

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.

TERMS AND CONDITIONS OF YOUR LEASE AGREEMENT

1. **PAYMENT TERMS:** Reservation is considered tentative until payment has been received. American Express, Discover Card, Master Card and Visa are accepted. E-checks are accepted not less than 30 days prior to arrival. A \$25 handling fee will be added to Guest's balance for each returned E-check.
2. **ADVANCE PAYMENT:** Advance payment of 50% of the total rent plus the Travel Guard Travel Protection premium, if purchased, and applicable taxes is due at the time of making a reservation or the reservation will automatically be cancelled without notice. Monthly payment schedules are available. Please call our office for details.
3. **BALANCE DUE:** Balance of rental plus tax, fees for goods or services as shown above, must be received by Better Beach Rentals 30 days prior to arrival. For reservation made less than 30 days prior to arrival, full payment is due at time of reservation. ALL RESERVATIONS MUST BE PAID IN FULL PRIOR TO CHECK IN AND POSSESSION OF THE PREMISES.
4. **ALL ADVANCE RENT PAYMENTS, SECURITY DEPOSITS AND BALANCES ARE DEPOSITED IN BETTER BEACH RENTALS INTEREST BEARING ESCROW ACCOUNT AT FIRST CITIZENS BANK IN OAK ISLAND, NC. WITH ALL INTEREST ACCRUED AND PAYABLE TO THE AGENT. Tenant authorizes Agent to disburse up to 50% of the total rent prior to occupancy to the Landlord. Tenant authorizes Agent to disburse amounts greater than 50% of the total rent prior to tenancy of any fees owed to third parties to pay for goods, services, or benefits procured by the Landlord or Agent for the benefit of the Tenant, including any administrative fees.** The balance of the funds after disbursement of advance rent payment shall remain in the Escrow account until one of the following occurs: the commencement of the tenancy, a material breach of the agreement or other occurrences set forth in Section 42A-16(a) of the Vacation Rental Act.
5. **TAXES:** North Carolina requires collection of Sales and Use Tax on all fees for goods and services. Occupancy Tax is a requirement of Brunswick County, Caswell Beach, Oak Island and Southport, NC. Taxes are subject to change. All taxes, applicable at time of tenancy, are due and payable by Tenant. Taxes will be disbursed upon termination of tenancy or a material breach of this agreement.
6. **TRIP CANCELLATION/INTERRUPTION INSURANCE:** If State or Local authorities order a mandatory evacuation of an area that includes the vacation rental property

the Tenant shall comply with the evacuation order pursuant to NC General Statutes Chapter 42A-36. Better Beach Rentals, in partnership with AIG Travel Guard, offers trip cancellation/interruption insurance to protect your vacation investment against mandatory evacuation orders as well as other unforeseen circumstances. Please refer to the policy for details on coverage. Tenant hereby acknowledges that he or she was offered Vacation Rental Insurance. In the event of evacuation the Tenant shall not be entitled to a refund, from Landlord or Agent, regardless of whether the Tenant did or did not purchase Vacation Rental Insurance. Tenant is responsible for filing claim with AIG Travel Guard for any claim. TRIP CANCELLATION PROTECTION IS HIGHLY RECOMMENDED TO PROTECT AGAINST UNEXPECTED EVENTS.

7. **ACCIDENTAL DAMAGE DEPOSIT WAIVER:** An Accidental Damage Deposit Waiver (DDW) has been added to the reservation. Better Beach Rentals and Sales does not require a separate security deposit. Under DDW you will not be required to pay for accidental damage to the home or the personal property of the Owner contained within the Premises, up to a limit of \$1,500 per reservation. Damages exceeding \$1,500 will be the responsibility of the Tenant. Under no circumstances does DDW release a Tenant or any member or guest of their party from obligations imposed by the North Carolina Vacation Rental Act with respect to maintaining the Premises, including but not limited to, the following: (a) keep the Premises as clean and safe as the condition of the Premises permit, and cause no unsafe or unsanitary conditions in the common areas and remainder of the Premises that You use; (b) dispose of all ashes, rubbish, garbage, and other waste in a clean and safe manner; (c) keep all plumbing fixtures in the Premises or used by the Tenant in working condition and as clean as their condition permits; (d) not deliberately or negligently destroy, deface, damage, or remove any part of the Premises or render inoperable the smoke detector provided by the Owner, or knowingly permit any person to do so; (e) comply with all obligations imposed upon the Tenant by current applicable building and housing codes; (f) be responsible for all damage, defacement, or removal of any property inside the Premises that is in Your exclusive control unless the damage, defacement, or removal was due to ordinary wear and tear, acts of the Owner or the Owner's Agent, defective products supplied or repairs made by the Owner, acts of third parties not invitees of the Tenant, or natural forces; and (g) notify the Agent in writing of the need for replacement and of repairs during the tenancy which continued presence or use would jeopardize the safety of Tenants and guests or harm the Premises including repairs to the smoke detectors or replacing the batteries as needed. You agree not to use the Premises for any activity or purpose that violates any criminal law or governmental regulation. Your breach of any duty contained in this paragraph after commencement of tenancy shall be considered material, and shall result in the termination of your tenancy with NO REFUND OF RENT. Exclusions within the DDW specifically limit BBR's obligation to repair/replace and does not cover or release the Tenant from liability for damage due to the following: 1) intentional, willful, reckless, or malicious acts of the Tenant or others on the Premises during the tenancy, 2) damage by pets, 3) theft from the Premises of either the Owner's property or property belonging to the

