



Property Management Agreement

THIS PROPERTY MANAGEMENT AGREEMENT (the "Agreement") is made and entered into the ____ day of _____, 2014, by _____ and between (here in after referred to as "Owner") having an address of _____ and Pelican Property Management #1, LLC. Agent having an address of 15900 Front Beach Road Suite 103, Panama City Beach, Florida 32413. For and in consideration of the mutual covenants herein contained, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. AUTHORIZATION OF AGENT AND DESCRIPTION OF PROPERTY. Agent is hereby authorized as the sole and exclusive rental agent and representative of Owner for the purpose of leasing and managing for the Owner the property described as follows: _____ (the "Premises").

2. TERM OF AGREEMENT. This Agreement shall be for a period of one (1) year, beginning on the ____ day of _____, 2014, and ending on the ____ day of _____, 2015. This Agreement shall automatically renew for one (1) year periods thereafter unless terminated by either party at least sixty (60) days prior to the expiration of any term or extended term. Either Owner or Agent may terminate this Agreement, at any time, by giving the other party written notice of election to terminate at least sixty (60) days prior to termination. In the event that Owner terminates this Agreement, (a) any existing reservations of the Premises may be moved by Agent to another property and Owner shall receive no revenues for such reservations, and (b) Owner shall continue to be liable for any fees, reimbursement for third-party amounts owed hereunder as of the effective date of the termination.

3. DUTIES OF AGENT. The duties and responsibilities of Agent in connection with the management of the Premises include the following:

A. **RESERVATIONS.** Agent shall have the authority and right to negotiate and execute licenses and reservations with tenants; and to advertise the Premises. Agent shall be responsible for marketing of the Premises for rentals, which shall include internet marketing and HomeAway.com\vacation-rentals marketing (to be paid for by Owner as described in Section 4 hereof). The standard Guest License Agreement (the "License") to be utilized is attached hereto as Exhibit A. Owner acknowledges receipt and review of the License and further acknowledges that the terms of the License may be changed by Agent from time to time. Agent shall be authorized to enter into licenses with tenants, the terms of which fall within the agreed upon lease parameters as described herein. Agent and/or Owner shall conform to the Condominium Documents Rules and Regulations that the maximum tenants per unit shall be six(6), unless the unit contains sleeping accommodations for additional guests Owner and Agent will follow Emerald Isle rule of twenty five (25) and older.

B. **COLLECTION OF RENTS AND OTHER CHARGES.** Agent shall take *all* reasonable steps to collect and enforce the collection of rents and all other charges due Owner from tenants for **the** Premises in accordance with the terms of their tenancy. If it becomes necessary to institute a legal proceeding to enforce a license (including collection or eviction), Agent shall contact Owner, and it shall be Owner's responsibility to institute such proceeding, at Owner's cost, provided, however, that Agent shall provide Owner with a list of referral attorneys.

C. **EXPENSES.** From gross revenues collected from the Premises, Agent shall have authority to:

- (1) Pay for all maintenance and repairs on the Premises.
- (2) Pay all sales taxes owed on rental revenues with respect to the Premises.
- (3) Reimburse and/or pay over any amounts owed to Agent under this Agreement, including, without limitation, any amounts advanced by Agent for the benefit of Owner, any fees (e.g. Section 5), any amounts owed to a third-party or other amounts owed hereunder.

(4) Pay all condominium assessments and other charges ("Assessments") levied by or owed to the Emerald Isle of Panama City Beach Condominium Association, Inc. (Association") in the event Owner fails to pay the Assessments within fifteen (15) days of the date they are due.

D. PERIODIC STATEMENTS OF PROPERTY INCOME AND EXPENSES. Agent shall maintain accurate records of all monies received and disbursed in connection with its management of the Premises, and an accounting of such records shall be made available to Owner upon reasonable request. Within ten (10) days after the end of the month, Agent shall also render to Owner a monthly written statement of Premises income, and expenses.

E. RENTS, PREPAID RENTS AND SECURITY DEPOSITS. Rents and prepaid rents shall be received and held by the Agent. Security and reservation deposits shall be received and held by Agent. Owner authorizes Agent to place all prepaid rents, deposits, and monies into Agent's escrow account(s). The earned interest on any funds deposited in the Agents' escrow account(s) will be the sole property of the Agent.

