



11351 Random Hills Road
Fairfax, Virginia 22030
703-359-1600

PROPERTY MANAGEMENT AND EXCLUSIVE LEASING AGREEMENT

This AGREEMENT, made this _____ day of _____, 20____, by and between

_____ legal owner(s) of the below referenced property, hereinafter referred to as Owner, and LONG & FOSTER REAL ESTATE, INC., hereinafter referred to as Agent, constitutes the complete and entire agreement concerning leasing and management of the UNFURNISHED property known as

_____ Year Built:_____ hereinafter referred to as Property.

Owner hereby warrants and represents that it is the legal owner of the subject property.

Agent herein represents that it is duly licensed and bonded to engage in the business of real estate property management and sales and is in compliance with all requirements set forth by state and municipal governments and will abide by all federal, state and local laws, ordinances and regulations governing fair housing rules and practices regarding discrimination.

Owner acknowledges that Agent intends to fully comply with all federal, state and local laws, ordinances and regulations prohibiting any form of discrimination including, but not limited to all federal, state and local bases of discrimination. In signing this Agreement Owner thereby agrees to also fully comply with said laws, ordinances and regulations.

NOW, THEREFORE, in consideration of the premises and the covenants herein contained, it is hereby agreed by and between the parties hereto as follows:

1. TERMS -

(a) Owner employs Agent exclusively and grants Agent the necessary authority to manage the Property for a period of _____ year(s), beginning on _____, 20____, and ending on _____, 20____, and continuing thereafter for periods of twelve months, unless 60 days prior to the last day of any original or renewal period, of this agreement, either party elects to terminate.

(b) If, after the original 120 days of this Agreement, the Property remains unrented, either Agent or Owner may, upon written notice, terminate this Agreement, which shall then be considered null and void. In the event Owner terminates the Agreement Owner agrees to forfeit the initial \$200 deposit to Agent.

2. RENTAL AMOUNT -

Owner authorizes Agent to accept leases for a monthly rental of \$_____, or such other amount as may be deemed acceptable by Agent, but in no event less than \$_____ without Owners approval.

3. ADMINISTRATIVE FEES -

Owner agrees to provide a non-refundable \$95.00 set-up fee with this signed Agreement. An annual fee of \$50.00 will be charged on the anniversary date of this Agreement.

4. MANAGEMENT DEFINED - Owner grants authority to Agent to perform management activities and Owner agrees to assume all expenses in connection with the management of the property. Management of the Property is defined as:

- (a) Acting for Owner for the purpose of securing and/or renewing lease contracts.
- (b) Using generally accepted procedures to procure tenants for vacancies as they occur. This may include advertising, using multiple listing services, placing of sign and lockbox on Property, and removing any other sign if necessary.
- (c) Using generally accepted procedures to evaluate applicants for their suitability as tenants, which may include obtaining credit and reference verifications in connection therewith.
- (d) Receiving all rent and other monies due from tenant. (See Paragraph 6). Nothing in this Agreement shall be construed as a guarantee by Agent of payment of rents or other charges by tenant, nor as a guarantee of the negotiability of tenant's checks.
- (e) Remitting all monies due Owner under the terms of this Agreement.
- (f) Maintaining accurate records of rental income and expenditure for the Property; furnishing Owner such records from time to time as Owner may require; submitting at the end of each calendar year Internal Revenue Service Form 1099 indicating rents received for the Property.
- (g) Arranging for necessary maintenance of the Property.
- (h) Survey Property at least once a year during the tenancy, and at the termination of tenant's occupancy.
- (i) Initiating legal action (if and when required) to protect Owner's and/or Agent's interests.
- (j) To terminate tenancies and to sign and serve or have served such notices as are deemed necessary by Agent; to institute and prosecute actions to evict tenants and recover possession of Property; to sue and recover rent; when expedient, to settle, compromise and release any such actions or suits, or reinstate any such tenancies.
- (k) To enter into contracts in the Owner's name, and at Owner's expense, for electricity, gas, fuel, water, sewer, trash removal and other services to and for the Property. Agent does not guarantee vendors. Agent may terminate provision in Owner's name of such services when Property is occupied by a tenant and the lease holds the tenant responsible for such services.
- (l) To install smoke detectors or any other equipment required by applicable law or regulation before occupancy by tenants and to provide tenant with certification thereof.
- (m) Negotiate accommodations/concessions as may be necessary to resolve disputes between Owners/Landlords and tenants.

