



RENTAL MANAGEMENT AGREEMENT TERMS & CONDITIONS

AGENT's DUTIES & RESPONSIBILITIES:

1. RENTAL AGREEMENT: Beach Realty of North Carolina, Inc. (hereinafter called 'Agent') agrees to offer for rent the aforementioned Rental Property (hereinafter called "the Property") on behalf of the Property Landlord (hereinafter called 'Landlord') to their Renters (hereinafter called 'Tenants') subject to the terms and conditions herein set forth. Agent is hereby authorized and empowered as Landlord's sole and exclusive representative for the purpose of renting and leasing the Property. Agent is authorized in Agent's sole discretion and as authorized by law to institute and prosecute at Landlord's expense small claims court actions to evict Tenants and retain possession, and to settle, compromise, and release any and all such judicial actions and proceedings, provided, that with respect to any such small claims proceeding, Agent shall have actual knowledge of the facts alleged in the complaint.

2. TERM: This Rental Management Agreement is effective upon execution. The term shall commence on January 1st of the calendar year following the date of execution, unless the Landlord grants exclusive management rights prior to that date, in which case the term shall commence immediately. This agreement shall remain in force from the effective date and continue thereafter until terminated in writing by either party with no less than 180 days' notice.

Agent will solicit rent payments for all bookings that Agent arranged for the Landlord within 365 days of the Tenant's arrival. If the Landlord has not notified Agent in writing of their desired time for personal or family use prior to a Tenant booking, all Tenant bookings will be honored. Rental deposits received prior to December 31st for rental dates departing after December 31st will be disbursed after occupancy, on the first disbursement date in January.

Management Fees and inclusive services are determined based on the rental availability and rates established in this Rental Management Agreement. If Agent or Landlord determines it necessary to amend rental availability and/or rates, Agent reserves the right to renegotiate Management Fees and inclusive services. Should either party terminate this agreement prior to completing one full rental season, Agent is due the cost of executed inclusive services in addition to Management Fees on reservations confirmed prior to termination. All management fees for a period shall be deemed earned upon receipt of the initial rental payment or upon receipt of the signed vacation rental agreement, whichever occurs first.

2A. Rental Agreement Renewal: An annual addendum outlining any updates to Agent's policies and rental rate recommendations for the upcoming calendar year shall be provided to Landlord during the month of May each year. Upon receipt, both Landlord and Agent shall have the opportunity to discuss any proposed modifications to the Property or terms of the Agreement, with such changes, if any, to take effect on January 1st of the following year. All proposed amendments must be submitted in writing and mutually agreed upon by both parties no later than May 31st of the current year. Absent written notice of modification or termination from either party prior to May 31st, this Agreement, including all existing terms and conditions, shall automatically renew for the subsequent year.

3. ACCOUNTING: Agent will collect all rents and taxes and disburse good funds, which have cleared the bank to Landlord on the first banking day of the month following month-end close via Bank Direct Deposit, less all deductions (paid and unpaid work orders) authorized herein and less all commissions and fees. Agent shall maintain an accurate accounting of all monies managed on behalf of the Landlord and provide online access of a detailed monthly statement of Landlord's account(s) including cancellations. Agent agrees to file and remit all sales and occupancy taxes and required governmental reports. 50% of rent is payable in advance; 50% of rent after occupancy. Commissions, repair and maintenance costs, administrative fees, etc. can be disbursed to Agent prior to occupancy as provided by the Vacation Rental Act. Agent is liable to Landlord only for rental monies collected. Agent is not liable for fees for uncollectible checks or credit card fraud or charge backs. Security deposits shall remain in Agent's rental trust account until reimbursed to Tenant or forfeited for just cause. Agent agrees to collect all sales and use and lodging taxes and pay same to the NC Department of Revenue and Dare County Tax Department or Currituck County Tax Department. Every effort has been made by Agent to ensure the accuracy of your Property's information on our website, brochure, and other media avenues, however, Agent cannot be held responsible for any errors and omissions. Landlord authorizes Agent to deposit all advance rental payments, rent balances and maintenance funds in an insured interest-bearing account with all interest accrued to Agent. Landlord agrees to pay all legal fees associated with collection of these monies. Agent reserves the right to withhold advance payment if, in Agent's opinion, Tenant occupancy is threatened (i.e Property transfer, foreclosure, bankruptcy, construction delays, natural disaster).

