

2010 VACATION RENTAL AGREEMENT

THIS IS A VACATION RENTAL AGREEMENT UNDER THE NORTH CAROLINA VACATION RENTAL ACT. THE RIGHTS AND OBLIGATIONS OF THE PARTIES TO THIS AGREEMENT ARE DEFINED BY LAW AND INCLUDE UNIQUE PROVISIONS PERMITTING THE DISBURSEMENT OF RENT PRIOR TO TENANCY AND EXPEDITED EVICTION OF TENANTS. YOUR SIGNATURE ON THIS AGREEMENT, OR PAYMENT OF MONEY, OR TAKING POSSESSION OF THE PROPERTY AFTER RECEIPT OF THE AGREEMENT, IS EVIDENCE OF YOUR ACCEPTANCE OF THE AGREEMENT AND YOUR INTENT TO USE THIS PROPERTY FOR A VACATION RENTAL.

Reservation #: «BookingNo»
Property #: «PropId»
Check-In Day @ 4:00 pm: «StartDate»
Check-Out Day @ 10:00 am: «EndDate»

«GuestName»
«GuestAddress1»
«GuestAddress2»
«GuestAddress3»
«GuestCity», «GuestState» «GuestZip»

Rent Amount: «RentAmountAd»
«ExtraDescription01»: «ExtraAmount01»
Trip Insurance (Optional): «InsuranceTotal»
«ExtraDescription02»: «ExtraAmount02»
«ExtraDescription03»: «ExtraAmount03»
«ExtraDescription04»: «ExtraAmount04»
«ExtraDescription05»: «ExtraAmount05»
«ExtraDescription06»: «ExtraAmount06»
Taxes (NC & County): «TaxTotal»

Total: «TotalTotal»

DECLINE Trip Ins. INITIAL HERE: _____

E-Mail: «GuestEMail»

Security Deposit: «SecurityDeposit»

Total w/Sec. Deposit : «TotalTotalSecDep»

Advance Rent Payment: «Charged01»

In consideration of the monies recited and the mutual obligations contained herein, the Owner does hereby lease and rent to Tenant that certain Property described above, under the following terms and conditions. Joe Lamb Jr. and Associates, Inc. (Agent) as rental Agent for the Owner, signs this agreement on behalf of Owner in this transaction WITHOUT RESPECT TO RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP, OR FAMILIAL STATUS OF ANY TENANT.