5. LEASES -

- (a) Agent shall negotiate and execute leases on Owner's behalf. Agent will also be authorized to cancel or modify leases. Owner grants Agent authority to uphold Owner's obligations under the lease contract with tenant.
- (b) Leases are to be written on the lease form provided by Agent.
- (c) Leases are to be written for a minimum term of one year and a maximum of _____ years. It is expressly understood that Agent has the authority to execute leases on Owner's behalf for periods of time which may be longer than the term of this Agreement, and that the termination of this Agreement has no effect on the validity of leases executed by Agent prior to such termination.

6. RECEIPTS FROM TENANT -

- (a) Agent shall receive rents and/or assessments or other amounts due in accordance with the terms of any lease now in existence or which might be executed in the future pursuant hereto.
- (b) Agent shall collect from tenant, prior to occupancy of Property, rent due in advance plus security deposit equivalent to at least one month's rent. When Owner transfers the management of Property to Agent during the term of a tenant's occupancy, the security deposit plus accrued interest in Owner's possession, or as indicated on existing lease, shall be paid to Agent upon the commencement of this Agreement. The security deposit is to be held in escrow by Agent for the duration of the lease and any extension thereof, and Agent shall pay interest on such security deposit as may be required by law. Any interest earned above that which is payable to tenant shall be retained by Agent to cover costs of administration. Owner hereby waives any right to interest that may accrue on tenant's security deposit.
- (c) From time to time Agent collects from tenant any or all of the following: a late rent administrative charge (which may be identified as additional rent in the lease), a non-negotiable check charge, an application processing fee, a change-lease administrative charge, and a broker's commission upon the re-leasing of the Property at tenant's request. It is understood and agreed that these sums of money belong to Agent and Agent need not account to Owner for such receipts.

- (d) Nothing in this Agreement shall be construed as a guarantee by Agent of payment of rents or other monies due from tenant, nor as guarantee of the negotiability of checks given for payment by tenants.
- (e) Agent shall refund tenant's security deposit at the expiration of tenant's occupancy according to law and the terms of the lease. Prior to such refund, Agent shall make a reasonable visual comparison of pre-tenancy and post-tenancy surveys and accumulated normal wear and tear evident therein, and shall determine the amount of tenant's security deposit to be refunded, if any. Otherwise, Agent shall determine if any additional amounts are to be paid by tenant for expenses incurred by Owner or Agent to return the property to the condition in which tenant should have left it. Such decisions shall be made at Agent's sole discretion. Agent assumes no responsibility for the condition of the Property or for the performance by tenant of the terms of the lease.
- (f) It is understood and agreed that Agent has a first lien against all monies collected or to be collected for any non-reimbursed expenses incurred and fees paid or earned by Agent for the benefit of Owner, or due to Agent per the terms of this Agreement.

7. DISBURSEMENTS TO OWNER -

- (a) Agent will promptly remit the balance of all sums due Owner under the terms of this Agreement. Such payments may be made directly to Owner, deposited in a bank account maintained by Owner, or otherwise handled as directed in writing by Owner.
- (b) Disbursements will be made to Owner expeditiously upon receipt of rent and shall continue to be made to Owner thereafter for the balance of all sums due Owner, in excess of operating fund, re-occurring payable funds and projected expenses as outlined in this Agreement.
- (c) Funds due to Owner are defined as residual funds in account after payment of all monies due Agent, vendors, or for replenishment of reserves.