3A. WORKING CAPITAL: Landlord authorizes Agent to maintain \$500 as a Working Capital Fund (WCF) to provide money to cover costs which are incurred by Agent in the management of the Property. The WCF will be replenished monthly from Landlord's rental proceeds. When management

costs exceed the amount of money in the WCF, Agent is authorized to withdraw operating expenses of the Property from the Landlord's other funds. Landlord will reimburse Agent for all operating costs which are not covered by the WCF and Landlord's other funds. Should disbursements exceed the rents collected by Agent, the Landlord agrees to pay such excess promptly. Interest at the rate per annum will be charged on all outstanding balances due to Agent after 30 days.

4. LANDLORD USE: It is acknowledged that Landlord agrees not to enter the Property or permit any person, whether family member, repairman or Tenant, to enter the Property other than during confirmed times of occupancy by Landlord without prior notification and approval of Agent. Landlord agrees to notify Agent, in writing, for Landlord's use or maintenance each year. Requests are not considered received until the Agent confirms the request in writing to Landlord. Landlord and Landlord's Tenants will abide by Agent posted check-in time of 4:00pm and check-out time of 10:00am. Landlord acknowledges that Agent does not receive a Management Fee for Landlord blocks except as provided above. Landlord agrees to pay Agent for expenses associated with Landlord's block including, but not limited to fees for pool and spa service, cleaning and linen costs, maintenance and repair calls and Agents Management Fee. Landlord will furnish two (2) sets of keys for Landlord closets and locked areas containing mechanical equipment. If any locks are changed, Landlord shall be responsible for providing new keys for each changed lock. Only Agent will perform the cleaning services between Memorial Day and Labor Day (cleanings by Landlord during this time are not permissible). Charity weeks or Tenants of Landlord rentals will be treated like Landlord use weeks.

5. PROPERTY CONDITION: Agent agrees to ensure Landlord will provide the Property with furnishings of such quality, style and conditions as are consistent in the opinion of Agent with comparable vacation rental properties offered by Agent or others. Landlord assumes complete responsibility for furnishing and maintaining all items outlined in the *Required Items Checklist*. Landlord agrees to stock the kitchen for one and a half the maximum occupancy of Property. Landlord agrees to prepare the Property in rental ready condition at least 3 weeks prior to their season opening date or April 1st for Property's open year-round in order for Agent to perform pre-season check of the Property/contents, which includes Spring Cleaning per Agent's checklist along with windows and carpets cleaned. Failure to meet pre-season deadlines and/or failure to maintain Property in fit condition authorizes Agent to block Property and move applicable Bookings until services have been completed. If Landlord performs spring, window or carpet cleaning and conditions are found to be less than Agent's standards, Agent reserves the right to correct at Landlord's expense. Agent is authorized to stock or restock Property with required items and bill Landlord's account for the same. Landlord is notified that the Vacation Rental Act mandates that Landlord provide a fit premises to include complying with all current applicable building and housing codes, making all repairs and doing whatever is necessary to put and to keep the Property in a fit and habitable condition, keeping all common areas of the Property in a safe condition and maintaining in good and safe working order and promptly repairing all electrical, plumbing, sanitary, heating, ventilating, and other facilities and major appliances upon notification that repairs are needed.

