

EXCLUSIVE PROPERTY MANAGEMENT AGREEMENT
Vacation Rental Property

This Exclusive Property Management Agreement is entered into by and between the following parties:

Real Estate Agency: _____ (“Agent”)

Address: _____

Telephone: _____ Fax: _____ E-mail: _____

Owner: _____ (“Owner”)

Address: _____

Telephone: _____ Fax: _____ E-mail: _____

Social Security/Tax ID#: _____

IN CONSIDERATION of the mutual covenants and promises set forth herein, Owner hereby contracts with Agent, and Agent hereby contracts with Owner, to lease and manage the property described below (the “Property”) in accordance with all applicable laws and regulations, including but not limited to the North Carolina Vacation Rental Act (NCGS 42A-1 et seq.) (referred to hereafter as the “VRA”), upon the terms and conditions contained herein.

1. Property. City of _____ County of _____

Name of Premises: _____ Street Address: _____

Other Description: _____

2. Duration of Agreement. This Agreement shall be binding when it has been signed and dated below by both parties. It shall become effective on _____, _____, and shall be for an initial term of _____. NOT LESS THAN _____ DAYS PRIOR TO THE CONCLUSION OF THE INITIAL TERM, EITHER PARTY MAY NOTIFY THE OTHER PARTY IN WRITING OF ITS DESIRE TO TERMINATE THIS AGREEMENT, IN WHICH CASE IT SHALL TERMINATE AT THE CONCLUSION OF THE INITIAL TERM. IF NOT SO TERMINATED: (*SELECT ONE OF THE FOLLOWING OPTIONS*)

- THIS AGREEMENT SHALL CONTINUE UNTIL EITHER PARTY NOTIFIES THE OTHER PARTY IN WRITING OF ITS DESIRE TO TERMINATE THIS AGREEMENT AT LEAST ____ DAYS IN ADVANCE OF THE DESIRED TERMINATION DATE, IN WHICH CASE THIS AGREEMENT SHALL TERMINATE ON SAID DATE.
- THIS AGREEMENT SHALL AUTOMATICALLY RENEW FOR SUCCESSIVE TERMS OF _____ EACH UNLESS EITHER PARTY GIVES THE OTHER PARTY WRITTEN NOTICE OF ITS DESIRE TO TERMINATE THIS AGREEMENT AT LEAST ____ DAYS PRIOR TO THE CONCLUSION OF ANY SUCH RENEWAL TERM, IN WHICH CASE THIS AGREEMENT SHALL TERMINATE AT THE CONCLUSION OF SUCH TERM.

3. Duties on Termination. Upon termination of this Agreement by either party, each shall take such steps as are necessary to settle all accounts between them, including, but not limited to, the following:

- (a) Agent shall promptly render to Owner all rents then on hand after having deducted therefrom any Agent’s fees then due and amounts sufficient to cover all other outstanding expenditures of Agent incurred in connection with operating the Property;
- (b) Agent shall transfer to Owner any advance payments from tenants held by Agent (including security deposits and fees owed to third parties not already lawfully disbursed); provided, Owner understands and acknowledges that according to the VRA, any such advance payments must be held in a trust account in an insured bank or savings institution located in North Carolina;
- (c) Owner shall promptly pay to Agent any fees or amounts due the Agent under the Agreement and shall reimburse Agent for any expenditures made and outstanding at the time of termination; and
- (d) Owner shall notify all current tenants of the termination of this Agreement and transfer of any advance rents and security deposits to Owner.



North Carolina Association of REALTORS[®], Inc.

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4. Agent's Fee: For services performed hereunder, Owner shall compensate Agent in the following manner (*select ONE of the following options*):

- A fee equal to _____ percent (____%) of the gross rental income on all vacation rental agreements entered into during the term of this Agreement.
- Other (*describe method of compensation*): _____

Agent's fee shall be deemed earned (*describe when fee earned*): _____

Owner authorizes Agent to deduct fees earned under this paragraph from rents collected by Agent. If, following any such deduction, it becomes necessary to transfer rent to a tenant or a new owner of the Property (whether pursuant to the terms of the VRA, the tenant's lease, or otherwise), Owner understands and agrees that Agent shall be entitled to retain all earned fees previously deducted from such rent under this paragraph and that Owner will be responsible to the tenant or new owner, as the case may be, for any amount of rent to be transferred that may have been properly deducted by Agent under this paragraph.

