

GREATER HAMPTON ROADS REALTORS® ASSOCIATION
MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is made on _____, 20____ between Agent and Owner, who have agreed as follows:

1. DEFINITIONS. Whenever the following capitalized words are used in this Agreement, they shall have the meanings shown below:

Agent: (company) Address:	Owner: Address:	Premises:
Owner SSN:	Payment Address:	
Commencement Date:	Termination Date:	Expense Limit:
Minimum Reserve:	Minimum Insurance:	Repair Limit:
Leasing Fee:	Renewal Fee:	Management Fee:
Mortgage Service Fee	Sales Commission:	EXPENSE Fee:

2. MANAGEMENT. Owner appoints Agent as Owner's exclusive agent to manage and lease the Premises, on behalf of Owner, and Agent is granted full authority and discretion to do so. The Premises shall be leased subject to the Virginia Residential Landlord Tenant Act. If Owner is not a resident of Virginia, (i) Agent must report rents received to the Virginia Department of Taxation, and (ii) Owner appoints Agent as Owner's agent for service of process in Virginia, as required by Virginia Code § 55-218.1. Agent must report rents received to the Internal Revenue Service.
3. TERM. This Agreement shall be for an initial Term commencing on the Commencement Date and ending on the Termination Date. The Term shall automatically renew for successive Terms of one (1) year each, unless either party gives the other not less than sixty (60) days prior notice of its intention to terminate this Agreement as of the expiration of their current LEASE.
4. AGENT'S DUTIES. Agent shall, and is authorized and directed, in Agent's name or Owner's name, to:
- a. advertise the Premises for rent in such manner as Agent determines is appropriate, including placing signs on the Premises.
 - b. place a lockbox on the Premises (at the sole discretion of the agent) and show the Premises to prospective and actual tenants ("Tenants");
 - c. sign, renew, terminate, and/or cancel leases and tenancies on general terms and conditions approved by Owner and on each form of lease as Agent determines is appropriate;
 - d. enforce lease provisions and collect rents and other amounts due from Tenants and recover possession of the Premises;
 - e. sign and serve in the name of Owner notices and institute and prosecute actions against Tenants;
 - f. in Agent's discretion, settle, compromise and release claims and actions or reinstate tenancies;
 - g. recommend to Owner, for Owner's approval, a schedule of rents and fees to Tenants;
 - h. handle and resolve complaints of Tenants; and
 - i. enter into such contracts regarding the Premises as Agent deems appropriate, including obtaining utility service and hiring employees and contractual labor for Owner, it being agreed that any employees shall be employees of Owner.

Nothing in this Agreement shall require Agent to take any action which would constitute the practice of law. Agent may engage, on behalf of Owner, the services of such attorneys, accountants, and other professionals as Agent deems appropriate. Agent may engage and/or compensate subagents and agents representing Tenants in connection with leasing the Premises.

5. OWNER'S DUTIES.
- a. Owner shall promptly perform all of its obligations under this Agreement and all leases, mortgages, deeds of trust, restrictive covenants, condominium documents, and other agreements affecting the Premises. This obligation includes Home Owners Association and other such related interests.
 - b. Owner shall determine the standards by which Tenants shall be selected and the rents and other charges for leases of the Premises. Upon execution of this Agreement, Owner shall provide Agent with the applicable standards and schedule of rents and charges. Agent may rely on this information until Owner gives Agent written notice to the contrary; provided that Agent may, from time to time, recommend revised schedules of rents and charges, and Owner will be presumed to have approved any charges recommended by Agent unless Owner gives Agent notice to the contrary within thirty (30) days after Agent sends any such recommended changes.
 - c. Owner shall keep the Premises in compliance with all applicable laws, rules, regulations and ordinances.
 - d. Owner agrees that the Premises shall be leased without regard to race, color, religion, sex, handicap, familial status, national origin, or elderliness of any Tenant, and Owner shall otherwise comply with all fair housing laws applicable to Owner or Agent.
 - e. Owner shall pay all interest required to be paid on security deposits held for tenants, to the extent that the interest Agent receives on such security deposits is insufficient.

