

Management Agreement:

This Agreement is made this day _____ between _____ jointly and severally, (hereinafter "Owner,") and **Anchor Realty of Virginia, Inc.** doing business as Anchor Realty Group (hereinafter referred to as "Broker") (Owner and Broker collectively referred to hereinafter as the "Parties").

- 1. TERM:** Owner hereby employs Broker as Owner's exclusive agent to rent and manage the Property located at _____ (hereinafter "Property"), under the terms and conditions hereinafter set forth for an initial period of one (1) year and 6 months beginning on the commencement date of _____, with the termination date set for _____. The term shall automatically renew for annual periods each year, unless on or before sixty (60) days prior to the expiration of any period, either party shall notify the other in writing of its intention to terminate this Agreement, in which case, this Agreement shall be terminated at the end of its then-current term.
- 2. VRLTA AND LEGAL COMPLIANCE:** Owner agrees to act in accordance with the Virginia Residential Landlord and Tenant Act (hereinafter "VRLTA") and all applicable federal, Commonwealth of Virginia, and local laws.
- 3. SCOPE OF SERVICES:** The Broker accepts the employment and agrees to: Conduct all business with diligence furnishing the services of its organization for the leasing, operating, and management of the Property. Broker shall and is hereby authorized by the Owner to act as Owner's agent to provide the following services and those service which reasonably result or are necessary to carry out the following:
 - a. Reasonably advertise Property for rent or sale, including, but not limited to, at the discretion of Broker, the use of signage on Property; b. To place a lockbox on Property (at the sole discretion of the Broker) and show Property to prospective purchasers or tenants; c. To disclose in the Lease the agency relationship between the Broker and Owner to the tenant;
 - d. To provide leases, notices, and agreements for the tenants;
 - e. Sign, renew, terminate, and/or cancel the Lease or a tenancy;
 - f. Enforce the terms of the Lease and collect rents and fees due from tenants and recover possession of Property when necessary; g. Sign or institute any actions against tenants for possession or for rent or fees due;
 - h. In Broker's discretion, settle, compromise, and release claims and actions and reinstate tenancies;
 - i. Recommend to Owner, subject to Owner's approval, subsequent changes in rent and fees;
 - j. Handle and work to resolve complaints of tenants;
 - k. Broker is authorized to hire, discharge, and supervise all labor and employees required for the operation and maintenance of the Property, and Broker may perform any of its duties through attorneys, agents, or employees, it being agreed that all employees shall be deemed to be of the Owner and not of the Broker, and Broker shall not be responsible for their acts, omissions, defaults, or negligence, if reasonable caser has been exercised in their appointment and retention;
 - l. Broker is authorized to execute contracts for utilities and services for the operation, maintenance, and safety of the Property as the Broker shall deem advisable or necessary, the Owner thereby agreeing to assume the obligation of any contract so entered into under this Agreement; and m. Any Lease executed for Owner by the Broker shall not exceed 18 months, unless otherwise authorized in writing by the Owner.
- 4. OWNER'S DUTIES:** Failure of Owner to adhere to any of the terms below shall constitute a material breach of this Agreement. a. Owner shall promptly perform all of its obligations under this Agreement, the Lease, and any other agreements affecting the Property. b. Owner will make available to Broker all data, records, and documents pertaining to the Property which the Broker may require to properly exercise its duties.
 - c. Owner shall promptly make, or cause to be made, all repairs which are necessary to maintain the Property in a fit and habitable condition, and to comply with all terms of this Agreement, the Lease and applicable law.
 - d. Owner will act in good faith to assist Broker in the enforcement of the Lease and in the management and operation of the Property, including but not limited to facilitating communication between Broker and Owner's insurance provider, community/condominium association, and other contractors and employees whom Owner has contracted with directly.
 - e. Owner shall promptly respond to all maintenance requests for which Owner's authorization is required under this Agreement. f. Owner shall pay, or cause to be paid, all taxes, mortgages, community/condominium association assessments and bills and all other debts related to the Property whatsoever, and Owner shall ensure that all amounts due remain current.
 - g. The Owner agrees that all lease agreements for the Property shall be executed on Broker's standard lease agreement, as modified time to time (hereinafter "Lease") and Owner hereby agrees to be bound by all of the conditions and requirements of such Lease.
 - h. Owner shall deliver Property to Broker in a fit and habitable condition, including all required smoke detectors, and such other items as required by city code and Broker's policies. Owner hereby authorizes Broker to have the property cleaned thoroughly, including professional cleaning of carpet, fireplace/chimney, and pool, if any, before first renting Property, unless the Owner provides Broker with receipt for such items when they vacate the property; to re-key the locks at the beginning of this Agreement, and thereafter upon any change in tenancy.
- 5. OWNERS FUNDS AND DISBURSEMENTS:** Broker shall deposit all receipts collected for Owner in one or more accounts in a national or state financial institution separate from Broker's personal account. Broker will not be held liable in the event of a bankruptcy or failure of the depository. Broker will render