6. HOUSEKEEPING: When applicable, Agent agrees to provide a light cleaning of Property after each Tenant departure. It is agreed that Agent will inspect Property prior to the first rental and throughout the rental season, and will contact Landlord for any services necessary to ready the Property for rental if the Landlord has not done so. Landlord authorizes Agent to clean the Property at Landlord's expense prior to Tenant arrival if the Property has been vacant for ten or more days prior to Tenant check-in.

7. UNFIT FOR OCCUPANCY: Should the Property, at the Agent's sole discretion, be unfit for tenancy or is not as represented to the Agent by Landlord, Agent is authorized to terminate any lease and refund any deposit or rent. Authorization is given to Agent to make adjustments in any rent at Agent's sole discretion in the event a major repair cannot be completed within 48 hours. Major repairs shall include, but not be limited to, mechanical failures of heating, air conditioning, major appliances, plumbing, pool & spa equipment or electrical.

8. ACCIDENTAL DAMAGE: To protect our Landlord's investments, Agent has included a limited amount of accidental damage coverage for all paying Tenants. Accidental damage does not cover normal wear and tear; Agent will provide the Landlord with a list of normal wear and tear items. Minimum claim amount allowed to be filed is \$25, with the maximum claim of \$3000 per occurrence. Landlord agrees and understands that Agent is not responsible for costs or losses not detected or collected. Standard depreciation rates will be taken into consideration for replacement of damaged items. Missing items will not be replaced at the expense of the Agent. Agent will use its sole discretion in administering claims. Agent makes no representation that they will inventory the Property after each Tenant. Reimbursement to Landlord for their work and time is not allowed. Agent established vendors only will be paid for an Accidental Damage Claim. Landlords who elect to purchase replacement items must submit their receipts within 10 days for claim process to reimburse and any reimbursement requests beyond those 10 days will not be paid by the Agent. Every reasonable effort will be made by the Agent to collect from departing Tenants causing intentional or negligent damage during their occupancy.

9. SPECIAL EVENT PROPERTIES: An event is defined as any time that the occupancy of the Property will exceed the advertised occupancy. Should you elect to allow weddings and/or events in your Property, Tenants will pay a non-refundable \$2,000 event fee, of which \$500 is paid to Landlord and the balance covers the carpets cleaned, septic pumped, etc. Tenants will pay an Event Security Deposit of \$1,000, as well as obtain WedSafe® Insurance for coverage of \$500,000 and the Agent must receive a certificate of insurance. Any damages attributable to the Event will be paid by the insurance company or deducted from the security deposit and balance will be returned to Tenants within 45 days of departure. Said security/damage deposit shall be held in an interest bearing trust account at Southern Bank, Kitty Hawk, NC. Tenants shall receive a written statement within forty-five (45) days of departure disclosing the application of the security deposit and refunding any portion due to the tenant. If damages to the Property exceed the amount of security/damage deposit taken and WedSafe® Insurance Coverage, Agent's responsibility is limited

to reimbursement of damages to the Landlord for the amount of security/damage deposit collected. All security deposit disbursements are subject to the provisions of the North Carolina Security Deposit Act and the North Carolina Vacation Rental Act. Security Deposits will not be applied to normal wear and tear. Landlord agrees and understands that Agent is not responsible for costs or losses not detected or collected. Depreciation factor will be taken into consideration for damaged items. Missing items will not be replaced at the expense of the Agent.

10. PROPERTIES ALLOWING DOGS: Tenants will be charged a pet fee, which will be added to Vacation Rental Agreement as a pet fee payable to Agent. Agent will use pet fees to cover costs of preventative extermination and 1 seasonal high-traffic carpet clean. If a Landlord brings their pet to the Property, and it is determined that extermination and/or carpet cleaning is required, pest control and carpet cleaning will be charged to Landlord's account.

10A. SERVICE ANIMALS: Agent recognizes that Landlord's Tenants may bring trained Service Animals when needed regardless of whether the Property allows dogs. Agent will not refuse rental to tenants with appropriate documentation who require service, support or assistance animals. Landlord agrees that if a trained service animal is brought to a Property that does not allow dogs, Landlord will pay for preventative extermination services and a high traffic carpet and upholstery cleaning immediately after occupancy.