- 1. Reservation and Payment Requirements:** ONCE A RESERVATION REQUEST IS RECEIVED BY AGENT, TENANT MUST FORWARD A SIGNED VACATION RENTAL AGREEMENT AND ADVANCE RENT PAYMENT WITHIN 5 DAYS AFTER THE RESERVATION REQUEST. A FINAL PAYMENT IS DUE NO LESS THAN 30 DAYS PRIOR TO CHECK-IN. UNLESS THE AGREEMENT AND ALL REQUIRED PAYMENTS ARE RECEIVED BY AGENT WHEN DUE THE RESERVATION MAY BE CANCELLED WITHOUT FURTHER NOTICE AND SUBJECT TO THE TERMS OF PARAGRAPH 8. ADDITION FEES SHALL BE REQUIRED IF TENANT REQUESTS ITEMS IN ADDITIONAL TO THOSE ABOVE. ALL FUTURE PAYMENTS SHALL BE DOCUMENTED BY PAYMENT RECEIPTS WHICH MAY ACT AS AN ADDENDUM TO THIS RENTAL AGREEMENT.
- 2. Payment Methods:** Payment can be made to Agent in US funds by cash, travelers check, money order, cashier's check, certified check, company check, personal check, Master Card, Visa, or Discover subject to the following conditions: (a) Credit Card payments will be subject to a flat fee of \$39.95 and processed through a third party depository; (b) When payment is made by credit card the person named and endorsing the Vacation Rental Agreement must also be the person whose name is on the credit card; (c) No personal checks or company checks will be accepted during the 30 day period prior to or on the day of check-in; and (d) A \$25.00 service fee will be charged for all returned checks.
- 3. Administrative Fee:** A fee of \$85.00 plus tax is charged by Agent on all tenancies.
- 4. Taxes:** North Carolina has a Sales Tax and Dare County has an Occupancy Tax that is required on all rentals and fees. **THESE TAXES ARE SUBJECT TO CHANGE.** (For reference purposes 2009 taxes were as follows: North Carolina 6.75% & 7.75%; Dare 5%).
- 5. Trip Insurance:** Trip Insurance is available and offered through Agent and is strongly recommended. The fee for this insurance is 6.9% of the rental amount, reservation fee, & occupancy tax. Agent receives a fee for collecting the premium. The insurance is intended to protect Tenants in the event of unforeseen circumstances that cause cancellation or interruption, including but not limited to mandatory evacuations of the area after check-in. Tenant will be provided with a document from the insurer detailing coverage upon purchase of insurance which governs the terms thereof. Also, a copy of the document detailing coverage can be found on Agents website or can be mailed, faxed, or e-mailed upon request. There will be no refunds for any perils insurable by trip insurance. Trip insurance shall be the sole remedy for the occurrence of such perils. This insurance cannot be purchased after you have made your final payment. You have 14 days to cancel trip insurance after the premium has been received by Agent. There will be no refunds of the trip cancellation insurance premium after the 14-day period has passed. To accept coverage, pay the Advanced Rent Payment indicated above. If trip insurance is declined, please initial where indicated above and deduct the trip insurance premium from the Advanced Rent Payment.
- 6. Tenant Damage Insurance and Security Deposits:** Included in the Rent Amount above is a premium paid for Tenant Damage Insurance. This will cover Owner in the amount of \$1,500.00 for Tenant's accidental damages to Owner's property. It is necessary that Tenant report on or before departure all damage discovered upon arrival or caused by Tenant or Tenant's guest during Tenants occupancy of Owners property. Intentional damage, gross negligence, natural disasters, certain thefts, and other exclusions are listed in the document detailing coverage and which governs the terms thereof. A copy of the document detailing coverage can be found on Agents website or can be mailed, faxed, or e-mailed upon request. The premium for the insurance is \$45.00 and Agent receives a fee for collecting the premium. A security deposit may also be required. If a Security Deposit is required the amount is reflected above. Nevertheless, Agent may require an additional Security Deposit at its discretion. North Carolina law allows such security deposit to be up to twice the amount of the weekly rental rate. The deposit may be used by the Owner for actual property damage, long distance phone calls, cable TV charges, or other expenses caused by Tenant and allowed by NCGS 42-51. This deposit will be accounted for or refunded (less allowable deductions) within 45 days of your departure. Tenant promises to reimburse Owner for all damages to Owner's property caused by Tenant or his guests and not covered by tenant damage insurance or a security deposit. Tenant shall also be responsible to Owner for attorney fees and other costs necessary to collect for such damages as allowed by law.
- 7. Trust Deposits:** ALL PAYMENTS MADE BY TENANT WILL BE DEPOSITED IN AN INTEREST BEARING TRUST ACCOUNT AT GATEWAY BANK, KITTY HAWK, NC 27949, THE EAST CAROLINA BANK, SOUTHERN SHORES, NC, 27949, RBC BANK, KITTY HAWK NC 27949, OR OBX BANK, KITTY HAWK, NC 27949; WITH ALL INTEREST FROM SAID TRUST ACCOUNT ACCRUING TO AGENT. Credit card payments may be processed by insured third parties (Paymentech, LLC, JP Morgan Chase Bank, N.A.) who shall make commercially reasonable efforts to make ACH transfers to Agent's designated North Carolina banking institutions within two (2) business days. An amount not to exceed 50% of the total rental rate may be disbursed to the Owner prior to occupancy. Fees owed to third parties to pay for goods, services or benefits procured for the benefit of the Tenant, as well as the \$85.00 reservation fee may be disbursed prior to occupancy. All other funds remaining in the trust account will not be disbursed until: a) commencement of the tenancy; b) a material breach by the Tenant; c) the money is refunded to the Tenant; or d) the termination of the Owner's interest in the Property.
- 8. Cancellations:** If a reservation is cancelled and not re-rented for the cancelled period, all advance payments, except the Security Deposit, will be forfeited by Tenant. All cancellation or transfer requests by Tenant must be in writing. If no writing is received and Tenant does not arrive during the rental period the reservation will be considered to have been cancelled and not re-rented. If the property is re-rented for the contract amount all money prepaid will be refunded except the trip insurance premium, the processing fee applicable to credit card payment, and an \$85.00 cancellation fee charged by Agent. If the property is re-rented for less than the contract amount, the refund will be further reduced by the difference between the contract amount and the amount actually received. Any refund checks will be mailed at the end of the month in which you become eligible for the refund. A transfer from this Property to another will be considered a cancellation. Transfers made from one week to another available week in this Property are allowed without forfeiture subject to Owner approval.
- 9. Transfer of Property:** (a) If the Owner voluntarily transfers the Property, Tenant has the right to enforce the Agreement against the grantee of the Property if Tenant's occupancy under this Agreement is to end 180 days or less after the grantee's interest in the Property is recorded. If Tenant's occupancy is to end more than 180 days after such recordation, Tenant has no right to enforce the terms of this agreement unless the grantee agrees in writing to honor this agreement. If the grantee does not honor this agreement, Tenant is entitled to a refund of all advance rent paid by Tenant (and other fees owed to third parties not already lawfully disbursed). Within 20 days after transfer of the Property, unless Agent is to continue as grantee's agent, the grantee or the grantee's new agent is required to: (i) notify Tenant in writing of the transfer of the Property, the grantee's name and address, and the date the grantee's interest was recorded; and (ii) advise Tenant whether Tenant has the right to occupy the Property subject to the terms of this agreement or receive a refund of any payments made by Tenant. (b) Upon termination of the Owner's interest in the Property, whether by sale, agreement, death, appointment of a receiver, or otherwise, the Owner, Owner's Agent, or real estate Agent is required to transfer all advance rent paid by Tenant (and other fees owed to third parties not already lawfully disbursed) to the Owner's successor-in-interest within 30 days, and notify Tenant by mail of such transfer