monthly statements of receipts, expenses and charges and remit to Owner all receipts less disbursements. In the event the expenses or charges exceed the rents collected or the balance retained by Broker, the Owner hereby agrees to pay such excess within thirty (30) days upon demand of Broker. Failure to do so will constitute a material breach of this Agreement. In the event funds are not available in Owner's account to pay utilities, repair, or any other costs, the Broker will not be held responsible or liable for any penalties, fees, discontinued services, adverse action, or other consequences of damages resulting from the non-payment of such costs. In no case will Broker be required to pay any expenses from its own funds. However, if, at Broker's sole discretion, Broker or Broker's affiliates or subsidiaries, advance funds to Owner to make payment for expenses incurred on owner's behalf, Owner shall reimburse Broker within thirty (30) days of any such advance, either through deduction from rents collected or through direct payment by Owner. In addition, if such advances are not reimbursed within the allotted time, such advances shall bear interest at the rate of twelve percent (12%) per annum and shall constitute a material breach of this Agreement.

6. ESCROW FUNDS: Owner is obligated to place with Broker at the time of execution of this Agreement to place a minimum of **\$1,000.00** of Owner's funds in escrow, for the payment of expenses and charges. Upon request of Broker, Owner shall immediately deliver to Broker funds sufficient to bring the balance held by Broker back up to the aforementioned amount. At the sole discretion of the Broker, if Owner fails to replenish the escrow fund within thirty (30) days after being requested to do so, Broker may hold back Owner's disbursements until the escrow amount is fully replenished.

7. MAINTENANCE, REPAIRS, EXPENDITURES, AND DISBURSEMENTS: Broker is authorized to make, or cause to be made, repairs and alterations, and pay all bills therefore from the sums held for Owner. Broker agrees to secure the prior approval of Owner on all expenditures in excess of **\$500.00** for any one item, except monthly or recurring charges and/or emergency repairs in excess of the maximum, if in the opinion of Broker, such repairs are necessary to protect the Property from damage or prevent injury to someone's life or the property from damage or fines or to maintain services to the tenants as called for in their Lease. Nothing contained herein shall be construed to obligate Broker to make such services or payments.

8. MAJOR RENOVATIONS AND IMPROVEMENTS TO THE PROPERTY: Non-routine maintenance and major alterations to the Property, including, but not limited to, connection of the property to city water or sewer, installation of new roofing, siding, HVAC and any other items which exceed **\$500.00** in cost shall be considered to be beyond the scope of this Agreement and Broker's obligation to Owner. Owner and Broker may agree, in writing, signed by both parties, to terms under which Broker may provide these additional services to Owner.

9. SECURITY DEPOSIT: Broker shall collect from Tenant(s) a security deposit equal to one month's rent, or such other amount as shall be designated in the Lease entered into with the Tenant(s), for the faithful performance of all terms and conditions of the Lease. Such deposits shall be held by Broker during the course of management, and the Broker shall be entitled to retain any interest collected on security deposits from a Tenant or any other monies of Owner held by Broker above that which is required to be paid by law. Whenever it shall be required by law that interest be paid on a tenant's security deposit, above that which is actually earned by Broker, such interest shall be an expense chargeable to Owner.