F. PAYMENT TO OWNER. At the time that Agent submits the written statement of Premises income and expenses to the Owner as provided herein, Agent shall pay monthly (by the 15th of the following month) to the Owner the net amount of funds due the Owner after the Agent shall have deducted all authorized expenses and reserves in relation to the management of the Premises from the funds collected for the account of Owner.

G. FURTHER DISCRETION. Agent may at its discretion, perform other services reasonably related to the leasing, licensing and management of the Premises. Agent is specifically authorized, but not required, to perform any right granted to Owner under any lease or reservation entered into by Agent with respect to the Premises.

4. RESPONSIBILITIES OF OWNER. In consideration of the property management services to be rendered by Agent under this agreement. Owner shall be responsible to perform all obligations hereunder, including:

A. FURNISHING OF DOCUMENTS. Promptly furnish Agent all documents and records required to properly manage the Premises, including but not limited to existing service contracts.

B. INSURANCE POLICIES. Furnish Agent copies of all insurance policies that are from time to time carried by Owner during the term of this Agreement with respect to the Premises and the endorsement called for herein.

C. STATEMENTS. Notify Agent within thirty (30) days of receiving Owners' monthly statement(s) informing Agent of any discrepancies. Both parties agree that if Owner does not contact Agent within thirty (30) days of receiving Owner's monthly statement(s) informing Agent of any discrepancies said monthly statement(s) will be considered correct, final and accepted by Owner.

D. PAYMENT FOR SERVICES AND REIMBURSEMENTS, To the extent not covered by rental revenues, (1) reimburse Agent to the full extent of all monies advanced by Agent for account of Owner in carrying out the purposes of this Agreement, (2) pay any third party independent contractor for services or materials provided to the Premises, and (3) pay all fees owed to Agent hereunder (with all such reimbursements or payments being made upon demand of Agent).

5. FEES TO AGENT MANAGEMENT FEES. Agent shall be paid a management fee equal to twenty three percent (23) of the base rental income defined as total gross rental income minus sales taxes collected by Agent.

6. OWNER RESERVATIONS. In the event that Owner procures a renter for the Premises during an open rental period, Owner shall notify Agent in writing of such prospective renter, rental rate and dates of stay. Agent shall contact the prospective renter and coordinate reservation of the Premises with such prospective renter using the License and Agent's reservations system. Agent shall collect and process all rentals, deposits, taxes and fees and shall handle such the renter's stay in the same fashion as Agent handles all other reservations and renters. For all such rentals, Agent's percentage management fee will be reduced to 15% of the posted daily rate. If Owner rents the Premises without notifying Agent and circumvents the Agent's reservation system, Agent shall be entitled to a fee equal to 30% of the daily posted rate for the dates of the renter's stay.

7. MISCELLANEOUS FEES/CHARGES.

A. **FORFEITED DEPOSITS.** Reservation deposits forfeited by a tenant shall be paid fifty percent (50%) to Owner and fifty percent (50%) to Agent.

B. **ADDITIONAL FEES.** Agent is to receive all subleasing charges, administration fees, lockout fees, return check fees, lease amendment charges, credit check fees, re-rent fees and any other fees and charges under any License entered into with respect to the Premises. Additional fees to be set by Agent and are subject to change without notice or prior approval.

C. **CREDIT CARD DISPUTES.** If any tenant, who has paid their rental amount or any other charge by credit card, disputes the credit card charge, the Owner agrees to reimburse Agent within thirty (30) days of written notice of said dispute for any and all charges to Agent by the credit card company caused by the dispute.

D. **CHECKS.** It is understood and agreed between Owner and Agent that if a check from a tenant is returned for insufficient funds after funds have already been disbursed by Agent to Owner or any other party, and Agent is not able to recover said check within fifteen (15) days, that upon notice, Owner will immediately refund and pay to Agent an amount equal to what was disbursed (whether disbursed to Owner or a third-party), along with any bank service fees or costs incurred by Agent.

