



**VIRGINIA ASSOCIATION OF REALTORS®  
PROPERTY MANAGEMENT AND EXCLUSIVE RENTAL  
AGREEMENT**



**(This is a legally binding contract; if not understood, seek competent advice before signing)**

PRINCIPALS                      This Agreement, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, (hereinafter called "Owner"), and \_\_\_\_\_, (hereinafter called "Agent"), or any person designated by Agent to contact including \_\_\_\_\_.

ADDRESS/  
TERM                              Owner hereby employs the Agent as sole and exclusive Agent to rent and manage Property known as \_\_\_\_\_ (hereinafter called "Property"), upon the terms hereinafter set forth, for a period of \_\_\_\_\_, beginning on the day above, and continuing thereafter until this Agreement is terminated by either party with \_\_\_\_\_ written notice to the other, or upon the Owner's reoccupancy of the Property.

OWNER'S  
REPRESENTATI  
ONS                              Owner represents to Agent that Owner is fee simple owner of the Property, that no other owner's consent is required to enter into this Agreement, and that neither Owner nor the Property is the subject of any pending or threatened bankruptcy or foreclosure or other legal action affecting the Property, and that all financings and taxes affecting the Property are paid current.

THE AGENT AGREES TO:

PROCURE  
TENANT'S  
LEASE                              1. Make all diligent efforts to procure a suitable tenant as soon as possible at a monthly rent of \$ \_\_\_\_\_ or other amount as may be agreed upon, but not less than \$ \_\_\_\_\_.  
2. Negotiate and execute leases, renewals, or subsequent leases on behalf of the Owner, as in Agent's best judgment provide a fair return to Owner, and are consistent with Owner's instructions. Leases are to be written on the lease form provided by the Agent.

COLLECT RENTS                      3. Collect all rents and other charges which become due in accordance with the terms of the Lease Agreement, exercising due diligence in this pursuit, but nothing in this Agreement shall be construed as a guarantee by the Agent of the payment of rents or other charges by Tenant.

SECURITY DEPOSIT                      4. Collect from Tenant a Security Deposit equivalent to one month's rent (or such other amount as approved in advance in writing by Owner) and to hold the Security Deposit of Tenant in an escrow account established and maintained in accordance with the regulations of the Virginia Real Estate Board. When Tenant vacates the Property, return to Tenant the Security Deposit with any interest as may be required by law, less any and all proper deductions. Any interest earned above the statutory interest payable to Tenant will be retained by Agent to cover administrative costs.

RECORD  
STATEMENTS                      5. Keep accurate records of the rent receipts and expenditures for the Property and furnish the Owner with accounting statements and detailed annual statement of receipts and disbursements for tax purposes, with IRS Form 1099 indicating rents received for said Property.

REMIT NET RENT                      6. Promptly remit directly to Owner, or to deposit in the account of Owner, as directed by Owner, the balance of all sums due Owner under the terms of this Agreement. This remittance will be forwarded by the \_\_\_\_\_ of each month, provided the rent and other fees as applicable have been collected by this date.

MORTGAGE, TRUST,                      7. Make timely payments on any trust or mortgages secured by the Property, real estate taxes, or

REAL ESTATE TAX  
PAYMENTS

any other obligations of Owner, when not collected in escrow and paid by mortgage company, as otherwise directed by Owner, provided that there are sufficient funds immediately available in Owner's account with Agent for that purpose. In no event will Agent be expected or obligated to advance or disburse any of its own money, or any money owed as a compensation to Agent for its services hereunder, for that purpose, nor shall Agent be liable or responsible in any manner whatever for the default of any consequences thereof on the terms of any trust or mortgage, the payment of real estate taxes, or any other obligations of Owner.

REPAIRS/  
MAINTENANCE OF  
PROPERTY

8. Except as otherwise provided in this Agreement, make or cause to be made all repairs, replacements, alterations, or decorations to the Property. Agent shall enter into agreements in the name of Owner for all necessary repairs, maintenance, (to include changing locks as deemed necessary by Agent), minor alterations, utility services, and other services to and for the Property. Agent shall purchase necessary supplies and pay bills (provided that the expenditure for any one item does not exceed \$\_\_\_\_\_ ) without Owner's prior consent, unless the Agent considers the repair or services to be an emergency or prior consent of Owner is not readily obtainable. It is agreed and understood that emergency repairs are those which in the opinion of the Agent are necessary to protect the Property from damage or to maintain services to the tenants as called for by the Lease Agreement, by law, regulation, or ordinance.

