee for the Premises, or a minimum of \$195, whichever is greater, is due and payable on the first day of each month and continues the first day of each month as long as this Agreement remains in force. During vacant periods Owner shall pay Agent a management fee of \$195 per month. Agent shall use best efforts to safeguard and maintain the Premises during vacant periods.
- B. **Finder's Fee.** A finder's fee of 100% of one month's rent when a Tenant has been secured and the lease signed. The fee shall include any cooperative listing brokerage fee.
- C. **Lease Renewal Fee.** A fee equal to 25% of 1-months' rent.

### 3. BANK ACCOUNTS.

- A. **Escrow Account.** The Agent has established a separate bank account known as the 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 the Owner's funds collected as described herein. Funds in the Escrow Account(s) remain the property of the OWNER subject to disbursement of expenses by the Agent as described in this Agreement.

- B. **Contingency Reserve.** Upon ratification of this Agreement, the Owner shall remit to the Agent the sum of \$500 to be deposited in an Escrow Account as a contingency reserve. If Agent is required to make payments for Agent's compensation, mortgages, HOA/Condo dues, or taxes, the Owner will maintain with the Agent a contingency reserve fund equal to \$500 plus the aggregate of one-month payment to be disbursed. The Owner shall periodically remit to the Agent, upon demand, supplemental funds sufficient to maintain the contingency reserve at the amount required, as noted above Agent shall not be obligated to disburse funds to any third party above the Owner's then-available amount; however, Agent may, solely at Agent's option, make such disbursements from Agent's operating funds, in which case Owner, agrees to, and shall, immediately upon notice from Agent of such disbursement(s), reimburse Agent for such funds as Agent may then demand. Owner shall as required, furnish Agent adequate advance written notice, with the appropriate information, in any event, that the Owner 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 RENT AND OTHER FUNDS.

- A. **Agent** The Agent shall use best efforts to collect all rents, charges, and other amounts due on the Owner's account by 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 Owner's account. All Owner's funds shall be deposited in the Escrow Account described above. Excess funds not required by the Owner's contingency reserve shall be remitted to the OWNER on or before the 10th day of each month. Agent shall provide the Owner with a monthly statement, end-of-year summary, and Form 1099. It is understood that Agent does not guarantee the collection of rent or any other funds due to the Owner.
- B. **Special Charges.** The Agent may collect from the Tenant and retain any or all the following, all of which shall be deemed Agent's funds: administrative charges for late payment of rent, charges for returned or non-refundable checks, rental application fees, administrative charges, and/or Agent's commission for leasing or subleasing.
- C. **Security Deposits.** The Agent shall collect and retain security deposits as specified in the Owner'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 by the terms of each Tenant's lease. Any earned interest will be retained by the Agent unless State or local laws require payment to the Tenant.
- D. **Disbursements from the Escrow Account.** The Owner authorizes the Agent to pay for all operating expenses, reimburse the Agent for advanced funds, and pay all expenses and costs of operating the Premises, including the Agent's compensation, from the Owner'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 Owner's premises covered by this Agreement.

#### 5. ADVERTISING.

- A. Owner 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 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. Owner authorizes the 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 Owner must approve all new leases, lease renewals, and lease extensions. To protect the Owner, Agent will not disclose to the Owner an applicant's race, sex, color, religion, national origin, mental or physical handicap, familial status, age, sexual orientation, and all other classes protected by law. The Agent will not provide the Owner with rental applications or applicant credit reports. No lease shall be more than 2 years without written approval by the Owner. Leases are to be written on a lease form compliant with the VRLTA.

- 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 the OWNER and the Agent, in writing.
- C. **Enforcement of the Lease.** The Agent may, upon the Owner's request, initiate, in the Owner'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. The OWNER shall be responsible for all expenses of such enforcement. Agent shall, on the Owner's behalf, engage the services of legal counsel for enforcing no actions. The Owner, however, reserves the right to replace counsel at any time, agrees to provide Agent reasonable notice of such replacement, and further agrees to secure a leave of court for substitution of counsel, as needed.

## 7. MAINTENANCE, REPAIRS AND UTILITIES

- A. **Normal Routine Repairs and Maintenance.** Agent shall make or cause to be made, through contracted services or otherwise, all ordinary 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 over \$400.00, except as described in B, below, shall be approved in writing by the Owner. Adequate funds must be available before the execution of maintenance or repair.
- 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 the 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 a competent government authority has to require immediate action. The Owner shall promptly reimburse the Agent for the same, as otherwise provided herein.
- C. **Utilities.** The Owner is responsible for connecting services for all utilities in the Owner's name during vacant periods.

