

Slide 1



Virginia REALTORS® offers approximately 28 Standard Forms specifically targeting Residential Property Management and Leasing.

Slide 2

Form Name	Form #
Residential Lease	200
Residential Sight Unseen Acknowledgement (Lease)	200A
Defective Drywall Disclosure Statement (rental)	200-DD
COVID-19 Rules & Regs	200-RR
COVID-19 Rent Alteration Request	
COVID-19 Rent Alteration Form	
Damage Addendum	210
Pet Addendum	220
Assistance Animal Addendum	225
Guaranty of Lease	230
Tenant Consent Form	240
Roommate Addendum	250
Reinstatement of Lease	260
Renewal of Lease Agreement	270
Service-member Civil Relief Act Waiver	280
Residential Lease Pool Spa Addendum	290
Rental Application	300
Disclosure of Aircraft Noise or Accident Zone	310
Resident Selection Criteria	320
Request for Reasonable Accommodation - Modification	330
Request for Reasonable Accommodation - Rules & Policy	335

Virginia REALTORS® CONTINUING Education

Instructor: This is the first half of a list of the forms Virginia REALTORS® offers related to Property Management – a copy of the list, with the most recent revision date, is in the student handout.

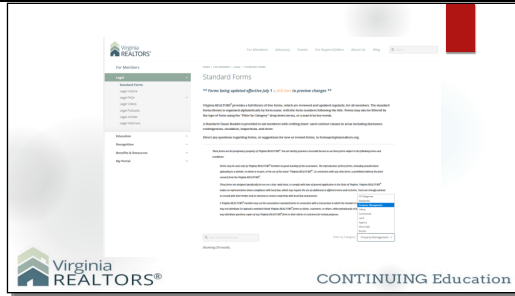
Slide 3

Form Name	Form #
Residential Property Management & Exclusive Rental Agreement	900
Termination of Property Management Agreement	900A
Tenant Introduction Agreement (Non-agency)	920
Listing Agreement - Exclusive Right to Lease	975
Exclusive Right to Represent Tenant	980
Move-In Move-Out Inspection Report	1100
Disclosure of Information for Lead Based Paint (Rental)	1300
Septic System Waiver Disclosure	1400
Disclosure - Residential Property Previously Used to Manufacture Meth	1500
Addendum between landlord & tenant	1800B
Addendum between owner & broker	1800C
Addendum between purchaser & broker	1800D
Amendment between landlord & tenant	1810B
Amendment between owner & broker	1810C
Amendment between purchaser & broker	1810D

Virginia REALTORS® CONTINUING Education

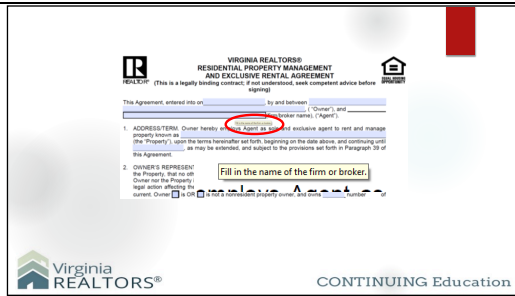
Instructor: This is the second half of a list of the forms Virginia REALTORS® offers related to Property Management – a copy of the list, with the most recent revision date, is in the student handout. (Current as of 7/1/18)

Slide 4





Instructor: Rather than all of you frantically trying to look at the list or remember, on our website you're able to sort forms by category. Here's a screen shot of where to find that.

Slide 5



Instructor: Before we begin talking about the forms, I want to briefly talk about a new feature Virginia REALTORS® has been rolling out with our forms. When looking at the fillable PDFs on our website, when you hover the mouse over a particular field ... **[click]** ... a little window will pop up with information about that field. **[click]** So this particular field says “Fill in the name of the firm or broker.” Our intention is to provide a little more information about fields. When there is a particular statute or regulation that is relevant, we’ll reference that. We try to be neutral in the information provided, incase you share the form with a client or they are there when the window pops up, but we will provide information about why fields are important for your protection when appropriate.

Because this is a feature in Adobe, you'll only be able to use it from the fillable PDFs on our website – but if you use a transaction management program, you can look at the fillable PDF on our site for the info, then use the form in your program.

Slide 6	 A dark teal slide with a red square in the top right corner. The text reads "New VIRGINIA REALTORS® Standard Forms".	<p>Most property management related forms are updated in July of the given year. Redline versions, along with an explanation of the changes are posted on the Virginia REALTORS® website in advance of the release any changes go live on our website, ZipForms, Instanet, dotloop, and DocuSign on July 1. So lets take a look at the forms that have been added over the past 18 months.</p>
Slide 7	 A dark teal slide with a red square in the top right corner. The title is "April 2020 New Forms". Below it is a bulleted list of three items: "Form 200-RR - COVID-19 Rules & Regs", "Form 200-Rent Alteration Request - COVID-19 Rent Alteration Request Form", and "Form 200-Rent Alteration Form - COVID-19 Rent Alteration Form". A red "NEW!" stamp is in the bottom right.	<p>In April 2020, we released 3 new forms to help property managers dealing with the COVID-19 pandemic.</p>

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The current world-wide Coronavirus (COVID-19) pandemic has had unprecedented impacts on residential rentals, including travel restrictions, self-imposed and governmentally required closures, and closures of both government and private businesses.