11. AGENT OTHER INCOME: Landlord understands Agent is compensated in addition to the commission rate charged for each rental in a number of ancillary ways. All other Agent fees including tenant paid processing fee, shall be deemed earned at the time Agent receives a tenant's advance rent payment. If it becomes necessary to return or transfer unearned rent payments to a tenant or a new Landlord of the Property, whether pursuant to the terms of the Vacation Rental Agreement, the tenant's lease, or otherwise, Landlord understands and agrees that Agent shall be entitled to retain all other Agent fees previously earned from such rent and that Landlord will be responsible to the Tenant or new Landlord for any portion of the rental payment previously earned by Agent under this paragraph.

11A. GUEST SERVICE FEE: This fee shall be added to the Landlord established rate and will be retained by Agent. Landlord authorizes Agent to deduct these sums from the rent payments collected by Agent. The Guest Service Fee accommodates for costs associated with accidental damage coverage, pre-arrival services for Tenant bookings and labor costs associated with Tenant service calls.

12. ASSIGNMENT: This contract may be assigned by the Agent without the consent of the Landlord. Upon such assignment, the Agent shall be released from any obligations under the terms of this agreement and this agreement shall become binding upon the Landlord and the Assignee as if Assignee was party to the original agreement.

13. INTERPRETATION: This agreement will be interpreted and enforced according to the laws of the state of North Carolina. In the event of litigation relating to any part of this agreement or matters which arise from the relationship that is established by this agreement, the litigation will be conducted through the courts of North Carolina, in the appropriate division of the General Court of Justice. Venue will lie in the county of North Carolina where the Property is located. The parties will not seek to institute or remove any action to any federal court, regardless of such court's jurisdictional requirements. Litigation instituted by the Landlord in any other jurisdiction will entitle the Agent to seek and obtain immediate dismissal of such litigation or claim without regard to any basis for jurisdiction which is asserted. Agent will be entitled to recover reasonable attorney fees incurred in responding to and seeking dismissal of litigation filed in any jurisdiction not authorized by this agreement. In the event of any dispute relating to the terms of this agreement which results in litigation between the parties, the prevailing party in the litigation will be entitled to an award of reasonable attorney fees in addition to any other award or judgment which is entered.

14. NON-DISCRIMINATION: The Property, which is the subject of this agreement, and as described above, is offered without regard to race, color, religion, familial status, sexual orientation or national origin. All standards for the acceptance and rejection of the prospective Tenants shall be applied in a uniform manner without regard to race, color, religion, familial status, sexual orientation or national origin.

LANDLORD'S DUTIES AND RESPONSIBILITIES:

1. ADVERTISEMENT: Landlord warrants that all information contained herein is true and accurate. Landlord advertising, including website/internet based ads, to aid in the rental of the Property must be reviewed by Agent to ensure compliance with North Carolina Real Estate Commission rules and regulations. Landlord has read and agrees that the amenities and furnishings listed shall appear in Agent's website advertisement of the subject Property and that all items advertised will be present in the Property prior to any rental. Agent has authority to supply such amenities and furnishings at the Property as needed to satisfy all advertised items and bill Landlord's account for the same. Landlord agrees to allow Agent to advertise Property in such a manner as in Agent's opinion may be appropriate, including the right to display a for rent sign on the Property if allowable in restrictive covenants. Advertised amenities and all parts must be in good working condition and available when Property is open for Tenants' rentals. While every effort has been made by Agent to ensure the accuracy of your Property information on our website and other media avenues, Agent cannot be held responsible for any errors and omissions.

2. KEYLESS ENTRY LOCK - Landlord will allow Agent to install and maintain Agent's own locking system on the door serving as the primary point of entry for the Property. Landlord is responsible for the installation costs and annual fees associated with the lock system. Landlord acknowledges and accepts that the keyless door lock being installed may cause slight damage to the main entry door upon installation and removal. Agent will not

be responsible for reimbursement for damages caused by the keyless lock system.