Tenant, 4) gross negligence of Tenant or intentional misuse of furnishings, appliances, equipment, or other amenities provided with the home, 5) damage caused while under the influence of alcohol or drugs, 6) damages to real property, furnishings, or any vehicles resulting from operation of a motorized vehicle by a Tenant, 7) Damages related to smoking in "NO Smoking" homes. DDW is limited to tenancies of 30 days or less. The conditions of the DDW provided to the Tenant shall extend to all members of the Tenant's party and guests of the Tenant. In order to not be charged for incidents described under the DDW all damages must be reported to Better Beach Rentals and Sales before check-out. DDW is not available for non-family or large groups such as weddings, reunions, corporate retreats, etc. Better Beach Rentals and Sales reserves the right to request a security deposit. **The security deposit is to be accounted for in accordance with the North Carolina Tenant Security Deposit Act as codified in GS42-6.**

8. **CHECK IN: *Check-In Time Begins At 3:00 PM BUT MAY BE DELAYED UNTIL 6PM.*** We make every effort to insure that all units are clean and ready for occupancy; however, in some instances it may be necessary to delay occupancy until the unit is ready. Keys will not be released until the home has been readied for occupancy. There is no rebate for such late occupancy. No occupancy of the property including driveways and outside showers prior to check-in will be permitted. Tenants arriving late should call our office (910-278-1147) to make arrangements for after hours check in. All Tenants must be paid in full prior to check in. Better Beach Rentals offers a limited number of Guaranteed Early Check Ins. Please consult a Vacation Specialist for details and availability.
9. **CHECK OUT: *Check Out Time Is 10:00 AM Sharp.*** Tenant must return key(s) or as otherwise instructed. No occupancy of the home or condo, including driveways and showers, is permitted after check out. Tenants not complying with check out procedures will be charged a minimum of \$25/ hour late check out fee and/or will be grounds for expedited eviction. Tenant is responsible for straightening all furniture, vacuuming, washing dishes, removing linens from beds, placing all trash in outside container, closing and locking all doors and windows, and leaving unit in good shape for the next Tenant.
10. **PARTIAL WEEK RENTALS:** Partial week rentals are available on some of our homes. Housekeeping charges apply to all stays less than one week. Linens are available for rent. Please contact Better Beach Rentals for details.
11. **CANCELLATION:** All cancellations must be in writing; in the event of an emergency cancellation occurring one week or less before check-in date, a verbal cancellation will be accepted by phone, but must be followed up in writing verifying the telephone call. Tenant agrees that the total paid under this agreement will be forfeited if the property is not re-rented for the same period of time for the full amount. A cancellation fee of \$50.00 will be charged for all cancellations. Any amounts forfeited or charged for cancellation are taxable. If property is re-rented, the total paid, less the cancellation fee, and travel insurance premium, will be refunded. Agent will not be responsible for reimbursing any 3rd party fees that have already been paid out and the guest must seek reimbursement directly for the third party.
12. **CANCELLATION BY BETTER BEACH RENTALS:** If your home becomes unavailable prior to your arrival (change

in ownership, removal from the rental market, owner schedule changes, etc.) we will make every effort to find an acceptable substitute home. We will notify you of the change as soon as we become aware of the situation. The management firm, on behalf of the homeowner reserves the right to cancel this agreement at any time prior to tenant taking possession of the property. In such event, all payments made by the guest to the management firm will be refunded, and neither management nor owner will be liable for any damages, of any sort, incurred by tenant as a result of such cancellation. If guest desires to be placed in an alternative home, the management firm will make a good faith effort to relocate the guest. If the home selected is more expensive, the guest agrees to pay the difference. If we are unable to find an acceptable home we will refund 100% of your deposit.

