

RESORT RENTAL MANAGEMENT AGREEMENT

ISLAND REALTY, INC.
1304 PALM BLVD.
P.O. BOX 157
ISLE OF PALMS, SC 29451
843-886-8144

THIS AGREEMENT IS SUBJECT TO ARBITRATION

This agreement made and entered into this **2nd** day of **May 2018** by Island Realty, Inc. (hereinafter called "IR/Agent") and

<u>MB Beach Holdings</u>			_____
Name (additional owners listed on attachment)			Social Security
<u>665 Johnnie Dodds Blvd # 201</u>			_____
Mailing Address			Federal ID Number
<u>Mt Pleasant</u>	<u>SC</u>	<u>29464</u>	_____
City	State	Zip	Home Phone/Cell Phone
<u>_____</u>			_____
E-Mail Address			Fax Number/Business Phone

Whereas, Owner holds title to certain residential real estate known as 1140 Ocean Blvd # 102, Isle of Palms SC 29451 ("the Property") and desires to rent or lease the Property; and

Whereas, Agent is a licensed real estate manager and desires to obtain the exclusive right to rent and manage the Property for Owner pursuant to the terms and conditions set forth below.

THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the parties hereto agree as follows:

1. Exclusive Right to Rent and Manage:

Owner hereby grants to Agent the exclusive right to rent and manage the Property. Agent hereby accepts such appointment.

2. Term:

This Agreement is for a term of Three (3) years, commencing on 5/2/2018, and ending on 5/1/2021 unless sooner terminated as provided for in this Agreement.

3. Rentals:

Annually, Agent agrees to submit to Owner a list setting forth the proposed schedule of rents for the Property for the ensuing year. Except as specifically provided herein, all decisions concerning the day-to-day operation of the Property as a transient rental accommodation shall be made by the Agent in its sole discretion, including, but not limited to, decisions regarding rental rates, staffing, maintenance, housekeeping, reservations policies, and collection of rental proceeds.

4. Fees and Commissions to Agent:

A. For all rentals, owner agrees to pay Agent **Fifteen (15%)** percent of all gross rents collected or deposits forfeited to Agent. Additionally, it is agreed that Owner pays all commissions to tour agents or other referral sources who are allowed by law to receive rental commissions.

All state, county or local accommodation fees or taxes assessed against the rentals are excluded from gross rents in calculating Agent's commission here under. In addition, Agent shall have the right, in its sole discretion, to charge guests/tenants a reservation or other transaction fee, which amount shall be in addition to the rental rate charged and shall belong exclusively to the Agent.

B. Agent is allowed to offer guest/tenants vacation insurance but is not limited to just this one offering and is entitled to all commissions earned by agent from the sale of said offerings.

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C. Agent is entitled to a fee of 10% of the total price (not to exceed \$50) of all purchases of furniture, furnishings, appliances or houseware products made by agent for the Owners benefit to maintain the property in accordance with the Agents standards.

D. Agent is entitled to a fee of 20% of the total contract price for the administration of any contract for repairs, renovation or addition to the property in excess of five hundred dollars (\$500.00) handled by Agent at the request of Owner. Owner may avoid this fee by personally overseeing all work.

E. In the event Owner fails to pay Agent any amount required under this Agreement when due, Agent shall have the right to deduct said amount from net rental proceeds payable to Owner here under without notice. Likewise, in the event Owner fails to pay any party other than Agent any amount required under this Agreement when due, Agent shall have the right, but not the obligation, to make payment to said party on behalf of the Owner and to deduct said amount from the rent payable to Owner here under without notice. In the event the owner fails to reimburse Island Realty within 20 days for any invoice paid; every invoice is subject to a \$25.00 service fee.

F. Agent is entitled to a fee of \$3 per reoccurring bill (cable, water, electricity, etc...) for every bill paid by Agent on behalf of the owner.

G. A unit that generates less than \$10,000 in gross rents in the prior 12 months may be removed from the rental program at Agent's option.

5. Advertising:

Agent is authorized, at its own expense, to utilize rental signs, brochures, newspaper advertisement and other forms of advertising the Property for lease or rent at Agents sole discretion.

6. Referral of Inquiries; Negotiations:

Owner agrees to refer all rental inquiries to Agent that Owner may receive. All negotiations regarding the leasing, subleasing, assignment, release or other disposition of any lease or reservation covering the Property shall be conducted exclusively through Agent. Owner agrees that Agent shall be the exclusive rental agent of the Property, and that no other party, excluding Owner, shall offer the Property to the general public. Owner acknowledges that in addition to the Property, Agent manages other Property which may compete with the Property for rental guests. Agent shall determine in its sole discretion which rental guests are rented the Property and which rental guests are rented other Properties managed by Agent.

7. Rental By Owner Websites:

A. Owner may utilize other vacation rental websites to promote the property. Inquiries from these sites must be directed to (rentalsinfo@islandrealty.com) Agent for booking.

B. Number of non paying, guest of owner bookings allowed without incurring additional fees is calculated at one per \$10,000 of yearly gross rent. Nonpaying guest of owner bookings beyond the calculated allowance will incur a 10 percent commission based on published rental rate.

