

CB Sales & Rentals, Inc.
2015 Exclusive Property Management Agreement

So, you are thinking about renting your home. We are here to help! Here's a brief summary of the most important points of the contract, but please read it in its entirety:

What do we charge in commission: We want to reward our owners for their loyalty. Your first year with us will start at 22%. You will earn 1% off every year thereafter up to 5% off in year 6 as long as your vacation rental is available for us to accept reservations a minimum of 8 of the 11-12 summer weeks each year and CB Sales & Rentals is the exclusive management company.

Example based on rental income of \$30,000.00

	Rate	Savings
Year 1	22%	-----
Year 2	21%	\$300
Year 3	20%	\$600
Year 4	19%	\$900
Year 5	18%	\$1200
Year 6	17%	\$1500

What do we do for that commission: There are a lot of things that go into making sure your rental is ready and things go smoothly. We take pictures of the home, shoot a free virtual tour of the home, list it online, take reservations, accept credit cards, handle all the accounting, pay state sales tax, pay local occupancy tax, prepare your 1099, pay out any bills you may have incurred from your excrow account, arrange for services and repairs, arrange for cleaning and inspection of your unit after each rental, publish a brochure annually, list your home on VRBO as well as HomeAway for free, take after hours emergency calls, send you annual home inspection reports, email comments from cleaners and renters, and personally take care of any renter's concerns or questions.

Are there any "hidden fees": We charge \$25 to put a lockbox on your home, that you own, should you ever leave the rental program. We provide the initial virtual free of charge; however, if you make big changes to your home and want the tour reshot, there is a \$125 reshooting fee. If you leave light bulbs and a/c filters in your home, the cleaners will change them for \$5 per bulb/filter when needed if you wish. (This ultimately saves you money in the long run from expensive a/c repair and maintenance calls)

Do we provide maintenance: No, we do not provide maintenance or lawn care, but we will happily arrange these for you and deduct the cost from your rental proceeds upon request.

What do we require from our owners:

Utilities - Electricity and cable or satellite (or digital antennae) and water are required. Internet helps boost rentals, but we do not require it. Phone service is not required.

House furnishings - we have prepared a full list of unit requirements to make sure you get everything you need while shopping.

Communication - anytime you will be using your house, we need to know so we don't book a rental in your home while its occupied.

Upkeep of your home - You should plan on reinvesting one full summer week's rent back into your home annually. This will keep it looking great and producing more income, year after year.

A common goal - The needs of each owner are different so let's discuss your personal goal for your property and work together to make it happen.

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OWNER INFORMATION

This agreement, made and entered into this _____ day of _____, 20____, by and between CB Sales & Rentals, Inc., 1027 Waterwheel Dr, Moneta, Virginia (hereinafter referred to as "Agent") and also:

Primary Owner: _____ SSN / Tax ID: _____

Address: _____,

Work Phone: _____ Cell Phone: _____

Home Phone: _____ Fax Phone: _____

Email Address: _____

(hereinafter referred to as "Owner"). If the property is jointly owned, the Owner named above is hereby designated to receive all monthly statements and checks, and to serve as Agents' contact for decisions and directions.

EMPLOYMENT AND PROPERTY INFORMATION

Owner hereby appoints and employs Agent as the sole and exclusive rental agent of the Property know as:

House Name _____ Bedrooms _____ Full Baths _____ Half Baths _____

Address: _____,

Pet Friendly: _____ Do you have a Short Term Rental Permit _____

(hereinafter referred to as "Property"), for the period of time beginning on the _____ day of _____, 20__ and ending December 31, 2015.

RENTAL RATES

The Agent will make every effort to secure the highest rental rate whenever possible and may deviate from the published rates when deemed necessary based on market conditions in order to maximize gross rentals. During the Summer season, rentals are weekly (Saturday to Saturday). Owner agrees that if unit is not booked (7) days before requested date, Agent may book unit at the highest possible rate, with at least a minimum of two nights.

Owner requests a _____ night minimum for offseason rentals.

