

RESIDENTIAL PROPERTY MANAGEMENT AND EXCLUSIVE RENTAL AGREEMENT

This Agreement is made on _____, _____, between _____
_____ ("Landlord") who owns or has the right to lease the Premises as defined below
and _____ ("Agent")
_____ Managing Company

which is duly licensed to manage the Premises and has complied with all state and local requirements. In consideration of the mutual terms of this Agreement, the parties agree as follows:

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 upon the terms and conditions provided herein. The Agent accepts the employment and shall furnish the services of the organization for the leasing and management of the Premises. The Landlord shall pay all expenses in connection with those services as provided herein.

B. Relationship Of The Agent To The Landlord. The relationship of the parties to this Agreement shall be that of principal and agent, and all duties to be performed by the Agent under this Agreement shall be on behalf of the Landlord, in the Landlord's name and for the Landlord's account. In taking any action under this Agreement, the Agent shall be acting only as agent for the Landlord, and nothing in this Agreement shall be construed as creating a partnership, joint venture or any other relationship between the parties or as requiring the Agent to bear any portion of losses arising out of or connected with the ownership or operation of the Premises. Nor shall the Agent at any time during the period of this Agreement be considered a direct employee of the Landlord. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that the Agent is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement. Any delays in the performance of any obligation of the Agent under this Agreement shall be excused to the extent that such delays were caused by factors beyond the control of the Agent, and any time periods required for performance shall be extended accordingly.

C. Description Of The Premises. The property to be managed by the Agent under this Agreement is located at:

Street Address: _____, State: _____
Zip Code: _____ (Lot No. _____ Block _____ Section _____ in _____ subdivision) ("Premises")
consisting of the land, buildings and other improvements.

D. Term. The term of this Agreement shall be for an initial period of _____ years (the "initial term") beginning on _____ 20_____, and ending at the end of _____ 20_____, and thereafter shall be automatically renewed from year to year unless terminated as provided in Paragraphs 18 (A), 18 (B) or 23. Each renewal period is referred to as a "term year".

2. AGENT'S COMPENSATION AND EXPENSES. As compensation for the services provided by the Agent under this Agreement (and exclusive of reimbursement of expenses to which the Agent is entitled hereunder), the Landlord shall pay the Agent as follows:

A. For Management Services. The greater of (i) _____ per month or (ii) _____ % of the total monthly gross rentals due the Landlord from the Premises, payable by the _____ day of the month for the duration of this Agreement. Payments due the Agent for periods of less than a calendar month shall be prorated over the number of days for which the compensation is due.

B. For Residential Leasing Fee. To pay the Agent a leasing fee of _____

when a tenant has been procured and lease signed. This leasing fee is in addition to the management fee. Leasing and management fees are non refundable. In any event where the Agent is required to negotiate and/or has signed a lease renewal or extension, regardless of the term, a fee of _____ will be paid to the Agent for each renewal or extension.

C. Interest On Unpaid Sums. Any sums due the Agent under any provision of this Agreement, and not paid within _____ days after such sums have become due, shall bear interest at the rate of _____ % per annum.

3. BANK ACCOUNTS.

A. Operating And/Or Reserve Escrow Account(s). The Agent shall establish a separate account(s) known as the Operating and/or

Reserve Escrow Account(s), separate and apart from the Agent's corporate accounts, for the deposit of receipts collected as described herein, in a bank or other institution whose deposits are insured by the federal government. Such depository shall be selected by the Agent. Funds in the Operating and/or Reserve Escrow Account(s) remain the property of the Landlord subject to disbursement of expenses by the Agent as described in this Agreement. ANY INTEREST ACCRUED ON THIS ACCOUNT WILL BE RETAINED BY THE AGENT.

B. Initial Deposit And Contingency Reserve. Immediately upon commencement of this Agreement, the Landlord shall remit to the Agent the sum of \$ _____ to be deposited in the Operating and/or Reserve Escrow Account(s) as an initial deposit representing the estimated disbursements to be made in the first month following the commencement of this Agreement, plus an additional sum of \$ _____ as a contingency reserve. The Landlord shall maintain the contingency reserve stated above at all times in the Operating and/or Reserve Escrow Account(s) to enable the Agent to pay the obligations of the Landlord under this Agreement as they become due. The Agent shall notify the Landlord if a new contingency reserve amount is required.

