

# Rental Homes and Villas, LLC

## Exclusive Rental Management Agreement

THIS RENTAL MANAGEMENT AGREEMENT ("Agreement") is made effective as of the \_\_\_\_\_ day of \_\_\_\_\_ 200\_ by Rental Homes and Villas, LLC., a South Carolina limited liability company, having an address of 96C Main Street, Hilton Head Island, South Carolina 29926, (hereinafter referred to as "Manager"),

and

\_\_\_\_\_

having an address of

\_\_\_\_\_

and social security number/s

\_\_\_\_\_

(hereinafter referred to as "Owner").

WHEREAS, Owner owns improved real property having a mailing address of

\_\_\_\_\_

(hereinafter referred to as the "Premises"), and

WHEREAS, Owner has agreed to retain Manager as the exclusive rental management agent for the Premises upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, the Owner and Manager agree as follows:

1. Retention of Rental Manager  
 Owner hereby retains Manager as the exclusive, short-term, and or long-term rental manager for the Premises.
  
2. Terms  
 The initial Term of this Agreement shall commence on the date of this Agreement and extend for one (1) year, until....., unless terminated sooner as provided below. Upon the expiration of the initial term, this Agreement shall extend automatically for up to five (5) renewal terms of one (1) year each unless thirty (30) days prior to the expiration of any term either party gives written notice to the other of its intent to terminate. Either party may terminate this Agreement without cause at any time by providing the other party with ninety (90) days prior written notice. It is agreed that the Manager is entitled to compensation as provided herein in connection with any lease/rental agreement that may be executed during the term of this Agreement, even if said lease was negotiated by the Owner or any other party. Manager shall be paid compensation at the rate as provided herein in connection with any lease which is being negotiated, or which is in place, at the time of termination of this Agreement if the Tenant was introduced to the premises by the Manager. The preceding sentence is intended to apply to situations such as those where Owner terminates this Agreement, but continues to deal directly with a tenant who was introduced to the property by the Manager. Owner shall be responsible for any expenses incurred by Manager, including loss of Manager's commissions, as a result of the Owner's failure to honor rentals booked at the time of the termination notice. Should Owner terminate this agreement within the first ninety (90) days of the date of this Agreement, Owner shall pay Manager a termination fee equal to Two Hundred and Fifty Dollars (\$250) to partially defray costs of advertising, photography and miscellaneous marketing fees.
  
3. Obligations of Rental Manager  
 Manager shall provide the following rental property management services to Owner:

- (a) Procure tenants and execute leases for short-term and long-term periods not exceeding one year. Both parties agree that all tenancies will comply with the Fair Housing Act and no tenant will be denied a tenancy on the basis of race, age, color, familial status, religion, sex, national origin, or disability. Further, all non-transient tenancies shall be subject to the South Carolina Residential Landlord and Tenant Act.
- (b) Provide a monthly statement to Owner of all the Premises' expenses, charges, and receipts by the 15<sup>th</sup> day of each month for the prior month on short-term rentals (under three-months) and for the current month in the case of long-term rentals (ninety days plus) with a remittance to Owner of the net receipts, if any, from the Premises.
- (c) Purchase and advance for all supplies and materials reasonably necessary to operate the Premises as a rental property. In the event that the Premises are rented on a short-term basis, these expenditures may include bedding, linens, light bulbs, toiletries and similar transient accessories.
- (d) \_\_\_\_\_ (initial if applicable) Arrange for non-transient tenants to pay all utility service, including cable television and television. All utility bills shall be paid directly to Manager or tenant, where applicable, shall pay the utility companies. Owner is encouraged to install a toll charge-limiting device on Owner's phone.
- (e) Deposit all security deposits and rental proceeds collected for Owner, less any amounts property deducted, in a real estate trust account, separate from the Manger's business account.
- (f) Provide reservations, reception and housekeeping services to Owners and transient tenants.
- (g) Provide the Owner an annual report of the physical condition of the Premises with recommendations for improvements.

