



**PROFESSIONAL PROPERTY MANAGEMENT
OF NORTHERN VIRGINIA, INC.**

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PROPERTY MANAGEMENT AND LEASING AGREEMENT

THIS AGREEMENT entered into _____, 20_____, by and between _____ (hereinafter called OWNER) who owns or has the right to lease the Premises as described below and Professional Property Management of Northern Virginia, Inc. (hereinafter called AGENT) who, in consideration of the covenants contained herein, agree as follows:

1. The OWNER hereby employs the AGENT to rent and exclusively manage the property known as:

_____ (hereinafter referred to as PROPERTY) upon the terms hereinafter set forth, and thereafter unless either party hereto shall notify the other in writing that it elects to terminate the Agreement. In such case, this Agreement shall be terminated upon such notification without penalty or fee. Should this Agreement be terminated for any reason whatsoever, the AGENT agrees to promptly remit to OWNER all funds due OWNER and OWNER agrees to promptly remit to AGENT all funds due AGENT. OWNER acknowledges that AGENT intends to fully comply with all federal, state, and local laws, ordinances, and regulations prohibiting discrimination based on race, color, sex, religion, national origin, mental or physical handicap, familial status, children, elderliness, marital status, ancestry, sexual orientation, or source of income. In signing this Agreement OWNER thereby agrees to also fully comply with said laws, ordinances, and regulations. **OWNER states that he does not own more than four rental properties within the State of Virginia that are subject to lease agreements.**

2. THE OWNER AGREES TO GIVE THE AGENT THE FOLLOWING AUTHORITY AND POWERS, ALL OR ANY OF WHICH MAY BE EXERCISED IN THE NAME OF THE OWNER:

- (a) to negotiate, prepare, and execute new leases (AGENT is authorized to sign all leases as AGENT for LANDLORD) and to renew and/or cancel existing leases; to collect funds from tenants in accordance with the Deed of Lease; to sign and serve notices as are deemed needful to terminate tenancies; to institute actions and/or prosecute to evict tenants and recover possession of the PROPERTY; to sue for and attempt to recover rent and/or damages; and when expedient, to settle, compromise, and release such actions or suits, or reinstate such tenancies.
- (b) to make or cause to be made, at OWNER'S expense any repairs and replacements necessary for the upkeep and protection of the PROPERTY and for operating efficiency thereof in accordance with lease requirements, governmental regulations or insurance requirements; to order, at OWNER'S expense, when required, utilities and/or other services and to pay any subsequent charges for any of the above from OWNER'S account. Except for emergency repairs, an expenditure shall not exceed \$300.00 without prior authorization from OWNER.
- (c) to give adequate written notice and appropriate information to the AGENT if payment from OWNER'S account is to be made for taxes, insurance premiums, homeowners and/or condo fees or any other such disbursements when specifically requested by OWNER.
- (d) to place PROPERTY in multiple listing service with a MRIS keysafe/lockbox and display a FOR RENT sign unless prohibited by local ordinance or condo regulations; to advertise the property for rent if appropriate and to make the PROPERTY available to all persons as described in paragraph one as required by applicable law.

3. OWNER FURTHER AGREES:

- (a) to provide AGENT with a copy of fire and liability insurance policies in force and, if OWNER deems it necessary, to provide coverage for water damage or other coverage the OWNER deems appropriate. To install or have AGENT install smoke detectors or related equipment required by applicable law or regulation before occupancy by tenants.
- (b) to indemnify, defend, and save the AGENT harmless from all suits in connection with the PROPERTY (unless AGENT has acted in a negligent manner) and from liability for damage to property and injuries to or death of any persons whomsoever, and to carry at OWNER'S expense an Owner Landlord Tenant (OLT) liability insurance policy with a minimum liability coverage of \$500,000.00, naming the OWNER and AGENT to protect their interests and in form and substance reasonably satisfactory to the AGENT, and to furnish the AGENT certificates evidencing the existence of such insurance. Unless the OWNER shall provide such insurance and furnish such certificate within thirty (30) days from the date of this Agreement, the AGENT may, but shall not be obligated to, place said insurances and charge the cost to the account of the OWNER.
- (c) to pay all expenses incurred by the AGENT, including without limitation attorney's fees for counsel employed to represent the AGENT or the OWNER in any proceeding or suit involving an alleged violation by the AGENT or OWNER, or both, of any constitutional provision, statute, ordinance, law, or regulation of any governmental body pertaining to the Federal Fair Credit Reporting Act, environmental protection, or fair housing, including without limitation, those prohibiting or making origin in the sale, rental, or other disposition of housing any services rendered in connection therewith (unless the AGENT is finally adjudicated to have personally and not in a representative capacity violated such constitutional provision, statute, ordinance, law, or regulation) but nothing herein contained shall require the AGENT to employ counsel to represent OWNER in any such proceeding or suit.
- (d) The AGENT assumes no liability for any acts or omissions of the OWNER, or previous OWNERS 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 OWNER or in the performance of any obligations owed by tenant to the OWNER 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 this Agreement. Any such regulatory violations or hazards discovered by the AGENT shall be brought to the attention of the OWNER and the OWNER shall promptly cure them.
- (e) that the AGENT shall not be held liable in the event of bankruptcy or failure to the depository bank or loan association where the monies due the OWNER are deposited in the fiduciary account. AGENT will keep such deposits in federally insured depository in the State of Virginia in accordance with Virginia Law.
- (f) that the Agent and/or Tenant(s) assume no financial liability for any personal property or possessions that the OWNER leaves in the PROPERTY at the time the PROPERTY is vacated. These items are provided "as is".