5. Disclosure of Other Fees: Agent may from time to time, in its sole discretion, provide or arrange services for tenants, including but not limited to equipment rentals (cribs, linens, beach equipment, etc.), trip insurance, tenant damage insurance, long distance telephone service, special event bookings and other special services requested by Tenant. Owner acknowledges and agrees that Agent may receive additional fees from tenants or third party vendors for arranging such services, and that any such fees shall belong exclusively to Agent. Agent may also charge and retain reasonable administrative fees to tenants to cover the costs of processing tenants' reservations, transfers or cancellations of vacation rental agreements.

6. Authority and Responsibilities of Agent: During the time this Agreement is in effect, the Agent shall:

- (a) Manage the Property to the best of Agent's ability, devoting thereto such time and attention as may be necessary;
- (b) Use Agent's best efforts to solicit, secure and maintain tenants;
- (c) Advertise the Property in such manner as may be appropriate in Agent's opinion, including the right to display a "For Rent" sign on the Property (unless prohibited by law or restrictive covenant) and photograph the Property for use in Agent's advertising;
- (d) Offer the Property to the public for leasing in compliance with all state and federal housing laws, including but not limited to, any state and federal laws prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status;
- (e) Negotiate, execute and retain copies of standard form vacation rental agreements on behalf of Owner at such rates as Agent shall from time to time recommend to Owner and with which Owner agrees; provided, Agent may from time to time, in Agent's discretion and without consultation with Owner, competitively reduce the rental rate up to (*insert percentage or dollar amount that rent may be reduced*) _____ for the purpose of filling vacancies that may otherwise occur within _____ days following any such reduction;
- (f) Require the payment of such tenant security deposits as Agent and Owner may from time to time agree is appropriate; provided, Agent may, in Agent's discretion, offer tenants the option of tenant damage insurance in lieu of such deposits;
- (g) Institute and prosecute such proceedings in small claims court as may be necessary and advisable, in Agent's opinion, to recover rents and other sums due the Owner from tenants or to evict tenants and retain possession, including the authority, in Agent's discretion, to settle, compromise and release any and all such small claims proceedings;
- (h) Terminate any lease and refund any payments made by the tenant if, in Agent's reasonable opinion, the Property is not in fit and habitable condition at the time the tenant is to begin occupancy, or negotiate partial refunds with tenants if, in Agent's reasonable opinion, the tenant's use and enjoyment of the Property has been or will be materially and adversely affected as a result of a defect in the condition of the Property (such as a repair to the electrical, plumbing, sanitary, heating or ventilating facilities or a major appliance that cannot be made reasonably and promptly);
- (i) Make or cause to be made any repairs which, in Agent's opinion, may be necessary to preserve, maintain and protect the Property, and retain such amounts from Owner's rental proceeds as may be necessary from time to time to establish a maintenance fund account on behalf of Owner in the amount of \$ _____; provided, Agent may not make any repairs that exceed \$ _____ without prior approval of Owner, except that in the case of an emergency, Agent may, without prior approval, make whatever expenditures on behalf of Owner that are reasonably necessary to preserve the Property or prevent further damage from occurring;
- (j) Maintain the Property as required by tenants' leases, including responsibility for having the Property cleaned to the extent deemed necessary by Agent at the conclusion of each tenant occupancy;
- (k) Comply with any duties or obligations imposed upon Owner by any local, state or federal law or regulations, including the authority to purchase such supplies and hire such labor as may be necessary in Agent's opinion to accomplish any necessary repairs;

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- (l) Maintain accurate records of all funds received and disbursed in connection with Agent's management of the Property, and provide Owner monthly statements of all monies received and disbursed on behalf of Owner for any month during which there have been any such receipts or disbursements;

- (m) Remit rental proceeds collected, less any deductions authorized hereunder, including but not limited to the fee set forth in paragraph 4 above, to Owner on the following basis: _____

_____;
provided: (1) this shall not constitute a guarantee by Agent for rental payments that Agent is unable to collect in the exercise of reasonable diligence; (2) payments hereunder are subject to limitations imposed by the VRA regarding advance disbursement of rent; and (3) if, pursuant to this Agreement or required by the VRA, Agent either has refunded or will refund in whole or in part any rental payments made by a tenant and previously remitted to Owner, Owner agrees to return same to Agent promptly upon Agent's demand;

- (n) Deliver to Owner within 45 days following the date of execution of any rental agreement an accounting which sets forth the names of the tenants, the rental rate and rents collected, and promptly provide a copy of any rental agreement to Owner upon reasonable request; and

