

UNIT MANAGEMENT AGREEMENT TIFFANY'S CONDOTEL

THIS AGREEMENT for the exclusive management of _____ @ **150X N. New River Drive, Surf City, NC** made this _____ day of _____ by and between TIFFANY'S MANAGEMENT, Inc. ("Operator") and _____ ("Owner" whether one or more) as set forth on page five of this Agreement and effective _____ and ending _____.

Operator agrees to act as the managing agent for Owner and Owner makes the Operator exclusive agent under the terms and conditions as outlined herein.

The Owner acknowledges Operator's understanding that, pursuant to local zoning and land use regulations, Tiffany's must at all times be operated as a motel. Furthermore, Owner acknowledges and agrees that Operator, as contracted by Developer (TCB Holdings, LLC), is the preferred rental agent for the Unit and the entire property, and that any remuneration for rental of the Unit is to be made by and through Operator.

OPERATOR'S OBLIGATIONS

THE OPERATOR AGREES TO PROVIDE THE SERVICES AS OUTLINED HEREIN BELOW FOR THE PROMOTION AND MANAGEMENT OF OWNER'S UNIT.

- The Operator will maintain a reservation system for Unit rental reservations that levels rental requests across units evenly.
- The Operator will maintain an accounting system for all rental receipts and disbursements. The Operator agrees to pay the Owner the rental income from the Unit, less fees and expenses, thirty- (30) days following the end of the month during which the rental income was earned. In the event the disbursements are in excess of rental income collected by the Operator, Operator shall bill Owner on a "Net 30" basis. Owner agrees to pay all invoices in a timely manner. The Operator will provide Owner monthly statements of all monies received and disbursed on behalf of Owner and will issue an annual report.
- Operator agrees to inspect the premises and inventory all major furnishing and equipment on a quarterly basis (or more frequently as needed). If it is the reasonable opinion of Operator that corrective action is required, Operator shall take such corrective actions, and a report will be made to the Owner as to what corrective actions was taken, what was replaced, and what costs were incurred by the Owner. Owner will be billed NET 30 days.
- Operator will maintain at the hotel an inventory of glasses, china, silverware, kitchen utensils and other small equipment as identified by an asterisk on the "Basic Rental Equipment List". Replacement of broken or missing items will be at the expense of the FF&E Fund managed by the HOA. All owners will have a \$10.00 monthly fee as a part of the HOA dues to maintain the FF&E Fund.
- Operator will provide a housekeeping department at the hotel to provide customary housekeeping and cleaning duties necessary to efficiently operate the hotel.

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- Operator will market, advertise and promote, at its own expense, the rental of all Units participating in the rental program.
- Operator, at its sole discretion, shall establish competitive rental rates. The Owner recognizes that rate changes may become necessary to meet changing market conditions and/or to compensate for mechanical failure. The Operator may adjust the rates for promotional packages, commercial customers and trade discounts to meet the customary competitive conditions in the marketplace.

OWNER'S OBLIGATIONS

THE OWNER AGREES TO PROVIDE AND/OR ABIDE BY THE PROVISIONS AND CONDITIONS SET FORTH HEREUNDER.

- The Owner authorizes the Operator to accept reservations for the Unit up to twelve (12) months in advance. Any request for reservations by the Owner must be received no later than two weeks prior to arrival and will be confirmed subject to space availability. The Operator will make every reasonable effort to accommodate any request for occupancy of the Unit by the Owner. Should an Owner's request conflict with a prior reservation, every effort will be made to accommodate Owner by assigning the prior reservation to a comparable room based on availability. However, under no circumstances will a reservation be cancelled to accommodate an Owner.
- Owner expressly agrees that Owner is limited to a maximum of four (4) weeks of personal use of the Unit during the peak vacation season. Furthermore, Owner is limited to use of the Unit for no more than twenty-nine (29) consecutive days at any time of year.
- Owner authorizes the Operator to use the Unit a maximum of three (3) complimentary nights per year to house advance meeting planners, tour and travel agents, and travel writers or advertising personnel whose business activities may be of assistance to the rental program in an effort to promote rental interest. Such use is based solely on a space available basis. Should such use conflict with a request for an Owner's reservations, the Owner will be given preference and the complimentary reservation moved. The Operator will be responsible for cleaning and associated costs for such use.
- The Owner will maintain the Unit in a condition satisfactory for rental occupancy as determined by the Operator. In the event the Unit shall be unacceptable for rental of the occupancy due to defective equipment, failure of utilities or other events materially affecting the quality of a guest's stay, the Owner authorizes the Operator to contact the appropriate authority to make immediate necessary repairs or replacement. The Operator will not be responsible for any losses related to the "Out of Order" status.
- The Operator reserves the right to reject the Owner's request for special restrictions in connection with reservations for rentals.
- Owner acknowledges that written consent from the Home Owners Association, Motel Management and Unit Management will be required for a unit owner to decorate her/his unit using ordinary means such as paint, wallpaper, floor coverings, light fixtures and tile or other similar coverings for walls, floors or cabinets. The Owner agrees to maintain the equipment offered in the "Furniture/Fixtures/Equipment List". (Copy enclosed).