#### 4. Authority of Manager

- (a) Make at Owner's expense and on Owner's behalf:
  - i. All emergency repairs as deemed necessary in Manager's sole discretion such as plumbing, roof leaks, broken windows, heating and air-conditioning failures and appliance failures.
  - ii. Hire, discharge, supervise and pay any employees or contractors for work performed on Owner's behalf.

- iii. All providers of services shall be deemed to be acting on behalf of the Owner and not the Manager and Manager shall not be liable to Owner or others for any act, default or negligence on the part of such persons, contractors, or other workmen.
- (b) Manager is empowered, but not obligated to sign and/or cancel leases on Owner's behalf, to enforce the provisions of same, to institute legal action or other proper proceedings to collect rents and other sums due, and when expedient, to settle, compromise and release such actions and suits, and to dispossess tenants, and other persons, including without limit, institution of eviction proceedings in the name of, and on behalf of, Owner. Manager may select the attorney of Manager's choice to handle any such matters and incur court costs at Owner's expense. Manager is not responsible for defending or instituting on behalf of the Owner against any claim brought in a proceeding or court action.

5. Owner's Obligations

Owner shall be obliged for the following duties and responsibilities:

- (a) Authorize Manager to accept rental bookings for the Premises up to twelve (12) months in advance except for dates booked by Owner no less than three (3) months in advance through Manager's reservation system. Any instructions not to rent the Premises must be submitted in writing to Manager and will be subject to existing confirmed bookings. Owner will adhere to the established check in and check out times applicable to all other tenants.
- (b) To maintain the Premises including any furnishings, in good rental condition. Transient rental properties shall contain a complement of glasses, flatware, kitchen utensils and other household equipment. Owner also agrees that Manager may replace missing or unusable items and charge Owner's account for such expenses. No more than \$ 100.00 will be incurred at any one time for such replacement without Owner's prior authorization.
- (c) To maintain, at Owner's expense, public liability insurance not less than \$ 300,000.00 per occurrence and \$ 500,000.00 total to protect the interests of the parties hereunto which policy shall name Manager as an additional insured. A copy of the

insurance policy must be provided to Manager. Owner shall also fully insure the Premises against hazard, flood, fire, wind and hail damage.

- (d) To pay for Manager for all costs of collection, eviction or other legal proceedings initiated by Manager on behalf of Owner pursuant to section 4(b) above. Manager shall obtain Owner's prior approval before incurring such legal expenses unless Owner is not available for immediate approval and manager at Manager's sole discretion deems such proceedings necessary.
- (e) \_\_\_\_\_ (initial if applicable). Secure and pay all utility service, including cable, television and telephone. Owner shall pay all utilities bills and shall indemnify and hold Manager harmless from any discontinuation of utilities due to nonpayment of utility charges.

#### 6. Regulations and Restrictions

- (a) Manager may offer tenants up to 25% reduction or refund in the rental rate in the event of failure of heating, air conditioning or a major appliance, which cannot be repaired immediately. Owner agrees that tenants may be moved to another rental property if such discount is unacceptable. Owner also agrees that in the event such transfer becomes necessary, Owner will be credited with his pro-rata share of the rents earned from such tenants, the balance being credited to the Owner of the unit to which said tenant is transferred.
- (b) If tenant is dissatisfied with the Premises, the Manager may transfer the tenant to another rental property in its sole discretion.
- (c) Manager may refund tenant deposits in its sole discretion.
- (d) Owner agrees to indemnify and hold Manager, its officers, directors, stockholders, agents and employees harmless from any and all damages or losses to persons or property, and all suits, claims, or actions in equity or at law, including any and all legal expenses and court costs, in connection with the use and occupancy of the Premises as a rental property and performance or attempted performance by Manager of its duties and powers hereunder.
- (e) Manager shall be provided with a copy of all listing agreements applicable to the sale of the Premises. Manager shall not be liable to Owner for the acts or omissions of any real estate sales person when showing the Premises to prospective purchasers. Premises may not be shown at any time without the previous authorization of Manager.

