



PROPERTY MANAGEMENT AGREEMENT

THIS WRITING, dated this ____ day of _____, 20____, constitutes an agreement for the management of certain real property located at _____, in _____, Virginia, between the owner of the property, _____, (“OWNER”), and COLONIAL REALTY AND PROPERTY MANAGEMENT, LLC, (“Broker”), and represents the entirety of the agreement between the parties.

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, **THE PARTIES AGREE AS FOLLOWS:**

1. PROPERTY DESCRIPTION - (“SUBJECT PROPERTY”)

- a. Physical Address of the Property - _____

- b. Description of the Property - _____

2. LEASE TERMS

- a. Broker shall secure a rental agreement for Owner on the subject property for a term no less than _____, but no longer than _____, and at a gross monthly rent of \$_____ to \$_____ dollars
- b. Broker shall require any person(s) executing such a lease agreement for said property to tender a deposit of one months rent.

- c. Owner shall make the property available for lease no later than the _____ day of _____, 20_____.

3. EXECUTION OF LEASE

- a. Broker is authorized to execute and deliver a properly executed rental agreement for the subject property at a gross monthly rent not less than that specified in Section 2(a) of this agreement.
- b. Broker shall use the Virginia Association of Realtors' Lease as a rental agreement. Owner acknowledges the use of said lease agreement and approves of the same. A sample copy is attached hereto as Appendix A.
- c. Broker shall remit a copy of each executed lease to the Owner within seven (7) business days of execution by the tenant(s).
- d. Owner agrees to be bound by any and all rental agreements executed in relation to the subject property and entered into by the Broker.

4. MANAGEMENT OF SUBJECT PROPERTY

- a. Broker is authorized to generally manage the subject property and to make any and all expenditures as it may deem necessary and to deduct same from Owner's account. Broker is under no duty to search for or discover defects, needed maintenance or repairs.
- b. Collection of Rent and Payment to Owner
 - i. Broker shall collect rents payable to the Owner and deposit the same into the Broker's escrow account on behalf of the Owner.
 - ii. Broker shall remit payment to the Owner after deducting all fees as set forth in this agreement no later than fifteen (15) business days after deposit of rent checks to ensure acceptance by all banking institutions.
 - iii. Broker may collect from tenants and retain any and/or all, but not limited to the following: an administrative charge for late payment of rent, a charge for returned or non-negotiated checks, interest, and a rental application fee.

- c. Broker shall inspect the subject property and itemize any damages when the Owner delivers possession of the same to the Broker and will remit a written copy of said inspection to the Owner.
- d. Broker shall have the right to notify any tenant that their rental agreement is being terminated. Owner's right to terminate shall and must be exercised through the Broker.
- e. Broker shall have the authority to place any signs advertising the property for lease on the subject property and to remove all other such signs, and to place a common key lockbox on the subject property.
- f. Repairs to Subject Property
 - i. Broker shall make necessary repairs to the subject property up to the sum of Two hundred dollars (\$200.00) per month. Owner shall be solely responsible for repairs and supplies in excess of Two hundred dollars (\$200.00) per month, unless considered an emergency repair as described in Section 4(e)(iii).
 - ii. Non-Emergency Repairs - Owner may engage the Broker to supervise any non-emergency repairs in excess of Two hundred dollars (\$200.00), subject to a separate written agreement and at a fee of no less than twenty percent (20%) of the total cost of the non-emergency repairs (including labor and materials).
 - iii. Emergency Repairs - Any repair in excess of Two hundred dollars (\$200.00) that is necessary to remedy a situation which makes the subject property uninhabitable, unrentable, dangerous, necessary to maintain habitability or prevent injury or loss of life, shall be deemed an emergency repair.
 - (1) Broker shall make reasonable efforts to notify the Owner of any emergency repairs as soon as reasonable to do so at the address and phone number(s) indicated at the execution of this agreement. Owner shall immediately notify the Broker of any change in its address or phone number(s).
 - (2) If the Broker is unable to reach the Owner within a reasonable amount of time, Broker shall, in its own good faith discretion, determine if the repair is an emergency repair and undertake to remedy the situation at the Owner's expense.

- iv. Owner shall be liable for all repairs arranged by the Broker and all costs shall be deducted from the Owner's account with the Broker.
- v. If such expense is greater than the monthly disbursement to the Owner, Owner shall promptly reimburse Broker for the amount in excess upon written request of the Broker.
- vi. If the deficiency is not paid within thirty (30) days of a written request by the Broker, Owner shall pay interest at a rate of eighteen percent (18%) annually [one and a half percent (1.5%) per month] on any outstanding balance, and shall begin on the thirty-first (31) day after the request for payment by the Broker.
- vii. Broker shall determine if repairs are a result of tenant neglect and that tenant will be liable for keeping present condition, normal wear and tear excepted.
- g. Utilities - Owner shall arrange for utilities to be connected and to pay all utility bills on the subject property when not rented to a tenant.
- h. Broker shall have the authority to hire, discharge and supervise all employees and labor required for the operation and maintenance of the subject property.
 - i. Owner shall be liable for all expenses related to the upkeep and maintenance of the subject property.
 - ii. Broker may perform any of its duties through his attorney's agent or employees and shall not be liable for their acts, defaults or negligence.
- i. If the subject property is part of a condominium or cooperative unit owners' or homeowners' association or subject to any restrictions on the use of the subject property, Owner shall provide the Broker copies of any By-Laws, rules, regulations or restrictive covenants or any other documentation which place such restrictions upon the use of the subject property, upon execution of this agreement.
- j. Broker shall be liable for general advertising displaying the Broker's firm name as deemed necessary.
- k. Broker shall offer the subject property for rent without respect to race, color, creed, religion, sex, national origin, elderliness, familial status or handicap pursuant to all applicable federal and state laws and regulations.

