

EXCLUSIVE MANAGEMENT AGREEMENT



210 40th Street
Virginia Beach, VA 23451
(757) 428-4441 Office
(757) 422-5665 Fax

Property Code: _____

Property Phone: (____) _____

Atkinson Realty, Inc. (“Agent”) and _____ (“Owner”) agree as follows:

1. **Engagement Terms** – Owner agrees that Agent and its successors and assignees shall have the sole and exclusive right to lease and manage the property located at _____, Virginia Beach, VA _____ (“the property”). This Agreement shall commence on the ____ day of _____, 20 ____ and will continue until December 31st of the following year, at which time it will automatically renew thereafter for periods of one year until terminated by Owner or Agent upon three (3) month’s advance written notice of intent to cancel this Agreement at the expiration of the current annual term. A new rate sheet reflecting Agent’s recommended rental rates for the following year will be sent to Owner on or before May 1st of each year, at which time Owner and Agent shall have the opportunity to request changes to this Agreement to be effective January 1st of the following year; including, but not limited to, adjustment of rental rates, changes to commission rates, changes to the property, and owner’s personal use of the property. Any and all changes to this Agreement, whether made by Owner or Agent, must be in writing. If Owner fails to respond in writing to changes made by Agent by June 1 of each year, Owner shall be deemed to have agreed to such changes and Agent will be authorized to rely on, use and publish said changes and recommended rates for the following year.

The parties agree that Agent has the authority and right to enter into and retain copies of leases made on behalf of Owner with parties desiring to rent the property (hereinafter “Tenant(s)”), to provide copies of said leases to Owner upon written request, and to accept and confirm tentative reservations from Tenants for lease of the property in subsequent years.

Owner covenants and agrees not to occupy or authorize the occupancy of said premises unless otherwise agreed in writing between Owner and Agent. Owner acknowledges and agrees that this Agreement states an exclusive arrangement and all rentals of the property must be processed through Agent. Owners desiring to occupy their property for personal use shall reserve dates as early as possible. During the time period of June 1 through August 31 of each year, Owner agrees to limit personal use to two weeks. Weeks not reserved for Owner’s use will be considered open and available for rent. In NO event will confirmed Tenant reservations be cancelled as a result of Owner’s request to use or allow the use of the property after such reservations are made. Should Owner fail to comply with the terms of this provision, Agent will be entitled to payment for any commissions that would have been earned but for Owner’s non-compliance and recovery of any damages or costs incurred as a result of such non-compliance, including reasonable attorney’s fees.

2. **Property Management** – Owner grants Agent the exclusive right to manage the property during the term of this Agreement at the rates quoted on the rate sheet or such other rates and terms agreed upon by the parties in writing. Agent is authorized to collect monies or fees directly from Tenants, including those for special requests, which may include, but are not limited to, equipment, linen rental and reservation fees. All late fees, returned check charges, administrative and handling fees, application fees, lease transfer fees, Damage Protection Plan and pet fees, if any, paid by Tenants shall be retained by Agent for enforcing the respective rental agreements with Tenants. Said fees and charges shall not be reflected on Owner’s statement. Agent shall remit to Owner on a monthly basis those sums due to Owner for rent paid, less all chargeable expenses. Agent agrees to provide Owner a monthly statement reflecting rent received and expenses charged.
3. **Commissions and Disbursements** – Owner agrees to compensate Agent for services rendered under this Agreement and Agent shall deduct said compensation from rental proceeds upon receipt of rent monies collected from Tenants. The management commission for rental homes, which is based on gross rents collected, will be charged to Owner by Agent as follows: 15% for weekly and partial-week rentals, 12% for rentals 91 days and longer and annual rentals. Disbursements of net rental proceeds due to Owner will be made after the Tenant has checked in, collected rental monies have cleared through Agent’s financial institution, and any allowable deductions have been made, with such disbursements usually occurring during the first week of the month following Tenant occupancy. Commissions are due and payable to Agent for any rental periods for which confirmed reservation rent monies are received, whether or not such reservation is thereafter cancelled for any reason by either Tenant or Owner. Agent shall hold and retain all deposits in an interest bearing account with any accrued interest being retained by Agent, unless such interest accruals shall be required by law to be paid to Tenant, in which case Agent may choose to hold deposits in a non-interest-bearing account. Owner’s personal use reservations will not be charged a commission fee, except as otherwise provided in section 1 above. Commission will also not be charged for weeks when the property is not rented.
4. **Deposits** – Deposits charged to Tenants on confirmed monthly, weekly, and short-term reservations will be 50% of the gross rent plus any applicable fees. Damage deposits for each Special Event reservation will be \$500 (five hundred dollars). All other

