COVE REALTY of Nags Head, Inc. P.O. Box 967, Nags Head, NC 27959

252-441-6391, 800-635-7007 www.CoveRealty.com EMAIL: info@CoveRealty.com

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 VACATION RENTAL. THE BROKER SHALL CONDUCT ALL BROKERAGE ACTIVITES IN REGARD TO THIS AGREEMENT WITHOUT RESPECT TO THE RACE, COLOR, REGLIGION, SEX, NATIONAL ORIGIN, HANDICAP OR FAMILIAL STATUS OF ANY PARTY OF PROSPECTIVE PART TO THE AGREEMENT. AGENT, AS AGENT OF THE OWNER, HEREBY RENTS TO TENANT, AND TENANT HEREBY RENTS FROM AGENT, THE VACATION PROPERTY DESCRIBED HEREIN (REFERRED TO HEREAFTER AS THE "PREMISES" OR THE "PROPERTY") ON THE TERMS CONTAINED IN THIS AGREEMENT.

- 1. TRIP INTERRUPTION INSURANCE (or Travel Insurance) is available and calculated by a percentage of the trip cost. If trip interruption insurance is not desired, deduct the insurance amount from your first payment and INITIAL on the confirmation page of this agreement. NOTE: Tenant's decision with respect to the purchase of the trip interruption insurance will affect tenant's rights in the event of a mandatory evacuation.
- 2. THE TENANT, and guest(s) of Tenant, shall comply with and abide by all Agent/Owner's existing and reasonable future rules and regulations, governing the use and occupancy of the premises and any common areas used in connection with them. Tenant acknowledges to have read and agrees to the rules and regulations, contained herein. A) Tenant waives the right to withhold rent for any alleged deficiency in the premises or to otherwise claim that the property has been misrepresented to the Tenant either by Landlord or Agent. B) Tenant agrees to inspect property upon arrival and immediately report any damages, missing items, cleanliness issues, and/or weakness in structure that may result in injury to their family or guests. Tenant agrees to notify Agent thereof, and Tenant will indemnify Cove Realty of Nags Head, INC., Agent, and/or the Landlord for any injuries, accident or otherwise, that may be incurred or suffered upon the Premises for any cause whatsoever during the term of this lease. C) Tenant is responsible for any and all damages to the property resulting from their guests' accidents or negligence during the term of this lease. D) Personal property of Tenant in said Premises shall be and remain at Tenant's sole risk and neither Landlord or Agent shall be liable for any damages to or loss of such personal property arising from any acts of negligence of any other person or leaking of the roof or from bursting, leaking or overflowing of water, sewer, or steam pipes, or from heating or plumbing fixtures, or from the handling of electric wires, electric outlets, fixtures, or from any causes whatsoever. Neither shall the Landlord nor Agent be liable for any injury to the person of the Tenant or other persons in or about the premises. The Tenant expressly agrees to save the Landlord and Agent harmless in all such causes. E) Agent is not responsible for items left behind. Agent will attempt to locate Tenant's lost items and hold for 30 days before donating to charity. Tenant will be responsible for all shipping costs associated with returning lost items. Items will not be released to Tenant until all shipping fees are paid. INITIALS:_____
- **3. PAYMENTS:** A valid credit card of the Leaseholder is required to reserve a property. Any special, discount, or negotiated rate must be done at time reservation is made. No adjustments will be made to rent after property is reserved. A) The Vacation Rental Agreement must be completely signed and agreed to before payment can be accepted by Agent. B) The balance of any rent, taxes, and other fees is required 30 days prior to arrival date. Credit card payments made over the phone require a \$20 processing fee. Reservations made within 30 days of arrival date must be paid in full, with credit card at time that property is reserved. Under no circumstances will a personal check be accepted within 30 days of arrival. All payments must be made in US funds. A \$25 NSF fee and \$20 processing fee will be charged for each returned check. Remit payments to: PO BOX 967, Nags Head, NC 27959.
- 4. CANCELLATIONS/TRANSFERS: Tenant agrees that this lease or property may not be assigned or sublet. Breach of this condition shall result in termination of lease and forfeiture of rent. ALL CANCELLATIONS AND TRANSFERS MUST BE CONFIRMED IN WRITING FROM LEASEHOLDER AND IS SUBJECT TO A 10% CANCELLATION FEE (10% of base rent). After written notice is received by Agent, Agent will venture to re-rent the property for Leaseholder's week. A) If cottage is re-rented, Leaseholder will receive money paid towards the base rent, minus the 10% cancellation fee and any cottage extras such as a pet spray fee, linen package, and so forth. Money paid towards administration fee, travel insurance, and any other administration charges will not be refunded (over the phone credit card charges, NSF charges, etc). B) If cottage is not re-rented, all money paid by tenant will be forfeited. C) Transfers can only be made for a different week in the same cottage for a \$50 transfer fee. Transferring to a different property will result in a cancellation for the original lease and be subject to the terms of this paragraph. (Tax rates are calculated on current state and county rates at time of reservation. Tenant shall be responsible for any adjustment in tax rates at time of occupancy).
- 5. PEACE OF MIND insurance covers up to \$500 in REPORTED accidental damage per stay. Accidental DAMAGES MUST BE REPORTED IN WRITING OR EMAILED TO AGENT at time of occurrence and before check-out in order to receive any coverage of insurance. If Agent discovers any damages, stains, or other issues that were not reported, Leaseholder's credit card on file will be charged for damages. Any intentional or malicious damage, extra cleaning, trash removal, arranging furniture from original position, extra cleaning of yard (cigarette butts, trash, dog feces), unnecessary expenditures (including nuisance maintenance calls where nothing is found to be wrong, court costs, and so forth) incurred to property during the duration of this lease will be charged to the valid credit card provided by Leaseholder. Damages, stains or any other issues caused by pets are NOT covered by Peace of Mind and will be charged to tenant's card on file. Agent receives a fee for providing the Peace of Mind plan. INITIALS:_____