13. **TRANSFER OF OWNERSHIP:** Section 42A-19(a) provides that if the property is voluntarily transferred by the owner, guest has the right to enforce the Vacation Rental Agreement (VRA) against the grantee of the property if the vacation is to end 180 days or less after the date the grantee's interest in the property is recorded in the Register of Deeds Office. If the vacation rental is to end more than 180 days after recordation of the grantee's interest in the property, the guest has no right to enforce the terms of the agreement unless the grantee agrees in writing to honor the agreement, but the guest is entitled to a full refund of any payments he or she has made. Within 10 days of a property transfer, each guest will be notified in writing of the property transfer, the grantee's name and address, and the date the grantee's interest was recorded. If the owner's interest in involuntarily transferred to another, prior to the guest's occupancy of the property, the Agency shall refund to the guest any payments made by the guest within 60 days after the transfer.
14. **UNITS FOR SALE:** Tenant understands property may be listed for sale. Agent reserves the right to show each rental unit for sale to potential buyers. Every effort will be made to schedule a convenient time for showing to minimize interruption.
15. **ACCOMODATION RULES: A) HOUSE PARTIES/MINORS-**Tenant acknowledges that he/she is at least 25 years of age and understands that he/she must occupy the property for the entire lease term. Better Beach Rentals does not rent to fraternities, school or civic groups or other non- family groups unless prior approval is granted by the Landlord or Agent. Approved events are subject to a non-refundable event fee. We reserve the right to refuse occupancy, if in the agent's opinion occupancy is detrimental to the property. Tenants misrepresenting their group will be subject to expedited eviction without refund. **B) OCCUPANCY-** You are responsible for knowing and respecting the occupancy limits in your home. If you are unsure of the permitted occupancy of the home, please call our office. No campers, tents, or motor homes may be used in conjunction with a rental unit to increase capacity. Guests who exceed the occupancy limits will face immediate termination of the rental, and a \$250.00 fee with no refund of rental monies. Better Beach Rentals shall conduct all brokerage activities in regard to this, or any agreement, without respect to the race, color, religion, sex, national origin, handicap or familial status of any guest. **C) EVENT FEES-** Many homes permit a special event with a non-refundable \$500.00 event fee. Please disclose your planned event at the time of

reservation. An undisclosed event is SUBJECT TO THE \$500 EVENT FEE, A \$250.00 FINE AND YOUR RENTAL RIGHT WILL TERMINATE IMMEDIATELY WITH NO REFUND OF RENTAL MONIES. **D) SMOKE**

DETECTORS-North Carolina statutes require all tenants to check smoke detector operation upon arrival and to notify, in writing, the Better Beach Rentals office of any malfunctions.

E) PET FRIENDLY HOMES/DOGS ONLY-Dogs are allowed only in designated properties shown by a symbol of a dog. Only one dog per household unless previously approved by homeowner. A non-refundable \$150 pet fee plus tax will be required before check-in. A second dog, if approved, will require an additional non-refundable pet fee. This pet fee is for a flea treatment and/or the extra cleaning required. An undeclared pet is subject to a \$500 non-refundable fee. If a pet is found on a premise that does not allow pets, your rental right will terminate immediately with no refund of rental monies and you will be subject to the undeclared pet fee. This policy is strictly enforced. **F) GRILLS** - Grilling on decks, porches, and balconies is strictly prohibited by local fire ordinances. If you wish to use a grill, please place the grill on concrete or other stable surface at least 10 feet from the property. Propane for gas grills is the responsibility of the guest. **G) FIREARMS**-Firearms are not allowed on any property. **H) FIREWORKS**-Fireworks of any kind are prohibited at vacation rental properties. **I) HOT TUB RENTALS AND WINDOW AIR CONDITIONERS**-No temporary hot tubs may be placed on the property at any time. No window air conditioners may be placed in the property without express written permission of the Agent and Owner.

J) SMOKING POLICY- All Better Beach Rentals' properties maintain a smoke-free policy. No smoking or other use of tobacco products, including e-cigs is permitted. This includes, but is not limited to, pipes, cigars, snuff, or chewing tobacco. Smoking is strictly prohibited inside any property rented through this company. When smoking outside, do not leave cigarette butts on the ground or anywhere else. Dispose of them properly in appropriate receptacles outside. This policy applies to all guests, as well as their visitors. Tenants violating this policy will be charged a fee of \$250.00 plus all expenses incurred to bring the property back to its original smoke-free state. If the property is rented back-to-back with a guest checking in the same day –you are responsible for the cost of moving the in-coming reservation to another property.