8. MAINTENANCE.

A. **LIGHT MAINTENANCE/REPAIR.** Agent shall handle light maintenance and repair work associated with the Premises. Light maintenance and repair work will only be charging the usual Association fee of \$50.00 for a maintenance call by an Emerald Isle staff member. In the event of monetary deficiency Owner agrees to pay the outstanding balance within five (5) business days of receiving notice of monetary deficiency.

B. **EXTRAORDINARY MAINTENANCE/REPAIR.** Any repairs or maintenance other than light maintenance shall be considered extraordinary maintenance or repair items. Agent shall be entitled to authorize handling of an extraordinary maintenance or repair item, without consulting Owner, so long as such item does not exceed \$200.00. In the event of any extraordinary maintenance or repair items that will exceed such amount, Agent shall communicate with Owner to determine appropriate maintenance and repair and to coordinate payment of the same. In case of an emergency that requires immediate repairs, if Owner is not readily available for consultation, Agent shall have the right to use its own discretion regarding said repairs. Owner shall be responsible for all third party independent contractor and material costs associated with extraordinary maintenance or repair items. Maintenance repair fees will be taken from monthly rental payment due to Owner. In the event of monetary deficiency Owner agrees to pay the outstanding balance within five (5) business days of receiving notice of monetary deficiency.

9. ADDITIONAL MAINTENANCE/REPAIR OPTIONS.

Monthly HVAC filter change

Agent will use in-house personnel to handle a monthly HVAC filter change. A flat rate of \$20.00 will be charged for this service per unit per month.

CHECK AND INITIAL _____

Yearly Off Season Deep Clean

Agent will use in-house personnel to handle a yearly deep clean. A flat rate of \$250.00 will be charged for this service

CHECK AND INITIAL _____

Yearly Inventory Audit

Agent will use in-house personnel to handle a yearly inventory audit. A flat rate of \$75.00 will be charged for this service.

CHECK AND INITIAL _____

10. **RENTAL RATES.** Rental rates are established annually and agreed upon by acceptance of the attached Rate Addendum by Owner and Agent. Rental rates are set by seasonal schedules determined by market conditions. All advance reservations will be made to reflect the prevailing rates. Agent may vary the prevailing rate, by no more than 25%, when deemed necessary to increase rental occupancy. Other variations from the seasonal schedule may be made if agreed upon, in writing, by Owner and Agent.

11. **RESERVATION SYSTEM.** Agent shall maintain a reservation system through which all of its reservations are processed. Deposits shall be accepted in the form of cash, check, traveler's check and/or credit card. Any charges levied by credit card companies for the use of their credit card, shall be incurred by Agent and not

charged to the Owner. Agent shall accept reservations up to one (1) years in advance, subject to possible rate changes, except for dates excluded by Owner. It is expressly understood and agreed that all rental reservations procured by Agent are the property of and are controlled by Agent. Agent reserves the right to relocate any dissatisfied tenant who, for any reason, demands to be moved to another property being managed by Agent. In such an event, Agent will make every effort to re-rent Owner's property to avoid and/or limit a loss in revenue.

12. USE OF PREMISES.

A. **OWNER USE.** Owner shall not occupy the Premises without reserving such periods of occupancy through Agent and receiving written confirmation from Agent that such period is available. Owner's use shall not exceed Three (3) weeks during the peak rental season which runs from March 1 through September 15 of each year and (2) 30 days during the off-peak rental season which runs from September 16 through February 28/29 of each year. In the event Owner wishes to use the Premises, in accordance with the above conditions, Owner shall be permitted to use the Premises without payment of any rental fee to Agent provided, however, Owner agrees to pay the amount necessary to make the Premises ready for future guests, including but not limited to cleaning fees.

B. **PROMOTIONAL USE.** Agent will be promoting the property of the Owner and for those promotional purposes, the Owner understands and agrees that Agent may use and occupy the Premises of the Owner, free of rent for a period not to exceed five (5) days per calendar year, (called complimentary days). AGENT will pay for the cleaning associated with the promotional stay. This is done to educate employees and promote the Premises through advertising efforts. The Premises is not blocked out to prevent other bookings and is usually done during the off season. Agent would never allow a stay when a Premises is normally occupied.