- The Owner agrees not to enter the Unit or permit any person, whether family member, repairman or renter to enter the Unit without checking in and out at the Operator's registration desk. All Owner-related occupancies shall be coordinated by the Operator's reservation office.
- The Owner agrees to notify the Operator in writing in the event the Unit shall be listed for sale. Owner agrees to sell the Unit subject to all reservations existing at the time of sale, provided, however, that upon the Owner's request, Operator shall use its best efforts to move and/or reassign the reservation.
- The Owner agrees to sign standard form 402 – Exclusive Property Management Agreement at the time of signing this Unit Management Agreement.

COMMISSIONS AND FEES

THE FOLLOWING FEES AND REIMBURSABLE EXPENSES WILL BE APPLICABLE DURING THE TERM OF THE AGREEMENT.

- The Operator, as managing agent, shall receive a Eighteen (18%) commission on total gross room revenues. (Credit card commission, travel agent commission and fees related to the rental of premises will be deducted from the gross revenue to obtain net revenue.)
- The Owner shall pay Operator the following amounts for inventory replacement:
 - Housewares replacement: Invoice plus 10% (FF&E Fund)
 - Linen replacement: Paid by Operator
 - Bedspreads will be replaced every two years at Owner's expense. If damaged prior to two years, Operator will pay cost of replacement.
 - Soft goods: Cost plus 10% (blankets, pillows, etc.) (FF&E Fund)
 - Small appliances: Cost plus 10% (FF&E Fund)
- Owner agrees to pay a daily fee of \$10.00 for operational and housekeeping services for every day an owner occupies their unit.

INDEMNITY AND INSURANCE

THE FOLLOWING PROVISIONS AND CONDITIONS WILL BE APPLICABLE DURING THE TERM OF THE AGREEMENT

- Owner shall store property in the Unit at his own risk. The Operator assumes no liability for the loss or damage of any property in the Unit.
- Owner covenants, at all times during the term of the Agreement, to defend and save the Operator, its employees, or agents, free, harmless and to indemnify it from any injury, loss or damage including reasonable attorney's fees and disbursements arising from or related to, or in connection with the use and occupancy of the Unit, except for such loss caused by negligent action of Operator's employees or agents.
- The Operator and its agents or employees shall not be liable for any loss or damage to the Unit or to equipment, furnishings or appurtenances thereto or to property of any nature brought thereon, resulting from any accident or occurrence in the Unit or the building which it is a part, including, but not limited to, claims for damage resulting from: negligent or willful action or omission of renters or their guests; injury done or occasioned by wind, rain or other elements; theft, vandalism, fire or acts of God.
- Owner shall be responsible for procuring at its expense, liability insurance coverage in minimum aggregate amount of Three Hundred Thousand Dollars (\$300,000.00) per occurrence for personal injury and bodily damage.
- Owner and Operator agree that any questions, controversies or claims arising under this Agreement shall be subject to the laws and statutes of the State of North Carolina.

OPERATOR

TIFFANY'S MANAGEMENT, INC.

(President)

(Date)

OWNER(S):

(Name of Principal Correspondent(s))

(Street Address)

(City, State, Zip Code)

(Social Security Number or Tax ID #)

(Telephone)

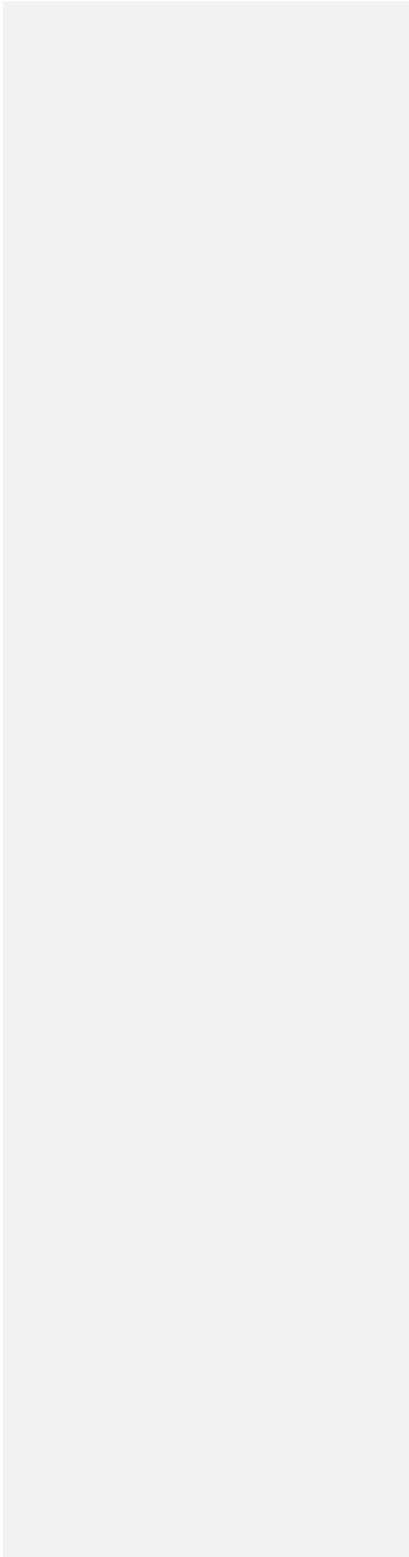
Owner(s):

