

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”)

Owner: _____ (“Owner”)

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. OWNER ACKNOWLEDGES AND UNDERSTANDS 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.

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. FURTHER, REALTORS® HAVE AN ETHICAL DUTY TO CONDUCT SUCH ACTIVITIES WITHOUT RESPECT TO THE SEXUAL ORIENTATION OR GENDER IDENTITY OF ANY PARTY OR PROSPECTIVE PARTY TO THIS AGREEMENT.

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; and to the extent not deducted from rents on hand, 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;
- (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; and
- (c) 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.

Owner Initials _____ Agent Initials _____



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

- 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.

(*Check if applicable*) Agent may from time to time provide services for Owner or arrange services for Owner from third-party vendors, including but not limited to services relating to maintenance, repair and/or improvements to the Property. Owner agrees that Owner shall compensate Agent for the provision or arrangement of any such services in the following manner: _____

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 cleaning fees and 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, including the use of third-party booking services as may be appropriate in Agent's opinion, and pay third-party booking fees out of rents collected from tenants secured through such services ;
- (c) Advertise the Property in such manner as may be appropriate in Agent's opinion, including but not limited to print advertising, Internet advertising either on Agent's website or on third party websites, reviews of the Property, displaying a "For Rent" sign on the Property (unless prohibited by law or restrictive covenant) and photographing the Property for use in Agent's advertising. Owner acknowledges and understands that while advertising will facilitate rental of the Property, there are risks associated with disseminating information about the Property that are not within the reasonable control of Agent, including but not limited to inappropriate use of information about the Property placed on the Internet. Owner therefore agrees to indemnify and hold harmless Agent from any damages, costs, attorneys' fees and other expenses as a result of any loss or damage to Owner not caused by Agent's negligence arising directly or indirectly out of any such advertising;
- (d) Offer the property to the public for leasing in compliance with all applicable federal and state laws, regulations and ethical duties, including but not limited to, those prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap, familial status, sexual orientation or gender identity in the leasing of the Property;
- (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, either (i) competitively increase the rental rate or (ii) competitively reduce the rental rate up to (*insert percentage or dollar amount that rent may be reduced*) _____ for the purpose of filling vacancies;
- (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) Collect all applicable occupancy and sales taxes and remit them to the appropriate taxing authority;
- (h) 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; provided, that with respect to any such small claims proceeding, Agent shall have actual knowledge of the facts alleged in the complaint;

- (i) 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, relocate tenants, 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;
- (j) Notify Owner regarding any necessary repairs to keep the Property in a fit and habitable or safe condition and follow Owner's direction in arranging for any such necessary repairs, including repairs to all electrical, plumbing, sanitary, heating, ventilating, and other facilities and major appliances supplied by Owner upon written notification from the tenant that repairs are needed; provided, notwithstanding the foregoing, Agent may, without prior approval of owner, (i) make or cause to be made repairs that do not exceed \$ _____ which, in Agent's opinion, may be necessary to maintain the Property, and (ii) in an emergency, make whatever expenditures on behalf of Owner that, in Agent's opinion, are reasonably necessary to preserve and protect the Property or prevent further damage from occurring;
- (k) Have the Property cleaned to the extent deemed necessary by Agent at the conclusion of each tenant occupancy;
- (l) 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;
- (m) 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;
- (n) Remit rental proceeds collected, less any deductions authorized hereunder, including but not limited to the fee set forth in paragraph 4 above and any unreimbursed expenditures incurred by Agent under this paragraph 6 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;
- (o) Withhold advance rental payments collected in circumstances where Agent believes that it may become necessary to reimburse such rental payments to a tenant or transfer them to a new owner of the Property, including but not limited to the following: (i) circumstances which may prevent the start or continuation of a tenancy, including but not limited to potentially severe weather, fire or flood causing damage to the Property, new construction or extensive repair or renovation of the Property, or other material deficiencies in the fitness and habitability of the Property, and (ii) possible involuntary transfer of Owner's ownership of the Property prior to the occupancy date(s) of the vacation rental(s) for which the advance rental payments have been made, including but not limited to the foreclosure of Owner's ownership interest in the Property;
- (p) 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;
- (q) Make payment on Owner's behalf, in Agent's sole discretion, of any cost or expense which Owner is responsible for paying;
- (r) Retain such amounts from Owner's rental proceeds as may be necessary from time to time to pay expenses associated with the management and operation of the Property for which Owner is responsible hereunder. Agent will establish and maintain a fund on behalf of Owner in the amount of \$ _____ from which expenses may be paid, but Owner acknowledges and understands that Agent may from time to time retain additional amounts as Agent notifies Owner in advance in writing are reasonably necessary;
- (s) Verify that Owner has installed operable smoke detectors and, where required, carbon monoxide alarms; and
- (t) Verify that Owner has annually placed new batteries in a battery-operated smoke detector or any carbon monoxide alarm.