4. THE AGENT AGREES TO RENT (Unless OWNER or another agent employed by OWNER elects to secure a tenant) AND MANAGE THE PROPERTY UNDER THE TERMS SPECIFIED IN PARAGRAPH ONE AND TO ACCEPT THE POWERS AND AUTHORITY GIVEN BY OWNER IN PARAGRAPH TWO OF THIS AGREEMENT, PROVIDING THE OWNER CONCURS THAT AGENT:

- (a) will collect from the tenant, prior to and/or at occupancy of the PROPERTY, a security deposit equivalent to at least one month's rent or an increased amount as required under a lease agreement, rent in full or a prorated amount from date of occupancy and if appropriate a pet deposit or as directed by OWNER. Where the management of the PROPERTY is transferred by OWNER to AGENT during the term of a tenant's occupancy, the security deposit in OWNER'S possession or that of another agent shall be paid to Professional Property Management upon commencement of this Agreement. Said security deposit and any accrued interest due tenant, as required by law, will be returned to the tenant less any forfeiture or justifiable deductions for damages. Any such forfeiture or deductions will be credited to OWNER'S account. OWNER acknowledges that AGENT may retain excess interest over amount required to be paid to tenant by law to cover costs of administration. AGENT has authority to act on behalf of OWNER to make payments and/or negotiate debts pertaining to the subject property. This includes, but is not limited to debts for homeowners association, condominium fee payments, etc.

- (b) will endeavor to collect rents when due in accordance with the terms of the lease now in effect or which may be executed in the future, keep accurate records of the receipts, credit them to OWNER'S account, and deposit all funds into AGENT'S operational account.
- (c) may, at its discretion, collect from the tenants a late rent administrative charge, a non-negotiable check charge, a credit report fee, a lease change administrative fee and a broker's commission upon the releasing of the property at tenant's request. These charges and fees are business related and shall be retained by the AGENT.
- (d) will make any or all disbursements from OWNER'S account with AGENT as authorized in paragraph two and keep accurate records of such disbursement; provided, however, that there are sufficient funds immediately available in said account. In no event shall AGENT be expected or obligated to advance and disburse any of its own money, or any money owed as compensation to AGENT for its services hereunder, for that purpose; nor shall AGENT be liable nor responsible in any way whatsoever for any default or consequences thereof in the terms of any trust or mortgage or payment of rent by tenant. (In case the disbursements and charges shall exceed the receipts, the OWNER agrees to pay such excess promptly, but nothing herein contained shall obligate the AGENT to advance its own funds on behalf of the OWNER.) Balances of rent are remitted on or before the 10th of each month.
- (e) will make an initial inspection and condition report of the property when vacated by OWNER or immediately prior to occupancy of property by the tenant. Subsequent inspections will be made at least every six months (a copy of the inspection will be sent with the next monthly accounting statement) or more frequently if necessary. In addition, a condition report will be prepared when tenants vacate property to determine non-fair wear and tear to property.
- (f) will when vacancies occur, take reasonable precautions to safeguard PROPERTY and maintain such in suitable condition of rental purposes. These precautions include but are not limited to continuance of utility services, lawn care, trimming of shrubs, and removal of trash and snow if deemed necessary to show a vacant property. Any costs incurred as a result of the above shall be at OWNER'S expense.
- (g) will make or cause to be made at OWNER'S expense, which limitations of paragraph two (b) of this Agreement, any repairs and replacements necessary for the upkeep and protection of the PROPERTY and for the operating efficiency thereof, including all appliances left with the PROPERTY as specified on the Management Information Record which is considered part of this Agreement. AGENT will not make or cause to be made, any structural changes or any other major alterations or additions to PROPERTY without the prior written direction of OWNER.
- (h) will provide OWNER with copies of paid invoices; a periodic statement of said account; a year-end summary of OWNER'S account; and a Form 1099 reporting rents received for the PROPERTY.