	Summer	Holiday	Spring/Fall	Winter
	5/30-8/28	5/16 - 5/29, 8/29 - 9/12	4/1 - 5/15, 9/13 - 10/31	1/1 - 4/1, 11/1 - 12/31
Weekly:				
Nightly:				

Indicate the dates you would like to use your own property and who is to clean.

C = Owner Requests Cleaning by CB Sales & Rentals, Inc, D = Owner will clean unit to Cleaning Checklist Standards (Exhibit B)

<u>SPECIFIC DATES</u>	<u>C_or_D</u>	<u>SPECIFIC DATES</u>	<u>C_or_D</u>
_____	_____	_____	_____
_____	_____	_____	_____

PLEASE TELL US ABOUT YOUR HOUSE. MARK IF YOU HAVE THE BELOW AMENITIES:

1027 Waterwheel Dr. Moneta, VA 24121 * Phone:540-297-7000 * Fax: 540-297-6500 * info@cbrentals.com

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___ TV	___ Pool Table	___ Paddle Boat	___ USABLE Gas Fireplace
___ DVD	___ Ping Pong	___ Canoe	___ USABLE Wood Fireplace
___ VCR	___ Foos Ball	___ Kayak	___ Firepit
___ Dish Network	___ Air Hockey	___ Jacuzzi	___ USABLE POWER AT DOCK
___ Cable	___ Hot Tub	___ Window A/C	___ Sandy Beach
___ DirecTV	___ Gas Grill	___ Internet - Password: _____	
___ Game Station: Please specify :PS2/3/4, Xbox 360, Wii , etc _____			

Will there be a boat in your lift: _____ If YES, please raise as high as possible to allow renters to park below it.

What do you feel is your home's best feature? _____

SAFETY INFORMATION:

Location of the Breaker Box: _____

Location of Water Shutoff: _____

Anything else you feel we should know about your house: _____

BEDROOMS-PLEASE LIST BEDDING SIZE BY ABBREVIATIONS & QUANTITY FOR EACH ROOM

K-King	Q-Queen	D-Double	T-Twin	BB-Bunk Beds	F-Futon	SS- Sleep Sleeper		
<u>Upper Level</u>	Master BR	BR 2	BR 3	BR 4	Other	# Baths	# 1/2 Baths	
<u>Main Level</u>	Master BR	BR 2	BR 3	BR 4	Other	# Baths	# 1/2 Baths	
<u>Lower Level</u>	Master BR	BR 2	BR 3	BR 4	Other	# Baths	# 1/2 Baths	

PLEASE CHECK ANY APPLIANCES THAT ARE UNDER WARRANTY

HVAC___ Washer/Dryer ___ Dishwasher ___ Refrigerator ___ Oven/Stove ___ Microwave ___ Other _____

Who do we contact about warranty work/phone #? _____

Pest Control Company/phone? _____

Any Existing Issues & Who to Call (water softener, pest control, etc.) _____

Lawn Maintenance: _____

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1. SERVICES PROVIDED BY CB RENTALS & SALES, INC.

A. Agent agrees to advertise the property for rent. Agent will provide the initial Virtual Tour of the property. Owner may request an additional Virtual Tour; however, such request must be in writing and owner will incur a re-shooting fee of \$125.

B. Agent agrees to maintain an office to coordinate all activities relating to rental of the property, and the reservation system through which the rental reservations shall be processed.

C. Agent agrees to account for and disburse by mail all rental income, and the payment of all commissions and expenses by the 15th of each month, for all rentals that depart by the last day of the prior month. Any departures later than this shall fall into the following accounting month.

D. Property inspections will be conducted annually. Agent shall provide Owner with a statement of the condition of the property which shall include, but not limited to, requirements for painting, remodeling, cleaning, carpet service, inventory items, pest control services, and improvements, necessary to keep the property on the rental market. If rental agency recommendations are not completed, agency reserves the right to place the unit in a non-rental status.

E. Agent agrees to arrange for all normal housekeeping services related to the rental of their property. Tenants pay a cleaning fee for each stay. Services shall be provided for the owner with the owner giving a minimum of a 48 hour notice of their desire for the agent to provide such services. The cleaning fee is ____. Owner may elect to clean their home after their stay, but standards must be equal to that of the rental company. If it is deemed by the agent or if there is a tenant complaint regarding the cleaning of the owner, it is understood that the agent will have the unit cleaned and the owner shall pay such fee. If the unit has been unoccupied for a period of time, agent may schedule a cleaning and the cleaning fee charged to the owner. This "fluff clean" charge will be \$50.

