



**Property Management and Exclusive Rental Agreement
(Montgomery County, Maryland and Washington, DC)**

This Agreement, made on _____, by and between _____, hereinafter referred to as "Owner" who represents that he has the right to lease the property located at _____ Year Built _____ and _____, hereinafter referred to as "Agent". It is understood that the Agent and Owner shall abide by federal, state and local laws, ordinances and regulations governing fair housing rules and practices regarding discrimination, as well as all other pertinent laws.

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

1. TERMS AND RENEWAL: The Owner hereby exclusively employs the Agent to rent, lease, operate and manage the above referenced property upon the terms hereinafter set forth for the period of _____ beginning on _____ and ending on the _____ and thereafter for annual periods unless on or before sixty (60) days prior to the date last above mentioned or any annual renewal date after the end of the existing term, either party hereto shall notify the other in writing of its intention to terminate this Agreement at the expiration of said term in which case this Agreement will be terminated.

The Property will be available for occupancy on or about _____. The Property is within the _____ (print name of common ownership community, if applicable).

2. RENTAL RATE/TERMS: Owner hereby authorizes Agent to offer the Property for rent at a monthly rental of \$_____, Agent shall negotiate and execute leases in his best judgment to secure the highest reasonable rent attainable consistent with the circumstances and existing rental conditions, but not less than \$_____. Leases are to be written on the applicable Greater Capital Area Association of REALTORS®, Inc. recommended lease forms.

Additional Leasing Information:

Term Available: Minimum _____ Maximum _____
 Maximum Number of Occupants: _____ Amount of Security Deposit Required: \$ _____
 Pets Accepted: YES NO If yes, please be specific: _____
 Owner Transfer Clause required (not applicable in DC): YES NO Smoking Permissible: YES NO

3. LEASING FEE: Owner agrees to pay Agent a leasing fee when a tenant has been obtained and a lease agreement consummated. This leasing fee is separate and apart from the property management fee specified in Paragraph MANAGEMENT FEE. The leasing fee shall be _____ for a one (1) year lease; _____ for a two (2) year lease; and _____ for a three (3) year lease. It is further agreed that in any instance where the Agent is required to negotiate and/or have executed a lease renewal or extension that a fee of _____% of the first month's rent or \$_____ will be paid to the Agent for each year that the lease is renewed or extended. A fee of _____% of the first month's rent or \$_____ will be charged on any lease for a term of six (6) months or less. Owner agrees to pay when a tenant has been obtained who is ready, willing and able to lease the premises on the terms and conditions set forth herein or any variance from those terms to which the Owner may agree. Agent may retain said fees (or portion thereof) from the first full month's rent paid by Tenant.

4. MANAGEMENT FEE: Owner covenants and agrees to pay as compensation for the property management services of Agent (in addition to the leasing fee) a fee of _____% of all gross rentals charged to the Tenant per month or a minimum of \$_____per month, whichever is greater. The Owner further agrees to pay as compensation for property management services, a fee of \$_____a month when the property is vacant. If Owner terminates this Agreement prior to the expiration of any tenancy created hereunder, the Agent shall be paid as compensation for its services an amount equal to _____% of the rents due from the effective date of said termination to the end of any unexpired lease term

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or, in the absence of a lease and/or in the event that this tenancy is from month to month, the Agent shall be paid as compensation an amount equal to _____ month's management fee.

5. ADVERTISING/MULTIPLE LISTING: Agent is authorized to place a "For Rent" sign on the Property and to advertise the Property for rent. Advertising costs to be paid by Agent Owner and the form, content and frequency shall be in the sole discretion of Agent. Owner agrees to deposit \$_____ with Agent in advance of any advertising being placed by Agent, which amount agent shall not exceed without written consent of Owner. Agent's obligation to advertise is at Agent's sole discretion. Unused advertising dollars shall be refunded to Owner.

The property shall **shall not** be entered into the rental Multiple Listing system of the Metropolitan Regional Information System, Inc. (MRIS).

Owner authorizes Agent to cooperate with Brokers representing tenants (or buyers) in the rental (or sale) of the property.

YES NO

Authorization is given is not given to install a Key Box on the door of said property for the convenience and use of any real estate salesperson and/or broker to show the property to prospective Tenants/Purchasers, inspectors, contractors, exterminators, appraisers or other necessary parties. Owner agrees for himself, his heirs and assigns to completely indemnify, save and hold harmless said REALTOR® and its brokers, salespeople, cooperating brokers, agents, the Greater Capital Area Association of REALTORS®, Inc. and all above parties from any and all claim, loss or liability arising from the use of said Key Box.