and of the transferee's name and address. However, if Tenant's occupancy under this agreement is to end more than 180 days after recordation of the interest of the Owner's successor-in-interest in the Property, and the successor-in-interest has not agreed to honor this agreement all advance rent paid by Tenant (and other fees owed to third parties not already lawfully disbursed) must be transferred to Tenant within 30 days.

10. Other Non-availability of Property: In the event that the Owner is unable to deliver the Property to Tenant at check-in because of fire, eminent domain, bankruptcy, receivership, foreclosure, act of nature, double booking, delay in construction or any other reason whatsoever except as specified in Paragraph 9 above, Tenant's sole remedy and maximum damages recoverable as a result of any of these conditions is the full refund of all funds previously received from Tenant less fees paid to third parties for the benefit of Tenant as authorized by Paragraph 7. If such an event occurs after check-in Tenant's recovery is limited to a pro-rated refund. If Tenant requests to be relocated in lieu of the above refund and Agent is able to relocate Tenant, Tenant agrees to pay any difference in rental rate and applicable taxes. Tenant expressly acknowledges that in no event shall Agent or Owner be responsible for any expenses incurred as a result of moving Tenant.

11. Evacuations: THERE WILL BE NO REFUNDS DUE TO INCLEMENT WEATHER, INCLUDING HURRICANES. If state or local authorities order a mandatory evacuation of an area that includes the residential property subject to this vacation rental, the Tenant shall comply with the evacuation order. Upon compliance, the trip insurance shall be the sole compensation to the Tenant for losses resulting from the evacuation. The Tenant will not be otherwise entitled to a refund if prior to the Tenant taking possession of the property the Tenant refused the insurance offered by Agent in paragraph 5.

12. Other Refunds: There will be no refunds unless at the time the Tenant is to begin occupancy the property is unfit and uninhabitable and no substitute can be found. The malfunction of air conditioning, kitchen appliances, electrical equipment, or plumbing will not automatically render the property unfit and uninhabitable. Damage to certain structures including but not limited to screen porches and outside walkways will not automatically render the property unfit and uninhabitable. Public utilities are beyond Owner's control and their failure will not be grounds for a refund. No Amenities are guaranteed. The malfunction of amenities including but not limited to TVs, VCRs, DVDs, computer equipment, pools, hot tubs, telephone service, and internet service will not entitle Tenant to a refund. Every effort will be made to ensure repairs are made and that all equipment is kept in working order. Please report any inoperative equipment to Agent promptly. No refunds shall be granted due to acts of nature, delay in check-in, early departure, surrounding construction, beach nourishment, or noise.