F. Agent agrees to collect a Security Deposit from the tenants equal to an amount of \$300 or a Limited Damage Waiver shall be purchased from Agent. This Limited Damage Waiver plan provides a waiver of damages with an aggregate payout per house of \$1,000 and covers inadvertent damages to the property. It does not provide for normal wear and tear (determined by the Agent); nor willful or wanton acts of the tenant, which are billed to the tenant. Agent agrees to inspect the unit after each departure and a report of any damages will be sent to the owner in a timely manner. Agent receives compensation for Limited Damage Waiver.

G. Agent agrees to investigate all complaints and will determine if any action is necessary, including charges to tenant or deductions from proceeds of owner as compensation for property conditions.

2. PROPERTY OWNERS RESPONSIBILITIES

A. The owner agrees to maintain the property in a condition satisfactory to rental occupancy including, but not limited to, furnishings, floors, carpets, appliances, air conditioning and heating, hot water, plumbing, electrical wiring, kitchen fixtures, draperies, shades, pest control, and all items necessary for rental occupancy. Owner agrees to maintain and provide in the unit, all items listed in the "REQUIREMENTS FOR RENTAL UNITS" (see EXHIBIT "A").

B. Owner agrees to provide electricity, water, cable or satellite services at Owners expense, and will provide pest control through a professional service as needed at owners expense. If the unit has a hot tub, pool, or water softener system, owner agrees to maintain or make arrangements for maintenance at owner's expense. Hot tubs must be drained, cleaned, and refilled after every departure at the owner's expense.

C. Owner authorizes agent, in Owner's name and at owner's expense to make or cause to be made such repairs or alterations to the premises as may be required for its operation. Agent agrees to secure prior approval in writing from the Owner for all expenditures in excess of three hundred dollars (\$300) for any one item purchased or repaired, with the exception of monthly or recurring operating charges and/or emergency repair in excess of the maximum, if in the opinion of the Agent, such repairs are necessary to protect the premises from further damage, or to maintain services for the rental guest during occupancy.

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D. In the event that the property shall become inadequate for tenant occupancy due to insufficient equipment or furnishings, failure of utilities, or property deficiencies or owner occupation of the unit without properly scheduling with Agent, Agent shall have the right to place the unit in a non-rental status, move the tenants to another unit, and any difference in price will be charged to the Owner, and Agent shall have no obligation to rent the property during such period. Agent shall in no event be liable for any losses that accrue to owner because the property was in a non-rental status.

E. There shall be a working, two-pound minimum, ABC rated, fire extinguisher within each dwelling unit. Working smoke detectors shall be installed in each bedroom of the dwelling unit as well as one on each floor (including the basement) outside of any bedrooms. Carbon Monoxide detectors must be installed near all gas fireplaces.

F. The owner agrees that Agent shall have the right to deduct from rental proceeds, all expenses accrued by the owner for the property prior to the disbursement of any rental revenues. Any expenses not covered by rental income shall be paid to Agent no later than 10 days after receipt of invoices.

G. Owner understands that Agent may place all monies into an interest bearing escrow account until disbursement after tenant occupancy. Owner further understands that any interest earned is the sole property of Agent.

H. Owner agrees to padlock and secure all boat and jet ski lifts and personal watercrafts to prevent tenant access. Keys to all watercraft and padlocks must be removed from the property. Agent is not responsible for damages resulting from non-compliance. Electric power must be secured in a manner to allow tenants access to dock lights and outlets. All outlets must be GFI protected. Owner may maintain any lockup areas for their use so long as access to any outside entrance area, electrical panel or other safety items are not impaired.

I. Bedford County requires a Short Term Rental Permit which must be supplied to the rental Agent.

J. Owner agrees to have all utilities transferred into the tenants name for any long term reservations over ninety (90) days. Agent will not be responsible for, nor collect for, utilities not paid by tenants.