3. PRE-SEASON COTTAGE PREPARATION: Landlord agrees to deliver Property in 'rental ready' condition 3 weeks prior to the season open date or April 1st for Properties open year-round or will request that the Agent bring the property to Rental Ready condition at prevailing rate. Rental Ready is defined as fully stocked according to *Required Items Checklist*, professional window, carpet and spring clean completed, utilities on and all advertised amenities in working order for any Tenant or prospective Tenant to take possession. Agent will order spring, window and carpet cleaning if not notified by the Landlord that cleaning has been completed and has passed Agents' inspection before the deadline. Landlord agrees that after personal use of the Property by Landlord or Landlord's Tenants, the Property must meet Agent's Rental Ready standards. Standard cleaning may be ordered and performed at prevailing rate.

4. OCCUPANCY: Unless expressly stated otherwise in writing, occupancy of the Property shall be limited to no more than two (2) persons per bedroom. In cases where the Property is served by a septic system, Landlord represents and warrants that the Property is permitted, constructed, furnished, and equipped in accordance with the approved occupancy limits established by the applicable septic system permit, as reflected in the Occupancy section of Landlord's Rental Management Agreement (RMA).

While Agent may, at its discretion, obtain or review septic permits to confirm permitted occupancy, Agent is under no obligation to do so and shall not be held responsible for verifying such compliance.

5. UTILITIES: Landlord is and shall be responsible for obtaining and maintaining all utility services and making payment for the same. Should any utilities be terminated or any services disconnected because of non-payment of utility charges, Agent shall have the right to refuse to rent Property or to reestablish service immediately for the term of this agreement and charge Landlord's account for restoration plus charge Landlord a \$200.00 surcharge. Agent has the right, but not the obligation to pay bills on behalf of Landlord.

6. TAXES: Prices for goods or services offered on the Rental Management Agreement do not include sales and use tax that may be imposed by local or state government. Any tax Agent is required to collect on goods or services that the Landlord requests will be added to the cost of the goods or service.

7. LIABILITY: Landlord agrees to indemnify and save harmless Agent from any and all claims and liabilities due to any breach of this agreement or any other rental agreement by either Landlord or Tenant. Said indemnification shall include all costs and legal fees. Landlord agrees Agent, its Agents, employees and assigns, shall not be liable in any way for loss of income as a result of cancellation or damage of the Property or to the equipment, furnishings or appurtenances thereto resulting from negligence or willful action or omission by any tenant or Tenant, injury done or occasioned by wind, rain or other elements, theft or vandalism or fire. Landlord shall, at Landlord's sole cost and expense, procure and maintain in full force and effect throughout the term of this Agreement a policy or policies of personal liability insurance and/or commercial general liability insurance covering the Property, with minimum limits of liability of not less than \$1,000,000.00 per occurrence against claims and demands for bodily injury or death of persons arising out of or relating to the ownership, maintenance, use, occupancy, or condition of the Property. Proof of such insurance coverage, in the form of a certificate of insurance and/or declarations page satisfactory to Agent, must be provided to Agent prior to the Property being advertised, marketed, offered, or rented for vacation or short-term occupancy. Landlord further agrees to provide updated proof of renewal coverage upon expiration of any policy and upon Agent's request. In the event Landlord fails to provide proof of current and active coverage, or if any required policy lapses, expires, is canceled, or is materially reduced below the required coverage limits, Agent shall have the right, without liability, to immediately suspend advertising, marketing, booking activity, occupancy, or rental operations for the Property until acceptable proof of reinstated coverage is received. Additionally, Landlord authorizes Agent to withhold any and all undisbursed rental proceeds or other funds otherwise payable to Landlord until Agent receives satisfactory proof that compliant insurance coverage is in full force and effect for an unexpired policy term. Agent shall not be responsible for any loss of rental revenue, canceled reservations, or damages arising from Landlord's failure to maintain the required insurance coverage.