8. MORTGAGE/TRUST/CONDO/HOA/PUD PAYMENTS -

- (a) If requested and authorized in writing by Owner, Agent shall make payments on the trusts or mortgages secured by the Property according to the schedule of payment to be provided by Owner.
- (b) Owner agrees to remit the amount of one month's mortgage payment with this Agreement and to maintain same in the management account held by Agent. Agent shall make payments monthly beginning with the payment due on _____20____, according to the schedule of payment to be provided by Owner.
- (c) Owner agrees that funds sufficient to cover the mortgage payment shall be available in the management account prior to the first of each month. In no event shall Agent be expected or obligated to advance or disburse any of Agent's own funds, or any funds owed as compensation to Agent for Agent's services. If, however, Agent does advance any funds on Owner's behalf, Owner agrees to promptly reimburse Agent upon request and in any event prior to the termination of this Agreement. Interest on any funds advanced will start to accrue after 30 days at an interest rate of 12% per annum.
- (d) while Agent agrees, in accordance with the foregoing, to make timely payments according to the schedule of payment provided, Agent shall not be liable or responsible in any way whatsoever for defaults, or any consequences thereof, of the terms of any trust or mortgage if sufficient funds are not available for such payment.
- (e) Owner hereby requests that Agent make mortgage payment according to the provisions of this Agreement.
- (f) Condominium, HOA, PUD, and any other re-occurring payment will be subject to all of Paragraph 8 provisions.

Signature of Owner

Signature of Co-Owner

9. FEES AND COMMISSIONS -

- (a) Owner agrees to pay Agent each month for the previously defined property management services, a management fee equal to ___% of the monthly rent specified in the existing lease, but no less than \$70. During vacancies, at the option of the Agent, Owner agrees to pay Agent a management fee equal to 4% of the agreed minimum acceptable rent or \$45, whichever is greater. Agent is authorized to charge said fees to Owner's management account and to deduct such fees from rents or other sums accruing to Owner's account. Said fees will be paid first, having priority over any other payments to be made from Owner's account. In the event Owner's account lacks sufficient funds to cover said fees, Owner will promptly remit same to Agent upon notification of such shortfall.
- (b) Owner agrees to pay Agent a fee of twenty percent (20%) of the cost up to \$1,000 and ten percent (10%) of the cost over \$1,000 for non-management services rendered at Owner's request in connection with the Property. Non-management services are defined as any service performed by Agent that is, in Agent's sole discretion, not considered necessary for tenant occupancy. Non-management services include, but are not limited to Agent's arranging for renovations, additions, and/or improvements to the Property, renovation of the property for owner occupancy, and securing alternative or additional mortgage financing. Nothing in this Agreement obligates Agent to provide non-

management services. If Agent agrees to secure such services, it will use its best efforts, but Agent does not guarantee in any way the work to be performed. If Agent agrees to secure such services for Owner, the fee due Agent shall be treated as all other fees due Agent under this Agreement.

- (c) Owner agrees to pay Agent a leasing commission upon execution of a lease. This leasing commission is separate and apart from the property management fee specified above. The commission shall be _____ for a lease of one year, and _____ percent (%) of the new monthly rent for each additional year of the lease. The commission for any lease renewal shall be twenty-five percent (25%) of one month's rent for each year of the renewal term. If a lease is extended for less than six months, or extended on a month-to-month basis, a commission of twenty-five percent (25%) of one month's rent shall be charged. These commissions are non-refundable and no rebate shall be allowed for early lease termination by either party or for default under the lease.
- (d) Owner agrees to pay a sales commission of six percent (6%) of the gross sale or exchanged price of the Property if, during the term of the tenancy or within 120 days after tenant vacates, Owner sells or agrees to sell Property to tenant or exchange or agree to exchange it with tenant for other property of any kind and wherever located. Owner understands and agrees that the sales commission provided for herein shall be due according to the terms herein regardless of whether this property management agreement is terminated prior to the sale or exchange of Property. The purpose of paragraph (d) is not to solicit a listing of the property.
- (e) Agent reserves a first lien against all rents collected or to be collected for any amounts due Agent under the terms herein. In addition, all records pertaining to Property which are in the possession of Agent, other than statements of accounts, shall be withheld pending full payment by Owner of all monies due Agent under the terms herein.