K. Owners must notify the rental office in writing of any owner block dates. Requests for block dates must detail who is to clean unit after owner departure. Owner block dates for 2015 must be received by Agent no later than January 2, 2015. Once a tenant reservation is booked and confirmed with a deposit, Agent will not "bump" a tenant or change the confirmed reservations. Tenant reservations for the following year will be confirmed January 3, 2015. Agent will send a confirmation when a reservation or change is made for Owner's unit.

L. Owner are to have A/C filters replaced monthly from May to September. If Agent finds A/C filters need to be changed, Agent will do so at the expense of the Owner. Owners are to keep a supply of a/c filters and light bulbs in the closet nearest the kitchen and cleaners will replace these as needed. The cost for each replacement will be \$10.

M. All units are advertised as "non-smoking" units. Owners may not smoke inside unit. If a unit is advertised as a "non" pet friendly unit, the owner should not have pets inside the unit.

N: Owners are not allowed on rental property at any time during a tenant reservation without prior approval from Agent.

3. HOUSEKEEPING

A. For all Owner reservations, Owner agrees to depart promptly at 10:00 a.m., and will not enter the unit until 3:00 p.m., unless owner contacts the rental office in advance to insure that unit is cleaned, and housekeeping has departed. Should the Owner fail to notify Agent of a reservation or extension, the fee for this will be \$ and possible placement in a non-rental status. No extensions are allowed for back to back reservations. Request to extend check-out time or check-in must be approved 48 hours in advance. When making a reservation, the request must be in writing and the owner is responsible for informing the rental office if the owner will clean the unit upon departure, or is the owner request the unit to be cleaned. A "C" reservation indicates the owner has requested the rental office to clean the unit after the owner and the owner will be charged the cleaning fee. A "D" reservation indicates the owner will clean the unit before they depart, and to the standards of the Cleaning Checklist provided. (See paragraph 1, section E)

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B. The cost for annual cleaning, carpet, upholstery, and window cleaning will be the responsibility of the Owner. Spring Cleaning is mandatory for all units and must be completed prior to first tenant's arrival (see Exhibit C). Cost to have Agent Spring Clean your unit is \$100 __ This amount does not include window washing. Individual quotes will be obtained for Window washing services. If owner fails to have the annual maintenance or Spring Cleaning completed before the first 5/15/15, the unit will be cleaned by the Agent at the above stated rate or the unit will be placed in a non-rentable status and tenants may be moved to another unit and Owner shall pay any difference in rental rates.

C. Owner agrees to maintain the exterior of the property. Owner will provide Agent in writing the name and phone number of person responsible of the lawn service. Owner will provide in writing, if Owner request Agent to arrange for lawn maintenance. Owner agrees to maintain the lawn to include, mowing, trim, maintain flower beds and mulched areas. Driveways and parking areas with gravel should be free of grass. Owner must provide tenants with a safe access to driveways and parking areas and must be in good condition. Lawn care provided through Agent after September 15th, and before June 1, will be invoiced directly to the owner by the Independent Contractor, unless a reserve account has been established in advance.

D. Owner agrees to continue all utility services including, but not limited to: electric, water, cable, satellite, and propane. All utilities must be left on at all times when the property is available for rentals. A fee of \$30.00 will be charged to the owner if Agent has to make a service call to turn on any utilities. Internet service is not required, but is recommended.

4. ADDITIONAL AGREEMENTS

A. This agreement giving Agent the exclusive authority to lease the property on behalf of the owner. The Property Management Agreement may be terminated upon a thirty (30) day written notice by either the Agent or Owner. Such written notices shall be delivered personally or by certified mail. Such thirty (30) day period shall commence on the day such notice is received by the addressee. Cancellations of this agreement shall terminate Agents authority to accept future tenants for the property. All existing leases shall be honored unless mutually agreed to in writing by Owner and Agent.