8. VACATION RENTAL AGREEMENT: Landlord has seen and reviewed Agent's existing Vacation Rental Agreement. Changes may be made in said Agreement without notification to Landlord provided said changes do not violate any of the terms or conditions of this Rental Management Agreement. Landlord does hereby warrant and agree that no other person, firm or corporation, including Landlord, is or shall be authorized or empowered during the term of this agreement to offer for rent the Property. Landlord acknowledges Agent's and Landlord's conduct is governed by the North Carolina Vacation Rental Act. A copy of this regulation may be viewed online at: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_42A.html on Beach Realty/Agent LandlordWeb website; or upon request Agent will supply a copy.

9. TENANT CANCELLATIONS: In the event a Tenant has signed a Vacation Rental Agreement, a rebook process may be required. If the Landlord blocks any portion of the rebook period for personal use, Tenant is entitled to a full refund of funds paid and Landlord agrees to return all rental monies collected. Agent may refund a Tenant who executes a Vacation Rental Agreement and is a spouse, dependent or member of the Armed Forces of the United States who subsequently received an order for deployment with a military unit or a permanent change of station order requiring the member to relocate that makes him or her unavailable during the rental period.

10. ACCOUNTING: Landlord authorizes Agent to deposit all advance rental payments, rent balances and Landlord maintenance funds into an insured interest-bearing trust account with all interest accrued to Agent. If there are charges to Landlord's account that are greater than the net rental income payable to Landlord for the period, Landlord agrees to pay such excess charges as billed by Agent within ten days of receipt of notice.

11. PROPERTY UPKEEP: Landlord agrees that Agent may, but shall not be obligated to, conduct maintenance, repair and replacement on behalf of Landlord and deduct payment for same from Landlord's monthly revenue provided that the cost of same does not exceed \$500.00 per repair or replacement. For any repairs in excess of the reserve amount, Agent agrees to notify Landlord for authorization and to coordinate authorized maintenance unless, in Agent's sole discretion, the repairs are necessary on an emergency basis, in which case, Agent is expressly authorized by Landlord to make such repairs. All invoices paid by Agent from the landlord's account will include a 15% handling fee for each invoice not to exceed \$400. Cost of all purchases by the Agent Service Department will be marked up 15% not to exceed \$400. Maintenance is to facilitate basic Property maintenance (minor plumbing repairs, lighting, preventative maintenance, etc.). Landlord will coordinate weekly their calendar dates of service with their Preferred Vendors. All Landlord Vendors must have General Liability and Workman's Compensation and copies of license and insurance must be provided to the Agent. Landlord ensures accuracy with regard to amenities represented in Property and authorizes Agent to conduct necessary repairs and rental of items to ensure accuracy of Property description during rental periods. Landlord may request a written fee schedule of services from Agent's at any time. Dispute of charges must be brought to Agent's attention no later than 30 days from the charge appearing on Landlord Statement.

12. VIDEO SURVEILLANCE: Landlord understands that it may be a crime under Federal and State laws to listen to or record any oral communication through the use of any electronic, mechanical, or other device without the consent of a party to that communication. If there is a video/audio/surveillance device(s) on the Property, Landlord is advised (i.) that no audio surveillance device may be turned on anywhere during occupancy; and (ii) that no video surveillance device may be turned on around private areas including but not limited to swimming pools, hot tubs, outside showers or bathrooms, or inside the Property during occupancy. Agent is authorized to disable any equipment which is discovered on the Property which does not comply with this paragraph.

13. SAFETY: Landlord is obligated to replace batteries annually in the smoke and carbon monoxide detectors and to repair the same upon being notified. When applicable, Landlord warrants that all elevators located within Property will be inspected by a qualified engineer prior to the first rental during the calendar year. Advertised fireplaces will also be inspected annually. Agent is authorized but not required to ensure compliance. Landlords offering elevators or swimming pools will provide telephone service via landline as requested by local Emergency Management Services.