C. Security Deposit Escrow Account. The Agent shall, if required by law, maintain a separate escrow account for tenant security deposits and advance rentals. Such account shall be maintained in accordance with applicable state or local laws, if any.

4. COLLECTION OF RENTS AND OTHER RECEIPTS.

A. Agent's Authority. The Agent shall collect all rents, charges and other amounts receivable on the Landlord's account in connection with the management and operation of the Premises. Such receipts shall be deposited in the Operating and/or Reserve Escrow Account(s) maintained by the Agent for the Premises (except for those funds described in Paragraphs 3 (C), 4 (B) and 4 (C) hereof).

B. Special Charges. If permitted by applicable law, the Agent may collect from the tenants and retain any or all of the following: an administrative charge for late payment of rent, a charge for resumed or non-negotiable checks, a Rental Application Fee, an administrative charge and/or broker's commission for subleasing.

C. Security Deposits. The Agent shall collect a security deposit equivalent to a minimum of _____ months rent, deposit it into an escrow account and disburse it in accordance with the terms of each tenant's lease. ANY INTEREST EARNED ON TENANT SECURITY DEPOSITS WILL BE RETAINED BY THE AGENT UNLESS STATE OR LOCAL LAWS REQUIRE THE PAYMENT OF INTEREST TO THE TENANT.



5. DISBURSEMENTS FROM THE OPERATING AND/OR RESERVE ACCOUNT(S).

A. **Operating Expenses.** From the Operating and/or Reserve Escrow Account(s), the Agent is hereby authorized to pay or reimburse itself for all expenses and costs of operating the Premises and for all other sums due the Agent under this Agreement, including the Agent's compensation.

B. **Debt Service.** The Landlord shall give the Agent advance written notice of at least ____ days if the Landlord desires the Agent to make any additional monthly or recurring payments (such as mortgage indebtedness, general taxes, special assessments or insurance premiums) out of the Landlord's proceeds from the Premises. If the Landlord notifies the Agent to make such payments after the beginning of the term of this Agreement, the Agent shall have the authority to name a new contingency reserve amount pursuant to Paragraph 3 (B) of this Agreement, and the Landlord shall maintain this new contingency reserve amount at all times in the Operating and/or Reserve Escrow Account(s). Such payments shall be detailed on the Property Management Information Form.

C. **Net Proceeds.** To the extent that funds are available and after maintaining the cash contingency reserve amount as specified in Paragraph 3 (B), the Agent shall transmit the cash balances to the Landlord periodically as detailed on the Property Management Information Form.

6. THE AGENT IS NOT REQUIRED TO ADVANCE FUNDS. If the balance of the Operating and/or Reserve Escrow Account(s) is at any time insufficient to pay disbursements due and payable under Paragraphs 5 (A) and 5 (B), the Landlord shall, immediately upon notice, remit to the Agent sufficient funds to cover the deficiency and replenish the contingency reserve. In no event shall the Agent be required to use its own funds to pay such disbursements. Nor shall the Agent be required to advance any monies to the Landlord, to the Security Deposit Escrow Account, or to the Operating and/or Reserve Escrow Account(s).

If the Agent advances any monies in connection with the Premises to pay any expenses for the Landlord, such advance shall be considered a loan subject to repayment with interest as specified in Paragraph 2 (C). The Landlord shall reimburse the Agent, including interest, and the Agent may deduct such amounts from interest and any monies due the Landlord.

7. FINANCIAL AND OTHER REPORTS.

A. **Landlord/IRS Relationship.** The Landlord is or is not a nonresident alien individual, foreign partnership or a non-U.S. corporation; if the Landlord is, all required Internal Revenue Service (IRS) forms will be promptly submitted by the Landlord.

B. **Nonresident Registration.** If the Landlord is a nonresident property owner, the Landlord shall register with the Commonwealth of Virginia and sign all necessary state forms regarding the receipt of income on the Premises.

C. **Reports.** By the _____ day of each month, the Agent shall furnish the Landlord with a statement of cash receipts and disbursements from the operation of the Premises during the previous month. In addition, the Agent shall, on a mutually acceptable schedule, prepare and submit to the Landlord such other reports as are agreed on by both parties. The Agent shall submit to the IRS at the conclusion of each calendar year a Form 1099 indicating the total income received from the Premises.