confirmed reservations require payment by Tenant of a Damage Protection Plan Fee that covers up to \$500 (five hundred dollars) of accidental damages caused to the property or its furnishings by Tenants or their invitees. Owner understands that Agent cannot be held responsible for damages exceeding the amount of the damage deposit collected from Tenant or the Damage Protection Plan Fee coverage limitation. Damage deposits are for the protection of the property and will be used for repairs to damage caused by Tenants or their invitees. Damage deposits will NOT be used for repairs related to normal wear and tear to the property and/or furnishings, and do not apply to monies due as a result of breach of agreement by any Tenant. All damage deposits will be held in escrow until termination of the lease. Upon inspection of the property by Agent and, at Agent's discretion, reimbursement of the damage deposit to Tenant will be paid in part or in full within 30 (thirty) days after vacating the property. Confirmed rent deposits will be paid to Owner, less Agent's commission and fees, when reservations are cancelled by the Tenant and the property does not re-rent. If the property re-rents for the same period of time and at the same rental rate, the confirmed deposit, less a cancellation fee (which shall be retained by Agent), will be returned to the original Tenant.

5. **Liability and Insurance** – OWNER AGREES TO ACQUIRE AND MAINTAIN ADEQUATE AND PROPER LIABILITY INSURANCE NAMING AGENT AS AN ADDITIONAL INSURED THROUGHOUT THE TERM OF THIS MANAGEMENT AGREEMENT. Owner shall submit to Agent a Certificate of Liability Insurance showing Agent as additional insured and with a minimum \$300,000 (three hundred thousand dollars) of liability coverage within thirty (30) days of signing this management agreement. Owner agrees to conform to all federal, state and local requirements applicable to the property and to keep the property safe and habitable. Owner shall release, indemnify, defend and hold harmless Agent, its owners, officers, directors, employees, agents and assigns from any cost, claim, damage, or liability arising out of or resulting from Agent's management or leasing of the property, including any attorney fees or other costs incurred, unless the same arises from a willful act of Agent. Owner also agrees that Agent shall not be responsible for and Owner shall hold Agent harmless from any loss due to breach of contract by any Tenant.
6. **Maintenance of Property** – Owner shall do everything within his/her power to ensure that the property is properly maintained at all times. Owner will promptly pay for any mortgage payments, taxes, insurance and all electricity, water and other utilities consumed in the property and shall take reasonable action to keep the property free from insects, pests and vermin of all kinds. Owner further agrees to continuously maintain in operable condition the mechanical equipment and appliances at the property, including, but not limited to, heat pumps, air conditioners, and kitchen and laundry appliances. Owner authorizes Agent to make repairs to said equipment and to engage contractors on behalf of Owner to make repairs when Agent deems necessary. Such repair expenses will be deducted from the rental proceeds prior to disbursement to Owner. Agent will obtain written permission from Owner for repair expenses in excess of \$500 (five hundred dollars). In the event expense disbursements are in excess of the rent collected by Agent, Owner agrees to reimburse Agent for such expenses within 30 (thirty) business days of receipt of the Owner Statement or upon demand. Agent will not be held liable for any acts, negligence, or omissions of contractors hired on behalf of Owner to perform repairs. In order for the property to be successfully rented, Owner acknowledges and agrees that the property must contain furnishings of high quality, style, and utility. If at any time during the rental period it is determined by Agent that the property has been allowed by Owner to deteriorate to an unreasonable or uninhabitable condition, whether by need of repair, replacement of furnishings, or by lack of cleanliness, Agent reserves the right to terminate this agreement by giving notice in writing to Owner within 5 (five) business days of such determination. Owner agrees to provide standard household inventory items consistent with the list provided by Agent. Agent shall be authorized to engage contractors and pay those sums necessary for cleaning, repair, and maintenance incidental to the rental of the property, which services may be performed by businesses affiliated with Agent, and Agent may deduct the cost of such services from collected rent monies prior to disbursement of net rent proceeds to Owner. Owner will remain responsible for any and all damage to the property and related repairs resulting from freezing or above average temperatures, storms, or other acts of God.
7. **Rent Adjustments** – Owner agrees that Agent shall be authorized to make reasonable rent adjustments not to exceed twenty percent (20%) of the gross rent paid by Tenant as a result of mechanical or electrical malfunctions or any other issue which renders the property inadequate during the Tenant's rental period. If a major maintenance problem occurs (including heat and air conditioning malfunctions) that cannot be corrected within twenty-four (24) hours, or if substandard property conditions exist (as determined in Agent's sole discretion), Agent reserves the right to move Tenant to an alternate property or refund monies paid. Collected rents will be prorated accordingly between the respective property Owners. .
8. **Winter and Long-Term Rentals** – If Owner chooses to participate in monthly winter or long-term rentals, Owner agrees that Agent shall be authorized to engage contractors to professionally steam clean carpets at Owner's expense prior to winter or long-term rental occupancy. Tenant shall be responsible for professional carpet cleaning upon termination of the winter or long-term rental lease. Owner further authorizes Agent to engage contractors to thoroughly clean the property upon a winter or long-term Tenant's departure, which services may be performed by businesses affiliated with Agent at Owners expense. Winter and long-term Tenants will be screened through a credit background check, and will be required to pay a security deposit of no less than one month's gross rent, which will be collected prior to occupancy. Agent will obtain final approval from Owner for a winter or long-term Tenant prior to occupancy.