13. Pets: Unless otherwise advertised, pets are strictly forbidden in rental properties. Nevertheless, no guarantee is made that a rental property has been free of pets prior to Tenant's occupancy and no refund can be given if it is discovered that pets have formerly occupied the property. Further, Tenants bringing pets to homes that do not allow them will be denied occupancy or subject to eviction without refund. For those properties advertised as allowing pets, only one (1) dog will be permitted unless prior approval is granted. Nevertheless the following dogs are never allowed: Rottweilers, German Shepherds, Pit Bulls, Doberman Pinchers or any other dogs having previously displayed a vicious propensity. Cats and other animals are never allowed. Tenant must clean property of all pet excretions immediately upon discovery. If you bring a dog to a home in which they are allowed a non-refundable fee of \$75.00 plus tax is charged for cleaning and flea extermination. If after paying the \$75.00 fee you decide not to bring your pet, you must notify our office on or before the day of check-in in order to get a refund. Tenants must abide by all applicable municipal pet ordinances and no representations are made by Owner or Agent concerning them.

14. Maximum Occupancy: Tenant should not permit the property to be occupied beyond maximum occupancy. **North Carolina environmental health regulations indicate that generally the maximum occupancy for a residential dwelling is two people per bedroom.** Violation of this prohibition will result in eviction and forfeiture of all monies paid. The hosting of parties in the home, on decks, or anywhere else on the property beyond the maximum occupancy is a violation of this lease. Bedding described in Agents brochure and website are provided to accommodate particular sleeping arrangements but should not be construed as allowing occupancy in excess of the maximum allowed by law. No RV's or Campers may be parked on the Property for the purpose of extra sleeping capacity nor anymore vehicles than necessary to accommodate Tenant and Tenant's guests.

15. Groups Not Allowed: Groups are not allowed to rent properties. No sororities, fraternities, students, graduation groups, wedding groups, chaperoned groups, or un-chaperoned groups are allowed. If a group misrepresents itself to be a qualified Tenant and reserves the property, there will have been a material breach and possibly a violation of criminal law. Owner or Agent reserves the right to refuse occupancy or have the Property vacated without refunding any amounts previously paid. Tenant is invited to consult with Agent prior to signing this Agreement to assure that it is a qualified Tenant.

16. Other Owner and Tenant Duties: Pursuant to the Vacation Rental Act Owner shall: 1. Comply with all current applicable building and housing codes. 2. Make all repairs and do whatever is reasonably necessary to put and keep the property in a fit and habitable condition. 3. Keep all common areas of the property in safe condition. 4. Maintain in good and safe working order and reasonable and promptly repair all electrical, plumbing, sanitary, heating, ventilation, and other facilities and major appliances supplied by him or her upon written notification from the Tenant that the repairs are needed. 5. Provide operable smoke detectors. The Owner shall replace or repair the smoke detectors if the Owner is notified by the Tenant in writing that replacement or repair is needed. The Owner shall annually place new batteries in a battery operated smoke detector, and the Tenant shall replace the batteries as needed during the tenancy. Failure of the Tenant to replace the batteries as needed shall not be considered negligence on the part of the Tenant or Owner. These duties shall not be waived; however, the Owner and Tenant may make additional covenants not inconsistent herewith in the vacation rental agreement. The Tenant shall: 1. Keep that part of the property he or she occupies and uses as clean and safe as the conditions of the property permit and cause no unsafe or unsanitary conditions in the common areas and remainder of the property. 2. Dispose of all ashes, rubbish, garbage, and other waste in a clean and safe manner. 3. Keep all plumbing fixtures in the property or used by the Tenant as clean as their condition permits. 4. Not deliberately or negligently destroy, deface, damage, or remove any part of the property or render inoperable the smoke detector provided by the Owner, or knowingly permit any person to do so. 5. Comply with all obligations imposed upon the Tenant by current applicable building and housing codes. 6. Be responsible for all damage, defacement, or removal of any of the property inside the property that is in his or her exclusive control unless the damage, defacement, or removal was due to ordinary wear and tear, acts of the Owner or his or her Agent, defective products, acts of third parties not invitees of the Tenant, or natural forces. 7. Notify the Owner of the need for replacement or repair to a smoke detector. Tenant agrees not to use Property for any activity or purpose that violates any criminal law or governmental regulation. Tenant's breach of any duty contained in the paragraph shall be considered material, and shall result in the termination of Tenant's tenancy.