Unless circumstances related to COVID-19, including but not limited to a lack of maintenance or other service provider, Tenant being subject to a mandatory quarantine, closings of or delays in related government and business services, a declaration of state of emergency by the Governor of Virginia prohibiting travel, or otherwise hereinafter "COVID-19 Condition" require additional Rules & Regulations.

As a result of the the following Rules and Regulations are adopted, which are immediately and shall remain in place until 30 days after the end of the COVID-19 Condition:

1. Tenants who are subject to a recommended or mandatory quarantine arising prior the end of their Lease are holdover Tenants and must pay Rent equal to the Full Rent plus not less than 10% of the Lease multiplied by the number of days Tenant being in violation of the Quarantine List after the end of the Lease. Such Quarantined Tenants must vacate the Dwelling Unit within 15 days of the end of the quarantine. Tenants not subject to a quarantine arising prior the end of their Lease and Tenants who remain in the Dwelling Unit past the 15th day after the end of the quarantine will be treated as holdover tenants in Paragraph 2 of this lease.
2. Disclosure of any tenants testing positive for COVID-19 is not a mandatory disclosure for real estate licenses. As such, the property manager will not disclose to any tenants whether someone has tested positive. If you are requested about potential exposure, you should take necessary precautions recommended by the Centers for Disease Control.
3. All Rent must be paid on time. If you are unable to pay your Rent on time, contact the property manager for alternatives.
4. Understanding that there may be a shortage of maintenance workers and vendors, Landlord will make every effort to make all repairs materially affecting health and safety immediately. Repairs not materially affecting health and safety may be postponed until the end of the COVID-19 Condition.
5. Common areas and facilities that cannot be maintained in accordance with Executive Orders from the Governor of Virginia, Centers for Disease Control recommendations, or other governmental requirements will be closed. These restrictions may be related to the maximum number of people who may congregate, recommendations on minimum distances between individuals, designating walking recommendations, or other recommendations.
6. All request responses will be conducted in person by the property manager with the ability for the Tenant to participate via live-interactive video (live call or other technology) if the Tenant who do not have access to appropriate technology should contact the property manager if they wish to participate in their request response via alternative.

All other provisions of the Lease remain in full force and effect at this time.

The first form that Virginia REALTORS® released for property managers during the COVID-19 pandemic was the COVID-19 Rules & Regulations (Form 200-RR). Rather than putting out an amendment to the lease, which would require signatures from landlords & tenants to be effective, we went the route of updated Rules & Regulations, which are allowed to be changed at any time with notice to the tenant so long as the essential bargain struck in the lease isn't altered.

This is the text of the form – the first paragraph acknowledges what is going on and why this form is needed.

The second paragraph defines a “COVID-19 Condition” as “unforeseen circumstances related to COVID-19, including but not limited to: a lack of maintenance or other service provider; Tenant being subject to a mandatory quarantine; closings of or delays in related government and business services; a declaration of state of emergency by the Governor of Virginia prohibiting travel; or otherwise.” This is intentionally very broad language as we had no idea what could happen as the pandemic developed further.

The point of all of these rules was to try and anticipate any questions or concerns related to social distancing and minimize in-person contact between tenants and property managers as much as possible.

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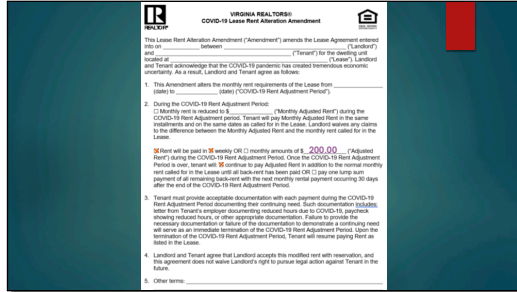
REALTOR VIRGINIA REALTORS®
Rent Alteration Request

Tenant must complete this form to request a temporary alteration in Rent owed to Landlord.
Tenant must include any documentation that supports his/her request as an attachment to this request form.

1. Name of Tenant: _____
2. Address of Dwelling Unit: _____
3. Reason for the request: _____
4. Detailed description of request (including requested Rent amounts): _____
5. Requested dates for alteration: Start Date: _____ End Date: _____
6. List of supporting documentation (attach to this request): _____

Instructor: Another new form was the Rent Alteration Request. This form was created as a simple and standard way for tenants to request some form of rent alteration from the landlord. We intentionally left things broad so that this form can continue to be used after the end of the COVID-19 pandemic, if necessary.