8. **PERSONAL PROPERTY AND HAZARDOUS MATERIALS.** Personal property remaining on the Premises, including, but not limited to window coverings, furniture, all stored items, grills, fuel-powered equipment, ladders, and playground equipment convey as is and at the Owner's risk. The Owner shall not store or keep hazardous materials on the property, including but not limited to, paint, pesticides, and combustible items. Hazardous materials left on the property will be removed by the Agent, with costs assumed by the Owner.
9. **INSPECTIONS.** Agent shall make an initial inspection of the Premises when vacated by Owner and before occupancy of Premises by Tenant. A property condition inspection report will be made when the Tenant vacates the Premises to determine, among other things, fair wear, and tear. Subsequent routine inspections will be made once every 12 months and as deemed necessary, in Agent's sole discretion, by Agent. The Agent is not a certified professional home inspector.
10. **EXTRAORDINARY CONDITIONS - MAJOR REPAIRS.** In the event of existing extraordinary conditions and/or major repairs in which Agent, in Agent's sole discretion, deems it necessary to report to Owner the existence of some condition(s) that Agent believes violates any governmental law, rule, or regulation, or could lead to reasonable deterioration of the Premises or danger to any person occupying or visiting the Premises and corrective action will likely cost more than \$500.00, or in the event, OWNER requests that Agent coordinate repairs that will cost more than \$500.00, OWNER will be responsible for approving the corrective action and OWNER shall be the signatory on all proposals and/or contracts for the undertaking of the corrective action.

The OWNER agrees that the Agent makes no representations as to the quality of the work or the performance of any contractor authorized by the OWNER to perform the corrective action. The Agent makes no guarantees or warranties regarding the work and shall not be liable for any personal or property damage occurring in, on, or about the Premises. If OWNER refuses to authorize corrective action satisfactory to the Agent, then Agent may immediately cancel this Agreement and shall be released by the OWNER from any liability for any event ensuing from such condition.

11. **MOLD REMEDIATION.** Agent shall have no maintenance obligations concerning Premises relating to any actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, the existence of, or presence of, any "fungi" or bacteria on or within the Premises, including its contents, regardless of cause. It is expressly agreed that Agent may, at the direction and expense of OWNER, and on behalf of the Owner, hire a qualified contractor for abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, within the Premises. Owner shall indemnify and hold harmless Agent from all costs, expenses, suits, liabilities, damages, and claims of every type because of actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, the existence of, or presence of, any "fungi" or bacteria on or within the Premises. Should the OWNER fail to direct Agent to hire a qualified contractor as aforesaid, then in that event, Agent shall have the right to immediately terminate this Agreement with no further notice to the Owner.
12. **INSURANCE.** The Owner will provide the Agent with copies of fire insurance policies and carry public liability insurance with a minimum **coverage of \$500,000.00** naming the Agent as additional insured. Unless Owner provides a certificate of coverage to the Agent **within 10 days**, the Agent may contract for such coverage at the Owner's expense. Coverage for code enforcement, water damage, flood or sewer back-up, and rent replacement are also suggested.
13. **INDEMNIFICATION OF AGENT.** The Owner indemnifies the Agent against all costs, expenses, attorneys' fees, suits, liabilities, and damages from or connected with the management of the Premises by the Agent or the performance or exercise of any of the duties, obligations, or powers herein or hereafter granted to Agent, and indemnifies and holds Agent harmless for 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.
14. **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
15. **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. Unless amended in writing and signed by the parties, this Agreement 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.
16. **OWNER'S DISCLOSURES AND INSTRUCTIONS TO THE AGENT.**

The Owner owns \_\_\_\_\_ rental homes in the Commonwealth of Virginia.

The Owner will  or  will not consider smokers.

The Owner will  or  will not consider pets.

Case by case     Limit of One (1) Pet     Pet Rent of \$50/month     Pet Deposit of \$500 each pet     No Cats

The Owner will  or  will not consider Section 8 Voucher Housing.

The Owner will  or  will not need an Owner Transfer Clause allowing for Early Lease Termination.

The Owner is  or  is not a licensed Real Estate Agent.

The Owner prefers prospective tenants have a FICO credit score of at least 675.

The Owner prefers a maximum of 2 incomes to qualify and a maximum of 2 unrelated adults.

The Owner authorizes the Agent to employ an independent contractor to certify working smoke detectors as required by code.

The Owner **is** a resident of the Commonwealth of Virginia.

The Owner **is not** a resident of the Commonwealth of Virginia.

The Owner acknowledges receipt of Form R-5, the Virginia Non-Resident Disclosure Form, and is responsible for completing and filling the form with the Virginia Department of Taxation.

The Owner appoints Promax Management Inc. to be the designated Resident Agent, and to file as such with the Virginia State Corporation Commission.

The Owner certifies the premises  **was** or  **was not** built before 1978 and has provided the Agent with a completed Lead Base Paint Disclosure Form.

Proposed Listing Date: \_\_\_\_\_

Proposed Occupancy Date: \_\_\_\_\_

**17. ADDITIONAL TERMS.**

**18. 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 otherwise actually delivered to Agent and Owner as described below.

Notice to Agent at **7007 Kilworth Lane, Springfield, VA 22151** Or Facsimile at **703-658-2248**, or

E-mail: **info@promaxrealtors.com**

Notice to Owner at \_\_\_\_\_ (Address) **or**

E-mail: \_\_\_\_\_

\_\_\_\_\_  
**Promax Management, Inc. - Agent**      **Date**

\_\_\_\_\_  
**Owner**      **Date**

\_\_\_\_\_  
**Owner**      **Date**