A. Broker is authorized to and shall market the Property through various means including, but not limited to, entering the Property into the applicable multiple listing service(s) ("MLS"), installing a sign, photographing the Property and installing a lock box. Owner acknowledges that Broker is bound by the bylaws, policies and procedures, and rules and regulations governing the MLS and the lock box system owner. Broker is hereby granted the right to report to the MLS for dissemination, in accordance with the MLS rules and policies, any contract of sale and sales price (including the other terms upon which any sale of the Property is made). Except as otherwise provided in paragraphs 2 and 3 below and in accordance with the directions therein, Broker, upon election by Broker and in Broker's sole and absolute discretion, is hereby authorized by Owner to submit and market the Property (including street name and house number) by and through:

- 1) Broker's internet website;
- 2) The Internet websites of licensed real estate salespersons or associate real estate brokers affiliated with Broker;
- 3) Any other Internet website in accordance with applicable MLS rules and regulations;
- 4) Print media; and/or
- 5) Any available MLS Program(s) that enable participants to display aggregated MLS active listing information on participants' public websites. Owner further consents to and authorizes Broker, in accordance with the MLS rules and regulations, to allow other MLS participants and authorized users to market the Property by and through the internet website of other such MLS participants and authorized users.

B. Owner may elect not to have the property listing or the property address displayed on the Internet. Owner hereby directs broker that (*Owner to initial all that apply*):

Owner **does not authorize Broker to submit** and market the property by and through display on any Internet website.

Owner **does authorize Broker to submit** and market the property by and through display on any internet website, but owner elects NOT to permit display of the property address on any Internet website.

Owner hereby acknowledges that, having selected either or both of the above options not to allow information on Internet websites, consumers who conduct searches for listings on the Internet will not see the corresponding information about the property in response to a search.

Owner to initial: _____ / _____

C. Certain features may be displayed on the websites of MLS participants, including:

- 1) Unedited comments or reviews of the property (or display a hyperlink to such comments or reviews); or
- 2) An automated estimate of the market value of the property (or a hyperlink to such estimate).

Owner **authorizes or** **does NOT authorize** the display of unedited comments or reviews of the property (or display a hyperlink to such comments or reviews) on MLS participants' websites.

Owner to initial: _____ / _____

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Owner authorizes does NOT authorize the display of an automated estimate of the market value of the property (or a hyperlink to such estimate) on MLS participants' websites. During the term of this agreement, Owner may, by written request to Broker, authorize Broker to enable or disable use of either feature as described in (C) i or ii above. Broker agrees to promptly transmit the request to the MLS
Owner to initial: _____ / _____

6. MANAGEMENT INFORMATION: Owner shall complete and return to Agent the Landlord's Property Information Sheet, provided by Agent, which shall be made a part of this agreement; and expressly incorporated by reference herein.

7. SECURITY DEPOSITS: Agent is directed to deposit, within thirty (30) calendar days of receipt, all security deposits received under newly executed leases in a federally insured Banking or Savings Institution, authorized to conduct business in the appropriate jurisdiction. This account shall be devoted exclusively to security deposits, labeled Escrow Accounts, and shall bear interest. Interest received is to be paid first to the tenant in an amount as required by law. And any residual amount may be retained by Agent as compensation for administering and accounting for the payment due tenant. In the event interest earned on the security deposit is insufficient to meet the minimum amount required by law, Owner agrees to subsidize the amount as needed to bring the balance to the required minimum.

Upon expiration or termination of any lease, or in the event tenant(s) shall vacate the Property prior to the expiration of the lease, Agent shall inspect the Property for damages and shall determine, in the sole and exclusive judgment of Agent, the amount of deduction for damages to be applied against the rental security deposit pursuant to appropriate jurisdictional law and Owner hereby agrees to be bound by such determination made by Agent.

In the event of a full or partial forfeiture of security deposits by tenant, Agent shall apply such amount to the oldest charge on tenant's account first, thereby entitling Agent to any fees earned through the satisfaction of those charges by tenant, including management fees, late fees and other fees or charges due Agent.