10. RECORDS, ACCOUNTS and REPORTS -

- (a) A Residential Management Information Sheet shall be completed by Owner, and shall be considered a part of this Agreement.
- (b) Owner shall submit to Agent any documentation required by any governmental body; to include, but not limited to, IRS tax forms, local rental licenses, and lead based paint disclosures/registrations or certifications as required by local jurisdictions.
- (c) Agent shall establish a management account for Owner. All monetary transactions involving the Property shall be recorded and a Statement of Account provided to Owner.
- (d) Owner shall deposit into the management account an operating fund of \$200 (See Sec. 11b), plus, if applicable, an amount equal to one month's mortgage payment(s) and any additional prescheduled payments. (See Sec. 8). The total amount of operating funds required shall be indicated on the Statement of Account as "REQUIRED MIN BAL". Owner must note any balance due indicated on his or her monthly statement and promptly remit funds due to Agent.

11. MAINTENANCE -

- (a) Owner authorizes Agent, and Agent agrees, to attend to necessary maintenance, repairs and, upon vacancies, cleaning of the Property, and to purchase incidental supplies thereof at Owner's expense. Except in the event of emergencies, no single expenditure expected to exceed \$300 will be made without Owner's authorization. It is agreed and understood that emergency repairs are those which in Agent's sole discretion are necessary to protect the Property from further damage or to maintain habitability as called for by law or lease provisions.
- (b) Owner agrees to deposit the sum of \$200 in the management account as set forth in Sec. 10(c). Agent may use said funds for routine repairs. This fund shall be replenished from rent monies collected by Agent or by Owner at Agent's request. Such request may take the form of a personal communication (letter, cable, telephone, etc.). Owner shall review monthly account balance and fund account promptly when balance is below minimum.
- (c) Agent will diligently strive to hire, on Owner's behalf, competent, licensed and insured contractors/vendors; however, it is understood and agreed that Agent makes no warranty or guarantee of competence or performance of vendors.
- (d) For emergency situations and after-hours maintenance Agent cannot guarantee the use of specific contractors.

12. PROPERTY SURVEYS -

- (a) Agent will make reasonable visual surveys of the Property at the commencement of tenancy, at least once a year during the tenancy and at the termination of tenant's occupancy. Agent may make additional surveys as Agent deems (in its sole discretion) to be necessary.
- (b) Agent's surveys at tenant's occupancy and termination will include a written report of the general condition of the Property but does not warrant condition of said Property. Agent will provide Owner with a copy of such occupancy survey report.
- (c) In the event of a known vacancy, Agent will take what it deems in its sole discretion to be reasonable precautions to safeguard Property, and Owner agrees to arrange for proper insurance coverage.