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- **6. OCCUPANCY RESTRICTIONS:** PREMISES TO BE USED SOLELY AS A PRIVATE DWELLING FOR THE OCCUPANCY OF TENANT AND TENANT'S FAMILY. During the term of this lease, Tenant is responsible for the property and actions of guests. Occupancy limits are based off of septic permits for each property, which is generally 2 per bedroom. Bedding DOES NOT necessarily represent the legal house occupancy. Children are counted towards occupancy limit unless under two and on diapers. Possession by fraud or misrepresentation or material breach of the terms of the vacation rental agreement results in termination of this tenancy. Breach of this lease agreement is grounds for expedited eviction without refund. (North Carolina General Statutes's 42A-23.) Campers and motor homes are not permitted on the premises.
- 7. NON-FAMILY GROUPS PROHIBITED IN ALL RENTAL PROPERTIES unless specifically designated as a "non-family" cottage. A non-family group is defined as unmarried young adults, high school students, college students or any other group-type situation. Properties are patrolled on a regular basis. No wedding groups, chaperoned, un-chaperoned, fraternities, school or civic groups allowed. ABSOLUTELY NO HOUSE PARTIES ALLOWED. ID's must be furnished if requested. Violation of the above will be grounds for expedited eviction with no refund except for the refund of such security deposits as may be required under the provisions of the Residential Tenant Security Deposit Act. The security deposit paid by the Tenant may be applied to actual damages caused by the Tenant and any other purposes permitted under the provisions of Article 6, Chapter 42 of the North Carolina General Statutes entitled "Residential Tenant Security Deposit Act." Violation of the above will also result in charges to the Leaseholder's credit card on file for all damages, eviction costs, and/or any other fees associated with the eviction of Tenant. NC Gen. Stat. 14-100 makes it a crime to obtain any rental unit under false pretenses. BY SIGNING THIS CONTRACT, YOU AGREE THAT YOU ARE A FAMILY GROUP AND ARE AT LEAST 26 YEARS OF AGE. INITIALS:
- 8. TENANT DUTIES: Tenant agrees to comply with all obligations imposed by the North Carolina Vacation Rental Act on Tenant with respect to maintenance of the Premises, including but not limited to keeping the Premises as clean and safe as the conditions of the Premises permit and causing no unsafe or unsanitary conditions in the common areas and remainder of Premises that Tenant uses; and notifying Agent in writing of the need of replacement of or repair to smoke detector and replacing the batteries as needed during the tenancy. Tenant will not move or rearrange furniture or change the password/internet settings for WiFi or any other electronic devices. Tenant agrees not to grill or light fireworks on any external wooden structure, such as decks, docks, gazebos, etc. Tenant agrees not to use the Premises for any activity or purpose that violates any criminal law or governmental regulation. Tenant's breach of any duty contained in this paragraph shall be considered material and shall result in termination of tenancy. Tenant is responsible for damages incurred during occupancy and if damage occurs it must be reported to Agent immediately. Failure to report damages will result in charges to Leaseholder's valid credit card on file. Tenant is expected to leave premises undamaged and clean. Tenant will remove all trash from within premises and dispose of trash in the proper places. Trash cans outside must be left for pick-up and not overflowing with trash (lid must be able to close) and/or have trash lying on top or around cans. If more trash