5. IT IS MUTUALLY AGREED THAT:

- (a) this Agreement must have attached to it a completed Management Information Record.
- (b) the OWNER will provide the AGENT with all current warranties on installed equipment, all current contracts or maintenance and/or repair services, and the names and phone numbers of any tradespeople OWNER wishes AGENT to utilize as needed.
- (c) the AGENT reserves the right to place a lien against the PROPERTY and the rents collected or to be collected under a Deed of Lease for any advances or expenditures made personally by the AGENT for the benefit of the OWNER and real property and improvements thereon and not thereafter reimbursed to AGENT by OWNER.
- (d) OWNER will maintain on deposit in an account with AGENT a minimum balance of \$300.00 as a maintenance and repair reserve. When AGENT is required to make payment on Homeowners Dues, or Condominium Fees, OWNER will maintain on deposit in an account with AGENT a total of one month's amount of payment(s) to be made.

OWNER deposits are held in escrow account which may bear interest, AGENT shall retain any interest that may accrue.

- (e) OWNER will pay AGENT a leasing commission, separate and apart from the management fee consisting of 90% of the monthly rent for a one year lease (commission prorated if less than 1 year but not less than 45%) and 25% of a month's rent for each additional year (commission is prorated if less than a full year) when a tenant has been procured and a lease executed. If the OWNER secures a tenant and PPM handles the entire lease process and move-in, a leasing commission of 25% of a month's rent will be charged regardless of the length of the lease, unless PPM has listed the property in MRIS and marketed the property in which case a leasing commission of 45% of a month's rent will be charged regardless of the length of the lease. In any instance where the AGENT is required to negotiate and execute a lease renewal or extension the OWNER will pay the AGENT a renewal commission consisting of 25% of the monthly rental figure for each additional year of the lease renewal or extension or a prorated amount of renewals or extensions shorter or longer than one year. Said commissions are to be paid to AGENT out of the proceeds of the rent collected from tenant for the first month's rent or lease period. When properties are listed in MRIS the AGENT is authorized to make a unilateral offer of cooperation and compensation to other agents in the MRIS that the AGENT deems appropriate and to disseminate information about the property by printed form and/or electronic computer services.

If the PROPERTY is a furnished rental the OWNER agrees to pay a leasing commission based on one month's rent for a one year lease. Leases shorter or longer than one year will have the commission prorated based on 8.33% per month of rent, plus a \$150.00 administrative fee for each transaction less than one year.

THE LEASING OR RENEWAL COMMISSION IS NON-REFUNDABLE

- (f) as compensation for management services, OWNER will pay AGENT a property management fee amounting to 8.25 percent or \$100.00 minimum of the monthly rent. These fees shall be deducted by AGENT from OWNER'S account.
- (g) OWNER agrees that if the PROPERTY is a furnished rental a minimum fee of \$100.00 per month will be assessed during any vacancy.
- (h) OWNER agrees that if the PROPERTY becomes vacant and is placed on market for sale a full monthly management fee will be assessed if AGENT handles the utilities, continues to make condo or HOA payments or coordinates repairs/improvements to PROPERTY until the PROPERTY goes to settlement.
- (i) OWNER agrees that if the PROPERTY becomes vacant and owner is returning to PROPERTY a full monthly management fee will be assessed if AGENT handles the utilities, continues to make any condo or HOA payments or coordinates repairs/renovations to PROPERTY and generally acts as a caretaker until OWNER arrives to take occupancy. AGENT may charge an additional fee agreed upon in writing with OWNER when arranging for renovations beyond estimates for normal painting and carpet replacement.
- (j) OWNER agrees to pay agent a fee of ten (10) percent of the cost for non-management services rendered at OWNER'S request in connection with the PROPERTY. Non-management services performed by AGENT that is, in AGENT'S sole discretion, not considered normal management duties. Non-management services include, but are not limited to AGENT arranging for renovations, additions and improvements to the property or securing insurance.

This Agreement is entered into and made with complete understanding, accord, and without reservations. It shall be binding upon the successors and assigns of the AGENT and the heirs, administrators, executors, successors, and assigns of OWNER. It is valid only when signed by the Property Manager and upon receipt of information and monies as outlined in paragraphs three (a), (b) and five (a), (b), (d).

In witness, whereof, the parties have affixed or caused to be affixed their respective signatures and seals this _____ day of _____, 20_____.

Listing Agent

Owner

Social Security or Tax ID No.

Property Manager

Owner

Social Security or Tax ID No.