13. INSURANCE -

- (a) Owner shall obtain and keep in effect during the term of this Agreement, at his own expense, fire and adequate vandalism insurance on the Property. Owner shall provide Agent with copies of the front page (declarations page) of said insurance policies.
- (b) Owner shall obtain and keep in effect on the Property, during the term of this Agreement and at his own expense, public/premise liability insurance, known as Owners, Landlords and Tenants Insurance or Extended Premise Liability Insurance, with minimum liability coverage of \$500,000. Owner shall make his best efforts to name Agent as an additional insured or as their interest may appear (ATIMA). Condo owners shall secure separate liability protection because the Condo Master Policy does not give liability protection to the interior of the unit. Owner shall furnish to Agent a copy of the front page of said policy or certificate(s) evidencing the existence of such public/premise liability insurance in form and substance satisfactory to Agent. Owner shall provide said insurance and furnish said policy/certificate within ten (10) days from the date of this Agreement. Agent shall not be obligated to place said insurance nor keep said insurance in effect, however, should Owner fail to provide said policy/certificate Agent is authorized to procure said insurance, and charge to Owner the expense therefor. Nothing contained herein, however, shall obligate Agent to procure said insurance, and in the event no insurance naming the Agent as insured is in effect, Owner's indemnities of Agent set forth in Section 13(d) shall apply and be in full force and effect.
- (c) If for any reason, the Property remains vacant for thirty (30) days or more, Owner shall obtain and keep in effect for said period, at his own expense, adequate vacant property insurance.
- (d) Owner agrees to indemnify, defend and save Agent harmless from all suits in connection with the leasing and managing of the Property and from liability for damage to any other Property and for injuries to or death of any person or persons.

14. LAWS, COVENANTS, AND CODES -

- (a) Owner shall inform Agent and provide documents of any easements, covenants and/or regulations that would affect a tenant's occupancy, as well as keys, cards, stickers, codes, etc. and information concerning any special move-in rules, maintenance, key service, security, intercoms, parking, storage, etc. Owner will advise Agent of any matters affecting Property and its management of which Owner is aware during the term of this Agreement. In the event tenant or Agent incur any loss due to Owner's non-disclosure of such matters, Owner shall reimburse tenant and/or Agent for such losses. As to any such losses of Agent, reimbursement for such losses shall be allowed as provided herein.
- (b) It is agreed that Agent assumes no responsibility for any building or equipment compliance with the requirements of any statute, ordinance, law or regulation of any governmental body or public authority, except to notify Owner promptly of any complaints, warnings, notices or summons received by Agent relating to such matters. Owner represents that, to the best of his knowledge, Property and its equipment comply with all such requirements. Owner hereby authorizes Agent to disclose the ownership of the Property to governmental officials, in the event any such complaints, etc. are received by Agent. Owner agrees to indemnify, defend and hold Agent harmless, as well as vendors and employees from all loss, costs, expenses and liability whatsoever which may be incurred by or imposed on them by reason of any violation or alleged violation of any such statutes, ordinances, laws or regulations.
- (c) It is agreed that, in the event it is alleged or charged that any condition of Property or its equipment, or any act or failure to act by Owner with respect to Property, constitutes a violation of any constitutional provision, statute, ordinance, law or regulation of any governmental or public authority having jurisdiction therefor; and Agent, in its sole discretion, considers that the action or inaction or position of Owner with respect thereto may result in damage or liability to Agent, Agent shall have the right to cancel this Agreement at any time by written notice to Owner of its election to do so, which cancellation shall be effective upon service of such notice. Such notice may be served personally or by electronic mail, fax, and regular mail or by registered or certified mail to Owner's last known address, and if served by mail shall be deemed to have been served when deposited in the mails. Such cancellation shall not release the indemnities of Owner as set forth herein and shall not terminate any liability or obligation of Owner to Agent for any payment, reimbursement or other sum of money due and payable to Agent.
- (d) Unless the Agent is finally adjudicated to have personally, and not in a representative capacity, violated a constitutional provision, statute, ordinance, law or regulation, Owner agrees to indemnify, defend and save Agent harmless from all claims, investigations and suits with respect to any alleged violation of any local, state or federal laws and regulations relative to Property, it being expressly agreed and understood that, as between Owner and Agent, all persons acting in connection with Property are employees of Owner and not Agent. Owner's obligations under this paragraph shall include payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expenses and attorney's fees.