is present than can fit in trash receptacles, tenant will need to bring extra trash to Cove's office to dump in dumpster. Failure to leave cottage clean will result in charges to leaseholder's credit card provided for Peace of Mind Insurance. Linens are not included with the rental cottage, however, OPTIONAL LINEN PACKAGES ARE AVAILABLE THROUGH COVE REALTY FOR A FEE; if interested in this option, please contact Cove's office. Toiletries, soaps, etc. are also not provided in cottage. All cottages are equipped for normal housekeeping with dishes, silverware and glasses.
- 9. PETS are only permitted in specifically permitted cottages notated as "pet friendly." Dogs are the only pet permitted on Premises and only up to two dogs are allowed in "pet friendly" cottages. A pet spray fee must be paid to bring a pet to a "pet friendly" cottage. Dogs are not permitted on furniture, on or around pool areas, and hot tubs/spas. Pets discovered in a non-pet friendly home will be means for immediate eviction, loss of rent, and charges not limited to a pet spray fee of at least \$150 and charges for any damages or extra cleaning resulting from the animal. Pets discovered in a pet-friendly cottage where tenant did not report bringing a pet will have that cottage's pet spray fee immediately charged to tenant's credit card on file. Charges for a pet discovery include evidence discovered by cleaners after tenant check-out such as animal hair, animal food, feces/urine, and so forth. A pet fee will be charged to tenant's card on file if any evidence of a pet is found, including but not limited to, cleaners discovery of animal hair, animal food, evidence of feces/urine, and so forth. Violation of any part of this pet policy will add tenant to Cove Realty of Nags Head's "do not re-rent" list. Cats, puppies, and all other pets are not permitted in "pet-friendly" cottages. Tenant is required to clean after dog in the cottage and the surrounding yard area (this includes picking up feces after your dog(s)). Pet damages, stains, or other costs related to Tenant's animal(s) are not covered by Peace of Mind insurance and will be charged to tenant's card on file.
- 10. SMOKING is NOT permitted in any cottage unless that cottage's description specifically states otherwise. Evidence of smoke fumes, ash deposits, burn holes, periphenelia or any other type of evidence left behind inside cottage will be cause for an immediate charge of \$100 to tenant's credit card on file for cleanup and deodorization on the cottage. Cigarette butts, cigar remnants, and so forth must be cleaned up from the yard and other surrounding areas prior to checking-out. Violation of any part of this smoking policy will add tenant to Cove Realty of Nags Head's "do not re-rent" list.
- 11. Lost & Found Any personal items discovered to be left by a previous Tenant in a cottage will be held for 30 days and then donated to charity. Within the 30 day time period, Leaseholder may pick up item(s) or have the item(s) delivered at cost of shipping. Item(s) will only be delivered after the shipping charge is paid for in full. Cove Realty of Nags Head, Inc. is not responsible for any left/lost items unable to be located.
- 12. FEES AND TAXES: All fees are subject to NC Sales and County Occupancy Taxes, which are subject to change. <u>Tenant will be responsible for tax rate due at time of check-in, which may differ from rate originally charged upon date of contract.</u>
- 13. CHECK-IN TIME for all units is 4:00 p.m. It is agreed that Agent or Landlord, their employees, or service personnel (for the purpose of clean-up and repair) may remain on the Premises until work is completed on the date this lease commences, and may enter at 10:00 a.m. on