We also did not go into detail about what type of supporting documentation should be included as that may vary by situation and landlord/tenant. We recommend that if your landlords agree to the concept of rent alteration due to a disaster, like the pandemic, you discuss what parameters they would like to set and then provide something to the tenants letting them know what types of requests will be considered, what type of documentation is needed, etc. This way, the tenant can fill out the form with the information needed. Otherwise, you'll end up going back and forth several times.

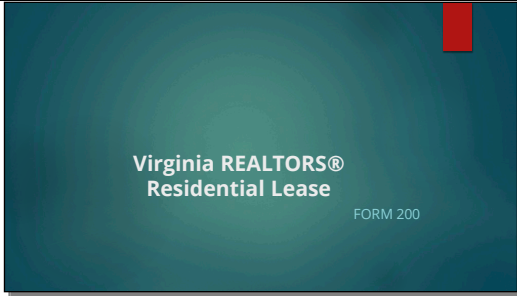
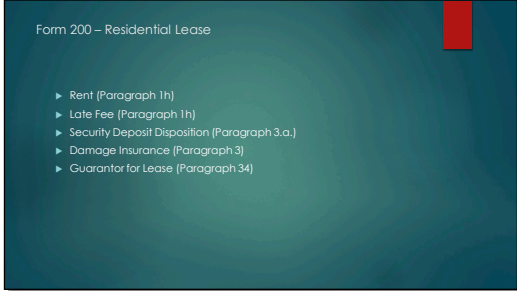


Instructor: The companion to the rent alteration request form is this amendment to the lease. In this case, we did specifically reference COVID-19, and if we find that the form is useful, we will update it to make it a more general form in the future. Part of the reason for tying this to the COVID-19 pandemic was to make it clear that this was a limited period of adjustment, and if the cause of the hardship lifts, then the alteration agreement will come to an end.

Under paragraph 2, there are two options. The first option is for a flat out temporary rent reduction. There is no obligation for the tenant to pay any of the rent that is abated during this period. The second option creates a few different options. It allows the rent payment period to be adjusted from monthly to weekly; change the amount to be paid; and addresses how any back-rent has been repaid. Let's give a quick example here. Let's say that that the landlord is willing to reduce the monthly rent of \$1200 by \$400 and is willing to allow the tenant to pay weekly to keep cash more available for groceries and other essentials. You would check the second paragraph [click], then the box before "weekly" [click] and fill in "200" [click]. We're filling in 200 because the rent is \$1200, minus the 400 the landlord is willing to reduce during the pandemic, making the current reduced rent \$800. Since the rent will be paid weekly, each week the tenant will pay \$200. Then, let's say the landlord agrees to allow the tenant to continue to pay the back-rent over time, rather than a lump sum. We'd

		<p>check the first box [click]. In this example, that means the tenant would continue to pay \$200 per week, in addition to the \$1200 on the first of each month until the back rent was made up. If the rent alteration period lasted for 2 months, the total back rent owed would be \$800, so the tenant would pay \$200 for 4 weeks. The second option for paying back rent calls for a lump sum payment at the next regular rent due date that is at least 30 days from the end of the rent adjustment period. We did this in case the rent adjustment period ended on, say, the 29th or 30th – that could be a lot of money the tenant would have to come up with in a VERY short amount of time.</p> <p>Paragraph 3 requires the tenant to continue to provide documentation throughout the rent adjustment period. This is here to minimize tenant abuse of this rent adjustment. If, for example, the tenant is able to document that they were not receiving any pay at the start of the agreement, but then their employer got funds through the paycheck protection program and started paying the tenant again, the tenant would need to go back to paying regular rent. The documentation would need to come in at the same frequency as the payments – if the tenant is paying monthly, then they would provide documentation monthly. If the tenant is paying weekly, they would need to provide documentation weekly. We did give some examples of what could be appropriate documentation here, but this list is not exhaustive.</p>
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		<p>Paragraph 4 makes it clear that the rent is being accepted with reservation and the agreement does not automatically waive the landlord's right to pursue legal action in the future. We included this in case there was fraud on the part of the tenant.</p> <p>Finally, we did include an additional terms paragraph. If you want to include any other requirements or modify any of the exiting terms, you can do so here.</p>
Slide 11		<p>In July 2020, we added a new clause to the Standard Clause Booklet that can be used if the tenant gets a pet after the lease is signed. Currently, the Pet Addendum (Form 220) has a few provisions that reference the lease. If a pet was not contemplated at the start of the lease, these provisions may not be filled in. This additional language is intended to help address that and can be included in the additional terms portion of the pet addendum form.</p>