8. Agents Duties:

A. Collect all rents and deposit same into Agents trust account for Owner's credit as set by SC Real Estate law.

B. Promote rental of the Property and use its best efforts to fill all rental terms.

C. Provide contact and service to tenants and guests, including reservations, registration and management.

D. Maintain a reservation system through which all reservations, including Owner's, shall be processed.

Agent shall take reservations for rentals up to twenty-four (24) months in advance.

E. Render to the Owner a detailed monthly statement covering the operation of the Property for the preceding month, which statement shall include expenses and disbursements for such month. The statement shall be accompanied by a remittance from Agent to Owner of the net balance of the collection for the month, after deducting Agent's compensation, expenses of operation and restoring reserve account. Agent agrees to keep full and detailed records covering the renting and managing of the Property and the Owner shall at all times have reasonable access to the records.

F. To use Agent's standard form lease or reservation agreement for all rentals of the Property.

G. After each occupancy by a rental guest, Owner, guest of Owner or Owner directed maintenance person, Agent shall arrange for the Property to be cleaned and inspected as deemed necessary by Agent. All Owners contracting outside cleaning contractors are to provide contractors' name, address, city, state, zip code as well as

Initials: AB

taxpayer id with Federal form W9 and current business license if Agent is to pay said contractor from rental proceeds.

Name		Address	
City	State Zip	Tax ID	
Other		Other	

H. Additionally Owner at Owner's expense will allow Agent at Agent's discretion to contract for various services to maintain the Standards of the Property as set forth in the Property Standards attached hereto, such as but not limited to carpet cleaning, furniture cleaning and replacement of necessary fixtures or utensils.

I. Advise Owner of any action Agent determines needs to be taken to maintain the property in good rental condition such as but not limited to painting, furniture replacement etc.

J. To collect and timely remit on behalf of Owner all state, county and local accommodation fees or taxes assessed against the rentals of the Property.

9. Owners Duties: Owner agrees to:

A. Owner shall, at Owner's expense, maintain in effect both property damage insurance and premises liability insurance. The Property damage insurance shall be in an amount equal to the replacement cost of the Property and its furnishings. In this regard, Owner expressly acknowledges and agrees that Agent shall in no way be liable for any damage to the Property or its furnishings that may suffer in connection with the rental of the Property. The premises liability insurance shall be in a minimum amount of three hundred thousand dollars (\$300,000) for each occurrence.

B. Hold harmless, indemnify and defend Agent, and its employees or agents, from and against any loss or damage, including attorneys fees, arising out of any claims for property damage or personal injury at the Property, except to the extent such loss or claim is caused by Agent or its employees or agents.

C. Owner shall be responsible for all costs associated with maintaining the property (including all furnishings, appliances, heating/air conditioning, plumbing and electrical systems) in good clean working condition, as determined by Agent in its sole discretion, and as otherwise required by applicable law. Items of maintenance, replacement or repair which do not exceed five hundred dollars (\$500) may be made by Agent at Owner's expense without prior notice to Owner. Items of maintenance, replacement or repair in excess of such amount shall only be made by Agent with the prior approval of Owner, except in the case of an emergency, Agent shall make whatever expenditures on behalf of Owner which it deems reasonably necessary to preserve the Property and prevent further damage from occurring, or to otherwise restore the Property to a condition fit for occupancy by a guest. Under such circumstances, Agent shall notify Owner of the amount and purpose of the emergency expenditure as soon as is practicably possible and Owner shall reimburse Agent the same within 30 days. The existence of an emergency shall be determined by Agent in its sole discretion. For any item of maintenance, replacement or repair Owner shall be charged Agent's cost to perform such item, along with a reasonable administrative fee. Owner shall only perform maintenance, replacement or repair on the Property with prior notice to Agent, and subject to the Property not being rented by guest, except in an emergency. Failure by Owner to make or approve any item of maintenance, replacement or repair recommended by Agent within Thirty days (30) of such recommendation may constitute a default of this agreement as determined by Agent.

D. Maintain a contract for but not limited to, landscaping, pest control, air filter replacement, trash removal and any other services needed to present an attractive healthy environment at the Property. And identify said contractors in writing to Agent. Owner agrees that Island Realty will not be responsible for any vendor activities and in the case that Island Realty makes a vendor suggestion, this does not imply that we are associated with them directly.

E. Maintain a supply of houseware items and to maintain a stock of standard supplies and furnishings as listed in Agents standard furnishings list.

F. Allow agent to offer guests rebates and or to move in the event of the failure of a major component of the property such as the HVAC unit or the hot water heater, or any other material problem which arises which affects, or would affect, the tenants use and enjoyment of the Property

G. Be solely responsible for any personal items of Owner stored at the Property. Agent assumes no liability or responsibility for the loss or damage of any such property.

H. Maintain a current business license for the rental of the Property, cause the license to be displayed at the Property, and provide Agent with a copy of the current license each year.