- (o) _____

_____.

7. Responsibilities of Owner: During the time this Agreement is in effect, the Owner shall:

- (a) Advance to Agent such sums as may be necessary from time to time to cover the costs of repairing the Property and maintaining it in accordance with the requirements of the VRA and any other applicable laws and regulations, as well as the requirements of tenants' leases;

- (b) Reimburse Agent for any expense actually incurred by Agent in managing the Property, including but not limited to, the cost of storm preparations and clean-up, emergency maintenance and repairs, utilities, property taxes, owners' association dues and assessments, court costs and attorney's fees;

- (c) Not take any action or adopt any policy the effect of which would be to prevent Agent from offering the Property for rent in compliance with all applicable federal and state laws and regulations, including but not limited to, those laws and regulations prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status in the leasing of the Property;

- (d) Carry, at Owner's expense, comprehensive general liability insurance against any and all claims or demands whatever arising out of, or in any way connected with, the operation, leasing and maintenance of the Property, which policies shall be written to the extent allowable so as to protect Agent in the same manner as Owner and which shall be in the minimum amounts of \$ _____ for each injury or death of one person in each accident or occurrence, and \$ _____ for property damage in each accident or occurrence; and provide no less frequently than annually a copy of such policy or policies of insurance to Agent upon Agent's request;

- (e) Indemnify and hold Agent harmless to the extent allowable by law from any and all costs, expenses, attorneys' fees, suits, liabilities, damages or claims for damages, including but not limited to, those arising out of any injury or death to any person or loss or damage to any property of any kind whatsoever and to whomsoever belonging, including Owner, in any way relating to the management of the Property by Agent or the performance or exercise of any duty, obligation or authority set forth herein or hereafter granted to Agent, except to the extent that such may be the result of gross negligence or willful or intentional misconduct by Agent;

- (f) Supply all items necessary and usual to occupancy of the Property prior to the commencement of any tenancy, including the following: _____

_____.

- (g) "Deep clean" the Property prior to the first tenancy of the season, and again in mid-season if, in Agent's opinion, a second such cleaning is necessary, during each year that this Agreement is in effect;

- (h) Conduct a thorough inspection of the Property prior to the first tenancy during each year that this Agreement is in effect, such inspection to include inspection of the electrical, plumbing, sanitary, heating and ventilating facilities, smoke detectors, appliances, utilities, kitchen supplies, and other furnishings, equipment and systems; and to perform preventive maintenance and make such repairs as may be necessary from time to time to maintain such items in good working order;

Owner Initials _____ Agent Initials _____

- (i) Clean the Property in accordance with Agent’s standards following any use by Owner or Owner’s non-paying guests;
- (j) Provide the Property with furnishings of such quality, style and condition as are consistent, in the opinion of Agent, with other comparable vacation rental properties offered by Agent or others, and keep the Property furnished in such manner; and
- (k) _____

8. Advance Payments. Agent shall place all advance payments from tenants, including rent, security deposits and any other fees permitted by law, in a trust account(s) in Agent’s name in a North Carolina bank or savings institution. **Agent may, in Agent’s discretion, provide in tenants’ leases that such advance payments may be placed in an interest-bearing account(s). Owner agrees that any such interest shall belong to Agent, and that Agent may remove such interest from the account(s) at all times and with such frequency as is permitted under the terms of the account(s).**

9. Occupancy/Entry by Owner. Owner agrees to notify Agent in writing of any specific dates that Owner may desire to use the Property. Owner understands and agrees that Owner shall not have the right to occupy the Property during any time that the Property is subject to a tenant reservation, whether confirmed or not. Owner further agrees not to enter the Property for any purpose whatsoever during any time that it is occupied by a tenant in the absence of reasonable notice to Agent and scheduling by Agent of an appropriate time for any such entry.

10. Responsibility for Certain Costs. Except as may otherwise be expressly provided herein, Owner shall be responsible for paying all costs and expenses associated with the maintenance and operation of the Property, including but not limited to, all utilities, which the Owner agrees shall be registered in Owner’s name and billed directly to Owner. In the event Owner fails to pay any such cost or expense when due, Agent shall have the right, but not the obligation, to make payment on Owner’s behalf, in which case Owner agrees to reimburse Agent promptly upon request.