8. ADVERTISING.

A. The Agent is authorized to show and make available the Premises to all persons without regard to race, sex, color, religion, national origin, mental or physical handicap, familial status, elderliness and all other classes protected by any law or ordinance.

B. The Agent is authorized to advertise the Premises or portions thereof for rent, using periodicals, signs, plans, brochures, displays or such other means as the Agent may deem proper and advisable. The Agent is authorized to place signs and a MLS keysafe/lockbox on the Premises advertising the Premises for rent, provided such signs comply with applicable laws and regulations.

9. LEASING AND RENTING.

A. **Agent's Authority To Lease The Premises.** The Agent shall make all reasonable efforts to keep the Premises rented by procuring tenants. The Agent is authorized to negotiate, prepare and sign all leases, including all renewals and extensions of leases and to cancel and modify existing leases. The Agent shall sign all leases as agent for the Landlord. All costs of leasing shall be paid out of the operating and/or Reserve Escrow Account(s). No lease shall be in excess of _____ year(s) without written approval by the Landlord. Leases are to be written on a lease form provided by the Agent.

B. **No Other Rental Agent.** During the term of this Agreement, the Landlord shall not authorize any other person, firm or corporation to negotiate or act as leasing or rental agent with respect to any leases on the Premises. The Landlord shall promptly forward all inquiries about leases to the Agent.

C. **Rental Rates.** The Agent shall employ best efforts to obtain a suitable tenant as soon as possible, at a monthly rent of \$ _____ or such other amount as may be agreed upon by the Landlord and the Agent but not less than \$ _____. The Agent shall negotiate and sign lease extensions or subsequent leases on the Premises which in the Agent's best judgment provide a fair return to the Landlord and are consistent with the Landlord's instructions.

D. **Enforcement Of The Lease.** The Agent is authorized to institute, in the Landlord's name, all legal actions or proceedings for the enforcement of any lease term, for the 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. If the Agent deems legal action necessary, the Landlord authorizes the Agent to retain the attorney at the Landlord's expense.

E. **Cooperation And Compensation To Other Agents.** 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 and to disseminate information by printed form and/or electronic computer service.

F. **Inspections.** The Agent shall make inspectors of the Premises at the time of occupancy, when the tenant vacates and at such other times as the Agent feels necessary or advisable and report matters concerning the condition of the Premises to the Landlord. In the event of vacancy, the Agent will take precautions to safeguard the Premises.

10. REASONABLE MAINTENANCE AND REPAIR.

A. **Ordinary/Emergency Maintenance Repair.** The Agent shall make or cause to be made, through contracted services or otherwise, all ordinary repairs and replacements reasonably necessary to preserve the Premises in its present condition and for the operating efficiency of the Premises, and all alterations required to comply with lease requirements, governmental regulations or insurance requirements. Any cost exceeding \$ _____ must be approved by the Landlord in advance except that in an emergency where repairs are immediately necessary for the preservation and safety of the Premises, to avoid the suspension of any essential service to the Premises, to avoid danger to life or property or to comply with federal, state or local law, such emergency repairs shall be made by the Agent at the Landlord's expense without prior approval.

B. **Extraordinary Maintenance Items.** The Landlord will pay an agreed upon fee to the Agent for services provided that are beyond the scope of the usual management services. These fees may be retained by the Agent from the monies held in the Landlord's Operating and/or Reserve Escrow Account(s).



11. UTILITIES AND SERVICES. The Agent shall, in the Landlord's name and at the Landlord's expense, make contracts for electricity, gas, telephone, fuel or water, and such other services as are necessary or prudent for the operation of the Premises. All utility deposits shall be the Landlord's responsibility, except that the Agent may pay the same from the Operating and/or Reserve Escrow Account(s) at the Landlord's request.