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I. Not hold Agent responsible for any loss or damages to the Property, or the equipment, furnishings, or appurtenances thereto resulting from the following:

- (i) Neglect or willful acts or omissions of tenant or other third parties;
- (ii) Damage caused by wind, rain, hurricane, or other natural causes; or
- (iii) Theft, vandalism, fire or acts of God.

J. Owner agrees to promptly provide Agent with a notice in writing of Owners listing or promoting Property for sale or any executed contract to sell the Property, which contemplates closing to occur during the Agreement term. Any such contract shall expressly provide that the sale will be subject to the terms and conditions of this Agreement. Neither Owner nor any agent of Owner shall show the Property for sale without prior authorization from Agent, which authorization may be withheld by Agent during any period that the property is rented to a guest. In the event of the sale or other transfer of the Property, the new owner will be bound by all terms and conditions of this Agreement regarding existing reservations and the SC Vacation Rental Act.

K. Owner agrees to be responsible for any expenses, loss or damage incurred by Agent as a result of Owner's failure to honor any reservations, including the payment of any commissions or fees due to Agent as a result of the reservation and all legal fees

L. Install telephone service in the property to be made available to the guest for their use, blocking all long distance calls and not holding Island Realty responsible for any bills incurred.

M. Authorize Island Realty in order to promote rental business, seven (7) complimentary nights per calendar year without charge to use in any way Island Realty desires. This usage will be between September 15 and April 15 each year and will not be booked until three (3) weeks prior to arrival to allow Island Realty, Inc. to realize other business. Island Realty will pay for the housekeeping and linen charges on such stays.

N. Owner agrees to have the property available for at least 9 beach/summer weeks and 12 fall/spring weeks.

10. Reservation Conflict:

All reservations, including Owner's shall be taken by Agent in the order in which they are received. In the event of a reservation conflict between the Owner and a guest/tenant, the guest/tenant's reservation shall control.

11. Lease and Reservation:

Enforcement: Owner hereby grants Agent authority to pursue legal action against any guest/tenant to enforce collection of rent or pursue any remedy of Owner against guest/tenant for a breach of any reservation or lease agreement at Agents sole discretion. Each party agrees to cooperate fully with the other party in the prosecution or defense of any action against or by a guest/tenant.

12. Termination:

Either party may terminate this Agreement, with or without cause, upon thirty (30) days prior written notice to the party. Agent agrees not to make any further reservations or lease agreements after such notice without Owner's prior consent. Owner agrees to honor all reservations or lease agreements made by Agent in accordance with this Agreement prior to termination date.

13. Assignment:

This Agreement may be assigned by either party but no assignment shall relieve either party of any obligations accrued under this Agreement prior to the assignment.

14. Binding Arbitration:

Any dispute or controversy arising under or in connection with this Agreement shall be submitted to binding arbitration in accordance with the requirements of the South Carolina Uniform Arbitration Act as then in effect ("SCUAA"). All arbitration proceedings shall be conducted in Charleston County, South Carolina.

The arbitrators shall be selected as provided in the SCUAA, and the arbitrators shall render a decision on any dispute within ninety (90) days after the last of the arbitrators has been selected. If any party to this Agreement fails to select an arbitrator with regard to any dispute submitted to arbitration under this Section within thirty (30) days after receiving notice of the submission to arbitration of such dispute, then the other party or parties, shall select an arbitrator for such non-selecting party, and the decision of the arbitrators shall be final and binding upon all the parties to the dispute, their personal representatives, legal representatives, heirs, successors and assigns. The prevailing party in the arbitration shall be entitled to recover all arbitration fees and expenses, including attorney's fees and court costs, from the non-prevailing party. Such fees and costs shall include any collection or enforcement actions taken by the prevailing party to enforce its rights under the arbitrators' award.

15. Notice:

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Any notices or demands required by law or permitted by law or any provision of this Agreement shall be in writing and shall be deemed to be received by Owner when personally delivered to Owner, or when deposited in the United States mail, registered or certified, with return receipt requested, postage paid, and addressed to Owner at:

or at such other address as Owner may hereafter designate in writing to Agent.

Any such notice or demand to be served upon Agent shall be in writing and shall be deemed to be received by Agent when personally delivered to any office of Agent, or when deposited in the United States mail, registered or certified, with return receipt requested, postage prepaid, and addressed to Agent as follows:

Island Realty, Inc.
Attn.: Property Management
1304 Palm Blvd.
Isle of Palms, SC 29451


or such other address as Agent may hereafter designate in writing to Owner.

16. Entire Agreement:

This Agreement contains the entire agreement between the parties regarding the subject matter herein and supersedes all prior or contemporaneous arrangements or understandings with respect thereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, by and through the undersigned officers, as of the date first written above.

Wit		<u>5/2/2018</u>		<u>5/2/2018</u>
		Date	Owner	Date
Witness		Date	Owner	Date
Witness		Date	Owner	Date
Witness		Date	Island Realty, Inc.	Date

Initials: 

PROPERTY MAINTENANCE INFORMATION:

Pest Control Company	Phone
Landscape Company	Phone
Regime Manager	Phone
Maintenance Contractor	Phone
Warrantee Company	Phone
HVAC Contractor	Phone
Emergency Contact	Phone
Other	Phone
Other	Phone

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