14. AQUATIC AMENITIES: Landlords agrees to accept full responsibility for any health-related issues concerning their pool or hot tub, (e.g. folliculitis, urinary tract infections, Legionella Pneumophila, etc.) and further agrees to indemnify, defend and hold Agent and it's officers, employees, subsidiaries, affiliates, and assigns harmless from and against any and all loss, costs, judgements, expenses, attorney's fees, suits, liabilities, damages or claims for damage occurring as a result of the non-performance of this Agreement by Landlord, or the performance of this Agreement by Agent employees, or independent contractors.

- a. Upon request from the Agent, vendors must provide photo documentation of pool or hot tub areas, equipment, water temperature, etc.
- b. It is the vendors responsibility to ensure pool area and furniture is cleaned and orderly, including but not limited to trash removal, returning furniture to original location, removal of pool toys or beach toys in disrepair)
- c. Hot Tubs must remain open for the duration of the rental season. If the Property is open year-round, the spa cannot be winterized or closed.
- d. All pool and spa equipment must be serviced and tested at least 30 days before the first date of scheduled occupancy, including by not limited to pool heaters.
- e. Pool and/or Hot Tub should be dewinterized at least 30 days prior to your first rental to make sure all components are working satisfactorily.
- f. Rentals outside of pool season: If your Property has a pool and is available for rentals during these times when the pool is not open, and you have no pool cover, for liability purposes your vendor will need to take whatever steps are necessary to keep the appearance of the pool and adjacent area clean, orderly and the pool water clear enough to see the bottom of the pool. For those Tenants arriving before the pool opening date, the pool should be cosmetically ready.

15. EARLY TERMINATION: After execution of this Management Agreement, should proposed dwelling not be built upon the Property, or this Property is withdrawn from the rental market for any reason, then in such events Landlord shall pay Agent the Management Fee, the Booking Processing Fee on all weeks Agent has procured which shall be due upon the happening of such event. Other fees may also apply, in the event that newly constructed Property is not completed and has not received Certificate of Occupancy by commencement of rental period, as leased. Landlord is solely responsible for costs involved in providing Tenant with comparable Property as required by North Carolina Vacation Rental Act. No rental proceeds will be released until Certificate of Occupancy is supplied by Landlord to Agent, and Property is fully furnished and ready for Tenants. Landlord understands and agrees that Agent will procure Bookings on subject Property or proposed dwelling prior to the completion of construction (if applicable), with all funds being held in escrow until a copy of the "Certificate of Occupancy" is provided to Agent. If new construction, remodel, renovation, or repairs are delayed, for any reason, and rental Tenants must be relocated, at Agent's sole discretion, Landlord agrees to pay Agent

up to 20% of rent, or \$500, whichever is greater, for each dislocated Tenant that the Agent must process, in addition to the management fee already earned. If Agent is unable to accommodate Tenant with like Property from Agent's inventory, Landlord agrees to pay Agent Management Fee and Booking Processing Fee in addition to the above referenced relocation fee. Landlord agrees to return any advanced rental deposits received, within 48 hours, should there be a loss or destruction of the Property or if other refunds are required, in order to accommodate Tenant in comparable Property or if requested, provide a refund.

16. VOLUNTARY TRANSFER OF PROPERTY: In the event the Landlord lists the Property for sale, enters into a contract for sale or exchange, or otherwise terminates this Agreement, such listing, sale, exchange, or termination shall be expressly contingent upon the purchaser executing an Exclusive Agency Agreement with Agent for the remainder of the current rental season as of the date of closing. For the purposes of this Agreement, the "rental season" shall be defined as the period extending through the fulfillment of any and all reservations secured by Agent within 180 days following the date of closing.