<p>Slide 12</p>	 <p>Virginia REALTORS® Residential Lease FORM 200</p>	<p>Form 200 has a minor updated based on concerns over wirefraud.</p>
<p>Slide 13</p>	 <p>Form 200 – Residential Lease</p> <ul style="list-style-type: none"> ▶ Rent (Paragraph 1h) ▶ Late Fee (Paragraph 1h) ▶ Security Deposit Disposition (Paragraph 3.a.) ▶ Damage Insurance (Paragraph 3) ▶ Guarantor for Lease (Paragraph 34) 	<p>In July 2020, paragraph 1h, which covers all the rent amounts in the lease was updated to make it a little clearer and more streamlined. Additionally, the Late Fee provided for in this paragraph was updated to “the lesser of 10% of the total Monthly Rent or 10% of the balance due and owed by Tenant” as late fees are now capped at this amount by law.</p> <p>The security deposit disposition paragraph (3.a.) was also updated to reflect a change in the law that the security deposit must be returned within 45 days after the termination of tenancy OR the date the tenant vacates the dwelling unit, whichever is later.</p> <p>In the last, unlettered, paragraph for paragraph 3, right above paragraph 4, language was added to reflect changes in the law regarding use of damage insurance policies. The law is now explicit that the tenant may, at any time without consent of the landlord, cancel the damage insurance policy and pay the full security deposit to the landlord. Additionally, the security</p>

deposit, damage insurance coverage, or combination cannot exceed 2 months rent.

In January 2020, the lease was updated in paragraph 34 (optional provisions) to include a check box and language that the landlord and tenant agree that a specific, named person guarantees the lease per the attached Guaranty of Lease Form. We did this because the Guaranty of Lease Agreement form did not have a place for the landlord or tenant to agree to guarantor.

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The screenshot shows a lease form with a table for rent breakdown. The table includes the following items and fields:

Base Rent	\$ _____
- If applicable:	
- Paid Rent	\$ _____
- Damage Insurance Premium	\$ _____
- Rentor's Insurance Premium	\$ _____
- Other	\$ _____
- Other	\$ _____
- Other	\$ _____
Total Monthly Rent:	\$ _____
Pro-rated Rent (for period from _____ to _____)	\$ _____
Additional Fees:	
- Non-Refundable Lease Fee	\$ _____
- Non-Refundable Paid Fee, if applicable:	\$ _____
- Non-Refundable Unauthorised Annual Fee	\$ _____
- Or _____, if applicable	
- Damage Insurance	\$ _____
- Administrative fee:	\$ _____
- Call-out fee	\$ _____
- Rentor's Insurance	\$ _____
- Administrative fee:	\$ _____
- Call-out fee	\$ _____
- Other	\$ _____
- Other	\$ _____
- Other	\$ _____
Total Rents Due for Lease Term:	\$ _____
Per Clerk Rent:	\$ _____

Below the table, there is a note: "(Rent may be increased pursuant to the terms of this Lease)" and a late fee provision: "Late fee: 10% of Total Monthly Rent or 10% of the remaining balance due and owed by Tenant, whichever is less."

Orange annotations on the form include a circle around the "Base Rent" field, arrows pointing from the "Total Monthly Rent" field to the "Total Rents Due for Lease Term" field, and a bracket grouping the "Additional Fees" section.

Instructor: Here's what the new rent paragraph looks like. So you'll see at the top, we have the "Base Rent" [click] This is the base amount of the monthly rent. If there are additional recurring charges, those would go below [click]. The total of all of these [click] make up the "Total Monthly Rent." This amount is what you expect to be paid on the first of each month. We then have a number of blanks for one-time fees like pro-rated rent, non-refundable fees, or any other fees. Together, [click] these make up the "Total Rents Due for Lease Term." This is the total amount you expect the tenant to pay over the entire course of the lease, assuming they do not have any late fees.

You'll also notice a change to the late fee provision at the bottom of this paragraph. This change is due to a change in the VRLTA from the 2020 General Assembly Session which caps late fees at the lesser of 10% of the