13. UTILITIES. Owner shall be responsible for payment of all utilities. These utilities must include, but are not limited to, internet, water, telephone, electricity, trash pick-up and cable television unless other arrangements have been made and agreed upon between Agent and the Owner. The Owner further agrees that Agent shall have the authorization to pay any and all utilities when it is brought to their attention that these utilities are subject to being disconnected. In the event that Agent makes utility payments on behalf of the Owner, a fee of \$50.00 will be charged to the Owner as a handling fee for coordination and bookkeeping services.

14. OWNER ESCROW. Owner must maintain a credit balance of \$100.00 in their Owner reserve account sufficient to pay all reasonable bills; Agent is prohibited by law from making any disbursement that would result in a negative balance. Agent is authorized to deduct from revenue rentals to insure that escrow balance is maintained. Any deduction shall be reflected on the monthly statement.

15. PREMISES REQUIREMENTS. The Premises shall meet the requirements set forth by Florida Department of Business & Professional Regulation, division of Hotels and Restaurants, and other applicable law.

16. FURNISHINGS. The Owner shall maintain property's furnishings in a safe, attractive and useable condition, the standards for which shall be determined and verified by Agent prior to execution of this document. Carpet and upholstery cleaning (based on normal wear and tear) shall be done when determined necessary by agents of Agent. Each Owner is required to have the "basics" of kitchen ware, utensils, and living ware furnished for use by renters. A list will be attached to assist in completing your inventory of required basic necessities.

17. DISCOUNTS. The Owner agrees that Agent may offer a tenant a discount on rental rates in the event of a failure of a major appliance (stove, heating/cooling systems, refrigerator, dishwasher, washer/dryer and water heater/water systems) that cannot be repaired and made acceptable to the tenant in a timely manner or the tenant shall be transferred to a comparable property and the Owner shall be credited for rents earned during the period in which the tenant occupied the Owner's property. By operation hereof, however, Agent shall not be presumed to assume responsibility to undertake repairs, nor shall Agent be held liable for any harm to Owner's property arising from Agent's failure to undertake repairs.

18. CLEANING AND LINEN SERVICE. The cost of cleaning will be added to the renter fee. Agent shall contract for Owner for necessary housekeeping services (or provide such services directly). Owner is responsible for setup fee of initial linens to include, two (2) complete sets of linens per bed and sleeper sofa, two (2) sets of bath towels, hand towels, bath clothes and bath mats. Also, blankets, mattress pads, mattress protectors, pillow protectors and two (2)

sets of dish clothes and hand towels for the kitchen for rental unit as specified by Agent. Agent reserves the right to change any prices (cleaning services, etc.) and maintenance fees without prior notification based on industry standards. Note: Owners will NOT be allowed to waive a cleaning fee during their own stay or any other for any reason. This helps Agent control any discrepancies for our housekeeping services and keep all units consistent with our stringent cleaning standards. At least once per year, a deep clean will be performed at the Owner's expense. If Agent determines that it is necessary based upon use of the Premises, an additional annual deep clean will be performed at Owner's expense. Agent shall advise Owner of such cost.

19. PETS. Tenants will NOT be permitted to keep pets in or about the Premises. Violation of this rule will result in the renter being required to leave the premises with no refund of their rental fees. An additional \$300.00 pet fine will be assessed to the residents payment.

20. SMOKING. Tenants will NOT be permitted to smoke in the subject Premises. Smoking is allowed outside the confines of the Premises ONLY in common areas designated as smoking areas. Violation of this rule will result in the renter being required to leave the premises with no refund of their rental fees. An additional fine of \$500.00 will be assessed to the residents payment.

21. TELEPHONES. All rental properties are required to have a touchtone telephone for the convenience and safety of tenants. The Owner may elect to have a long distance toll restriction installed. Local long distance calls and information call requests will *be at* the expense of the Owner.

22. PEST CONTROL. Rental units will receive pest control service on a regularly scheduled basis at the Owner's expense. Pest control may be through Agent's bulk account or Owner may contact for independent pest control services.

