



**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"), \_\_\_\_\_, (hereinafter called "Agent"), or any person employed by or affiliated with Agent who is licensed as a real estate broker or salesperson by the Virginia Real Estate Board.

ADDRESS                      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,

TERM                            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.

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, 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 and to hold any 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 said deposit with any interest as may be required by law, less any and all proper deductions. Any interest earned above interest which is 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 received by this date.

MORTGAGE, TRUST, REAL ESTATE TAX PAYMENTS                    7. Make timely payments on any trust or mortgages secured by the Property, real estate taxes, or any other obligations of Owner, when not collected in escrow and paid by mortgage company, as 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 8. Make any emergency and/or normal expenditures necessary for the upkeep and protection of the Property. Expenditures exceeding \_\_\_\_\_ for any one item will be made only with the Owner's authorization, except in the event of an emergency. 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, 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 premises of any kind.

THE OWNER 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 1. Advertise the Property, display signs thereon (unless prohibited by local ordinance), place a common key lockbox upon the Property, make a blanket unilateral offer of subagency to real estate brokers and participants in any multiple listing service which Agent deems appropriate.

RENEW, CANCEL 2. 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 3. Collect rents and other charges become due and give receipts therefore, and deposit all funds collected hereunder in the Agent's rental account.

COLLECT OTHER CHARGES 4. Collect from Tenant all or any of the following charges for late rent payments, bad check charges, credit report fees, subleasing or early termination of lease charges including commission. Agent shall not be required to account for such charges or commission to the Owner.

COLLECT/REFUND SECURITY DEPOSITS PAYMENTS 5. Collect security deposits from Tenants and refund security deposits, less any proper deductions, and if required to do so by law, pay interest on such security deposits.  
6. 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.

MAINTENANCE OF PROPERTY 7. 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 Owner's Property. Agent shall purchase necessary supplies and pay bills, provided that the expenditure for any one item does not exceed \_\_\_\_\_ without the Owner's consent, unless the Agent considers the repair or services to be an emergency or prior Owner consents is not readily obtainable.

LEGAL PROCEDURE 8. 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.  
9. Hire, discharge and supervise all labor employees required for the operation and maintenance of the Property; it being agreed that all employees shall be deemed employees of the Owner and not the Agent. Agent may perform any of its duties through Owner's attorneys, agents or employees 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 AGREES TO PAY THE AGENT:

- LEASING FEE 1. A fee of \_\_\_\_\_ when a Tenant has been procured and lease executed. This leasing fee is separate from the management fee. These fees are non-refundable.
- RENEWAL FEE 2. A fee of \_\_\_\_\_ in any event where the Agent is required to negotiate and have executed a lease renewal or extension.
- MANAGEMENT FEE 3. 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 4. A fee of \_\_\_\_\_ of the cost of any non-management services provided.
5. A sales fee equal to \_\_\_\_\_ in the event the Property is sold to a Tenant procured by the Agent during the tenancy or within 120 days after the termination thereof. 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 FURTHER AGREES TO:

- LIABILITY INSURANCE 1. 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 \$ 1,000,000.00, 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 2. Provide Agent with a copy of the fire and hazard insurance policy in force which shall provide for rent loss coverage in the event the Property should be uninhabitable or in the event of vacancies in excess of thirty days, as well as adequate coverage for vandalism.
- INDEMNIFICATION 3. 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 make a final determination, which is either upheld or appeal, or not appealed within the applicable period of time, that Agent intentionally violated any such constitutional provisions, statute, ordinance, or regulation.
- BANKRUPTCY DEPOSITORY 4. 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 5. 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.
- EXCEPT VRTLA 6. Check as applicable)  
\_\_\_\_ A. Owner owns no more than 10 single family residences in Virginia subject to a rental agreement, or in the case of condominiums or single family residences in any city or in Henrico County or Fairfax County, no more than four, and is therefore exempt from the Virginia Residential Landlord Tenant Act (VRLTA). Owner hereby voluntarily agrees \_\_\_\_ or does not

agree \_\_\_\_\_ to have all rental agreements procured by Agent governed by the VRLTA.

\_\_\_\_\_ B. Owner owns more than 10 single family residences in Virginia subject to a rental agreement, or in the case of condominiums or single family residences in any city or in Henrico County or Fairfax County, more than four, and is therefore governed by the VRLTA.

IT IS MUTUALLY AGREED THAT:

STRUCTURAL  
CHANGES

1. 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

2. 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 such laws, ordinances, statutes or regulations.

TERMINATION BY  
AGENT

3. In the event it is alleged or charged that any building on the Property, or equipment therein, or any act or failure to act 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. 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 OF  
RENEWAL

4. 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, nature of their intention to so terminate on or before \_\_\_\_\_ days prior to the expiration date.

AGENT'S RIGHT  
TO FEES

5. In consideration of Agent's services in procuring leases and as a covenant running with the land, Owner covenants with, and for the benefit of the Agent, as follows: Agent is to receive leasing fees as called for in this Agreement during the original terms of the leases and on all

renewals or extensions thereof or on any new lease between any person and "Tenant", its "Successors" or "Assigns" (such phrase used herein to include such entity in which Tenant, its Successors or Assigns may have an interest as a stockholder, partner, lender of money or otherwise): and no sale, transfer assignment, cancellation or release, including a sale or conveyance to Tenant, its Successors or Assigns, shall effect Agent's right to fees. Agent shall have the right to collect all rents due hereunder so that its fee may be paid in installments as the rent is received, and retained by Agent before remitting the rent (less fees) to Owner; but if any act be done to deprive Agent of its right to collect the rent, then the whole amount of its fee then unpaid shall, at Agent's option, immediately become due and payable.

AGENT'S FIRST LIEN

6. The Owner grants Agent a first priority security interest in the rents collected or to be collected under such lease 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

7. 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

8. If any lease on the Property conflicts with this Agreement, the lease shall take precedent over this Agreement.

MISCELLANEOUS:

IRS RULLING

1. 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 statute, rule, regulation or decision enacted or issued by any such governmental authority.

NONRESIDENT OWNER

2. 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

3. 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.

4. Other:

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\_\_\_\_\_  
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