 <p style="font-size: 1.2em; font-weight: bold; margin: 0;"><i>Specializing in New Beginnings and Happy Endings!</i></p> <p style="margin: 0;">Re/Max Alliance, 4701 Columbus Street, Suite 200, Virginia Beach, VA 23462 * (757) 436-0998</p>	
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- f. Owner shall maintain and provide Agent evidence of general liability and other insurance with per occurrence limits not less than the Minimum Insurance, covering any and all claims arising from bodily injury death, or Premises damage for acts and omissions relating to the Premises. All insurance required by this Agreement shall protect both Owner and Agent, their employees, servants, and agents, and shall name Agent as an additional insured.
- g. Owner shall pay all expenses of managing, owning, and operating the Premises. Nothing in this Agreement and no course of dealing shall be construed to require Agent to make any payment regarding the Premises out of Agent's funds. Agent's sole responsibility being to make any such payment out of such funds of Owner as are available to Agent.
- h. Owner shall provide Agent with all requested data, records, documents, and information relating to the Premises.
- i. Owner represents that Owner is the owner of the Premises and has full authority to enter into this Agreement.
6. **MORTGAGES.** Agent agrees (Yes___ / No___) to handle payment of Owner's mortgage payments. Owner shall promptly deliver to Agent all payment coupons, payment adjustments, and other notices relative to the mortgage(s) for the Premises. Agent shall not be responsible for any changes relative to the mortgage payment amounts or otherwise until fifteen (15) days after Agent receives written notice thereof from Owner.
7. **REPAIRS:** Agent shall arrange for all repairs, maintenance, and capital expenditures for the Premises. Owner must consent to any single expense expected to be in excess of the Expense Limit; provided that Agent may make any capital expenditures, repairs, and maintenance, which, in Agent's opinion, are of an emergency nature without the prior approval of Owner. Owner authorizes Agent to have the Premises thoroughly and professionally cleaned and all locks changed upon execution of this Agreement and on any change of tenancy.
8. **COLLECTIONS AND DISBURSEMENTS.** Agent shall deposit all money received in connection with the Premises in one or more federally insured accounts in the name of Agent. All interest on such account(s) in excess of interest on security deposits which is required to be paid to Tenants shall belong to Agent. Agent may draw upon this account(s) to pay all expenses incurred in connection with the Premises, including all amounts payable to Agent, and the expenses of maintaining the account(s). On a monthly basis, Agent shall deliver to Owner, at Owner's address, reports of receipts, expenses, and charges in connection with the Premises, and remit to Owner, at the Payment Address, all receipts less disbursements and reserves authorized by this Agreement. Agent shall not be liable in the event of the failure of any depository.
9. **MINIMUM RESERVE.** At all times, Owner shall maintain the Minimum Reserve with Agent. On the request of Agent, Owner shall immediately deliver to Agent funds sufficient to bring the balance held by Agent up to the Minimum Reserve. In the event of any insufficiency, Agent may (but shall not be required to) advance its own funds for Owner, in which event Owner shall reimburse Agent upon demand the full amount advanced, with interest at 12% per annum. Agent may withhold all amounts payable to Owner for a period of 45 days after the termination of this Agreement to pay bills previously incurred and to close accounts.
10. **FEES.** Owner shall pay Agent the following fees:
- the Leasing Fee in connection with each lease and the Renewal Fee in connection with each extension or renewal of each lease of any of the Premises obtained by Agent, payable upon execution or extension of each lease;
 - the Management Fee in connection with the management of the Premises, payable monthly in advance while any lease is in effect during the Term;
 - the Mortgage Service Fee payable monthly, in connection with Agent's agreement to make Owner's mortgage payments for the Premises pursuant to payment coupons provided by Owner;
 - the Sales Commission, if Owner sells any of the Premises to any Tenant procured by Agent, whether during or after the Term and whether or not Agent was involved in the negotiations for the sale, payable at the time of settlement on the sale, and
 - the Repair Fee if Agent is required to coordinate any single repair, replacement, or improvement to the Premises in excess of the Repair Limit, payable in advance of such work.
- All late rent, returned check, application, credit report, lease transfer, and similar fees paid by any Tenant shall be retained by Agent for enforcing the respective lease provisions.
11. **REIMBURSEMENT.** In addition to the fees indicated above, Owner shall reimburse Agent for all direct costs of managing, leasing, and operating the Premises, including cost of advertisements, legal proceedings, supplies, copies, telephone, mailings, and/or any other expense incurred by Agent and any of its affiliates in connection with the management of the Premises. Agent may require Owner to pay Agent in advance for any direct expense that Agent expenses to incur in connection with the Premises. Owner shall reimburse Agent for any legal fees incurred as a result of any breach by Owner.
12. **INDEMNIFICATION.** Owner shall indemnify and defend Agent from any liability or cost, including attorneys' fees, incurred directly or indirectly as a result of (i) any act, representation, or omission by Owner, or Owner's agents, employees, or invitees, and/or from any cause or causes relating to the management of the Premises, and (ii) any contracts entered into by Agent on behalf of Owner in connection with the Premises.
13. **LIABILITY.** Agent shall not be liable for any act or omission except in cases of its willful misconduct or gross negligence.
14. **DEFAULT.** Owner shall be in default, at the option of Agent, upon a. Owner's failure to perform any obligation under this or any other agreement with Agent in full with ten (10) days; b. the breach of any of Owner's representations c. Owner's insolvency or the application for the appointment of a receiver for Owner, or any assignment for the benefit of creditors by or against Owner, of any of its Premises; or d. The