		<p>monthly rent or 10% of the balance, whichever is lesser.</p>
<p>Slide 15</p>	<p>Paragraph 3.a. Security Deposit Disposition</p> <p><small>a. Disposition. Pursuant to the VRLTA, Landlord may apply all or part of the Security Deposit (which includes the Pet Deposit) to the payment of accrued Rent and the amount of any damages that have been suffered by Landlord, including but not limited to, physical damages and any damages that may be caused by an assistance animal, appropriate charges to Tenant not previously reimbursed to Landlord, charges that may be due by Tenant to third party utility providers in accordance with the provisions of Section 55.1-1203 of the VRLTA, and actual damages for breach of this Lease, including attorneys' fees and costs. Damages shall be calculated based on replacement costs of items, not the depreciated value. Landlord shall have the right to apply the Security Deposit to any outstanding fees, charges or other amounts due first, and then to any unpaid Rent. The Security Deposit and the Pet Deposit may be applied by Landlord to any amounts due Landlord without regard to whether such amounts are due because of damages caused by animals of Tenant. Within 45 days after the termination of the tenancy or the date Tenant vacates the Dwelling Unit, whichever is later, Landlord will provide Tenant with a written security deposit disposition statement, including an itemized list of damages, and with payment of any amount due to Tenant. If Tenant complies with all terms and conditions of the Lease and with the VRLTA, Landlord will return to Tenant the Security Deposit, together with any accrued interest if required by law. If the damages to the Dwelling Unit exceed the amount of the Security Deposit and require the services of a third-party contractor, Landlord shall give written notice to Tenant advising of the fact within a 45 day period. If such notice is given, Landlord shall have an additional 15 day period to provide an itemization of the damages and the cost of repair. There is no interest due and payable on the Security Deposit in accordance with the VRLTA for any Security Deposit received after January 1, 2009. If the Security Deposit was received prior to January 1, 2009, the VRLTA provides that any accrued interest due and payable shall be paid to Tenant no later than 45 days after termination of the tenancy and return of possession of the Dwelling Unit by Tenant. Since January 1, 2009, any interest earned on the Security Deposit will be retained by Agent to cover administrative costs.</small></p>	<p>Instructor: Paragraph 3.a., which deals with the disposition of the security deposit was also updated due to a change in the VRLTA (HB594/SB388). Now, the law, and the lease, say that the security deposit will be returned within 45 days after the termination of the tenancy or the date Tenant vacates the Dwelling Unit, whichever is later. This allows the security deposit to be returned after the tenant is out and final damages – including missed rent from a lease broken early – have been determined.</p>
<p>Slide 16</p>	<p>Paragraph 3.d. Move-Out Inspection</p> <p><small>d. Move-Out Inspection. Under the VRLTA, Landlord shall provide written notice to Tenant of Tenant's right to be present at the time of the move-out inspection. Landlord will include in the aforesaid notice language to inform Tenant of this right to be present. Tenant must make a written request to Landlord to be present at such an inspection, and Landlord will notify Tenant of the inspection times which will occur within 72 hours of the delivery of possession. If Tenant fails to make such a request, or fails to schedule an inspection, Landlord will proceed to do the move-out inspection without Tenant being present.</small></p>	<p>Instructor: We have a slight tweak to the move-out inspection language. The law does not require the tenant to schedule the moveout inspection and this language was creating some level of confusion, so we've removed it.</p>

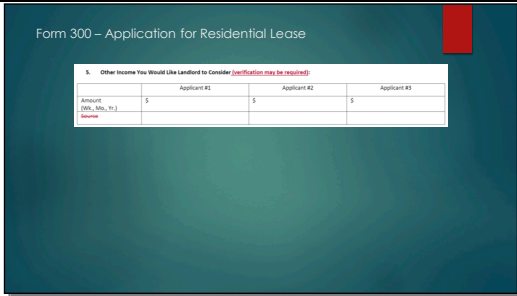
<p>Slide 17</p>	<p>Paragraph 3. Security Deposit</p> <p><small>Landlord reserves the right to require a commercial insurance policy commonly known as "damage insurance" to secure the performance by Tenant of the terms and conditions of this Lease, in lieu of all or part of the security deposit, as provided in Section 55.1-208 of the VRLTA. The actual costs of any damage insurance policy and the administrative fee as set forth in Section 1(b) shall be charged to the Tenant as additional rent. Tenant shall have the option to purchase their own damage insurance policy, provided the policy otherwise meets the requirements of this paragraph, in which case Tenant shall be charged the monthly out-of-pocket fee specified in Section 1(b). For any damage insurance policy obtained by Tenant in accordance with this paragraph, Tenant agrees to maintain such policy in full force and effect for the full term of this Lease, including any extensions or renewals thereof, and to provide Landlord sufficient proof of such insurance. Tenant may, at any time without consent of Landlord, opt to reinstate the full Security Deposit to Landlord in lieu of maintaining a damage insurance policy. Any damage insurance policy provided by Landlord shall terminate contemporaneously with the termination of this Lease. The Security Deposit, damage insurance coverage, or any combination thereof, shall not exceed a total amount equal to two months of rent.</small></p>	<p>Instructor: In the final, unnumbered/lettered paragraph in the Security Deposit paragraph, language has been added to address the new law (HB1333). The law is now clear that if the tenant uses a damage insurance policy, that – either by itself or in combination with a security deposit – cannot exceed 2 months rent. Additionally, a tenant who initially selected to use a damage insurance policy may elect to terminate the policy and pay the landlord the entire security deposit without the landlord’s consent.</p>
<p>Slide 18</p>	<p>Paragraph 34. Optional Provisions</p> <p><input type="checkbox"/> ASBESTOS. Landlord hereby discloses any information known by Landlord regarding the location and condition of asbestos actually known to exist in the Dwelling Unit.</p> <p>Tenant may not disturb in any manner any areas noted above.</p> <p>Tenant _____ Tenant _____ Tenant _____ Tenant _____</p>	<p>Instructor: The VRLTA does not require the landlord to disclose the condition for asbestos, so that provision is removed.</p>