_____ **Date**

The parties executed this Agreement the date first stated above:

WITNESS:

WITNESS:



**Tiffany's Condotel
Furniture/Fixtures/Equipment List**

2-Bedroom Units

KITCHEN

LIVING ROOM

Queen Size Sleeper Sofa
2 Occasional Chairs
1 Color TV
1 Dining Table
4 Dining Chairs
1 Table Lamp

BALCONY

1 Chairs

BEDROOM-1

Queen or King size bed
1 Night stand
1 Lamps
Dresser
Wall Pictures

BEDROOM-2

Queen size bed
1 Night stands
1 Lamps
1 Wall Picture

*Dinnerware Set (Service for 6)
*Flatware Set (Service for 6)
*Cookware
*Trash Can
*Electric Coffee Maker
*24 Piece Glassware Set
*Salt and Pepper
*Bottle Opener
*Cooking Fork
*Cooking Spoon
*Measuring Cups
*Paring Knife
*Carving Knife
*3 Piece Bowl Set
*Flatware Holder
*2 Spatulas
*1 Cutting Board
*1 Dish Drain Rack

LINENS

*3 Blankets
*3 Mattress Covers
2 Bedspreads
*Dish Towels
*Dish Cloths
*3 sets of Queen Size Bedding

*Replacement cost to be taken from
FF&E Fund

**Tiffany's Condotel
Furniture/Fixtures/Equipment List**

Studio Units

1 25" Color TV
1 Queen size bed
1 Queen size sleeper sofa
1 Night stand
1 Lamp
Dresser
Wall Pictures
*Electric Coffee Maker
Microwave Oven
Dining Table for 4
4 Dining Chairs
*2 Blankets
*2 Mattress Covers
1 Bedspread
*2 sets of Queen Size Bedding

*Replacement cost to be taken from FF&E
F&E Fund

Exhibit B

**Maintenance Agreement Addendum to the
Unit Management Agreement
Tiffany's Condotel**

This Addendum to the Rental Agreement for Unit # _____ @ **150 N. New River Drive, Surf City, NC**, dated this _____ day of _____ by and between TIFFANY'S MANAGEMENT, Inc. and herein referred to as ("Operator") and _____ ("Owner"), be it known the parties agree to the following.

1. Owner hereby agrees to participate in the repairs and maintenance program offered by Operator as approved by the Tiffany's Condotel Owner's Association ("the HOA") Board of Directors.
2. Charges for the program are as follows:
 - All routine common area maintenance expenses will be paid from HOA monthly dues.
 - All individual unit repairs will be completed by Operator at cost, plus 10% or a flat fee and submitted to the Owner or his designated representative for billing.
3. Operator will give Owner the following notice in keeping with providing maintenance services:
 - Repairs of One Hundred Dollars (\$100.00) or less will be completed without notice.
 - For repairs consisting between One Hundred Dollars (\$100.00) and Two Hundred dollars (\$200.00), Operator will provide Owner an e-mail or telephone notice requesting an approval to complete the work. If no response is received within 24 hours, said repairs shall be deemed to be approved.
 - For repairs costing more then Two Hundred Dollars (\$200.00), Operator will provide Owner a telephone message or e-mail notice requesting an approval to complete the work. No response within 72 hours is deemed to be an approval
4. Operator will bill Owner for services rendered under this Agreement as follows:
 - Any individual unit charges for repairs except light bulbs, remotes, batteries and air filters will be billed to the unit Owner by the Operator on a monthly basis via debit of rental income. In the event that Owner's expenses exceed rental income, Operator shall bill owner on a "Net 30" basis.
5. Consistent with the Rental Agreement, of which this Addendum is a part, Operator shall have the right to access the unit to assess and perform maintenance functions.
6. This Addendum is incorporated into the Unit Management Agreement referenced herein above and all provisions of the Unit Management Agreement shall become a part of this Addendum. In the event there is any conflict or contradiction between the Unit Management Agreement and this Addendum, the Unit Management Agreement takes precedent and control.

IN WITNESS WHEREOF, the parties hereto have signed their hands and seals, this the ____ day of _____, 200_.

OPERATOR:

TIFFANY'S MANAGEMENT, INC. (SEAL)

By: _____

Name: _____

Title: _____

OWNER:

_____ **(SEAL)**

