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## PROPERTY MANAGEMENT AGREEMENT

**This Agreement** is made and entered into on \_\_\_\_\_, by and between \_\_\_\_\_ hereinafter called "Owner", and **River Mountain Properties, LLC**, hereinafter called "Manager".

Owner hereby employs the services of the Manager to manage, operate, control, rent and lease the following property: \_\_\_\_\_ hereinafter call "Properties"

### RESPONSIBILITIES OF MANAGER

The Owner hereby appoints Manager as his lawful agent and attorney-in-fact with full authority to do any and all lawful things necessary for the fulfillment of this Agreement, including the following:

1. To collect all rents due and as they become due, giving receipts therefore; to render to the Owner a monthly accounting of rents received and expenses paid out; and to remit to the Owner all income, less any sums paid out.
2. To make or cause to be made all painting, maintenance, and repairs (collectively, "Maintenance") to the above referenced Properties and to hire and supervise all employees and other labor for the accomplishment of same. Manager can spend up to \$\_\_\_\_\_ for maintenance, utility services, minor alterations, lock changes, and any other necessary repairs without the Owner's prior consent. In the event of an emergency (as determined by Manager), Owner authorizes Manager to pay for repairs, services and related expenses, after notifying Owner or reasonable attempt to notify Owner. Manager is further authorized to make repairs, without the Owner's consent, if they are required by the lease, federal, state, or local laws. Manager may disburse from any funds Manager holds in a trust account for Owner for reimbursement due Manager or other 3<sup>rd</sup> party vendors under this agreement. Manager can add a vendor oversight fee to any 3<sup>rd</sup> party vendor invoice or charge a repair and remodeling coordination fee to be billed to the Owner at a rate of cost plus 10%.
3. To advertise the property and display signs thereon; to rent and lease the property; to sign, renew and cancel rental agreements and leases for the property or any part thereof; to sue and recover for rent and for loss of or damage to any part of the Properties and/or furnishings thereof, at Owner's expense; and, when expedient, to compromise, settle and release any such legal proceedings or lawsuits. Owner agrees that Manager is not liable for the collection of delinquent accounts. Manager assumes no liability for monies that are uncollectible. Owner shall be entitled to participate in any such legal proceedings to the extent it deems appropriate in its sole discretion. Reasonable legal cost and attorney's fees incurred by Manager pursuant to this Section shall be paid by Owner. Owner agrees that Manager is not an attorney or a collection agency.
4. Manager shall collect from Tenant fees or charges including by not limited to, late fees for late payments, return check fee or nsf fee, credit report fees, subleasing or early termination of lease fee, trash fees, pet fees, furniture holdover fees and any other administrative fees authorized by the lease or Virginia law. Manager shall be entitled to retain such charges or fees.

## RESPONSIBILITIES OF OWNER

The Owner hereby agrees to the following:

1. To hold Manager harmless from any and all claims, charges, debts, demands and lawsuits, including reasonable attorney's fees related to its management of the Properties pursuant to the terms of this Agreement, and from any liability for injury on or about the Properties which may be suffered by any employee, contractor, tenant or guest upon the Properties provided that any of the foregoing is not the result of the negligence or willful misconduct of the Manager or its agents, employees, contractors, or representatives.
2. At all times while this Agreement remains in effect, Owner shall maintain and keep in place Fire/Hazard Insurance which shall include coverage for rent loss in the event any Property should become uninhabitable resulting in vacancies in excess of thirty days, as well as adequate insurance coverage for vandalism. Owner must list Manager as an additional insured within 30 days of the start of this Agreement on each applicable policy of insurance. If Owner fails to add Manager as additional insured, there will be a fee of \$25 per unit, per month until Manager is added.
3. Owner shall make each Property available for lease and occupancy no later than the start date of the lease and agrees to allow and pay for the Properties to be maintained in a habitable condition as required by applicable local, state and federal laws.
4. If Owner does NOT want Manager to perform a lease renewal, Owner must notify Manager in writing before the lease renewal deadline of October 1<sup>st</sup> or other renewal date as specified in the lease agreement.
5. Owner shall abide by and honor all terms and conditions set forth in any fully executed lease, addendum, amendment and/or contract prepared by the Manager and entered into on behalf of the Owner for any of the Properties.
6. Owner shall transfer to Manager all security deposits paid by current tenants to be held by Manager in an interest-bearing trust account during the term of each applicable lease. Manager will retain the interest earned.
7. If the expenses exceed the income causing a negative in the account, the Owner's agrees to pay the balance due immediately upon notice in order to comply with Virginia law. If the Owner does not pay the balance immediately, Manager reserves the right to advance funds on Owner's behalf to cover the negative balance. Manager is not obligated to advance any money to the Owner or on the Owner's behalf. If Manager does advance funds on Owner's behalf, then any funds not paid to back to the Manager within 10 days of request, will bear interest at a rate of 4% per month.