5. COMPENSATION

- a. Broker shall be paid a commission by Owner totaling ten percent (10%) of the gross rental receipts for any lease executed on the subject property during the term of this agreement.
- b. Broker shall be paid the commission stated in Section 5(a) if, within sixty (60) day of termination by the Owner, as outlined in Section 8(c), enters into a lease with any party whom the subject property was shown during the term of this agreement.
- c. The Broker's commission is earned when the tenant is procured and is payable on all rents during the original term, any renewals, extensions, expansions, replacements, relocations or new leaseings between the Owner and the tenant or its successors and assigns, including, but not limited to, any entity affiliation with, controlled or owned by or under common control or ownership with the tenant, its principals or owners.
- d. Owner shall covenant with and for the benefit of the Broker that no sale, transfer, assignment, cancellation or release, including a sale or conveyance to any tenant, its successors or assigns, including, but not limited to, any entity affiliated with, controlled or owned by or under common control or ownership with the tenant, its principals or owners, shall affect the Broker's right to the fees and commissions to which the Broker is entitled hereunder.
- e. Owner shall, at the request of the Broker, include a provision in all leases for the subject property incorporating the rights of the Broker hereunder.
- f. Broker is authorized to pay a finder's fee of Fifty dollars and zero cents (\$50.00) to any licensed Real Estate Agent for procuring a tenant for subject property.
 - i. Said fee shall be paid from the Owner's account with the Broker.
 - ii. Owner shall pay a maximum of one (1) finder's fee for each rental agreement executed.
 - iii. Broker reserves the right to reasonably change the amount of the finder's fee through a change in company policy upon thirty (30) days written notice to the Owner.

6. INDEMNIFICATION

- a. Broker has full authority to retain an attorney on the Owner's behalf for the collection of rent and other sums due when appropriate.

- b. Owner agrees to pay reasonable attorney's fees and costs of any and all proceedings regarding the subject property.
- c. Owner shall jointly and severally hold the Broker harmless from, and to indemnify against, any and all losses, claims, judgments, damages or demands for damages or injury to persons or property in, on or about the subject property for any reason whatsoever.
- d. Owner shall pay all expenses incurred by the Broker, including, but not limited to, reasonable attorney's fees and Broker's cost and time in connection with any claim, proceeding or suit involving an alleged violation by the Broker or the Owner, or both, or any applicable law in regard to the subject property.
- e. Owner shall not be liable to the Broker for any expense described in Sections 6(a), 6(b) or 6(c) in the event the Broker is finally adjudicated to have personally, and not in a representative capacity, violated any such law.
- f. Broker shall not be obligated to employ counsel to represent the Owner in any such proceeding or suit.

7. INSURANCE

- a. Upon execution of this agreement, Owner shall provide the Broker with a certificate of insurance attesting to the existence of a public liability insurance policy. Said policy shall
 - i. Be in the minimum limits of \$100,000.00 bodily injury per person, \$300,000.00 bodily injury per occurrence and \$25,000.00 property damage per occurrence;
 - ii. Show Broker as a named insured;
 - iii. Provide that said policy cannot be cancelled without giving the Broker a minimum of ten (10) business days advanced notice; and
 - iv. Remain in effect for the duration of this agreement.
- b. If Owner does not provide said policy, or if said policy is cancelled at any time during this agreement, Broker may cancel no sooner than ten (10) days after providing the Owner written notice and opportunity to cure.

8. TERMINATION

- a. This agreement shall remain in effect as long as the Owner maintains the subject property as a rental property or the agreement is terminated as described in Sections 8(b) and 8(c).
- b. Broker may terminate this agreement for any reason and at any time upon thirty (30) day written notice to the Owner.
- c. Owner may terminate this agreement by paying Broker the rental commission of the balance of the term of any rental agreement then in effect for the original term, any renewals, extensions, expansions, replacements, relocations or new leaseings between the Owner and the tenant or its successors and assigns, including, but not limited to, any entity affiliated with, controlled or owned by or under common control or ownership with the tenant, its principals or owners

9. INTERPRETATION

- a. **CHOICE OF LAW** - This agreement shall be interpreted under the laws of the Commonwealth of Virginia and any applicable ordinances of the City of Williamsburg and the County of James City, Virginia.
- b. **INDEPENDENT REVIEW** - All parties have had the opportunity to have this agreement reviewed by independent counsel of their own choosing and agree that it is both fair and representative of their intent.
- c. **ENFORCEMENT** - This agreement shall not be binding upon any party unless agreed to and executed by all of the undersigned.
- d. **ASSIGNMENT** - This agreement shall inure to the benefit of and be binding on the heirs, executors, administrators, successors and legal representatives of each of the parties.
- e. **COUNTERPARTS** - This agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement.
- f. **MERGER** - This written agreement, signed by all parties, constitutes the full and final representations, intentions and expressions of the parties, and is a complete and exclusive statement of those terms.

- g. **MODIFICATION** - Any modifications to this agreement must be in written form and signed by all parties.
- h. **SEVERABILITY** - Should any of the provisions of this agreement become invalid for any reason or otherwise cannot be enforced, the remainder of the agreement will remain in full force and effect, unless an injustice would thereby result.
- i. **HEADINGS** - The headings and subheadings of clauses contained in this agreement are used for convenience and ease of reference and do not limit the scope or intent of the clause.

Date: ____ / ____ / ____

Colonial Realty and Property Management, LLC

OWNER

OWNER

ADDRESS

COLBY T. CUMBER, PRESIDENT
COLONIAL REALTY AND PROPERTY MANAGEMENT, LLC
1101 Professional Drive
Williamsburg, Virginia 23185
(757) 291-3323
colby.cumber@colonial-realty.com
www.colonial-realty.com