the date this lease terminates. Tenant may not drop off items, park cars or enter premises until notified by office that home is ready for occupancy. During this lease, Tenant will admit Agent upon request to inspect property and will admit all repair people authorized by Agent for repair or maintenance of Premises.

- 14. CHECK-OUT TIME for all units is 10:00 a.m., where a \$50 penalty will be charged for each hour thereafter. At expiration of this lease, tenant agrees to surrender possession of this property peaceably and without delay, in as good condition as it was at commencement of this lease. Once keys are returned to Agent, Tenant and guests may not re-enter property or occupy premises. Property should be left clean and in good order for the next Tenants. The Vacation Rental Act requires tenant to maintain dwelling unit such as: "Keep that part of the property which [Tenant] 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 that [Tenant] uses. Dispose of all ashes, rubbish, garbage, and other waste in a clean and safe manner. Keep all plumbing fixtures in property or used by the Tenant as clean as their condition permits." Pick up dog feces, cigarette butts, and trash in yard. Clean grills if used. Return keys to office by 10:00 a.m.. Tenant must report any accidental damage at or prior to check-out to avoid charges to credit card provided for Peace of Mind. INITIALS:
- 15. AFTER HOURS KEY PICK-UP is available to Tenant if reservation is paid in full, Vacation Rental Agreement is completely signed, and the Leaseholder's valid credit card has been placed on file for Peace of Mind insurance.
- 16. PROPERTY & MAINTENANCE: A) Extras: Televisions, DVD's, Stereos, telephones, grills, and so forth, herein called "extras," when advertised as available in or when supplied in a leased property are supplied at no extra charge as a convenience for use by Tenant and Tenant's guests. In the event of a malfunction or breakdown of "extras," Agent will have the "extra" repaired or replaced as fast as practical. Tenant agrees that there will be no refund for malfunction or breakdown of "extras." In the event of a malfunction of any other appliance or feature, including air conditioners, fireplaces, cable, or internet, Tenant must notify Agent so repair of malfunction can be made. Agent will expedite repair, but no refund of rent will be made. Owners' locked, personal storage areas are off limits at all times. Entry into these areas will result in immediate eviction and charges to the leaseholder's Peace of Mind insurance for any/all damaged and missing items. Pools and hot tubs are open from Memorial Day to Labor Day unless otherwise noted specifically for the property.
- **17. AGENT DUTIES**: Pursuant to provisions of NCGS 42A-11, it is hereby stated that in the event the Landlord cannot provide the premises described above in a fit and habitable condition on the date the Tenant is to take possession, Tenant shall be entitled to a full refund only, **unless travel insurance was offered and declined**.
- **18. EXPEDITED EVICTION:** If the tenancy created hereunder is for 30 days or less, the expedited eviction procedures set forth in The Vacation Rental Act will apply. Tenant may be evicted under such procedures if (i) holds over in possession after Tenant's tenancy has expired, (ii) commits a material breach of any provision of this Agreement (including any Addendum here to) that, according to its terms, would result in the termination of Tenant's tenancy; (iii) fails to pay rent as required by this agreement, (iv) has obtained possession of the premises by fraud or misrepresentation such as non-family group, pet, illegal usage, etc.
- 19. IDEMNIFICATION AND HOLD HARMLESS; RIGHT OF ENTRY; ASSIGNMENT: Tenant agrees to indemnify and hold harmless Agent and owner from and against any liability for personal injury or property damage sustained by any person (including Tenant's guest) as a result of any cause unless caused by the negligent or willful act of Agent or the Owner or failure of Agent or the Owner to comply with The Vacation Rental Act; Tenant agrees the Agent, the Owner or their respective representatives may enter during reasonable hours to inspect the premises, to make such repairs, alterations or improvements there to as Agent or Owner may deem appropriate or to show the Premises to prospective purchasers. Tenant shall not assign this Agreement or sublet the Premises in whole or part without written permission of Agent.
- 20. TRANSFER OF PREMISES: 1) If the Owner voluntarily transfers the Premises, Tenant has the right to enforce this Agreement against the grantee of the Premises if Tenant's occupancy under this agreement is to end 180 days or less after the Grantee's interest in the Premises is recorded. If Tenant's occupancy is to end more than 180 days after such recordation, Tenant has no right to 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 rent paid by Tenant (and other fees owed to third parties not already lawfully disbursed). Within 10 days after transfer of the Premises, the Grantee or the Grantee's Agent is required to: (i) notify Tenant in writing of the transfer of the Premises, 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 Premises subject to the terms of this Agreement or receive a refund of any payments made by Tenant. 2) Upon termination of the Owner's interest in the Premises, whether by sale, assignment, 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 party 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 Premises 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. 3) If the Owner's interest in the Premises is involuntarily transferred prior to Tenant's occupancy of the Premises, the owner is required to refund to Tenant all advance rent paid by Tenant (and other fees owed to third parties not already lawfully disbursed) within 60 days after the transfer.
- 21. MANDATORY EVACUATION: If state or local authorities order a mandatory evacuation of an area that includes the Premises, Tenant shall comply with the order. Upon compliance, Tenant will be entitled to a refund of the prorated rent for each night that tenant is unable to occupy the Premises because of the order. However, <u>Tenant will not be entitled to a refund if, prior to taking possession of the Premises, Tenant refused Travel Insurance offered by agent that would have compensated Tenant for losses or damages resulting from loss of use of the Premises due to a mandatory evacuation.</u>