8. COLLECTION OF RENTS /TENANT CHARGES/LEGAL ACTION: Agent shall use Agent's best efforts to collect rents as and when the same become due and payable without recourse to legal action. However, Agent has the right to hire an attorney at the expense of Owner to institute legal action in the name of Owner or Agent in an effort to collect rental and other expense items due from tenant and/or for repossession of the Property occupied by delinquent tenants or tenants in violation of lease covenants. When expedient and in Owner's best interest, Agent shall settle, compromise and release such actions or lawsuits or reinstate such covenants, including non-possessory claims. Any late charges, returned check fees as permitted by law or other fees collected by Agent from the tenant under the lease shall be retained by Agent as compensation for the additional work, time and administrative expense involved.

All payments from tenant shall be applied to tenant's oldest balance first unless such application is prohibited by law.

9. PROMPT DEPOSIT OF FUNDS: Agent agrees to deposit all receipts collected for Owner (less any amount which Agent is authorized to deduct there from) in a trust or escrow account in a Federally insured Banking or Savings Institution authorized to conduct business in the appropriate jurisdiction, separate from Agent's personal account. Agent shall not be held liable for any loss caused by the bankruptcy or failure of the bank or institution in which Owner's funds are deposited.

10. ACCOUNTING and DISBURSEMENTS: Agent shall keep accurate records of the receipts and expenditures for the Property and shall furnish Owner with such data from time to time as Owner may require. Agent shall make disbursements to Owner monthly, quarterly. Agent will submit to the Internal Revenue Service and Owner at the conclusion of each year, a Form 1099 indicating rents received for the lease of the Property.

11. ADVANCED NOTICE OF DISBURSEMENTS:

Owner agrees to furnish advanced notice of any property taxes, special assessments, insurance or other charges against the Property if Agent is to remit such payments and it shall be Owner's responsibility to ensure that Agent has sufficient funds with which to disburse these payments in a timely manner. Agent shall have no obligation to advance funds for said payments, but shall promptly give written notification to Owner if there are not sufficient funds available.

12. WARRANTIES, SERVICE CONTRACTS, SERVICE PROVIDERS: Owner Agrees to provide Agent with all current warranties on installed equipment and appliances and the names and phone numbers of any trades people Owner desires Agent to utilize as needed. Agent will call trades people requested whenever possible, but in no event will Agent be held liable should Agent fail to do so. Owner agrees that no contractor, whether employed by Owner or Agent, shall provide services to the

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Property unless the contractor is properly licensed and first produces an insurance certificate naming Agent as additional insured for liability purposes.

In the event there is a warranty, or Owner subsequently secures a warranty on the Property or any equipment therein, Agent will endeavor to utilize that warranty for repairs, but shall be under no obligation to place service calls through warranty companies. When possible, maintenance calls will be placed to owner's warranty provider. If Agent is unable to reach the warranty provider or the warranty provider cannot perform required work within a reasonable time, which will vary based on the urgency of the task, Agent shall be free to order repairs through its usual vendors and Owner agrees to accept responsibility for payment. Call-back for warranty work will go to non-warranty company vendors.

It shall be the Owner's responsibility to provide Agent with warranty contact information, account numbers and/or terms. If there is a service contract that provides for periodic maintenance, the Owner shall advise Agent when that maintenance is due.

Any heating, air conditioning, electrical or plumbing issues shall be treated as an emergency. Thus, if Owner's warranty provider or preferred contractor cannot or does not perform within a reasonable time, which may be deemed to be only a few hours, Agent shall be free to order necessary repairs through its own vendors in order to satisfy emergency needs.

13. MECHANICAL SYSTEMS: Owner warrants that the electrical, plumbing, heating and air conditioning and any other mechanical systems and related equipment, including kitchen and laundry appliances included as part of the leased premises, shall be in good operating condition at time of Tenant's occupancy. In the event that Tenant finds equipment not to be in good operating condition, the Agent is authorized to have said equipment repaired and to deduct the cost from Owner's funds. If said funds are not sufficient, Owner will promptly pay any bills for repairs presented or paid by Agent.

14. MAINTENANCE:

A. Except as provided herein, Owner authorizes Agent and Agent agrees to attend to the making of necessary and proper maintenance, repairs, cleaning and decorations in and to the property and the purchase of incidental supplies therefore at the Owner's expense. To this end, Owner agrees to deposit the sum of \$_____ to be held as a minimum balance with Agent to make routine repairs and work above and beyond routine property management duties.