12. INSURANCE. The Landlord shall obtain and keep in force adequate insurance against physical damage (e.g., fire with extended coverage endorsement, boiler and machinery, etc.) and against liability for loss, damage or injury to property or persons which might arise out of the occupancy, management, operation or maintenance of the Premises. The deductible required under such insurance policies shall be the Landlord's expense. The Agent shall be covered as an additional insured on all liability insurance maintained with respect to the Premises. Liability insurance shall be adequate to protect the interests of both the Landlord and the Agent and in form, substance and amounts reasonably satisfactory to the Agent, but no less than _____. The Landlord shall provide the Agent with proof of fire insurance policies in force and shall obtain adequate vandalism coverage if the Premises are vacant in excess of 30 days. The Landlord shall furnish the Agent with certificates evidencing fire and liability insurance or with duplicate copies of such policies within _____ days after the date of this Agreement. If the Landlord fails to do so, the Agent may, but shall not be required to, place such insurance and charge the cost thereof to the Operating and/or Reserve Escrow Account(s). Such policies shall provide that notice of default or cancellation shall be sent to the Agent as well as the Landlord and shall require a minimum of _____ days' written notice to the Agent before any cancellation of or changes to such policies.

13. 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.

14. AGENT ASSUMES NO LIABILITY. The Agent assumes no liability for any acts or omissions of the Landlord, or previous landlords, or previous management or other agents of either. The Agent assumes no liability for failure of or default by any tenant in the payment of any rent or other charges due the Landlord or in the performance of any obligations owed by any tenant to the Landlord pursuant to any lease or otherwise. Nor does the Agent assume any liability for previously unknown violations of environmental or other regulations which may become known during the term of this Agreement. Any such regulatory violations or hazards discovered by the Agent shall be brought to the attention of the Landlord and the Landlord shall promptly cure them.

15. LANDLORD'S RESPONSIBILITY FOR EXPENSES OF LITIGATION.

A. Litigation And Compliance Expenses. The Landlord shall pay all expenses incurred by the Agent, including without limitation reasonable attorneys' fees and the Agent's costs and time, and any liability, fines, penalties or the like, in connection with any claim, proceeding or suit involving an alleged violation by the Agent or the Landlord, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes or fair housing, including without limitation, any law or ordinance prohibiting or making illegal discrimination on the basis of race, sex, color, religion, national origin, mental or physical handicap, familial status, elderliness and all other protected classes; provided, however, that the Landlord shall not be responsible to the Agent for any such expenses if the Agent is finally adjudged to have personally, and not in a representative capacity, violated any such law. Nothing contained in this Agreement shall obligate the Agent to employ legal counsel to represent the Landlord in any such proceeding or suit.

B. Fees For Legal Advice. The Landlord shall pay reasonable expenses incurred by the Agent in obtaining legal advice regarding compliance with any law affecting the Premises or activities related to them. If such expenditure also benefits others for whom the Agent acts in similar capacity, the Landlord shall pay an apportioned amount of such expense.

16. REPRESENTATIONS. The Landlord represents and warrants: That the Landlord has full power and authority to enter into this Agreement; that there are no written or oral agreements affecting the Premises other than tenant leases, copies of which have been furnished to the Agent; 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 the 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).

17. BUILDING COMPLIANCE.

A. The Agent accepts no responsibility for compliance of the Premises or any building thereon or any equipment therein with the requirements of any building code or with any statute, ordinance, law or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify the Landlord promptly or forward to the Landlord promptly any complaints, warnings, notices or summonses received by the Agent relating to such matters. The Landlord represents that to the best of the Landlord's knowledge the Premises and all such equipment comply with all such requirements, and the Landlord authorizes the Agent to disclose the ownership of the Premises to any such officials and shall indemnify and hold the Agent, its representatives and employees harmless of and from all loss, cost, expense and liability whatsoever which may be imposed by reason of any present, future or alleged violation of such laws, ordinances, statutes or regulations.

B. Smoke Detector. At the Landlord's expense, smoke detectors will be installed and maintained on the Premises in working condition in accordance with the law prior to and during the tenant's occupancy.

18. TERMINATION.

A. Termination At End Of Term. This Agreement may be terminated by either the Landlord or the Agent, with or without cause, at the end of the initial term or of any following term year upon the giving of _____ days' written notice prior to the end of the initial term or following term year.

B. Early Termination. This Agreement may be terminated by the Landlord before the termination date specified in Paragraph 1 (D) by written notice to the Agent not less than _____ days prior to the termination date specified in such notice, together with a cancellation fee in the amount equal to _____ % of the management fee that would accrue over the remainder of the stated term of any existing lease agreement. For this purpose, the monthly management fee for the remainder of the stated term of the existing lease agreement shall be presumed to be the same as that of the last full calendar month prior to service of the notice of cancellation. This Agreement may be terminated by the Agent before the termination date specified in Paragraph 1 (D) upon _____ days written notice to the Landlord.