K) FURNISHINGS- Accommodations and Furnishings: All vacation properties are individually owned and furnished to each owner's unique taste. Every effort has been made to represent each property as realistically as possible with regard to space, physical condition and distance to beach accesses. All homes are set up for light housekeeping and are equipped for basic cooking. Mattress pads, bedspreads, blankets and pillows are provided. Please bring all paper products, cleaning supplies, condiments, staple items, beach towels and beach chairs. **L) HANDICAPPED ACCESSIBILITY** – Property descriptions identify specifics regarding accessibility. Better Beach Rentals does not have any homes that meet ADA standards, but may have ramps, elevators and/or other accessible amenities. These amenities are not guaranteed and no refund will be granted for an amenity malfunction.

M) FIREPLACES- If provided, it will be noted in the property description. Wood is not provided for wood burning fireplaces. Fireplaces are only in use October – April.

16. **ELEVATOR WAIVER & OPERATION:** Some homes offer private elevators. Better Beach Rentals does not guarantee the operation of any elevator. If an elevator fails, we will make every effort for repairs during your stay. Tenant agrees to read and abide by elevator operating procedures posted on the Guest Extranet. Tenant uses, any and all, elevators at their own risk.
17. **POOL WAIVER & USE:** Pools are generally available Memorial Day to Labor Day. Private pools may offer extended pool dates. Community pool access including hours of operation and open and close dates are at the sole discretion of the Homeowners' Association. Better Beach Rentals does not guarantee the operation of any pool. If a pool becomes inoperable, we will make every effort for repairs during your stay. Tenant agrees to read and abide by pool use rules posted on the Guest Extranet. Tenant uses, any and all, pools at their own risk. A \$50.00 per pool pass charge will be applied and charged, to the credit card on file, for all unreturned passes.
18. **LOST AND FOUND:** Any personal property left in the rental property will not be the responsibility of Better Beach Rentals; every effort will be made to return them to you at your expense. There is a minimum charge of \$25.00 plus postage for retrieving and shipping any items back.
19. **KEYS:** Two sets of keys will be issued to the tenant(s) who name(s) appear on the Vacation Rental Agreement. A minimum \$10.00 per key charge will be applied and charged, to the credit card on file, for all unreturned keys.
20. **LOCK OUT:** If you have lost, misplaced or forgotten the keys for your rental property, you may contact Better Beach Rentals during normal business hours or call our emergency number after hours for assistance.
21. **FEES:** (a) There is a \$25.00 returned check fee: (b) a \$25.00 late payment fee: (c) Better Beach Rentals charges \$55.00 non-refundable reservation fee plus tax.
22. **MAINTENANCE/REPAIRS/NUISANCES:** Landlord agrees to make all repairs and do what is reasonably necessary to keep the property fit and habitable and to keep all common areas in safe condition. Better Beach Rentals cannot guarantee the operation of any home amenities. Please report any equipment malfunction. We will make every effort to respond to any appliance or equipment problems. No refunds or partial rental deposits will be made for a malfunctioning appliance or amenity, including pools & elevators, or for other items outside of our control, such as bad weather, disruption of utility service (including TV cable/satellite or internet), or a home not decorated/furnished to personal taste. In the event that there is no electricity or water, we will move you to another available property until the problem is remedied. At that time, we will move you back to your original rented property.
23. **BEHAVIOR POLICY:** Better Beach Rentals reserves the right to terminate the lease, at any time, of a Better Beach Rental as the result of tenant abuse of staff or others. Termination of lease rights does not include a refund of rental monies unless the home is re-rented.
24. **RIGHTS AND OBLIGATIONS:** Pursuant to 42A-17(b) of the VRA, if at the time the guest is to begin occupancy of the property, the owner or agent of the owner cannot provide the property in a fit and habitable condition or substitute a reasonable comparable property in such condition, the owner or agent shall refund to the guest all payments made by the

guest. If Agent is able to relocate Tenant, Tenant agrees to pay any difference in rental amount.