INSPECTIONS

9. Make inspections of the Property as Agent feels necessary and report matters concerning the condition of the Property to the Owner. In the event of vacancy, Agent will take reasonable precautions to safeguard the Property, but Agent is not liable for any damages to the Dwelling Unit or the Premises of any kind.

THE OWNER HEREBY DELEGATES TO THE AGENT THE FOLLOWING AUTHORITY AND POWERS (ALL OF WHICH MAY BE EXERCISED IN THE NAME OF THE OWNER) AND AGREES TO ASSUME ALL EXPENSE IN CONNECTION THEREWITH:

ADVERTISE, SIGN,  
LOCKBOX, MLS,  
RENT SIGN

10. Advertise the Property, display signs thereon (unless prohibited by local ordinance), place a common key lockbox upon the Property, and make a blanket unilateral offer of cooperation to real estate brokers and participants in any multiple listing service that Agent deems appropriate.

RENEW/ CANCEL

11. Investigate credit references of prospective tenants, sign leases, renew and/or cancel existing leases, and prepare and execute new leases in accordance with terms provided by Owner.

COLLECT RENTS

12. Collect rents and other charges that become due and give receipts therefore, and deposit all funds collected hereunder in the Agent's rental account.

COLLECT OTHER  
CHARGES

13. Collect from Tenant all or any of the following: charges for late rent payments, bad check and related charges and penalties, credit report fees, subleasing or early termination of lease charges including commission. Agent shall be entitled to retain such charges or commission to cover administrative costs.

COLLECT/REFUND  
SECURITY  
DEPOSITS  
PAYMENTS

14. Collect security deposits from Tenants and refund security deposits, less any proper deductions, and pay interest on such security deposits in accordance with the Virginia Residential Landlord Tenant Act ("VRLTA"). Agent shall be entitled to retain, as administrative expense, one-half of any actual damages incurred, as recoverable by law, if applicant is approved and fails to enter into a lease with Owner, or fails to move into the Dwelling Unit on the commencement date of the Lease.

MAKE PAYMENTS

15. Make payments on any trust or mortgage on the Property, to pay any real estate taxes, condominium/association fees, special assessments or other charges against the Property that may come due, and for which Owner is obligated, and pay for same from Owner's account.

LEGAL  
PROCEDURES

16. Terminate tenancies, and sign and serve such notices, as are deemed necessary and appropriate by Agent. Agent shall institute and prosecute actions to evict Tenants, to recover possession of the Property, and to sue for and recover rent. Agent reserves the right to settle, compromise, and release legal actions or reinstate such tenancies, as Agent sees fit or appropriate. Owner hereby appoints Agent as Owner's attorney in fact with full power to do all things appropriate that Owner might do to collect from any tenant or other party any and all amounts due and owing to Owner in relation to the Property and the matters contemplated by this Agreement, including without limitation prosecution of suits and actions for rent, damages, unlawful detainer, eviction, and other legal or equitable actions.

HIRING  
CONTRACTORS

17. Hire, discharge and supervise, in the name of Owner, all labor and contractors required for the operation and maintenance of the Property; it being agreed that all contractors shall be deemed contractors of the Owner and not of Agent, and Owner will have all obligations arising from such contracts. Agent may perform any of its duties through Owner's attorneys, agents or contractors and shall not be responsible for their acts, defaults, or negligence if reasonable care by Agent has been exercised in their employment and retention.

THE OWNER HEREBY AGREES TO PAY THE AGENT:

LEASING FEE

18. A fee of \$ \_\_\_\_\_ when a Tenant has been procured and the Lease Agreement is executed. This leasing fee is separate from the management fee described below in Paragraph 3. These fees are earned when the Lease Agreement is executed, and are payable on all rents during the original term, any renewals, extensions, expansions, replacements, relocations, or new leaseings between Owner and Tenant, or Owner's successors and assigns, including, without limitation, or any entity affiliated with, controlled or owned by or under common control or ownership with the Owner. No sale of the Property shall release Owner or its successor or assigns from the obligations under this Agreement. Owner agrees that, at the request of Agent, all leases for the Property will contain a provision incorporating the commission rights of Agent hereunder. Agent shall have the right to collect all rents due hereunder so that its fees and commissions may be paid in installments as the rent is received and retained by Agent before remitting the rent (less such fees or commissions) to Owner: but if any act be done to deprive Agent of its right to collect the rent, then the entire amount of its fees and commissions earned but then unpaid shall, at Agent's option, become immediately due and payable.

RENEWAL FEE

19. An additional fee of \$ \_\_\_\_\_ upon lease renewal or extension.

MANAGEMENT FEE

20. For the management services of the Agent, a management fee of \_\_\_\_\_ of all gross rentals collected by the Agent, or a minimum of \_\_\_\_\_.

