

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT is made this ____ day of _____, 20____, by and between, _____ (herein referred to as the "Owner") with a mailing address of _____ and Tn'T Flinchum Property Management Corporation, a Virginia Corporation, (hereinafter referred to as the "Agent") with a mailing address of P.O. Box 678, Blacksburg, VA 24063.

In consideration of the covenants herein contained, the parties hereto agree as follows:

1. APPOINTMENT. The Owner hereby appoints the Agent, and the Agent hereby accepts appointment, on the terms and conditions hereinafter provided, as the Owner's exclusive agent to manage, rent, lease and operate the following property (hereinafter referred to as the "Premises"):

2. TERM AND RENEWAL. The term of this Agreement shall be for one (1) year beginning on _____, 20____, and on _____, 20____, and shall thereafter automatically renew for additional one (1) year periods on the same terms and conditions as are herein contained unless on or before Sixty (60) days prior to the expiration of any period, either party hereto notifies the other in writing that it elects to terminate this Agreement. If property is sold during the term of this Agreement or during any renewal period, the Agent is entitled to the full management fee until the end of then current term.

3. RESPONSIBILITIES OF AGENT. 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) and agrees to assume all expenses in connection therewith:

3.1 To cause to be employed, discharged and supervised all persons required for the efficient operation and maintenance of the Premises. All personnel, except independent contractors and employees of independent contractors, shall be the employees of Agent. Agent shall pay the salaries of such employees and, to the extent there are revenues from the Premises are available, pay all charges for services rendered by independent contractors and the employees of independent contractors;

3.2 To cause the Premises to be maintained in such condition as may be deemed advisable by the Owner, and to cause routine repairs and incidental alterations of the Premises to be made, including, but not limited to, electrical, plumbing, carpentry, masonry and other routine repairs and incidental alterations as may be required in the course of ordinary maintenance and care of the Premises. Repairs or alterations involving an expenditure in excess of Five Hundred Dollars (\$500.00) for any one item shall be made only with prior approval of the Owner, except that emergency repairs, i.e., those immediately necessary for the preservation of safety of the Premises or for the safety of the tenants of the Premises or other persons, or required to avoid the suspension of any necessary service in or to the Premises may be made by the Agent irrespective of the cost thereof, without the prior approval of the Owner in order to obtain such approval;

3.3 To recommend, and with the approval of the Owner, cause such acts and things to be done

in or about the Premises as shall be necessary or desirable to comply with any and all order or notice of violations affecting the Premises placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, except that if failure promptly to comply with any such order or violation may, in the reasonable determination of Agent, expose the Owner or the Agent to criminal liability, the Agent may cause such order or notice of violation to be complied with, without the prior approval of the Owner if the Agent makes a reasonable attempt to communicate with the Owner to obtain such approval, it being understood that the Agent shall notify the Owner promptly after receipt of any order or notice of violation, as aforesaid;

3.4 To enter into all necessary or desirable service contracts in respect of the repair and operation of the Premises, including without limitation contracts for electricity, gas, air conditioning, equipment maintenance, water treatment, telephone, janitorial, landscaping, window cleaning, rubbish removal, snow removal, fuel oil, detective agency protection, vermin extermination, architects' and engineers' services required for the planning and supervision of alterations and/or improvements made or proposed to be made to the Premises, but any such contract having a term longer than one (1) year or requiring an annual payment in excess of Five Hundred Dollars (\$500.00) must be authorized in writing by the Owner;

3.5 To purchase all supplies which shall be necessary to properly maintain and operate the Premises;

3.6 To check all bills received for services, work and supplies ordered in connection with maintaining and operating the Premises and pay or cause all such bills to be paid from funds furnished by the Owner;

3.7 To list, offer for lease, lease and renew existing leases for space in the Premises on terms to be determined by the Agent, and cooperate with any other brokers with whom the Agent, in its discretion, may list space in the Premises for rent; provided, however, that the commission payable to any other such brokers shall not exceed the commission rate then generally prevailing in the area;

3.8 To prepare, under the supervision of the Owner's attorneys if necessary, lease documents for all space in the Premises which may be rented;

3.9 To supervise the moving in and out of tenants and subtenants and arrange the dates thereof so that there shall be a minimum of disturbance to the operation of the Premises and of inconvenience to other tenants;

3.10 To bill, or cause to be billed, tenants for rent and other charges;

3.11 To use its best efforts to collect or cause to be collected rent and other charges, and when necessary, serve notices upon tenants to quit and surrender space occupied by them;

3.12 To sue or to cause attorneys to sue, on behalf of the Owner, for rent and other charges which may at any time be or become due, as aforesaid, from any tenant, and institute summary proceedings to recover possession of space in the Premises; and, when expedient, to settle, compromise, and release such actions or suits;

3.13 To handle tenants' security deposits and to comply with applicable state and local laws concerning the Owner's responsibility for security deposits and interest upon, if any;

3.14 To maintain a system of accounts to which shall be entered fully and accurately each and every financial transaction with respect to the operation of the Premises and to prepare and render to the Owner, monthly statements of operations;

3.15 To keep Owner informed of the financial status and physical condition of the Premises and other items that Owner should reasonably be made aware of;

3.16 To consider and, when reasonable and consistent with the Owner's lease obligations, attend to complaints of tenants;

3.17 To cause to be prepared and filed all necessary forms relating to the maintenance and operation of the Premises and the operation and maintenance thereof;

3.18 To set up and maintain orderly files containing rent records, insurance policies, leases and subleases, correspondence, receipted bills and vouchers and all other documents and papers pertaining to the Premises and the operation and maintenance thereof.