11. Sale of Property. In the event Owner desires to sell the Property through the Owner’s own efforts or those of a firm other than Agent, Owner shall: (a) promptly notify Agent that the Property is for sale and, if applicable, disclose to Agent the name of the listing firm; (b) show or cause the Property to be shown to prospective purchasers only at times scheduled through Agent; and (c) promptly notify Agent if the Property goes under contract and disclose to Agent the agreed-upon closing date. In any event, Owner agrees to comply with all requirements of the VRA regarding transfers of property subject to vacation rental agreements. Owner specifically acknowledges and understands that according to the VRA, any transfer of the Property will be subject to existing vacation rental agreements on the Property that are to end not later than 180 days from the date the transfer is recorded. Owner further authorizes Agent to provide the buyer of the Property information pertaining to existing rental agreements.

12. Pets. Tenants (*check one of the following*) shall shall not be allowed to bring pets onto the Property. If pets are allowed, Owner authorizes Agent to charge a nonrefundable pet fee of up to \$_____, which, if charged, shall be disbursed in the following manner:_____.

13. Entire Agreement; Modification. This Agreement contains the entire agreement of the parties and supercedes all prior written and oral proposals, understandings, agreements and representations, all of which are merged herein. No amendment or modification to this Agreement shall be effective unless it is in writing and executed by all parties hereto.

14. Non-Waiver of Default. The failure of either party to insist, in any one or more instances, on the performance of any terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future

performance of any such term or condition, and the obligations of the non-performing party with respect thereto shall continue in full force and effect.

15. Governing Law; Venue. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, and that in the event of a dispute, any legal action may only be instituted in the county where the Property is located.

Owner Initials _____ Agent Initials _____

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16. Relationship of Parties. The parties intend for their relationship to be that of independent contractors, and nothing contained in this Agreement shall be construed to create a partnership or joint venture of any kind.

17. Exclusivity. Owner agrees that Agent shall be the exclusive rental agent for the Property, and that no other party, including Owner, shall offer the Property for rent during the time this Agreement is in effect. Any rent nevertheless received by Owner or any third party will be transferred to Agent and thereafter accounted for as if originally received by Agent, including the deduction therefrom of any fee due Agent hereunder.

18. Default. If either party defaults in the performance of any of its obligations hereunder, in addition to any other remedies provided herein or by applicable law, the non-defaulting party shall have the right to terminate this Agreement if, within thirty days after providing the defaulting party with written notice of the default and the intent to terminate, the default remains uncured.

19. Costs in Event of Default. If legal proceedings are brought by a party to enforce the terms, conditions or provisions of this Agreement, the prevailing party shall be entitled to recover all expenses (including, but not limited to, reasonable attorney fees, legal expenses and reasonable costs of collection) paid or incurred by such prevailing party in endeavoring to enforce the terms, conditions, or provisions of this Agreement and/or collect any amount owing in accordance with this Agreement.

20. Early Termination Fee. Except for terminations permitted in paragraphs 2 and 18 above, if Owner terminates this Agreement, Owner agrees to pay Agent a termination fee in the amount of _____.

21. Authority to Enter into Agreement; Principal Contact. Owner represents and warrants to Agent that Owner has full authority to enter into this Agreement, and that there is no other party with an interest in the Property whose joinder in this Agreement is necessary. Either _____ or _____ shall serve as Owner's principal contact for purposes of making all decisions and receiving all notices and rental payments contemplated by this Agreement, and all persons signing this Agreement as Owner hereby appoint either of said persons as Owner's agent and attorney-in-fact for the purposes set forth in this section.

22. Binding Nature of Agreement. This Agreement shall be binding upon and inure to the benefit of the heirs, legal and personal representatives, successors and permitted assigns of the parties.

23. Assignment by Agent; Change of Ownership. Owner agrees that at any time during the term of this Agreement, Agent may either assign Agent's rights and responsibilities hereunder to another real estate agency, or transfer to another person or entity all or part of the ownership of Agent's real estate agency, and that in the event of any such assignment or transfer, this Agreement shall continue in full force and effect; provided, that any assignee or transferee must be licensed to engage in the business of real estate brokerage in the State of North Carolina.

24. Addenda. Any addenda to this Agreement are described in the following space and attached hereto: _____

The parties agree that any such addenda shall constitute an integral part of this Agreement. In the event of a conflict between this Agreement and any such addenda, the terms of such addenda shall control.

THE AGENT SHALL CONDUCT ALL BROKERAGE ACTIVITIES IN REGARD TO THIS AGREEMENT WITHOUT RESPECT TO THE RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP OR FAMILIAL STATUS OF ANY PARTY OR PROSPECTIVE PARTY TO THE AGREEMENT.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

OWNER:

AGENT:

_____(SEAL)

_____(SEAL)

DATE:_____

[Name of real estate firm]

BY:_____
[Authorized Representative]

Individual license #:_____

DATE:_____

SAMPLE