9. **Additional Provisions**

- A. Owner hereby agrees that in the event of any sale or transfer of the property the sale or transfer shall include and be conditioned upon an assignment of this Agreement to the purchaser or transferee, who shall agree to be bound by and subject to the terms of this Agreement and the fee structure in effect at the time of the sale or transfer. Owner agrees to advise any party or agent involved in the sale or transfer of the existence and terms of this Agreement.
- B. The parties confirm that Atkinson Realty, Inc. represents Owner as its Agent.
- C. Owner authorizes Agent to display a management sign on the property and to negotiate and execute lease agreements with prospective Tenants.
- D. Owner will comply with all federal, state and municipal laws, ordinances and regulations relating to the property.
- E. In the event Owner shall become insolvent or shall make a general assignment for the benefit of their creditors, or in the event the property is placed in foreclosure by a creditor of Owner, Agent shall have the right (in addition to all other rights and remedies provided by law) to immediately terminate this Agreement.
- F. Housing built before 1978 may contain lead-based paint. Owner hereby certifies the following:
 - i. ___ Known lead-based paint and/or lead-based paint hazards are present in/on the property.
 - ii. ___ Owner has no knowledge of lead-based paint and/or lead-based hazards in/on the property.
- G. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia, without consideration of its conflicts of law provisions. If any provision of this Agreement is adjudged to be void or otherwise unenforceable, in whole or in part, the parties agree that such adjudication shall not affect the validity of the remainder of the Agreement. The parties agree that the Circuit Court for the City of Virginia Beach, Virginia, shall have exclusive jurisdiction to hear and decide any dispute between or among the parties arising out of or related to this Agreement.

WITNESS these following signatures this ___ day of _____, 20 ___.

Primary Owner: _____ % Ownership
 Printed Legal Name: _____
 Signature: _____
 SS# or Fed Tax ID: _____
 Mailing Address: _____
 City, ST, Zip: _____
 Contact Numbers:
 Home: (___) _____
 Cell: (___) _____
 Work: (___) _____
 Fax: (___) _____
 Email: _____
 Emergency Contact: _____
 Emergency Number: (___) _____

Secondary Owner: _____ % Ownership
 Printed Legal Name: _____
 Signature: _____
 SS# or Fed Tax ID: _____
 Mailing Address: _____
 City, ST, Zip: _____
 Contact Numbers:
 Home: (___) _____
 Cell: (___) _____
 Work: (___) _____
 Fax: (___) _____
 Email: _____
 Emergency Contact: _____
 Emergency Number: (___) _____

Agent Signature: _____

Date: _____