Slide 21



Form 220 was updated based on input and suggestions from the PMC.

Slide 22



Instructor: two minor changes were made to the application. Changes to the Virginia Fair Housing Act (HB6) add protections for individuals based on source of funds. As such, the language here was tweaked.

While the source of funds protection has a carveout for owners who have less than 5 properties subject to a lease in Virginia, the concern was that the information on the application could lead to discrimination.

Slide 23



OK, we're going to move on to the Property Management Agreement, which is Form 900. You're welcome to pull this form up, but the substantive changes were minimal.

And yes, before you all raise your hand or approach me after class, we have plans to completely rework the Property Management Information Form at the end of the form – we have had a lot of complaints about this form, and Standard Forms is working with PMC to take care of this form.

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Form 900 – Residential Property Management Agreement and Exclusive Rental Agreement

▶ Paragraph reference corrections

We noticed an incorrect paragraph reference that is being updated.

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Paragraph 2. Owner's Representations

2. OWNER'S REPRESENTATIONS. Owner represents to Agent that Owner is the fee simple owner of the Property, that no other owner's consent is required to enter into this Agreement, and that neither Owner nor the Property is the subject of any pending or threatened bankruptcy or foreclosure or other legal action affecting the Property, and that all financings and taxes affecting the Property are paid current. Owner [] is OR [] is not a nonresident property owner, and owns or has an ownership interest in [] number of residential rental units in the Commonwealth of Virginia. Owner agrees to pay the applicable estimated income taxes due to the Commonwealth of Virginia, and/or any Business/Professional/Occupational Licenses (BPOC) taxes due to any locality, for any property that is owned by a nonresident owner who owns more than four residential rental units in the Commonwealth. The Property [] is OR [] is not located in a homeowners', condominium, property owners' or similar association. If it is in such an association, any and all dues and/or assessments are paid in full as of the date hereof, and Owner shall be required to timely pay such association dues and/or assessments during the term of this Agreement.

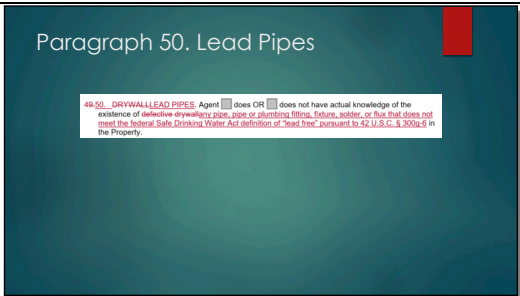
Instructor: The language in the Owner's representations paragraph has been tweaked slightly to clarify that the owner should disclose the number of properties he owns or has an ownership interest in. This information is important to know when looking at various legal requirements, such as the new Virginia Fair Housing Act protection for source of funds (HB6) which provides an exemption for owners with less than 5 properties subject to a lease in Virginia.