NON-  
MANAGEMENT  
SALE

21. A fee of \$ \_\_\_\_\_ of the cost of any non-management services provided.

22. In addition to any leasing, management or other fee payable hereunder, Owner agrees to pay agent a sales fee equal to \_\_\_\_\_ if the Property is sold during the lease term or within 120 days after the termination thereof to a purchaser procured by Agent, or to any entity affiliated with, controlled by or under joint ownership or control with such Owner or any of its owners or principals. This provision does not grant the Tenant any right to purchase the Property, nor does it authorize the Agent to offer the Property for sale.

THE OWNER HEREBY FURTHER AGREES TO:

LIABILITY  
INSURANCE

23. Indemnify, defend, and save the Agent harmless from all suits in connection with the Property and from liability for damage to Property and injuries to or death of any employee of the Agent or any contractor or other person whomsoever, and to carry at his own expense public liability

insurance, minimum liability coverage of \$ \_\_\_\_\_, naming the Owner and Agent as insured to protect their interests, in form and substance satisfactory to the Agent, and to furnish the Agent a certificate evidencing the existence of such insurance.

- FIRE INSURANCE 24. Provide Agent with a copy of the fire and hazard insurance policy in force which shall include coverage for rent loss in the event the Property should become uninhabitable or in the event of vacancies in excess of thirty days, as well as adequate coverage for vandalism.
- INDEMNIFICATION AND RELEASE 25. Indemnify and save Agent harmless against (i) all claims for damages arising out of alleged violations by Agent in a representative capacity, or Owner, or both, of any constitutional provision, statute, ordinance or regulation, federal, state or local, which arise out of the offer to lease, leasing, management or operation of the Property hereunder or otherwise; and (ii) all expenses incurred by Agent in connection with the foregoing, including the reasonable fees and costs of counsel retained to defend Agent; provided, however, that the provisions of this Paragraph shall not apply if a court of competent jurisdiction makes a final determination, which is either upheld on appeal or not appealed within the applicable period of time, that Agent intentionally violated any such constitutional provisions, statute, ordinance, or regulation. Owner hereby releases Agent from any and all claims, liability or loss suffered by Owner as a result of damage to the Property not covered by Owner's hazard insurance. Except as otherwise provided herein, Owner and Agent do hereby release each other from any and all liability, loss, damage or claim resulting from any claim and agree to secure from their insurers acknowledgement of such release and a waiver of any rights of subrogation.
- BANKRUPTCY DEPOSITORY 26. Agent shall not be held liable in the event of bankruptcy or failure of the depository bank or savings and loan institution in which the monies due the Owner are deposited in a fiduciary account.
- MAINTENANCE ACCOUNT 27. Maintain in Owner's account with Agent an amount equal to one month's normal disbursements for such things as mortgage payments, condominium/association dues, other monthly or regular obligations of Owner, plus \$ \_\_\_\_\_ for maintenance and repairs. Funds are to be accounted for in Agent's escrow account and are to be used for payment of Owner's obligations as otherwise provided in this agreement.
- VRTLA 28. Owner hereby agrees that the landlord tenant relationship and the Lease shall be governed by the VRLTA.
- PROPERTY AVAILABILITY 29. Owner will make the Property available for lease and occupancy no later than \_\_\_\_\_. If Owner fails to do so, Agent shall have the right to take all reasonable actions, at Owner's sole cost and expense, to prepare the Property for lease and occupancy as soon thereafter as practicable.

IT IS MUTUALLY AGREED THAT:

- STRUCTURAL CHANGES 30. The Owner expressly withholds from the Agent any power or authority to make any structural changes in any building or make any other major alterations or additions in or to any such building or equipment therein, or to incur any expenses chargeable to the Owner other than expenses related to exercising the express powers above vested in the Agent without the prior written direction of the Owner, except such emergency repairs as may be required because of danger to life or Property or which are immediately necessary for the preservation and safety of the Property or the safety of the Tenants and occupants thereof, or are required to avoid the suspension of any necessary service to the Property.
- COMPLIANCE WITH LOCAL CODES 31. The Agent does not assume and is given no responsibility for compliance of any building on the Property, or any equipment therein, with the requirements of any statute, ordinance, law or regulation of any governmental body or any public authority or official 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 its knowledge the Property and equipment comply with all such requirements and authorizes the Agent to disclose the ownership of the Property to any such officials. Owner further agrees to indemnify and hold harmless the Agents, 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 any laws, ordinances, statutes or regulations.