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- 22. ACTS OF GOD/ Construction Noise: Neither Owner nor Agent shall be liable for events beyond their control which may interfere with Tenant's scheduled occupancy, including but not limited to Acts of God, acts of governmental agencies, strikes, terrorism, war, inclement weather, flooding, construction noise from nearby sites, and so forth. NO REBATE OR REFUND will be offered in these circumstances.
- 23. TRUST ACCOUNT Any advance payments made by Leaseholder shall be deposited in a trust account with PNC Bank in Nags Head. Tenant agrees that any advance payment may be deposited in an interest bearing account and that any interest there on shall accrue for the benefit of Cove Realty of Nags Head, Inc. as it occurs and as often as is permitted by the terms of the account.
- **24. DISBURSEMENT OF RENT AND THIRD PARTY FEES**: Tenant understands that Agent may disburse up to fifty percent of the rent prior to Tenant's occupancy of the Premises and the balance of the rent upon the commencement of the tenancy or material breach of this agreement by the Tenant or as otherwise permitted under the Vacation Rental Act. Tenant authorizes Agent to disburse, prior to Tenants occupancy of the Premises, any fees set forth here in payable to Agent for reservation, transfer or cancellation of Tenant's tenancy.
- 25. PRINTING ERRORS: Tenant agrees that Agent is not responsible for any errors and omissions found in the Agent's brochure or internet site.
- **26. DISPUTES**: This Agreement shall be governed by and interpreted in accordance with the laws of the State of North Carolina, and shall be treated as though it were executed in the County of Dare, State of North Carolina. Any action relating to this Agreement shall be instituted and prosecuted only in the Dare County Superior Court, North Carolina. By signing of this lease, Tenant is consenting to the jurisdiction stated in this paragraph.
- 27. COURT COSTS AND FEES: Leaseholder's credit card provided for Peace of Mind insurance will be charged for all costs and expenses, including reasonable attorney fees, incurred as a result of any breach of this lease by Tenant or Tenant's guests.
- 28. VIRTUAL SIGNATURES: Your confirmation number shall serve as Your electronic signature and be bound by the same manner as if You had otherwise ordinarily executed this document. An electronic signature will constitute agreeing to all paragraphs requiring confirmation by initials.
- 29. If a court of competent jurisdiction shall find any portion of this lease invalid, such decision shall have no effect on the remainder of this lease.
- **30.** THE LEASEHOLDER ACKNOWLEDGES THAT HE HAS READ, UNDERSTANDS, AND AGREES TO BE BOUND TO THIS ENTIRE AGREEMENT, ITS TERMS AND ITS CONDITIONS.