C. Landlord Responsible For Payments. Upon termination of or withdrawal from this Agreement, the Landlord shall assume the obligations of any contract or outstanding bill incurred by the Agent under this Agreement. The Agent may withhold funds for _____ days after the end of the month in which this Agreement is terminated in order to pay bills previously incurred but not yet invoiced and to close accounts. The Agent shall deliver to the Landlord, _____ days after the end of the month in which this Agreement is terminated, any balance of monies due the Landlord or tenant security deposits, or both, which were held by the Agent with respect to the Premises, as well as a final accounting reflecting the balance of income and expenses with respect to the Premises as of the date of termination or withdrawal, and all records, contracts, leases, receipts for deposits and other papers or documents which pertain to the Premises.

D. Sale Or Exchange Of Premises. If this box is checked, then the Landlord has elected to pay the Agent _____ if the Premises are sold or exchanged during the term of this Agreement or any extension thereof, and the Landlord irrevocably instructs the party conducting the settlement to disburse this amount to the Agent from the proceeds of sale. Upon the transfer of ownership, this Agreement shall terminate by mutual consent of the Landlord and the Agent under the terms and conditions set forth herein.

E. Bankruptcy Clause. The Agent shall not be held liable in the event of bankruptcy or failure of the depository bank or savings and loan association where the monies due the Landlord are deposited if it is a federally-insured fiduciary account.

F. Multiple Listing Service. No Multiple Listing Service or Association of REALTORS is a party to this Agreement and no Multiple Listing Service or Association of REALTORS sets, controls, recommends or suggests the amount of compensation for any brokerage service rendered pursuant to this Agreement, whether by the listing broker or by any other broker acting as subagent or otherwise. Unless otherwise directed by the Landlord in writing the Agent shall enter the listing information into the REALTORS Regional Information Service data base within 48 hours (unless entry procedures dictate otherwise) after all Landlord's signatures have been obtained.

G. Agent's First Lien. The Agent reserves a first lien against the Premises and the rents collected or to be collected on such lease, for any advances and expenditures made by the Agent for the benefit of the Landlord and the Premises, and not thereafter reimbursed to the Agent by the Landlord.

19. INDEMNIFICATION SURVIVES TERMINATION. All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require the Landlord to have insured or to defend, reimburse or indemnify the Agent shall survive any termination; if the Agent is or becomes involved in any proceeding or litigation by reason of having been the Landlord's Agent, such provisions shall apply as if this Agreement were still in effect.

20. HEADINGS. All headings and subheadings in this Agreement and in the accompanying List of Provisions are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

21. COMPLETE AGREEMENT. This Agreement shall be binding upon the parties, and each of their respective heirs, executors, administrators, successors and the parties shall not be bound by any terms, conditions, oral statements, warranties or representations not herein contained. The completed Property Management Information Form is incorporated by this reference. Time is of the essence as to all terms of this Agreement.

22. RIGHTS CUMULATIVE; NO WAIVER. The exercise of any right or remedy provided in this Agreement shall not be an election of remedies, and each right and remedy shall be cumulative. The failure of either party to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or to exercise any right or remedy provided in this Agreement, shall not be construed as a waiver of such right or remedy with respect to subsequent defaults. Every right and remedy provided in this Agreement may be exercised from time to time and as often as may be deemed expedient by the parties exercising such right or remedy.

23. APPLICABLE LAW AND PARTIAL INVALIDITY. The interpretation of this Agreement shall be governed by the laws of the Commonwealth of Virginia. Any action arising under this Agreement shall be brought in the federal or state court having jurisdiction over the Premises. If any part of this Agreement shall be declared invalid or unenforceable, either party shall have the option to terminate this Agreement by written notice to the other party.

24. NOTICES. Any notices, demands, consents and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as the Landlord and the Agent individually may specify hereafter in writing:

AGENT: _____ LANDLORD: _____

25. OTHER TERMS: _____

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the date first set forth above.

AGENT:

Name of Managing Company
By: _____
Name: _____
Title: _____

LANDLORD:

Attachments: Property Management Information Form