B. In the event of the sale of this property during the term of this agreement when there is no listing agreement on the property which promotes the property for sale, and a tenant or one of their guest should purchase the property, then Agent shall be entitled to a 3% listing commission. Should the owner wish to place their property for sale, Owner agrees to not allow lockboxes on the home to insure tenant privacy and lease compliance, without Agent approval. All realtors showing the home must be instructed in the Listing Realtors MLS listing that they must contact CB Rentals office at 540-297-7000, 9:00am to 5:00pm, Monday – Friday, for approval to show the property. Real estate showings are not allowed during tenant reservations

C. Owner agrees to place a long distance block on telephone, and an ordering block for cable, satellite or for any paid order service. Agent will not be responsible for nor collect for any charges to accounts.

D. Owner agrees to allow (one) two-night stay per year, during any non-summer period, at Agent's discretion. Owner agrees not to be compensated for this reservations. Agent will utilize this reservation in the Off Season, non-holiday times only.

E. Owner agrees to comply fully with the Requirements for Rental Units, Cleaning, and Spring Cleaning Checklist.

F. Owner agrees to provide to the Agent the Exclusive Rental Management Agreement, copy of insurance, and 8 keys to the unit.

G. Owner agrees to have the house number or name placed at the entrance of the property and, at/or near the dock area, visible to all tenants arriving by car or boat.

H. Agency receives compensation of \$10 per visit to offset handling and accounting cost on all services such as maintenance and lawn care .

I. Owner authorizes Agent to install a coded lockbox at the property. Owner agrees to a one time setup fee of \$25 for the lockbox.

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5. RENTAL FEES/COMMISSIONS

- A. For all Owners who are renewing their 2014 Exclusive Right to Lease management agreement, who met the previous year criteria, Agent commissions for the management of the rental property shall be 22% of the base rental rate on daily, weekly, or monthly rentals for 2015; owner will earn 1% off every consecutive year thereafter that they renew their contract with CB Sales & Rentals, Inc. up to 5% off the initial rate of 22% (lowest possible commission is 17%) provided that the vacation rental is available for CB Sales & Rentals to accept reservations a minimum of 8 of the summer weeks each year and CB Sales & Rentals is the exclusive management company.
- B. For any new Owners placing their home in the rental program, Agent commissions for the management of the rental property shall be 22% of the base rental rate on daily, weekly, or monthly rentals for 2015; owner will earn 1% off every consecutive year thereafter that they renew their contract with CB Sales & Rentals, Inc. up to 5% off in year 6 (lowest possible commission is 17%) provided that the vacation rental is available for CB Sales & Rentals to accept reservations a minimum of 8 of the summer weeks each year and CB Sales & Rentals is the exclusive management company.
- C. Any long term leases consisting of more than three (3) consecutive months to the same tenant shall result in an altered fee of 15% commission.
- D. All reservations and tenant information becomes sole property of Agent. If Owner rents privately, without going through the Agent, to any past tenant, Owner will be responsible for the entire commission for "short term" rentals and 15% for any "long term" rentals.
- E. Owner may elect to list their home on outside websites in order to take non-agent assisted reservations so long as it is disclosed to Agent. Agent must be notified of all such reservations in writing.
- F. For all non-owner occupied reservations, Owner must pay the full cleaning fee to ensure that the home is properly cleaned for the subsequent guest as well as a \$50 reservation fee to the Agent.

6. INDEMNITY AND INSURANCE

- A. The owner agrees to indemnify and hold harmless Agent, its employees or agents from and against all claims, suits, damages, costs, losses, and expenses arising from injury to any person or property on or about the property relating to the performance of the agreement, except for such loss proximately caused by gross negligence or willful action of Agent, its employees, or agents. Owner shall procure at his expense, aggregate liability insurance coverage in a minimum amount of \$250,000.00 per occurrence for personal injury and bodily damage, and furnish certificate or memorandum of such to Agent before the property can be rented.
- B. CB Rentals & Sales, Inc., its agents and employee shall not be liable for any loss or damage to the property, equipment, furnishings, or appurtenances thereunto resulting from any accident or occurrence in or upon the property, or resulting from negligence or willful action of renter, tenants, or guests, injury occasioned by wind, storm, rain, elements, theft, vandalism, fire, or acts of god.

7. SEVERABILITY

- A. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

Signature (Primary Owner)

Date

CB Rentals & Sales, Inc. Representative

Date