TENANT SIGNATURE:	-
DATE:/	
RESERVATION #	
Cove Realty of Nags Head, Inc. BY	

COVE REALTY of Nags Head, Inc. P.O. Box 967, Nags Head, NC 27959 252-441-6391, 800-635-7007 www.CoveRealty.com EMAIL: info@CoveRealty.com

PEACE OF MIND INSURANCE

Cove Realty of Nags Head Inc. requires a mandatory Peace of Mind insurance for every reservation. The cost is included in your reservation at \$40 plus tax. A valid credit card by the Leaseholder is also required to be submitted on file for damages/fees not covered by the insurance. The Peace of Mind insurance covers REPORTED

UNINTENTIONAL DAMAGES in up to \$500.00 per stay. In accordance to paragraph 5 of the Vacation Rental Agreement, accidental damages MUST BE REPORTED IN WRITING OR EMAIL to Agent at time of occurrence and before check-out in order to receive coverage. Any damages, stains, or other issues that are not reported will be charged to Leaseholder's credit card on file. The Leaseholder's credit card will be charged for, and not limited to, any intentional or malicious damage, extra cleaning, trash removal, arranging furniture from original position, extra cleaning of yard (cigarette butts, trash, dog feces), and/or unnecessary expenditures (including nuisance maintenance calls where nothing is found to be wrong, court costs for expedited evictions, etc.) during the duration of this lease.

Damages, stains, and other cleaning **due to pets** are not covered by the Peace of Mind insurance and will be charged to card on file.

A temporary hold amount of \$1 will be placed on Leaseholder's credit check-in.	t card on, or up to several days prior to,			
"I, (Printed name of Leaseholder), am agreeing to the terms of the Peace of Mind insurance and acknowledge that I have read and understand the aforementioned conditions of the insurance. I agree that the credit card information provided is, and will remain, valid throughout my reservation's lease dates. I am aware that any unintentional damages <u>not reported</u> to Cove Realty by either me or my guests will not be covered by the Peace of Mind insurance and be charged to my provided credit card." * By signing this agreement, you are stating that you are a family group and above the age of 26. Non-family groups are not eligible for Peace of Mind insurance and must pay a security deposit equal to at least the base rent of the specified "Non-Family" permitting cottage.				
** If you do not wish to provide credit card information through the mail, please call us at 1-800-635-7007 and we can take your information over the phone. However, you will still need to fill out your printed name, signature, and date in the space provided on this form and submit it to our office.				
*** PLEASE BE ADVISED, COVE REALTY MUST RECEIVE VALID CREDIT LEASEHOLDER'S STAY DATES IN ORDER FOR TENANTS AND GUESTS T				
Reservation ID Number:	Printed Name on Card:			
Signature:	Date:			
Street Address for Card:	Zip Code for Card:			
Credit Card Number:	Exp. Date: /			
Circle: VISA MasterCard Discover	3 Digit Security Code (CVC Code):			