10. COMMISSIONS AND FEES: The Owner agrees to pay the Broker a commission in cash on all transactions as follows:

- a. Leasing Fee and/or Renewal Fee: A leasing fee equal to _____ percent (____ %) of one month's gross rent when a tenant has been procured and a Lease has been executed or in a situation where the Broker negotiates and executes a lease renewal or extension;
- b. Repair Fee: A repair fee equal to ten percent (10 %) of the cost of any repairs or other non-management expenses in excess of \$20.00 which the Broker is required to administer. This fee shall apply to any work performed by affiliates of Broker.
- c. Listing Fee: If, during the term of this Agreement, Owner desires to sell the Property, it is agreed that Broker and/or assigns shall have an exclusive right to sell the Property and shall receive from Owner a brokerage fee equal to six percent (6%) of the sales price to be paid in cash at settlement.
- d. Sales Fee: If Property is sold, exchanged, or otherwise transferred to any current or former tenant procured during the term of their Lease or any subsequent renewals, and for a period of one year thereafter, regardless of whether Broker is managing the property at the time of said sale, Owner hereby agrees to pay Broker three percent (3%) of the sales price to be paid in cash at settlement.
- e. Agent Fee: If Property is marketed and shown by a listing agent that secures a lease, the owner is responsible for paying these fees and any additional marketing fees obtained during the period of this contract
- f. Dormant Accounts: If the Property becomes vacant and Owner fails to perform repairs necessary to return the property to a rentable condition within thirty days (30) of vacancy, Owner shall pay Broker a fee of \$120.00 a month for each month the repairs are not completed.
- g. Administrative Fees: All return check fees, late fees, application fees, booking fees, marketing fees, and lease transfer fees paid by tenants under any Lease shall be retained by Broker for enforcing the respective Lease provisions. Broker may charge these administrative fees in connection with the management of the property, such as estimate fees and documentation fees. Any such fees charged to tenant shall be retained by Broker, and such fees due from tenant shall have priority over other amounts due from tenant.
- h. Termination Fee: If Owner terminates this Agreement, Broker shall receive his commission for the unexpired terms or renewals thereof, of any Lease made by Broker and/or Owner during the term of this Agreement and shall receive such commission for as long as any tenants procured by Broker occupies, rents or leases the Property. In addition, if the Agreement is terminated, subject to the terms and conditions set forth above, prior to the completion of one year, Owner shall pay Broker a Termination Fee of \$1,000.00.

Or, in the sole discretion of the Broker, the Parties hereby agree that if Owner terminates this Agreement or breaches this agreement that the amount of \$1,200.00 in liquidated damages would be a reasonable amount to compensate Broker in lieu of the fees listed above in Paragraph 10(a -g).

11. TERMINATION BY BROKER: In addition to any other remedies to which Broker may be entitled, if Owner commits a material breach of this Agreement or the Lease with a tenant, Broker shall be entitled to immediately terminate this Agreement and collect any fees due for the unexpired term of this Agreement. In addition, Broker may terminate this Agreement at any time, without cause, upon 90-days written notice to Owner, in accordance with the notice provisions mentioned below. Notwithstanding any other provisions of this Agreement, Broker may elect to immediately cancel this Agreement by so notifying Owner in writing upon the occurrence of any of the following circumstances:

- a. In the event of a bona fide sale, condemnation, or demolition of the Property;
- b. If a petition for bankruptcy is filed by either Owner or Broker, or if either makes an assignment for the benefit of creditors or take advantage of any insolvency act; or
- c. If the owner fails to comply with any rule, order, determination, ordinance or law of any federal, state or local authority, relating to the Property.

12. FIRE CASUALTY AND CONDEMNATION: If the Property is damaged by fire, enemy action, or other casualty, Owner shall pay the cost of repairing such damages within a reasonable time. If the Property is damaged to such an extent that the Property is uninhabitable and Owner fails to make such repairs as are necessary to restore the property to a habitable condition within ten days or such other reasonable time agreed to by all parties, Broker may, at Broker's option, terminate this Agreement and collect its management fees due under the balance of the Lease and this Agreement. If all or a substantial part of the Property is acquired for any public use by the right of eminent domain, or deeded in lieu thereof, this Agreement shall terminate at the date of such taking Broker shall receive either the Sales Fee provided for in paragraph 10 above, or the remaining management fees due under the balance of the Lease and this Agreement, at the option of the Broker.

13. BREACH/DEFAULT: Owner is bound by the terms of the Lease. If Owner or any person acting on Owner's behalf violates any of the provisions of this Agreement, or any related Agreements, such violations shall constitute a material breach of this Agreement for which Broker shall be entitled, in addition to any other remedies to which Owner may be entitled by law or in equity, to

- a. Termination of this Agreement;
- b. Injunctive relief;
- c. Financial restitution from Owner for any liability incurred by Broker as a result of the breach;
- d. Recover any unpaid fees and other charges and expenses which otherwise would have been due under this Agreement for the remainder of the lease term if the Agreement had not been terminated; and/or
- e. Recovery of any other damages, including all costs, expenses, fees and charges incurred by Broker in enforcing any of the provisions, covenants and conditions of this Agreement, including attorney's fees in the amount of 33.33% of the principle balance sought as well as any court costs expended in enforcing its rights under this Agreement;
- f. At the sole discretion of Broker, it may declare all fees payable by Owner under this Agreement to be immediately due and payable.

