

**Charthouse Properties**  
 3552 Collins Blvd, Ste C  
 Chesapeake, Virginia 23321  
 Ofc (757) 392-1906 Fax (866) 653-2359

**EXCLUSIVE RIGHT TO LEASE and MANAGEMENT AGREEMENT**

This Property Management and Agreement (“Agreement”) is made on \_\_\_\_\_ between \_\_\_\_\_ (“Owner”) and Hampton Roads Real Estate Management Co., LLC dba Chighthouse Properties \_\_\_\_\_ (“Agent/Company”), who have agreed as follows:

**1. DEFINITIONS**

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

<b>AGENT:</b> ( <i>company</i> ) _____	<b>OWNER:</b> _____	<b>SALES COMMISSION:</b> _____
<b>AGENT ADDRESS:</b> _____ _____ _____	<b>OWNER’S MAILING ADDRESS:</b> _____ _____ _____	<b>PREMISES:</b> _____ _____ _____
<b>LAST 4 OWNER SSN / EIN:</b> _____	<b>PAYMENT ADDRESS:</b> _____ _____ _____	<b>APPROXIMATE YEAR BUILT:</b> _____
<b>COMMENCEMENT DATE:</b> ____/____/____		<b>MANAGEMENT FEE:</b> _____
<b>MINIMUM RESERVE:</b> \$ _____	<b>TERMINATION DATE:</b> ____/____/____	<b>EXPENSE LIMIT:</b> \$ _____
		<b>FINDERS FEE:</b> \$ _____

**2. MANAGEMENT**

Owner appoints Agent as Owner’s exclusive agent to lease and manage 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 for one (1) year each, unless either party gives the other not less than sixty (60) days prior written notice of its intention to terminate this Agreement as of the expiration of the then current LEASE and vacation of the then current tenant. This agreement automatically renews with each successive rental term.



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**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(s) on the Premises (at 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 such form of lease as Agent determines is appropriate;
- d. any lease executed for the Owner by the Agent shall not exceed \_\_\_\_\_ Year(s);
- e. to make or cause to be made repairs and alterations; and pay bills therefore solely from the sums held for Owner;
- f. Agent agrees to secure the prior approval of the Owner on all expenditures in excess of \$\_\_\_\_\_ for any one item, except emergency repairs in excess of the maximum if, in the opinion of the Agent such repairs are necessary to protect the Premises from damage or prevent damage to life or to the property of others or to avoid suspension of necessary services or to avoid penalties or fines or to maintain services to the tenant(s) as called for in their lease, or if in Agent's opinion to maintain the tenancy or to avoid constructive eviction. Nothing herein contained, however, shall be construed to obligate the Agent to make such advances;
- g. on a MONTHLY basis, render statements of receipts, expenses and charges and remit to Owner all receipts less disbursements. Agent is authorized to retain \_\_\_\_\_ reserves in escrow, for the payment of repairs, evictions, etc. Agent is authorized to deduct from Owner's account any fees or commissions due. In the event the expenses of charge shall be in excess of the rents collected by Agent, the Owner hereby agrees to pay such excess within fourteen (14) days upon demand of Agent. If said payment is not made within fourteen (14) days of notification, no further expenditures will be made on behalf of Owner. Such payments shall be mailed to:
- h. enforce lease provisions and collect rents and other amounts due from Tenants and recover possession of the Premises;
- i. sign and serve in the name of Owner notices and institute and prosecute actions against Tenants;
- j. in Agent's discretion, settle, compromise and release claims and actions or reinstate tenancies;
- k. recommend to Owner, for Owner's approval, a schedule of rents to Tenants;
- l. handle and resolve complaints of Tenants; and
- m. 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 the Owner.

Nothing in this Agreement shall require Agent to take any actions 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. 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 seven (7) days after Agent sends any such recommended changes.
- c. Owner shall keep the Premises in compliance with all applicable laws, rules, regulations, and ordinances including laws concerning lead based paint and mold prevention and remediation. Owner shall keep property in good repair.
- 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 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.



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- f. 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.
- g. Owner shall provide Agent with all requested data, records, documents, and information relating to the Premises.
- h. Owner represents that Owner is the owner of the Premises and has full authority to enter into this Agreement.
- i. Owner shall deliver property to Agent in a fit and habitable condition, including all required smoke detectors and all other safety equipment and inspections as required by local municipal law and Agent's policies. Failure to deliver property to Agent in accordance with these provisions will constitute a breach of this agreement and Agent may avail himself of remedies in #14 (Default).
- j. If the home's heating system uses natural gas, oil, propane, or other combustible fuel, owner is required to install a carbon monoxide detector.
- k. Owner represents that the home's heating system has been recently serviced by a licensed HVAC professional.