MOISTURE AND  
MOLD  
REMEDICATION

32. Except as expressly provided in this Agreement, Agent shall have no maintenance obligations with respect to the Dwelling Unit or the Premises relating to the accumulation of moisture or the presence of mold or other fungus. Agent will notify Owner in writing of any mold condition in the Dwelling Unit or the Premises of which Agent has actual knowledge; provided, however, that Agent will have no obligation to inspect for such condition except as set forth below. It is expressly agreed that Agent will hire a contractor to address any mold or moisture condition in the Dwelling Unit or the Premises. Owner agrees to indemnify and hold Agent harmless from and against any and all loss, cost, expense, claim, suit, and liability whatsoever by reason of Owner's failure to perform any maintenance of the Dwelling Unit or the Premises required to prevent harm or injury to any Tenant or the property of any Tenant from mold or other fungus, unless Agent has assumed in this Agreement the obligation to perform such maintenance.

TERMINATION BY  
AGENT

33. If it is alleged or charged that any building on the Property, or equipment therein, or any act or failure to act by the Owner with respect to the Property, or the sale, rental, or other dispositions thereof, fails to comply with, or is in violation of any of the requirements of any constitutional provision, statute, ordinance, law, or regulation of any governmental body or any order or ruling of any public authority or official thereof having jurisdiction thereover, and the Agent, in its sole and absolute discretion, considers that the act or position of the Owner with respect thereto may result in damage or liability to the Agent, the Agent shall have the right to cancel this Agreement at any time by written notice to the Owner of its selection to do so, which cancellation shall be effective upon the giving of such notice. Such notice may be hand delivered in accordance with Title 8.01(Section 8.01-285 et. seq.) of the Code of Virginia (1950), as amended, or given by regular mail, postage prepaid with the Agent retaining sufficient proof of mailing which may be a U.S. Postal Certificate of Mailing, and if served by mail shall be deemed to have been given when deposited in the U.S. Mail. Owner and Agent may send notices in electronic form. If electronic delivery is used, the sender shall retain sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery. Such cancellation shall not release the indemnities of the Owner to Agent and shall not terminate any liability or obligation of the Owner to the Agent for any payment, reimbursement or other sum of money due and payable to the Agent pursuant to this Agreement.

TERMINATION/  
AUTOMATIC  
RENEWAL

34. This Agreement may be cancelled at the end of the original term if either party shall notify the other, in writing, of their intention to so terminate on or before \_\_\_\_\_ days prior to the original date. If this Agreement is not terminated at the end of the original term, it shall be automatically renewed for the same terms as the original term hereof until terminated by either party giving the other, in writing, notice of their intention to so terminate on or before \_\_\_\_\_ days prior to the expiration date.

AGENT'S  
PERFECTED  
SECURITY LIEN

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

FAIR HOUSING

36. The Property will be shown and made available to all persons without regard to race, color, creed, religion, national origin, sex, familial status, handicap or elderliness, in compliance with all applicable federal and state and local fair housing laws and regulations.

LEASE PREVAILS

37. If any provision of the Lease Agreement on the Property conflicts with this Agreement, the Lease Agreement shall take precedent over this Agreement.

MISCELLANEOUS:

IRS RULING

38. Owner and Agent acknowledge that neither the United States Congress nor the Internal Revenue Service has established definitive standards for active participation in the management of investment property. Accordingly, while it is the intention of the parties that the Owner shall actively participate in management of the Property, Agent makes no representation or warranty that the provisions of this Agreement shall comply with any requirements for "active participation" by Owner.

NONRESIDENT  
OWNER

39. Nonresident Landlord (Fill in if applicable or N/A). Under Virginia law, a "Nonresident Landlord" is required to file a Nonresident Real Property Owner Registration form with the Virginia Department of Taxation. Landlord, if a nonresident, hereby certifies that such required forms have been properly filed. In addition, a "Nonresident Landlord" is required to designate a registered agent for the purpose of service of process. Form Properly Filed:  Yes  No  
Registered Agent/Office Address

\_\_\_\_\_.

NOTICE

40. All notices required to be given under the Agreement may be hand delivered in accordance with Title 8.01 (Section 8.01-285, et. seq.) of the Code of Virginia (1950), as amended, or given by regular mail, postage prepaid, with the party giving notice retaining sufficient proof of mailing which may be a U.S. Postal Certificate of Mailing, and if served by mail shall be deemed to have been given when deposited in the U.S. Mail. Owner and Agent may send notices in electronic form. If electronic delivery is used, the sender shall retain sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery.

41. Other:

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