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sale, lease (except pursuant to this Agreement) or other transfer of any of the Premises or any interest therein, including a transfer by foreclosure.

- 15. REMEDIES. If Owner defaults, in addition to any other remedy available to it, Agent may: a. remedy the default at the expense of Owner; b. suspend performance under this and any other agreement with Owner until Owner cures the default and gives adequate assurances of future performance; c. declare all fees payable by Owner under this Agreement for the balance of the Term to be immediately due and payable; d. terminate this Agreement and recover from Owner and/or Owner's funds held by Agent any amounts owed by Owner to Agent; and/or e. offset any amounts owed by Agent to Owner against any amounts owed by Owner to Agent.
- 16. DAMAGES. If Owner terminates this Agreement while a tenant procured by Agent occupies the property, Owner agrees to pay Agent liquidated damages in an amount equal to the commissions due for the remaining term of the current lease or _____.
- 17. ACTIVE PARTICIPATION. While the parties intend that Owner shall actively participate in the management of the Premises and Agent has taken steps to assist in reaching that goal, Owner acknowledges that neither the United States Congress nor the Internal Revenue Service has established any definitive standards for determining active participation in the management of rental investment Premises. Agent does not guarantee that Owner's participation will be considered active, nor will Agent be responsible for the deductibility of any losses or expenses associated with the Premises.
- 18. AGENCY DISCLOSURE. Owner acknowledges that Agent represents Owner as Owner's agent, and that disclosure of this agency relationship was made in writing at the time specific real estate assistance was first provided by Agent.
- 19. NOTICES. Notices under this Agreement shall be in writing and shall be given by hand delivery or sent by the United States Mail by first class or certified mail, return receipt requested, postage prepaid, and addressed as indicated above (or such other address as the parties may, by notice, specify) and shall be considered given when hand delivered or two days after deposited with the United States Postal Service.
- 20. MISCELLANEOUS. This Agreement is the entire agreement between the parties regarding the management of the Premises and replaces all prior offers and agreements. This Agreement may be modified only by a writing signed by all parties. No waiver of any part of this Agreement shall be binding on the waiving party unless the waiver is in writing and signed by the waiving party. This Agreement shall be binding upon the parties and their successors and assigns. This Agreement shall be governed by the laws of Virginia, excluding its laws relating to choice of law. If any provision of this Agreement is unenforceable, the remainder of this Agreement shall continue in effect and be construed as if the unenforceable provision had not been contained in this Agreement. The headings in this Agreement are for convenience only, and are not a part of the agreement of the parties nor shall they affect the meaning of any provision of this Agreement.
- 21. ADDITIONAL SERVICES. In the event that, at Owner's request, the Agent performs services in addition to those specifically enumerated under this Agreement, Owner agrees to compensate Agent for such additional services by paying an additional service fee of \$_____ for each occurrence or _____% of contracted price, whichever is greater.
- 22. DISPUTE RESOLUTION. Prior to initiating any litigation, the parties agree that any dispute or claim arising out of, or relating to, this Agreement, the breach of this Agreement or the services provided in connection with this Agreement, shall be submitted to mediation in accordance with the Dispute Resolution Systems Mediation Program provided by the Greater Hampton Roads REALTORS® Association. If the parties cannot reach a mutually agreeable settlement through mediation, they are free to arbitrate or litigate their dispute as if the mediation never took place.
- 23. Additional Provisions:

ALTHOUGH MANAGEMENT AGREEMENT IS DATED FOR 10 YEARS TO AVOID HAVING TO RE-SIGN, OWNER MAY TERMINATE AGREEMENT WITH 90 DAYS NOTICE. HOWEVER AGENT SHALL BE PAID IN FULL FOR ANY LEASE CURRENT AT THE TIME OF TERMINATION.

AGENT
By

OWNER

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