**6. MORTGAGES**

Owner is responsible for payment of all mortgage fees, property association fees, condo association fees and real estate taxes on the property. Further, Owner represents that Owner is current and will remain current with all debt payments and all real estate taxes due on premises.

**7. EXPENSES**

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 including cleaning of carpeting, chimney/fireplace, and pool, if present, 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 escrow 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). In the event of security deposit forfeiture, any amounts owed to agent shall be deducted by agent before remittance to owner. 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**

If elected, 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 not be required to) advance its own funds for Owner, in which event Owner shall reimburse Agent upon demand the full amount advances, 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:

- a. the Management Fee in connection with the management of the Premises, payable monthly in advance while any lease is in effect during the Term;
- b. the monthly Management Fee is determined by taking the percentage of the total lease and dividing it by the lease term months.
- c. the Sales Commission, if Owner sells any of the Premises to any Tenant renewed or procured by Agent during Lease Term, or a period up to 180 days after the termination of this agreement payable at the time of settlement on the sale; and
- d. the Expense Fee if Agent is required to coordinate any single repair, replacement, or improvement to the Premises in excess of Expense Limit, payable in advance of such work.
- e. Periodic smoke detector inspection fees.



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Tenant late fees (10% of monthly rent) will be paid to Agent for additional time invested. All 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 and if breach of contract by Owner, 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 expects to incur in connection with the Premises. Owner shall reimburse Agent for any legal fees incurred as a result of any beach 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 relating to the management of the Premises, and (ii) any contracts entered into by Agent on behalf of Owner in connection with the Premises. Such indemnification is not subject to the expense limits set forth elsewhere in this agreement and such indemnification shall survive the termination of this agreement.

**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 pay any fee or perform any obligation under this or any other agreement with Agent in full within thirty (30) days of when payment or performance is due;
- 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 sale, lease (except pursuant to this Agreement), or other transfer of any of the Premises or any interest therein, including a transfer by foreclosure.
- e. Owner fails to keep property in good repair.
- f. Owner refuses to rent to a qualified applicant presented by Agent.

**15. REMEDIES**

If Owner defaults, in addition to any other remedy available to it, Agent may:

- a. remedy of default at the expense of Owner;
- b. suspend performance until 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 offset any amounts owed by Agent to Owner against any amounts owed by Owner to Agent.
- e. Should owner terminate this agreement prior to a tenant being procured, a fee equal to 20% of agreed upon monthly rent level or \$300.00, whichever is greater shall be due to Agent. This fee does not apply to homes actively for sale when Agent was engaged when the reason for termination is the sale of the home.

**16. DAMAGES**

If Owner terminates this Agreement while a tenant procured or renewed by Agent occupies the property, Owner agrees to pay Agent liquidated damages in an amount equal to the management fees due for the remaining current and successive terms.



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**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, or sent electronically with email 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 within the United States Postal Service or sent via electronically with email.

**20. PHOTOGRAPHY**

Landlord/Tenant hereby acknowledges that Agent may take interior and exterior photographs or videos for the purpose of documenting the condition of, or advertising the property by using the multiple listing computer system and the Internet. Such photographs may be digitized, reproduced, published, transmitted, disseminated, and displayed in any form or manner, without limitation of Agent, Agent's Broker, and the multiple listing service in and through online realty information services or other forms of electronic distribution, and in books, displays, publications and newspapers as well as any other use, media, or means to aid in the rental of the property.

**21. 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 nullified only in 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 provisions 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 provisions of this Agreement.

**22. 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 to be negotiated for each occurrence.

**23. 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. 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.

**24. ASSIGNMENT**

Company reserves the right to assign this agreement to another company with notice to Owner. In the event of assignment, all of owner's fund held on the date of transfer shall be transferable to the new company.



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**25. ADDITIONAL PROVISIONS**

\_\_\_\_\_  
(Owner) (Date) Charthouse Properties \_\_\_\_\_ (Date)  
(Agency/Company)

\_\_\_\_\_  
(Owner) (Date) (as Rental Agent and Property Manager for Owner) (Date)

\_\_\_\_\_  
(Owners primary contact phone number)

\_\_\_\_\_  
(Owners primary contact email address)

\_\_\_\_\_  
(Secondary contact information information)