B. Costs of appliances, hot water heaters, HVAC equipment, and other repairs, replacements or improvements shall be billed to Owner at actual contract costs to the Agent plus a _____% fee for administrative work and supervision. A reasonable charge may be made for time or charges made necessary by governmental laws or regulations and compliance with such rules or regulations, or excessive time spent in protecting the Owner's interests in any way, such as legal actions or inspections. This maintenance fund is to be maintained from the balance of rent monies or by additional funds paid promptly by Owner upon request from Agent.

C. Except in the event of emergencies, expenditures exceeding \$_____ will be made by Agent only after being authorized to do so by Owner. It is agreed and understood that emergency repairs are those which in the opinion of the Agent are expedient, desirable or necessary for the health, comfort and safety of the tenant or for the protection of the property, for compliance with jurisdictional housing codes or violation notices; or to maintain services to the tenant as called for by the tenancy, which repairs the Agent is authorized to make. The decision of the Agent will be accepted as final in any of the foregoing instances and charges for the same shall be billed to the Owner.

15. UTILITIES/ SERVICES /RECURRING PAYABLES: Owner hereby authorizes Agent to enter into contracts, in Owner's name and at Owner's expense, for electricity, gas, fuel, water, sewer, trash removal and other services to and for the Property, when same are not the responsibility of the tenant. Owner will notify all utility companies and complete any necessary documentation to authorize agent to communicate on owners behalf. Should utility companies refuse to acknowledge agent's role then owner will be responsible for utility communications.

Owner to initial: _____ / _____

16. SMOKE DETECTORS: Owner has been advised that smoke detectors must be installed and in operating condition in accordance with jurisdictional laws. Owner may contact local municipal governments for information regarding the specific requirement of the smoke detector ordinances and agrees to comply with these requirements.

17. RENTAL LICENSE: Owner is responsible for obtaining and timely renewing a rental facility license from any municipality requiring a rental license. Owner agrees to indemnify and hold Agent harmless from any liability for damages or loss arising out of Owner's failure to maintain any required rental facility licenses. Owner will provide Agent with verification

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of the current rental facility license at time of execution of this Agreement or as soon as the license is obtained, whichever first occurs. For DC Property, Owner will provide copy of their Rental Accommodation Registration/Exemption Certificate.

Property is currently licensed Yes No Agent should obtain license Yes No
Owner to initial: _____ / _____

18. PERSONAL PROPERTY: Owner agrees that Agent will not be responsible for Owner's personal possessions left on the Property and Owner is strongly urged to remove all personal possessions from the Property prior to rental.

19. INSURANCE/HOLD HARMLESS:

A. Owner shall obtain and keep in effect during the term of this Agreement, at his own expense, public/premise liability insurance, know 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 as the Condominium 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) (declarations page) 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 therefore. 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 indemnities of Agent set forth in Section C of this section shall apply and be in full force and effect.

B. 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.

C. 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.

Further, Owner agrees to defend promptly and diligently, at Owner's expense, any claim, civil or criminal action, proceeding, charge or prosecution made instituted or maintained against Agent or Agent and Owner, jointly or severally, arising out of the condition, management or use of the Property, or acts or omissions of employees of Owner in connection therewith, or otherwise, and to hold harmless and fully indemnify Agent from any judgment, loss or settlement on account thereof.

20. OWNERS COMPLIANCE:

A. At all times, Property is to be maintained in compliance with all County and municipal housing and property standards codes, including but not limited to maintenance condition and rent control/stabilization laws. If, at any time, repairs should become necessary to maintain compliance, Agent may at agent's sole discretion authorize to cause such repairs to be made and to withhold the cost thereof from Owner's account, if sufficient, or Owner agrees to promptly reimburse Agent, upon request. Should Owner refuse to permit or to pay for any such repairs, Agent shall have the right to cancel this Agreement pursuant to Agreement Provision paragraph Termination, D.

B. Except where caused by any negligent act or omission of Agent or Agent's employees, agents or contractors the Agent does not assume and is given no responsibility for compliance of any building on the Premises or any equipment therein with the requirements of any statute, ordinance, law or regulation of governmental body of any public authority or official thereof having jurisdiction, except to notify the Owner promptly or forward to the Owner promptly any complaints, warnings, notices or summons received by it relating to such matters. The Owner represents that to the best of his knowledge the Premises and such equipment comply with all such requirements and authorizes the Agent to disclose the ownership of the Premises to any such officials and agrees to indemnify and hold harmless the Agent, its representatives, servants and employees, of and from all loss, cost, expense and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, statutes or regulations, except where caused by any negligent act or omission of Agent or Agent's employees, agents or contractors.