Landlord acknowledges and agrees that Agent shall not be required to refund any commissions or fees earned under this Agreement as a result of any sale, exchange, or transfer of the Property. In the event the Property is placed under contract for sale, Agent shall withhold future rental proceeds disbursements to Landlord pending closing, final accounting, resolution of outstanding charges, and confirmation of the continuation or transfer of existing Vacation Rental Agreements.

Should the Landlord elect to sell the Property, Landlord shall:

- a. Provide written notice to Agent within twenty-four (24) hours of the Property being listed for sale and, if applicable, identify the listing brokerage firm;
- b. Ensure that all showings to prospective purchasers are coordinated and scheduled through Agent;
- c. Notify Agent in writing within twenty-four (24) hours of the Property going under contract, including disclosure of the agreed-upon closing date(s); and
- d. Fully comply with the provisions of the North Carolina Vacation Rental Act (or other applicable governing law), including but not limited to the requirements pertaining to the transfer of Property subject to existing Vacation Rental Agreements.

Landlord further acknowledges and understands that, pursuant to the Vacation Rental Act, any transfer of the Property is subject to all Vacation Rental Agreements in effect at the time of transfer, provided that such agreements terminate no later than 180 days after the date the transfer is recorded.

In the event the purchaser fails or refuses to enter into an Exclusive Agency Agreement with Agent, Landlord shall remain liable to Agent for all commissions and fees earned under this Agreement for all rental bookings secured by Agent for occupancy following the date of transfer.

17. INVOLUNTARY TRANSFER OF PROPERTY: The Landlord acknowledges the continuing obligation to maintain in a current status any and all mortgages which encumber the Property. The default by the Landlord under any of the terms of a mortgage loan secured by the Property will be an event of default under this Property Management Agreement. Landlord agrees to notify Agent within five days of receipt by Landlord of notice of a pending foreclosure or short sale. In the event that foreclosure or short sale proceedings are instituted by a mortgage holder secured by the Property, Landlord agrees to reimburse the Agent for any advance payments of rent which have been disbursed to the Landlord by the Agent. Until such time as the foreclosure or short sale is completed and the ownership of funds established, the Agent is authorized to withhold all rental funds and other proceeds, whether earned or unearned. In addition to the rental proceeds relating to the Property which is the subject of this Property management agreement, the Agent is authorized and entitled to withhold rental proceeds from other accounts in the control of the Agent in which the Landlord has a Property interest. Agent has the right to cancel rentals which are deemed (in the sole discretion of the Agent) to be jeopardized by any pending foreclosure or short sale. If cancellations occur, Landlord is liable to Agent for all funds paid in the form of Bookings, and all of Agent's fees attributable to the time period in question as if such week or time period had been rented and without regard to the actual date of the short sale or foreclosure sale. Landlord agrees to hold harmless and indemnify Agent for a) any refund of rental proceeds by Agent to Tenants/tenants of the Property; and b) all of Agent's fees, charges and commissions for rental weeks canceled by reason of foreclosure or short sale. Agent has permission to contact Landlord's Lender to follow the process and Lender may disclose information to Agent.

18. OTHER SERVICES: Landlord understands that private vendor management (including Hot Tub, Swimming Pool, private cleaners and or linens) is not included in the management fee. Agent will arrange services with the Landlord's preferred vendors, or Agent may choose a vendor, or Agent may choose to use services from Agent's in-house programs. The Landlord will be billed accordingly. The Landlord will make payment directly to his vendors, or authorize the Agent to do so and bill the Landlord 15% per occurrence. Agent will notify Landlord of all occupancy dates by use of OwnerWeb on our website, www.beachrealtync.com so that Landlord may coordinate appropriate service dates with their vendor.

19. MULTIPLE LANDLORDS: In the event Property is owned by multiple Landlords, Landlords will designate one principal point of contact to communicate and facilitate relations with Agent. All persons or entities with interest in the Property must sign this agreement.