All of Broker's remedies shall be cumulative, and the exercise of one or more remedies shall not be a waiver or bar of any other remedy. If Owner fails to pay any amount owed by any affiliate of Broker or any contractor whom Broker hired on Owner's behalf, Broker may release to said affiliate or contractor any information known about Owner, for the purpose of collections. Any sums due Broker under this Agreement, and not paid within 20 days after such sums have become due, shall bear interest at the rate of 12% per annum.

14. NON-VIRGINIA RESIDENT OWNER: In the event Owner is not a Virginia resident, the Broker agrees to report rents received to the Virginia Department of Taxation and the Internal Revenue Service, and the Owner acknowledges that it hereby appoints Broker as Owner's agent for service of process pursuant to Virginia Code § 55-218.1.

15. INDEMNITY AND HOLD HARMLESS: Owner acknowledges that Broker is the disclosed agent of Owner and as such is not liable for any act or omission except cases of willful misconduct or gross negligence. Further, Owner agrees to indemnify and hold harmless from all damage, suits, and costs incurred, including attorney's fees, in connection with the management of the Property and from injuries suffered by any employee or other person whomsoever and to carry, at his own expense, minimum liability insurance coverage of \$300,000.00 to protect the interest of the parties hereto. Policies shall be written to protect Broker in the same manner and to the same extent as the Owner. Owner shall provide Broker evidence of insurance naming Broker as additional insured. In the event Owner fails to obtain or maintain such insurance, Broker may, but shall not be obligated to, obtain such policy from the company of its choice and the cost thereof shall be borne by the Owner. Broker shall not be liable for any error of judgment or for any mistake of fact or law or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence. Broker is authorized to rely upon the actions and instructions of Owner's agents and attorneys-in-fact, and any other party or parties, whomsoever, who Owner designates to Broker in writing in accordance with the provisions of this Agreement, and Owner assumes all obligations, therefore.

16. EQUAL OPPORTUNITY: BROKER AND OWNER ARE PLEDGED TO THE LETTER AND THE SPIRIT OF THE UNITED STATES POLICY FOR THE ACHIEVEMENT OF EQUAL HOUSING OPPORTUNITY THROUGHOUT THE NATION. BROKER AND OWNER HAVE THE RESPONSIBILITY TO OFFER EQUAL SERVICE TO ALL CLIENTS AND PROSPECTS WITHOUT REGARD TO RACE, RELIGION, NATIONAL ORIGIN, SEX, AGE, PARENTHOOD, OR HANICAP, PURUSANT TO STATE AND FEDERAL FAIR HOUSING LAWS. OWNER SHALL CONDUCT ITSELF WITH RESPECT TO THE PROPERTY, IN ACCORDANCE WITH ALL RULES, REGULATIONS, AND LAWS RELATING TO EQUAL HOUSING OPPORTUNITY WHICH ARE APPLICABLE TO BROKER.

17. MISCELLANEOUS: Owner and Broker agree that this Agreement constitutes the entire agreement among the parties and the Owner acknowledges that he/she has not relied on any oral promises which are not contained herein. This Agreement may only be modified with the written consent of all parties or as otherwise provided for in this Agreement. All matters regarding the formation, interpretation and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Virginia and further the Parties acknowledge that each participated in the drafting of the terms of this Agreement and no rule of construction or interpretation requiring or suggesting this Agreement should be construed against any drafter shall apply. Further, in any action, proceeding, or counterclaim brought by either party against the other arising out of this Agreement or any subsequent Leases with tenants the venue for the matter to be heard will be in the general district or circuit court for the City of Virginia Beach. The parties hereby waive the right to trial by jury in any action, proceeding, or counterclaim brought by either party against the other arising out of this Agreement or any subsequent Leases with tenants. All headings used in this Agreement, or any attached documents are for convenience only. The headings do not alter or amend the meaning of any of the terms or provisions in the Agreement or in any attached document. Any provision of this Agreement that is prohibited by or unenforceable under applicable law shall be ineffective only to the extent of such prohibition without invalidating the remaining provisions of this Agreement.

18. NOTICE: Any notice to be given to Owner under this Agreement shall be deemed given when deposited in the United States mail via first class or certified mail and addressed to the Owner at the address provided in this Agreement or such other address as provided in writing thereafter. Any notice given to Broker shall be deemed given when deposited in the United States Mail via first class or certified mail and addressed to the Broker at the address contained in this Agreement or such other address as provided in writing thereafter.