- (f) Any sales contract for the Premises shall be subject to this Agreement and the purchaser of the Premises shall honor all booked reservations. Manager shall remain the Premise's management for all booked reservations. Owner agrees that Manager shall be entitled to all commissions due on Premises for all booked reservations. If the purchaser of the Premises refuses to honor any booked rentals, Owner shall indemnify and hold manager harmless from all damages and losses incurred in connection therewith, including Manager's lost commissions. Owner shall include in any contract of sale a provision that the buyer of the property will honor existing leases as of the date that the Owner notifies the Manager in writing of the pending sale and Manager shall receive its full commission with respect to any existing leases.

7. Commission and Fees

- (a) Rental rates are the occupancy rates charged to the tenants. All appropriate taxes are applied to the rental rate and remitted to the proper governmental agency. Owner authorizes Manager to negotiate the occupancy and rental rate of his/her property.
- (b) Owner agrees to pay Manager the following commissions:
- (i) \_\_\_\_\_ percent ( \_\_\_\_\_ %) commission on the rental rate of tenancies of less than one month (i.e. 31 days), \_\_\_\_\_ percent ( \_\_\_\_\_ %) commission on two (1) to three (3) month tenancies, and \_\_\_\_\_ percent ( \_\_\_\_\_ %) commission on tenancies which exceed three months.
- (ii) A housekeeping fee based on the size of the Premises will be deducted from the rental proceeds.
- (iii) A \$ 25.00 fee will be charged for each guest of Owner during an Owner booking to cover costs of services, bookkeeping, reservations, check-in, check-out and inspection of the Premises after occupancy.
- (c) Owner agrees to permit Manger to offer discounts to other Owners within a residential community not to exceed \_\_\_\_\_ percent ( \_\_\_\_\_ %) of published rental rates.

8. Default

If either party defaults in performing any of its obligations under this Agreement, the other party may immediately terminate this Agreement by providing written notice to the defaulting party of such termination. In the event of default and termination by either party, Owner shall honor all booked rentals, unless Manager, in its sole discretion, transfers any booked rentals to other rental properties. In the event of default by either party, all obligations regarding booked rentals, including Manager's right to its commission, shall remain in full force and effect. In the event of default and termination after all booked rentals have been fully honored or transferred; this Agreement shall terminate and be of no further force or effect.

9. Governing Law

The laws of the state of South Carolina shall govern this Agreement.

10. Indemnification

Owner agrees to indemnify and hold Manager harmless for any and all damages arising from the breach or violation of any term, condition or other obligation set forth in this Agreement, including, without limitation, all costs and expenses of any legal proceeding (including attorneys fees) instituted to enforce this Agreement. The also agrees to indemnify and hold Manager harmless for any and all damages arising from claims asserted by third parties arising from the rental of the Property, including, without limitation, all costs and expenses of any legal proceeding (including attorneys fees).

11. Notices

All notices by either party intended for the other shall be sent by U.S. mail at the addresses set forth above, unless either party shall have designated a different address by serving written notice of change of address on the other party by registered or certified mail.

12. Entire Agreement

This Agreement supersedes all Agreements previously made between the parties relating to the Premises. There are no other understandings or agreements between the parties, which are not incorporated in this Agreement.

13. Binding Effect

The provisions of this Agreement shall be binding upon and inure to the benefit of both of the parties and their respective legal representatives, successors and assigns, including any purchasers of the Premises.

14. Modification

This Agreement cannot be changed or modified except by a written document signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day set forth above.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MANAGER:

RENTAL HOMES AND VILLAS, LLC.

By: Renew Consulting, Inc., its sole member

By: \_\_\_\_\_  
Colleen Renew, President

OWNER/s:

\_\_\_\_\_

\_\_\_\_\_