17. Acceptance of Policies: TENANT ALSO AGREES TO COMPLY WITH THE VACATION RENTAL POLICIES WHICH ARE SUPPLIED HEREWITH AND INCORPORATED HEREIN BY REFERENCE AND SHALL BE BINDING TO THE EXTENT NOT INCONSISTENT WITH OTHER PROVISIONS OF THIS AGREEMENT. THE VACATION RENTAL POLICIES ARE LOCATED IN AGENTS BROCHURE AND ON AGENTS WEBSITE. TENANT MAY REQUEST A COPY BE MAILED OR FAXED. BY SIGNING THIS VACATION RENTAL AGREEMENT TENANT ACKNOWLEDGES THAT TENANT HAS READ AND UNDERSTANDS THE VACATION RENTAL POLICIES.

18. Expedited Evictions: Any Tenant who leases residential property subject to a vacation rental agreement for 30 days or less may be evicted and removed from the property in an expedited eviction proceeding if the Tenant does one of the following: 1) Holds over possession after his or her tenancy has expired. 2) Has committed a material breach of the terms of the vacation rental agreement that, according to the terms of the agreement, results in the termination of his or her tenancy. 3) Fails to pay rent as required by the agreement. 4) Has obtained possession of the property by fraud or misrepresentation.

19. Agent's Ownership and Fees: Agent and/or its employees may have Ownership interests in some of the property(s) offered for rent. Vendors, Agencies, Utilities and /or others may pay fees or commissions to Agent for using their services. **SUCH FEES OR COMMISSIONS ARE DEEMED SOLELY THE INCOME OF AGENT.**

20. Representation: Tenant understands that Agent is employed by Owner to negotiate this Vacation Rental Agreement on behalf of the Owner. Agent does not represent Tenant.

21. Indemnification and Hold Harmless; Right of Entry; Assignment: Tenant agrees to indemnify and hold Agent and the Owner harmless to the extent allowed by law from and against any liability for personal injury or property damage sustained by any person (including Tenant's guests). This provision is not intended to insulate Owner from the obligation to comply with the duties imposed by the Vacation Rental Act and set forth in paragraph 16 above. Tenant agrees that the Owner or their respective representatives may enter the Property during reasonable hours to inspect the Property, to make such repairs, alterations, or improvements thereto as Owner may deem appropriate or necessary pursuant to the Vacation Rental Act. It is understood and agreed that Agent is retained by Owner to market his property for rental purposes and not to inspect, maintain, or repair the structural integrity of the Property. Owner will make arrangements with other independent contractors for those purposes. Tenant shall not assign this Agreement or sublet the Property in whole or part without written permission of Agent.

22. Competency: All parties to this Agreement verify that they are of legal age and/or otherwise competent to enter into this Agreement.

23. Applicable Law: This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina and in the event of a dispute any legal action may be maintained only in the county where the subject Real Property is located.

24. Entire Agreement: This Agreement is the entire agreement among the parties with respect to the subject matter hereof, and no representations or covenants, whether oral or written, have been made regarding the subject matter hereof except as provided herein.

25. Severability: Every provision of this Agreement is intended to be severable, and if any term or provision hereof shall be declared illegal, invalid, or in conflict with North Carolina Law or the purposes of this Agreement for any reason whatsoever, or if the enforcement of any provision shall be waived, the validity of the remainder of this Agreement shall not be affected thereby.

Agent: JOE LAMB, JR. & ASSOCIATES, INC

Tenant Signature _____ Date _____

BY : _____ Date : _____

PLEASE MAKE CHECKS PAYABLE TO:
Joe Lamb, Jr. & Associates

MAILING ADDRESS:
P.O. Box 1030
Kitty Hawk, NC 27949
Office: (252) 261-4444

FED EX, DHL, UPS Only
4607 N. Croatan Highway
Kitty Hawk, NC 27949
Fax: (252) 261-3270