<p>Slide 26</p>	<p>Paragraph 9. Repairs/Maintenance</p> <p>9. REPAIRS/MAINTENANCE OF PROPERTY. Except as otherwise provided in this Agreement, make or cause to be made all repairs, replacements, alterations, or decorations to the Property within 14 days of notification by Tenant pursuant to Virginia Code § 55.1-1244.1. Agent shall enter into agreements in the name of Owner for all necessary repairs, maintenance (to include changing locks as deemed necessary by Agent), minor alterations, utility services, and other services to and for the Property. Agent is hereby authorized to spend up to \$_____ for any one repair or maintenance item, without Owner's prior consent. Agent is further authorized to pay for repairs, services, and any related expenses in the event of an emergency (as determined by Agent); the repairs are required by the lease, federal, state, or local laws or regulations, or after reasonable efforts Agent is unable to reach Owner.</p>	<p>Instructor: Another new provision of the VRLTA allows the tenant to hire a contractor to repair certain material noncompliance issues that a landlord does not respond to within 14 days of notification. While we know that none of you would ever fall into the group that this law is intended to address, we wanted to make it clear in the property management agreement that the property manager will act within 14 day.</p>
<p>Slide 27</p>	<p>Paragraph 20. Leasing Fee</p> <p>20. PROCURING LEASING FEE. A fee of _____ when a tenant has been procured and the lease is executed, or as otherwise agreed by the parties. Such amount may be paid to a cooperating broker or to Agent, as applicable. This procuring (leasing) fee is separate from the management fee described below in Paragraph 23. This fee is earned when the lease is executed.</p>	<p>Instructor:</p>
<p>Slide 28</p>	<p>Paragraph 23. Management Fee</p> <p>23. MANAGEMENT FEE. For the management services of Agent, a management fee of _____ percent of all gross rents collected by the Agent, or a minimum of \$_____. This management fee is payable on all rents during the original term, any renewals, extensions, expirations, replacements, relocations, or new leaseings between Owner and tenant, or Owner's successors and assigns, including, without limitation, or any entity affiliated with, controlled or owned by or under common control or ownership with Owner. No sale of the Property shall release Owner or its successor or assigns from the obligations under this Agreement. Owner agrees that, at the request of Agent, all leases for the Property will contain a provision incorporating the commission rights of Agent hereunder. Agent shall have the right to collect all rents due hereunder so that its fees and commissions may be paid in installments as the rent is received and retained by Agent before remitting the rent (less such fees or commissions) to Owner but if any act be done to deprive Agent of its right to collect the rent, then the entire amount of its fees and commissions earned but then unpaid shall, at Agent's option, become immediately due and payable.</p>	<p>Instructor: The management fee paragraph was updated to clarify that the fee would be the greater of the minimum or the percentage. All along the minimum field was intended to ensure that the property manager would be compensated at least that much, in the event the percentage of all gross rents fell below that amount. We heard that there were some landlords that tried to argue that they only owed the lesser of the two amounts.</p>

<p>Slide 29</p>	<p>Paragraph 24. Non-Management Fees</p> <p><small>24. FEES FOR NON-MANAGEMENT SERVICES: A fee of \$ _____ for the cost of any non-management services provided. Non-management services are any service performed by Agent that is not related to tenant occupancy. Non-management services may include, without limitation, proposals for renovations and/or capital improvements, preparation for initial lease term or sale of the property, meeting utility providers, representing owner at property owner association meetings, insurance claim coordination, or procuring third party vendors, which Agent may or may not have an ownership interest in, or certain work performed by employees of Agent. Nothing in this Agreement obligates Agent to provide non-management services. If Agent agrees to insure or coordinate such services, it will use its best efforts, but Agent does not guarantee in any way the work to be performed. The fee due Agent shall be included as all other fees due Agent under this Agreement.</small></p>	<p>Instructor: This paragraph was reworked, including the title of the paragraph, to make it clear what this covers. Technically the lease fee, set up fee, renewal fee, and sale fee are all non-management fees. This paragraph is intended to cover any non-management services. Now, the paragraph explains that non-management services are those performed by the agent not related to tenant occupancy. The paragraph gives examples of what non-management services could be, and makes it clear that the agent is not obligated to provide these services.</p>
<p>Slide 30</p>	<p>Paragraph 28. Indemnification & Release</p> <p><small>28. INDEMNIFICATION AND RELEASE. Indemnify and save Agent harmless against (i) all claims for damages arising out of alleged violations by Agent in a representative capacity, or Owner, or both, of any constitutional provision, statute, ordinance or regulation, federal, state or local, which arise out of the offer to lease, leasing, management, or operation of the Property hereunder or otherwise; and (ii) all expenses incurred by Agent in connection with the foregoing, including the reasonable fees and costs of counsel retained to defend Agent; provided, however, that the provisions of this Paragraph shall not apply if a court of competent jurisdiction makes a final determination, which is either upheld on appeal or not appealed within the applicable period of time, that Agent knowingly and intentionally violated any such constitutional provisions, statute, ordinance, or regulation. Owner hereby releases Agent from any and all claims, liability, or loss suffered by Owner as a result of damage to the Property not covered by Owner's hazard insurance. Except as otherwise provided herein, Owner and Agent do hereby release each other from any and all liability, loss, damage, or claim resulting from any claim and agree to secure from their insurers acknowledgment of such release and a waiver of any rights of subrogation.</small></p>	<p>Instructor: Two words were added to this paragraph to try and prevent a creative attorney from winning. With the new provision in the Virginia fair housing act which prohibits discrimination based on source of funds, but provides an exemption for owners with less than 5 properties subject to a lease in Virginia, it would be possible for a property manager to intentionally violate the law without doing so knowingly. Let's say at the time the property management agreement is signed, the owner only has 4 properties subject to a lease in Virginia. 4 months later, the owner decides to rent a portion of his house – that he lives in – to bring in some extra money, and uses a lease with his new tenant. Since he lives there, he thinks “I’ll just manage the property myself. No need to pay for a property manager.” and doesn’t tell the property manager. The property manager, still thinking that the owner</p>