## COMPENSATION OF MANAGER

Owner agrees to compensate Manager as follows:

1. **\_\_\_\_\_% of Monthly Gross Rental Income which is to be deducted monthly from rents received for all managed properties.**
2. **One-time Onboarding Fee of \$\_\_\_\_\_ per housing unit when new properties are added.**
  - Includes: Property photos, virtual tour, full property assessment, owner and property data entry, coordination with existing tenants and HOA setup.

## **TERM OF AGREEMENT**

The term of this Agreement shall commence on the date the final party has signed this agreement and end on \_\_\_\_\_.

Upon expiration of the above initial term, this Agreement shall automatically be renewed and extended for a like period of time unless terminated in writing by either party, 60 days prior to the date for such renewal.

This Agreement may also be terminated by mutual agreement of the parties at any time upon payment to Manager of all fees, commissions, and expenses due for the remaining term of any current leases and a fee of one month's commission for any future leases.

## **SUCCESSION**

This Agreement is binding upon the Owner and Manager as well as their heirs, administrators, executors, successors, and or assigns.

## **SEVERABILITY**

If any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Agreement.

## **PET DAMAGE**

For the properties where pets are allowed - If damage done by a pet exceeds the security deposit held for the property, the Manager agrees to pay up to \$1,000 to restore the property to the condition it was in at the beginning of that lease term. If the damage caused by the pet exceeds both the security deposit and the additional \$1,000 covered by the Manager, then Manager will proceed with collecting the amount due from the tenant through all methods available by law. Any pet fees collected will be retained by the Manager. Any damage done to the Properties by a pet will not be charged to the Owner. Owner understands that state and federal law governs "service animals" and "emotional support animals", and those animals are not legally considered pets and therefore pet policies do not apply.

## **MANAGER PERFECTED SECURITY LIEN**

Owner grants Manager a perfected security interest in the rents collected or to be collected under the lease as security for any advances and expenditures made personally by Manager for the benefit of Owner, and not thereafter reimbursed by said Owner.

## **DEFAULT**

Owner failing to comply with any provision of this Agreement constitutes a default under this Agreement. In the event of a default, Manager may terminate this Agreement by providing written notice to the other party of such default and detailing the terms upon which such default may be cured, or otherwise setting forth the effective date of the termination of this Agreement.

**CHANGES TO THE AGREEMENT**

Manager may make periodic changes to this Agreement. Owner will be given 30 days written notice to review the changes and contact the Manager with questions or concerns. After the 30 days, said changes will automatically go into effect and become a part of this agreement unless other arrangements are made.

**COUNTERPARTS:**

This Agreement may be executed by the parties hereto in two or more counterparts, each of which shall be deemed to constitute and have the same effect as an original, but all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimiles or electronic mail transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes.

**GOVERNING LAW:**

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without reference to the conflicts of law or choice of law principles thereof.

**ADDITIONAL TERMS:**

\_\_\_\_\_  
\_\_\_\_\_

**IN WITNESS WHEREOF**, the parties hereto hereby execute this Agreement on the date first above written.

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Manager

\_\_\_\_\_  
Date

**OWNER CONTACT INFORMATION**

**River Mountain Properties, LLC will not in any way share your personal information with outside sources. We need your bank information so that we can directly deposit your rental income into your account each month. We need your social security number/tax id for your 1099.**

Property \_\_\_\_\_

Owner(s) \_\_\_\_\_

E-mail \_\_\_\_\_

Cell Phone \_\_\_\_\_

Mailing Address \_\_\_\_\_

Bank Name & Routing # \_\_\_\_\_

Bank Account # \_\_\_\_\_

Social Security / Tax ID # \_\_\_\_\_

*Please notify us with any changes in your personal information.*

**\*\*Please Note that we will be sending your 1099's via email. Please let us know if that is an issue.**