23. SALE OF THE UNIT. In the event the Owner decides to sell the subject Property during the period of this agreement, the Owner shall notify Agent of the intent to sell and will coordinate reasonable showings through Agent.

24. INSURANCE. It is understood that the Owner shall carry personal liability insurance for the Premises in the minimum amount of \$100,000.00, a copy of which shall be furnished by the Owner to Agent. Agent shall be listed as an additional insured on such policy. The Owner will also carry an umbrella policy extending this liability coverage and to carry insurance to cover the contents of the unit. Owner agrees to hold and save Agent free and harmless from damage or injuries to person or property by reason of any cause whatsoever either in or about the Premises elsewhere when Agent is carrying out the provisions of this contract or acting under the express or implied directions of the Owner. The Owner further agrees to indemnify, defend and hold Agent harmless from all legal actions brought by any third party in connection with Agent's duties and responsibilities accruing under the terms of this Agreement, excluding only those arising from the gross negligence, or willful or wanton misconduct of Agent. A dated/inspected (by state agency) fire extinguisher (minimum 5 lb) is required in every unit on Agent's program at Owner's expense. This is for your safety as well as that of the renter. Such fire extinguishers shall meet or exceed the size (and any other requirement) to meet local, state and federal standards and the requirements set by your insurance policy.

25. ATTORNEY'S FEES. In any action, suit or proceeding to enforce or interpret the terms of this Agreement or collect any amount due hereunder, the prevailing party shall be entitled to reimbursement for all costs and expenses reasonably incurred in enforcing, defending, or interpreting its rights hereunder, including, but not limited to, all collection and court costs, and all attorney's fees, whether incurred out of court, in the trial court, on appeal, or in bankruptcy or administrative proceedings.

26. CONFORMITY WITH LAW. The parties will comply with all legal obligations, duties and responsibilities under Florida law, Fair Housing Law or any other statute, administrative rule, local ordinance or restrictive covenant related to the leasing, use, management or care of the Premises. If a party fails to comply with such obligations, duties and responsibilities within a reasonable time after notice of noncompliance from the other party, such party shall be in default hereof. Agent is not responsible for the compliance of any building or equipment on the Premises, with any statute, ordinance, law, regulation of any governmental body or any public authority or official, or *deed* restriction, except that Agent will notify Owner of any complaints, warnings, notices or summonses received by Agent. If the Premises, in the sole discretion of Agent is unsafe, unsanitary or otherwise fails to comply with any applicable law and such condition or violation is not cured by Owner within a reasonable period of time after notice from Agent,

Agent may terminate this Agreement.

27. INDEMNIFICATION OF AGENT. Except for the willful negligence or misconduct of Agent, Owner agrees to indemnify Agent against all costs, expenses, bad checks, losses due to a tenant's bankruptcy, attorneys' fees, suits, liabilities and damages from or connected with any lease of the Premises, the management of the Premises by Agent or the performance or exercise of any of the duties, obligations, or powers herein or hereafter granted to Agent. It is understood and agreed that Owner will maintain sufficient insurance to protect Owner and Agent against all insurable risks and the Agent shall be named as an additional insured on said policy.

28. NOTICES. For purposes of this Agreement, any written notice required to be made under the terms of this Agreement and until changed by written notice to the other party, shall be made to the Agent or Owner at the address shown below, by certified mail, return receipt requested.

29. BINDING EFFECT. This Agreement shall be binding upon the parties hereto, upon the successors and assigns of Agent and the heirs, personal representatives, successors and assigns of Owner. The parties agree that the parties can sign faxed copies of this agreement and the faxed signatures are binding upon the parties. Furthermore, this Agreement may not be assigned, sold, or otherwise transferred to another broker without the express written consent of all parties to this Agreement.

30. OWNER AND AGENT. Will abide by Emerald Isle policy of NOT renting units to anyone under the age of twenty five (25)

31. All Properties are leased/managed without regard to the prospective tenant's race, color, sex, physical ability, religion, familial/marital status or national origin as stated in the Fair Housing Act of 1968

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written and acknowledged having received a copy of this Agreement. This Agreement shall be effective on said date.

Owner Date

Ron Jones-Broker Date

Owner Date

Witness Date