(v) _____

_____.

7. Representations of Owner. Owner represents to the best of Owner's knowledge that at the time of entering into this Agreement:

- (a) Owner is not under bankruptcy protection under United States law;
- (b) The Property is not subject to a foreclosure proceeding;
- (c) All past and current property taxes, mortgage payments, governmental or owners' association assessments associated with the Property have been paid

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

- (a) Make all repairs and do whatever is reasonably necessary to put and keep the Property in a fit and habitable condition, using licensed vendors where required;
- (b) 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;
- (c) 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;
- (d) 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, regulations and ethical duties, including but not limited to, those prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap, familial status, sexual orientation or gender identity in the leasing of the Property;
- (e) Carry and maintain continuously, at Owner's expense, comprehensive general liability insurance against claims or demands arising out of, or in any way connected with, the operation, leasing and maintenance of the Property, including property damage and bodily injury in the amount of not less than \$_____, which policies shall be written to the extent allowable to include the Agent as an Additional Insured and provide no less frequently than annually a copy of such policy or policies of insurance to Agent upon Agent's request; (Name of insurance agent: _____; telephone no.: _____)
- (f) 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;
- (g) Supply all items necessary and usual to occupancy of the Property prior to the commencement of any tenancy, including the following: _____

_____.
- (h) "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;
- (i) 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, any carbon monoxide alarms, 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;
- (j) Insure that the Property is cleaned in accordance with Agent's standards following any use by Owner or other person(s) whom Owner authorizes to use the Property (whether paying or not);
- (k) 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;

- (l) Timely pay all property taxes, mortgage payments, governmental or owners' association assessments associated with the Property, and any other expenses which could become a lien against the Property;
- (m) Promptly notify Agent in the event Owner becomes the subject of a bankruptcy proceeding, or the Property becomes subject to a threatened or filed foreclosure proceeding, or any taxes, mortgage payments, governmental or owners' association assessments associated with the Property become delinquent;
- (n) Be responsible for paying all costs and expenses associated with the maintenance and operation of the Property not otherwise specifically addressed in this Agreement, including but not limited to, all utilities, which the Owner agrees shall be registered in Owner's name and billed directly to Owner;
- (o) Install or cause to be installed operable smoke detectors and any required carbon monoxide alarms;
- (p) Place or cause to be placed annually new batteries in a battery-operated smoke detector or any carbon monoxide alarm; and
- (q) _____

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 or the Property otherwise will be unavailable for rent. In the event Owner or Owner's invitees use the Property for more than _____ during a calendar year or any part thereof that this Agreement is in effect, Owner understands and agrees that such use shall be subject to the payment of Agent's Fee, based on the then-current rental rate for 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. Occupancy Limits/Septic System. Unless otherwise stated, occupancy of the Property shall be limited to two persons per bedroom, including family, children and Tenant guests. If the Property is served by a septic system, Owner represents that the Property is built, furnished and equipped to accommodate a maximum of _____ occupants based on the septic permit.

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: _____
 Owner acknowledges and understands that whether or not pets are allowed, a person who has a demonstrated need for an assistance animal which alleviates one or more of the identified symptoms or effects of an existing disability has the

legal right to be accompanied by a service/assistance animal in the Property, that no pet fee may be charged to such person, and that such person would be liable for any damage done by the service/assistance animal to the Property.

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.

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. Notwithstanding the foregoing, Owner may advertise the Property for rent, provided that any prospective tenant shall be referred to and handled by Agent in the same manner as any other prospective tenant. 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.

25. Use of Electronic Means; Notice. The Parties agree that electronic means may be used to sign this Agreement or to make any modifications the Parties may agree to, and that any written notice, communication or documents may be transmitted to any mailing address, e-mail address, cell phone number or fax number used by the Parties to communicate during the course of this Agreement. Either party may change the address to which any notice or documents should be sent by written notification to the other party in a manner permitted by this paragraph.

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:

_____(SEAL) DATE: _____
 _____(SEAL) DATE: _____
 _____(SEAL) DATE: _____
 _____(SEAL) DATE: _____

AGENT: _____
 [Name of real estate firm]

BY: _____ Individual license # _____ DATE: _____
 [Authorized Representative]

Real Estate Agency: _____

Address: _____

Telephone: _____ Fax: _____ E-mail: _____

Owner: _____

Address: _____

Contact information: _____
 Home Work Cell Email

Social Security/Tax ID#: _____

Owner: _____

Address: _____

Contact information: _____
 Home Work Cell Email

Social Security/Tax ID#: _____

Owner: _____

Address: _____

Contact information: _____
 Home Work Cell Email

Social Security/Tax ID#: _____

Owner: _____

Address: _____

Contact information: _____
 Home Work Cell Email

Social Security/Tax ID#: _____