		<p>only has 4 properties subject to a lease, denies an application of a tenant who would be using a government subsidy program for rent. This is an intentional act, which the property manager believes is lawful, since he believes the owner only has 4 properties subject to a lease.</p> <p>The two little words “knowingly and” are intended to address this situation and others like it. The property manager acted intentionally, but did not know that the action was a violation of the law.</p>
Slide 31		<p>Instructor: This paragraph requires the landlord to provide the agent with any updates to the information provided in the agreement. Like with the indemnification & release paragraph, it is intended to ensure that the property manager has the most current and correct information about the owner and the property.</p>

<p>Slide 32</p>	<p>Paragraph 40. Termination/Automatic Renewal</p> <p><small>39-40. TERMINATION/AUTOMATIC RENEWAL. This Agreement may be terminated by either party at the later of: (i) the expiration date set forth in Paragraph 1 of this Agreement; or (ii) at the end of the lease term for any tenant procured by Agent upon providing the other party 30 days prior written notice before the applicable termination date. If this Agreement is not terminated in accordance with the preceding sentence, it shall be automatically renewed for the same terms as the original term hereof until terminated by either party by giving the other party written notice of their intention to so terminate in accordance with this Section. Owner shall have no right to re-occupy the Property during any lease term of a tenant, unless otherwise provided in the applicable lease. All services provided pursuant to this Agreement terminate on the date of termination unless otherwise agreed to in writing by the parties.</small></p>	<p>Instructor: The termination/automatic renewal paragraph was updated to make it explicit that all services will terminate on the date of termination unless otherwise agreed to in writing by the parties.</p>
<p>Slide 33</p>	<p>Paragraph 46. Nonresident Owner</p> <p><small>46-46. NONRESIDENT OWNER. Under Virginia law, a "Nonresident Landlord" is required to file a Nonresident Real Property Owner Registration form with the Virginia Department of Taxation, Landlord. If a nonresident, hereby certifies that such required forms have been properly filed.</small></p> <p><small>Any individual nonresident of Virginia who owns and leases residential real Property consisting of more than four units in Virginia shall have an agent who is a resident of, and maintains a business office within, the Commonwealth of Virginia. Owner designates the following individual as the resident Registered Agent (R) (if applicable or N/A):</small></p> <p>Name: _____ Address: _____ Phone: _____</p>	<p>Instructor: The VRLTA removed the caveat that a non-resident landlord only needed to have a resident agent if the property consisted of more than four units. The law (effective 7/1/19) requires all non-resident owners to have a resident agent.</p> <p>Additionally, the VRLTA talks about a "resident agent" rather than a "registered agent." Under Virginia law, a "registered agent" must be someone who is involved in the management of the business entity or an attorney, who is registered with the state corporation commission. The VRLTA requires that a non-resident owner have a resident agent, which must be filed in the office of the clerk of the court in which deeds are recorded where the property is located. If the resident agent is a person, he must be a resident of Virginia, if a corporation, it must be authorized to do business in Virginia. The resident agent must also have a business office within Virginia.</p> <p>The change from "registered agent" to "resident agent" ensures that the requirements of the VRLTA are</p>

		<p>followed without creating additional requirements for maintaining a registered agent.</p>
<p>Slide 34</p>	<p>Paragraph 50. Lead Pipes</p> 	<p>Instructor: The law (54.1-2133) was updated this year (HB1161) to change the disclosure requirements for licensees engaged by landlords to lease property. Now, rather than disclosing defective drywall, licensees must disclose any known lead pipes to prospective tenants. The key word there is “known” – there is no obligation to test or in any way try to discover if the pipe, pipe or plumbing fitting, fixture, solder, or flux meets the federal Safe Drinking Water Act definition of “lead free” – if you have actual knowledge, you must disclose.</p>

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Paragraph 53. Damage Insurance

54-53. DAMAGE INSURANCE POLICY. (Owner's Initials)
Landlord authorizes the tenant to use a damage insurance policy, at tenant's own expense, in lieu of a security deposit. Such damage insurance policy will be in compliance with VA Code § 55.1-1266.
Landlord hereby designates the following damages insurance companies as acceptable: _____
If blank, no restrictions). Under the law, a tenant who opts to use a damage insurance policy may, at any time, without consent of Owner, opt to use the full Security Deposit to Owner in lieu of maintaining such damage insurance policy.

Instructor: A new provision in the VRLTA (55.1-1266 / HB1333) allows the landlord to decide whether or not to allow a tenant to use a damage insurance policy in lieu of a security deposit, and if allowed, designate one or more damage insurance companies that the landlord will accept damage insurance policies from. This new paragraph allows the landlord to authorize the use of a damage insurance policy and list what companies he will accept policies from.