PROPERTY MANAGEMENT & EXCLUSIVE RENTAL AGREEMENT

This Residential Property Management and Exclusive Rental Agency Listing Agreement ("Agreement") is made on ____________ by and between ___________________________ Landlord, Landlord(s) of record of the Premises, or authorized fiduciary representative of the Landlord(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 Landlord(s) of record of the Premises or as a duly appointed and authorized fiduciary on behalf of said Landlord(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. 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 services under this Agreement, the Landlord shall pay the Agent the following non-refundable fee, which are guaranteed for one year from the date of this agreement:

A. For Normal Management Services. A monthly management fee of 8% of the gross monthly rental income for the Premises, due and payable on the first day of each month and continuing 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.

B. Vacant Management Fee. During vacant periods Landlord shall pay Agent a flat fee of $95 per month. Agent shall use best efforts to safeguard and maintain the Premises during vacant periods. This includes, but is not limited to, snow and trash removal and lawn care. All costs incurred shall be at Landlord’s expense

C. Finder’s Fee. A finder’s fee of 100% of one month’s rent for a one-year or two-year lease when a Tenant has been secured and lease signed. The fee shall include any cooperative listing brokerage fee.

D. Lease Renewal Fee. A fee equal to 25% of 1-month rent.
3. BANK ACCOUNTS.

A. Escrow Account. The Agent has established a separate, a 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 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 $500 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 $500 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., $500 or $500 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. Agent shall provide Landlord with a monthly statement, end of year summary, and Form 1099. 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 the following, all of which shall be deemed Agent's funds: administrative charges for late payment of rent, charges for retuned 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 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. Landlord must approve all new leases, lease renewals, and lease extensions. To protect the Landlord, Agent will not disclose to Landlord any applicant’s race, sex, color, religion, national origin, mental or physical handicap, familial status, age, sexual orientation, and all other classes protected by law. Agent will not provide Landlord with rental applications or applicant credit reports. Landlord approval is required for cancellation or modification of any lease agreement. Agent is authorized to procure new tenants at the termination of any lease agreement. No lease shall be in excess of 2 year(s) without written approval by the Landlord. Leases are to be written on a lease form provided by the Agent. Agent may, with Landlord’s written consent, sign, as agent for Landlord any new lease, lease renewal, lease modification, lease cancelation, or lease termination.

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.

C. **Enforcement of the Lease.** Agent may, upon Landlord’s request, 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. **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 in excess of $400.00, except as described in B, below, shall be approved in writing by Landlord. Adequate funds must be available prior to 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 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 has requiring immediate action. Landlord shall promptly reimburse Agent for the same, as otherwise provided herein.

C. **Utilities.** It is the Landlord’s responsibility to connect services for all utilities in the Landlord’s name during vacant periods. Agent can provide relevant forms for connection of said services.

D. **Home Warranty Programs.** It is understood and agreed that Agent does not facilitate or is obligated to work with Home Warranty Programs.

E. **HVAC Service Contract.** Landlord agrees to provide an HVAC Service Contract for routine inspections and emergencies.

8. PERSONAL PROPERTY AND HAZARDOUS MATERIALS. All existing 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 Landlord’s risk. Landlord shall not store or keep hazardous materials on the property, including but not limited to, paint, pesticides, and combustible items. Hazardous materials left on property will be removed by the Agent, with costs assumed by the Landlord.

9. INSPECTIONS. Agent shall make an initial inspection of the Premises when vacated by Landlord and prior to occupancy of Premises by Tenant. A property condition inspection report will be made when 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. 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 Landlord 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 in excess of $500.00, or in the event Landlord requests that Agent coordinate repairs that will cost in excess of $500.00, Landlord will be responsible for approving the corrective action and Landlord shall be the signatory on all proposals and/or contracts for the undertaking of the corrective action.

Landlord agrees that Agent makes no representations as to the quality of the work or the performance of any contractor authorized by the Landlord to perform the corrective action. 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 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.

11. MOLD REMEDIATION. Agent shall have no maintenance obligations with respect to Premises relating to any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, 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 Landlord, and on behalf of Landlord, hire a qualified contractor for the purposes of 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. Landlord shall indemnify and hold harmless Agent from all costs, expenses, suits, liabilities, damages and claims of every type by reason of actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria on or within the Premises. Should Landlord 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 Landlord.

12. INSURANCE. Landlord will provide 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 the Landlord provides a certificate of coverage to the Agent within 10 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.

13. INDEMNIFICATION OF AGENT. Landlord indemnifies 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, 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 and interpretation of this Agreement and the performance due hereunder.

15. DISCLOSURES.

- Landlord ☐ will or ☐ will not permit smokers.
- Landlord ☐ will or ☐ will not permit pets. ☐ Case by case ☐ No cats ☐ Pet deposit ☐ Pet rent
- Landlord ☐ will or ☐ will not consider HUD subsidized housing.
- Landlord ☐ will or ☐ will not require a Transfer Clause for early lease termination.
- 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.
- Property availability date: __________________________ Property list date: __________________________

16. 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.

17. ADDITION 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, 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: __________________________

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Revised December 28, 2017
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