15. LEGAL ACTIONS -

- (a) In the event of any legal action in relation to this Agreement, or to the management or leasing of Property, Owner shall pay any and all legal and attorney's fees incurred by Agent or its representatives in connection therewith. In litigation between the parties to this Agreement the losing party will pay the prevailing party's legal fees.
- (b) Agent shall give notices to tenant in the event of non-payment of rent, and shall take further legal action as may be necessary.
- (c) Owner shall pay all expenses incurred by Agent, including, without limitation, attorney's fees for counsel employed by Agent for Owner in any proceeding or suit to terminate tenancies, serve notices as required by law, evict tenants, recover possession of Property and collect judgments on Owner's behalf.
- (d) In the event of any such legal action as set forth in Sec. 15(c), Owner hereby authorizes Agent to retain an attorney whom Agent deems appropriate.

16. TERMINATION OF AGREEMENT -

- (a) As specified in Sec. 1(a), this Agreement may be terminated by either party upon written notice received 60 days prior to the last day of any original or renewal period.
- (b) If Owner qualifies under the diplomatic/military clause of any existing lease and is returning to the area and plans to occupy the Property, Owner may terminate this Agreement by giving Agent a 30 day written notice, five business days prior to the notification time period specified in the diplomatic/military clause of any existing lease. Such written notice shall include an official copy of Owner's returning orders. This Agreement shall terminate when current tenant vacates and security deposit disbursed, unless Agent is requested to prepare the Property for the return of Owner. Par. 9(b).
- (c) Except as provided above, this Agreement may be terminated by Owner before the current management termination date by giving sixty (60) days prior written notice to Agent, provided that such notice is accompanied by payment to Agent of a cancellation fee in an amount equal to fifty percent (50%) of the management fee due for each month remaining on the lease most recently ratified.
- (d) In the event of termination of this Agreement, Agent shall remit to Owner all money held or received by Agent and due Owner less any sums due Agent hereunder, and Owner shall remit to Agent all money, due Agent, if any, in excess of any sums held by Agent.
- (e) Termination of this Agreement shall not release the indemnities of Owner set forth above, and shall not terminate any liability or obligation of Owner to Agent for any payment of money due and payable to Agent hereunder.
- (f) This Agreement shall terminate and management responsibilities shall cease if Property becomes vacant and Owner places Property on the market for sale. Agent assumes no responsibility to contract for repairs, improvements or upgrades to market Property for sale. Should Owner wish to continue to use Agent's services, owner must execute a Custodial Management Agreement for the Property.

17. **INVALID TERMS** - If any term, covenant, condition, or provision of this Agreement, or the construction thereof to any person or circumstance, shall to any extent be deemed invalid or unenforceable, the remainder of this Agreement, or the construction of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

18. **WAIVER OF BREACH** - No waiver or oversight of any breach of any covenant, condition or agreement contained, or compromise or settlement relating to such a breach shall operate as a waiver of the covenant, condition or agreement itself, or any subsequent breach.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement concerning _____
_____, without any additions, and a copy of the
executed Agreement is provided to each of the parties.

(ALL LEGAL OWNERS MUST SIGN)

**FEDERAL GOVERNMENT
REPORTING REQUIREMENTS**

Are you a citizen of the United States?
Yes _____ No _____
If Yes, complete form W-9 and forward with
this document.

If No, do you reside in the continental United
States?
Yes _____ No _____
If Yes, complete forms W-9 and forward
with this document.

If No, complete form W-8ECI or W-8BEN
and forward with this document.

If Owner does not have a U.S. tax
identification number or social security
number Owner must apply for a tax
identification number through a form W-7.

Signature _____ (SEAL)
Owner

Date: _____
Social Security Number
or Tax I.D. Number

Signature _____ (SEAL)
Co-Owner

Date: _____
Social Security Number
or Tax I.D. Number

Listing Agent of Record

Listing Office

This Agreement will only be valid when counter-
signed by the Vice President of Agent's Property
Management Division and upon receipt of
information and monies as outlined in Sec. 3,
8(b)(c)(f), 10(b) & 11(b). The Housing Condition
Questionnaire is a part of this Agreement.

Selina James
Vice President
Property Management Division