C. If Owner requests and authorizes Agent to make payments on the trusts or mortgages secured by the Property, Owner will keep the account funded with Agent in an amount sufficient to cover the monthly costs of the trusts, mortgages or

expenses on the Property. Agent agrees, upon request and authorization by Owner, to make timely payments on any trust or mortgage secured by the said Property in accordance with a schedule of payments and account numbers supplied by Owner to Agent; provided, however, that there are sufficient funds immediately available in Owner's account with Agent for such purpose. Agent will not be expected nor obligated to advance or disburse any money, or any money owed as compensation to Agent for services hereunder for such purpose nor shall Agent be liable in any way to Owner for the default or any consequences thereof in the terms of any trust or mortgage. Agent in its sole discretion may make payments on said trusts or mortgages in the event that there is a deficiency, but is under no obligation to do so. If at any time, for any reason, there is a deficit in Owner's account with Agent; Owner shall reimburse Agent within ten (10) calendar days of notice of said deficit. Owner expressly consents to said payments being advanced and made by Agent without Owner's prior approval. If reimbursement is not made to Agent within the ten (10) calendar day period, then this Agreement may be terminated in the sole discretion of Agent upon written notice to Owner.

D. In the event that Owner, after having been given ten (10) calendar days notice of monies advanced by Agent, fails to reimburse Agent for said monies advanced on Owner's behalf by Agent, Agent in Agent's sole election and discretion, shall have the option to charge _____% per month interest on said unpaid balance, as well as the right to apply any of Owner's monies to pay said advancements and/or to pursue any legal and equitable remedies.

21. SALES COMMISSION: In the event the Property is sold to the tenant during the tenancy or any renewal or extension thereof, or within _____ () calendar days after the termination or expiration of any tenancy, Owner agrees to pay Agent a brokerage fee equal to _____% of the sales price or \$ _____.

22. EXCLUSIVE RIGHT TO SELL: Because the efforts of Agent in effectively managing the Property described in this Agreement will enhance its value and contribute to its marketability and because the real estate license law of the State of Maryland requires that a licensee may not show a property for sale or negotiate a sale without having a written listing agreement on the Property, and because Agent may know of opportunities to sell the Property and may wish to show and negotiate offers on the Property when Agent believes that a sale of the Property may be in the best interest of Owner, it is agreed that if Owner decides to sell or exchange the Property to tenant(s) or to other person(s) during the term of this Agreement or within _____ () calendar days following the expiration or termination of any lease agreement procured by Agent, or any renewal of such lease, Agent shall have the EXCLUSIVE RIGHT TO SELL or exchange the Property at a price and upon terms acceptable to Owner. In the event of such sale or exchange, Owner agrees to pay to Agent a brokerage fee in the amount of _____% of the sale or exchange price or the sum of _____ Dollars (\$___). Owner agrees to execute a written exclusive right to sell listing agreement containing provisions as required by applicable jurisdiction law on such form as shall be provided by Agent. Failure of Owner to execute a written listing agreement shall not relieve Owner from Owner's Obligation to pay such brokerage fee to Agent in the event of a sale or exchange of the Property by Owner.

23. AGENCY / DUAL AGENCY: Owner acknowledges that Agent may represent other owners who have similar properties for rent and that Agent may show other available properties to any prospective tenant(s). Owner also acknowledges that Agent may work with or represent tenant(s) who are looking for similar properties to rent, but that a separate Consent for Dual Agency would be presented to Owner before licensees with Agent's firm may show the Property to tenant(s) who are represented by Agent.

In the event of Dual Agency and either Owner or Agent declines to consent in writing to Dual Agency, Agent may terminate the agency relationship with the tenant(s) and continue to represent Owner under this Agreement. If there is no consent to Dual Agency and Agent elects to continue to represent the Tenant, the rental listing Agreement shall be terminated. In such event, Owner must either represent him or herself or arrange to be represented by a real estate licensee from another real estate company. Compensation to Agent shall be paid in accordance with the terms hereof and as set forth in the written rental listing agreement.

24. MINISTERIAL ACTS: Owner agrees that Agent may perform ministerial acts for Owner and Tenant. A ministerial act is an act that Agent performs on behalf of Owner or Tenant after the execution of a lease or rental application which assists the tenant to complete or fulfill a lease term; which does not involve discretion or the exercise of Agent's own judgment.

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