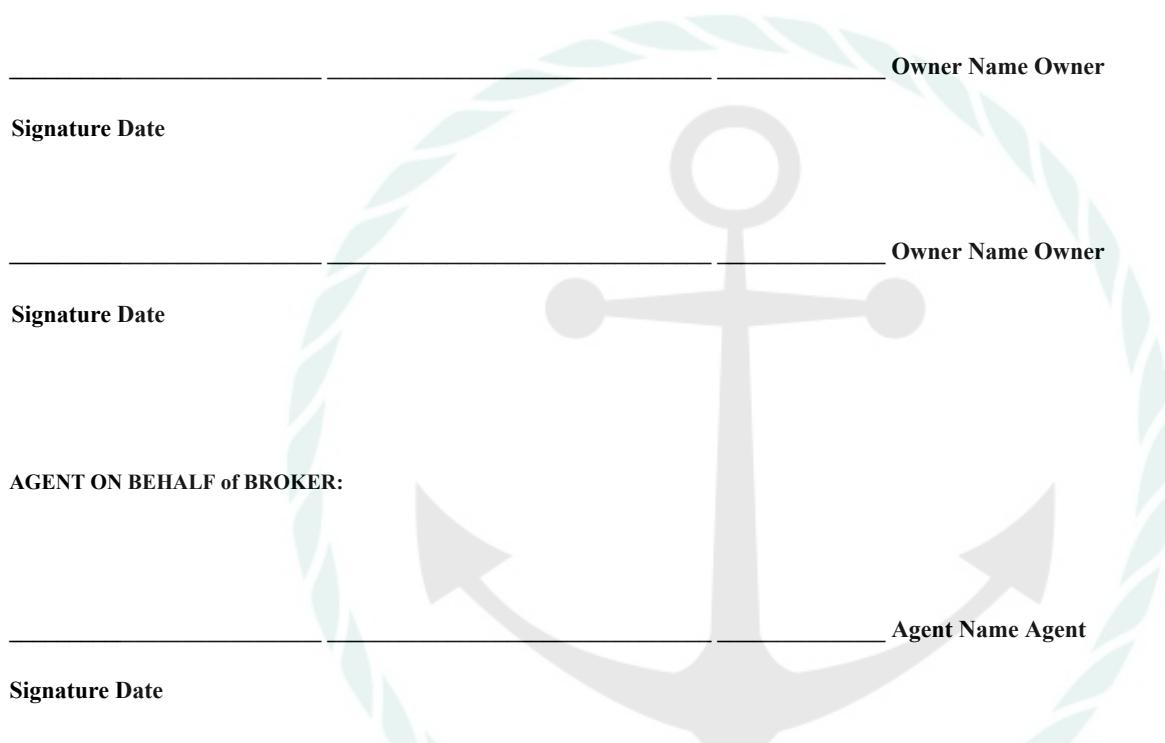
19. WAIVER: Broker's waiver of one or more defaults of Owner shall not be considered a waiver of any subsequent default. Acceptance by Broker of any payment with knowledge of breach of this Agreement by Owner, or acceptance by Broker of performance by Owner that varies from the provisions in this Agreement, or any rules or regulations adopted by Broker, shall not constitute a waiver of such breach or variance and any such acceptance of payment or performance shall be with full reservation of all of Broker's rights and remedies. Broker may accept a partial payment without prejudice to any right to collect the balance due, and endorsement on any check, letter or negotiable instrument accompanying any payment shall not be deemed an accord and satisfaction between the parties.

20. OTHER ITEMS OF MUTUAL AGREEMENT:

- a. An initial property onboarding fee of \$500.00 is due at the signing of this agreement. The onboarding fee is for the initial inputting of the property into the management/marketing software programs, setting up ownership accounting and initial inspection of the property.
- b. Owner agrees to pay broker a one-time additional linens inventory fee to increase the provided linens based on bed sizes and maximum number of guests the property can accommodate.

21. WITNESS the following signatures:

By signing this Agreement via Electronic Signature, I agree that my electronic signature is the legally binding equivalent to my handwritten signature. Whenever I execute an electronic signature, it has the same validity and meaning as my handwritten signature. I will not, at any time in the future, repudiate the meaning of my electronic signature or claim that my electronic signature is not legally binding.

OWNER SIGNATURE:**AGENT ON BEHALF of BROKER:**