3.19 To cooperate with the Owner's accountants and auditors in regard to the annual audit or any periodic audits of the books of account of the Owner and the preparation of percentage and escalation rent statements to be delivered to tenants;

3.20 To cooperate with Owner's accountants in regard to the preparation and filing on behalf of the Owner of federal, state, city and any other income and other filings required by any governmental authority;

3.21 To, when the books of assessed valuations of the taxing authority having jurisdiction over the Premises are opened for public inspection in each year, ascertain the assessment of the Premises and the land on which it is located, report such assessments to the Owner and, if requested by the Owner, cooperate with the Owner's attorneys or other designated representatives in the preparation of applications for correction of the assessed valuation;

3.22 To generally, do all things reasonably deemed necessary or desirable for the proper management of the Premises; and

3.23 To perform, for the Owner's account and on its behalf, any lawful act and everything lawful and necessary or desirable in order to carry out the Agent's agreements contained in the Agreement. It is expressly understood and agreed that everything done by the Agent under the provisions of this Agreement shall be done as agent of the Owner, and any and all obligations, costs or expenses incurred by the Agent in the performance of its obligations under this Agreement shall be borne by the Owner and not by the Agent. It is expressly understood, however, that the Agent shall not be compensated for (i) the cost incurred by the Agent in maintaining its own office staff, and (ii) its general overhead. Any payments made by the Agent hereunder shall be made out of such funds as the Agent may from time to time hold for the account of the Owner or as may be provided by the Owner. The Agent shall not be obliged to make any advance to, or for the account of, the Owner or to pay any amount

except out of funds held or provided aforesaid nor shall the Agent be obliged to incur any extraordinary liability or obligation unless the Owner shall furnish the Agent with the necessary funds for the discharge thereof.

4. **BANKING.** All funds of the Owner in the possession of the Agent shall be held by the Agent for the Owner, and shall be deposited by the Agent in The National Bank of Blacksburg Bank. Funds shall remain on deposit until disbursed in accordance with the terms of this Agreement.

5. **COMPENSATION.** During the term of this Agreement the Owner agrees to pay the Agent ten percent (10%) of the monthly rent for which the Premises are leased and, if the Premises are not leased then ten percent (10%) of the monthly rent for which the Premises would be leased, with such monthly rent deemed to be monthly rental potential for the Premises. The Agent shall deduct the ten percent (10%) from the Owner's account, and if the account does not contain sufficient funds, then the Agent shall submit a monthly invoice to the Owner for the ten percent (10%), which amount shall be due on or before the 10th of each month. Agent shall retain one hundred percent (100%) of all collected fees and penalties.

6. **INDEMNITY.** The Owner shall indemnify, defend and save the Agent harmless from and against all claims, losses, costs and liabilities arising out of the damage to property, or injury to, or death of persons (including the property and persons of the parties hereto, and their agents, subcontractors and employees) occasioned by or in connection with the use, management, operation, maintenance or control of the Premises unless caused by the negligence or willful misconduct of the Agent. Owner shall maintain, at the Owner's expense, comprehensive public liability property insurance and fire and extended coverage hazard insurance on the Premises. All of the policies shall name Agent and Owner as co-insureds as their respective interests may appear. Owner shall deliver certificates evidencing such insurance coverage to Agent within fifteen (15) days from the issuance and renewal of the policies. Owner shall cooperate with Agent and any insurer in the making and delivery of all reports, notices, and other items required in connection with any of the insurance policies.

7. **TERMINATION.** This Agreement may be terminated by either party, without cause, upon sixty (60) days written notice to the other prior to the end of the current term or renewal term. Within 30 days of termination of this Agreement, the parties shall account to each other with respect to all uncompleted business, and the Agent shall deliver to the Owner all leases, subleases, corporate files, books and records and other instruments relating to the Premises and the Owner that may be in the possession of the Agent, against payments to the Agent of all fees required to be paid hereunder through the date of termination of this Agreement.

8. **ASSIGNMENT.** The Agreement may not be assigned by the Agent without written consent of the Owner. Subject to the provisions thereof, all of the covenants, conditions and obligations contained in this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Owner and the Agent to the same extent as if each successor and assign were in each case named as a party to this agreement.

9. **SEVERABILITY.** If any term or provision of the Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

10. APPLICABLE LAW. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

11. NOTICES. All notices, demands, requests or other communications which may be or are required to be given, served or sent by either party to the other, shall be in writing and delivered personally or by mail at the address first above mentioned. A party may change the name or address for the giving of notice provided above by written notice to the other party.

12. ENTIRE AGREEMENT. This Agreement shall constitute the entire, full and complete agreement between the Owner and the Agent, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect.

13. MODIFICATIONS. This Agreement may not be changed or modified except by written document signed by both the Owner and the Agent.

14. MISCELLANEOUS.

14.1 Nothing contained in this Agreement shall be deemed to create or shall be construed as creating in Agent any property interest in or to the Property;

14.2 Agent shall at all times during the term of this Agreement maintain such licenses and permits as are required for any of the various services to be performed by Agent on behalf of Owner;

14.3 Agent is an independent contractor and is not an employee of Owner for any purpose;

14.4 If Agent is required to hire an attorney to enforce any provisions of this Agreement or to defend any actions taken by Agent under the terms of this Agreement, then Agent shall be entitled to recover its reasonable attorney's fees incurred in such action.

IN WITNESS WHEREOF, the parties hereto intending to be legally bound hereby, have executed this Agreement as of the day and year first above written

WITNESS:

OWNER:

By: _____

SSN: _____

AGENT:

By: _____