25. **CONSTRUCTION:** Better Beach Rentals cannot predict construction plans in the area and, therefore, cannot be responsible for construction occurring near any rental property. No request for compensation or move to another property due to nearby construction will be considered.
26. **RENTAL PROPERTIES UNDER CONSTRUCTION:** Reservations placed on homes that are under construction cannot be guaranteed to be completed by the date of the reservation. If a new construction home is not completed by the check-in date, Better Beach Rentals will either move the guest to a comparable property or refund all monies paid on that particular reservation. Furthermore, amenities listed on advertisements for new construction properties can change, without notice, due to the nature of furniture chosen by the specific homeowner. No extra compensations will be given to a guest if the property is not ready for rental or if specific amenities are different than advertised. Guests rent these properties with the understanding that sometimes construction can exceed the estimated time frame.
27. **MANDATORY EVACUATION:** If the state or local authorities, acting pursuant to Article 36A of chapter 14 or article of Chapter 166A of the General Statutes, order a mandatory evacuation of an area that includes the residential property subject to a vacation rental, the guest in possession of the property shall comply with the evacuation order. The guest shall not be entitled to a refund, if prior to guest taking possession of the property, the guest refused insurance offered by Better Beach Rentals that would have compensated him or her for losses or damage resulting from loss of use of the property due to a mandatory evacuation order. The insurance offered shall be provided by an insurance company duly authorized by the NC Department of Insurance and the cost of the insurance shall not exceed 8% of the total rent charged for the vacation rental to the guest.
28. **EARLY TERMINATION OF VACATION RENTAL BY MILITARY PERSONNEL:** Active duty personnel who receive deployment or overlapping the rental period or change of duty station orders requiring the member to relocate on a date prior to the beginning of the lease term may terminate the member's vacation within 10 days of receipt of the order. Written verification signed by the member's commanding officer is required to receive a full refund less nonrefundable fees paid to third parties.
29. **MISCELLANEOUS:** Rental property may be owned by a North Carolina Real Estate Licensee or licensee of another state. Agent may offer additional services to Owner and /or Tenant for additional fees. Such services may include, but are not limited to, Vacation Rental Insurance, equipment and linen rentals. The Agent as a licensed insurance broker for Travel Guard Insurance earns a commission on insurance premiums. For the purpose of disclosure, revenue from Agent provided linen and equipment rentals shall be considered 100% profit. Fees generated from such additional services shall belong exclusively to the Agent. Parties agree that in the event of a dispute, the agreement will be interpreted in accordance with North Carolina law. Parties agree that this agreement is to be considered as having been entered into in the County of Brunswick, State of North Carolina, and that in the event of a dispute, parties agree that any legal action may only be instituted in the County of Brunswick, State of North Carolina.

Agent, on behalf of owner of property, reserves the right to cancel this agreement at any time prior to tenant taking possession of the property. In such event, all payments made by Tenant to Agent will be refunded, and neither Agent nor Owner will be liable for any damages of any sort incurred by Tenant as a result of such cancellation. If Tenant desires to be placed in alternative premises, Agent will make a good faith effort to relocate Tenant. Tenant agrees to pay any increase in cost associated with securing alternative premises. Agent, Owner, or their representatives have the right to enter premises during tenancy to inspect, make repairs, or show property for sale.

30. **GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE:** This lease agreement, and the parties rights and obligations thereunder, shall be governed by and construed in accordance with the laws of the State of North Carolina, without giving effect and any law or rule that would cause the laws of any jurisdiction other than the State of North Carolina to be applied. Any proceeding against the parties relating in any way to this lease agreement, or to the rights of the parties thereto, can be brought and enforced in the courts of Brunswick County North Carolina, including the Brunswick County Small Claims Court, should a party desire, regardless of whether or not any party resides in Brunswick County North Carolina or, if a corporation, its principal office or registered agent located outside of Brunswick County, North Carolina, to the extent that subject matter jurisdiction exists therefore, and the parties irrevocably submit to the jurisdiction of said courts in respect of any such proceeding. Each of the parties irrevocably waives to the fullest extent permitted by law, any objection that they may now or hereafter have to the laying of venue of any such proceeding in the courts of the State of North Carolina located in Brunswick County and any claim that any such proceeding brought in any such court has been brought in any inconvenient forum. Any judgment may be entered in a court having jurisdiction thereof.
31. **INDEMNITY AGREEMENT:** Tenant agrees to release, to indemnify, and to hold harmless, the Owner and his Agent from all liability for injury to the person or the Tenant or to any member or guest of his household resulting from any cause whatsoever, except only such a personal injury caused by the grossly negligent or intentionally negligent acts of the Owner or his Agent.

This agreement represents the entire agreement of the parties, and there are no representations, inducements or other provisions other than those contained in the agreement. Any amendments to the agreement must be in writing and signed by all parties. Tenant acknowledges that this is a legally binding agreement and that Agent represents the interests of the Owner in this agreement. Tenant is advised to consult his or her attorney for help in understanding this agreement. By acceptance of this agreement, the Tenant and members of the Tenant's party acknowledge and agree to abide by the conditions, limitations, and restrictions set forth in this Lease.

Kim Mitchell

Better Beach Rentals and Sales, Agent for Owner