

NOTICE OF ARBITRATION: ANY DISPUTE, CONTROVERSY, OR CLAIM REFERRING, REGARDING, OR RELATING TO THE TERMS OR CONDITIONS OF THIS AGREEMENT OR ANY MATTER REFERRED TO HEREIN SHALL BE SUBMITTED TO ARBITRATION IN ACCORDANCE WITH THE SOUTH CAROLINA ARBITRATION ACT, § 15-48-10 et seq. OF THE SOUTH CAROLINA CODE OF LAWS

LITCHFIELD INN
UNIT RENTAL MANAGEMENT AGREEMENT

for UNIT No. _____

THIS UNIT RENTAL MANAGEMENT AGREEMENT (“Agreement”) is made and entered into as of the _____ day of _____, 2012, by and between AVON II LLC, a South Carolina limited liability company (“**Rental Agent**”), whose address is 28 Bridgeside Boulevard, Suite 201, Mount Pleasant, SC 29464, and _____ (“**Owner**”) whose address is _____.

R E C I T A L S

WHEREAS, Owner is the fee simple owner of that certain condominium unit, more particularly described as Unit Number _____, Litchfield Inn Horizontal Property Regime, 1 Norris Drive, Litchfield Beach, SC 29585, as further described in the Master Deed ("Master Deed") of Litchfield Inn Horizontal Property Regime recorded in the Office of Register of Deeds for Georgetown County on _____ at Book _____, Page ____ (“Unit”).

WHEREAS, Owner wishes to engage the services of Rental Agent to act as the sole and exclusive rental agent to offer Owner’s Unit for rental under the terms and conditions set forth in this Agreement; and,

WHEREAS, Rental Agent desires to be so engaged by Owner.

**FAX OR EMAIL THIS PAGE TO: (843) 766-6763 OR
DPIPER@CHARLESTOWNEHOTELS.COM**

NOW, THEREFORE, in consideration of the terms, covenants and conditions of this Agreement, Owner and Manager hereby agree as follows:

1. **Covenant to Let; Term.** Owner agrees to make available for rental, and Rental Agent agrees to offer for rental, the Unit subject to the terms and conditions set forth herein, for a term to begin on the date of this Agreement, and to terminate three (3) years thereafter (the "Term") unless earlier terminated in accordance with this Agreement. This Agreement shall automatically renew for additional and successive three (3) year terms ("**Renewal Terms**"). In the event that the Regime Rental Management Agreement ("Regime Rental Management Agreement ") between the Rental Agent and the Litchfield Inn Council Of Co-Owners, Inc. (the "Association") shall be terminated for any reason, this Agreement shall automatically terminate on the Effective Date as defined in the Regime Rental Management Agreement. Owner hereby grants to Rental Agent the sole and exclusive authority to rent the Unit. Owner agrees that all remuneration from the rental of the Unit will be collected through Rental Agent, subject to the fee as specified in Section 10 hereof.

2. **Reservations.**

2.1. Rental Agent will offer the Unit as a rental accommodation and will rent it to guests who will occupy Unit as part of the overall Rental Program for Litchfield Inn ("Rental Program") and provide the Rental Management Services set forth on Exhibit "A". Rental Agent agrees that any rental or lease of the Unit shall be subject to the provisions of the Master Deed, By-Laws and duly adopted Rules and Regulations of the Association. Rental Agent agrees to maintain a reservation system through which all reservations for the Unit will be processed. Owner authorizes Rental Agent to accept reservations for occupancy of the Unit for any length of time, and at any time up to, but not beyond, twenty-four (24) months in advance, except for any excluded dates that may be submitted in writing from time to time by Owner or Rental Agent. Both Owner and

Rental Agent shall use reasonable diligence to avoid reservation conflicts; but neither Rental Agent nor Owner shall be liable to each other for any damages or other liability otherwise resulting from such conflict.

2.2. A rotational system will be utilized to ensure a fair and accurate allocation of rental nights in each unit in the Rental Program. However, the Unit will be rented subject to (i) available inventory, (ii) normal industry practice and (iii) policies and procedures of Rental Agent. The rotational system is subject to, among other things (a) guest requests and preferences, (b) factors of differentiation such as unit size, location, view, bed type, unit type and other relevant issues, (c) usage of the Unit by Owner or its guests and (d) the remaining length of the Term or any Renewal Term.

3. **Accounting.**

3.1. Rental Agent agrees to maintain records and to provide to Owner a monthly statement of Owner's account. Rental Agent shall send together with each statement a check payable to Owner representing the amount due Owner pursuant to the terms of this Agreement which exceeds the charges against Owner's account as provided for in this Agreement. Said statement and payment will be sent by regular mail by the twentieth (20th) day of the month following the end of the month accounting. The statement shall detail all remuneration from the rental of the Unit and all charges against Owner's account as described in this Agreement for the preceding month. Owner shall be liable for all charges against its account. In the event Owner fails to pay Rental Agent any amount required under this Agreement when due, Rental Agent shall have the right to deduct said amount from any amounts payable to Owner hereunder without notice. Owner agrees to pay all charges within thirty (30) days following receipt of a statement to the extent that such statement indicates charges against Owner's account in excess of sums credited thereto. Non-payment within thirty (30) days will be deemed delinquent.

Interest will accrue at the rate of 1½% per month commencing on the 30th day of such non-payment.

3.2. Rental Agent is authorized, but not obligated, to deduct from Owner's Share of Gross Revenue and pay on behalf of Owner to the Council any delinquent regime fees or any assessments levied by the Council on the Unit.

4. **Owner Occupancy Periods.**

4.1. Subject to the terms set forth in this Section 4, Owner agrees not to enter the Unit or to permit any person other than Rental Agent, whether family member, repairman, or guest, to enter the Unit, other than during those times of occupancy for which Owner has requested in writing, via email or telephone call to Rental Agent, and Rental Agent has confirmed in writing, via email, or telephone call Owner's occupancy of the Unit ("Owner Occupancy Periods"), without prior notification to, approval of, and coordination with, Rental Agent. Subject to not displacing any and all confirmed reservations, Rental Agent agrees to honor requests from Owner to occupy the Unit on a space-available basis.

4.2. Owner authorizes Rental Agent, as part of the promotion of Litchfield Inn, to use the Unit a maximum of two (2) complimentary nights per year. Such use is based solely on a space available basis. In the event that Owner requests the use of the Unit during the time it has been reserved for complimentary use, Owner will be given preference and the complimentary reservation moved. Rental Agent will be responsible for cleaning after such complimentary use.

4.3. Owner shall be solely responsible for all costs associated with Owner's occupancy of the Unit during Owner Occupancy Periods ("Owner's Occupancy Charges"). Owner's Occupancy Charges include:

(i) housekeeping services for those days such service may be requested during an Owner Occupancy Period at the following rates: (a) \$15.00 per day for Units in the Lodge; (b) \$20.00 per day of Units in the Inn or designated Townhouses; (c) \$25.00 per day for Units designated as Villas. For all Owner Occupancy Periods, housekeeping services shall be charged for the last day of occupancy during any Owner Occupancy Period; and,

(ii) Owner shall be entitled annually to ten (10) days of complementary housekeeping services during any Owner Occupancy Period or Guest of Owner Occupancy Period; and,

(ii) Such additional standard charges, if any, as are not included in the room rate for paying guests.

4.4. Owner's Occupancy Charges shall be charged against Owner's Share of Gross Revenues for the month. If Owner's Occupancy Charges exceed Owner's Share of Gross Revenues for the month, Rental Agent may charge such shortfall against Owner's Share of Gross Revenues for subsequent months or bill Owner for the shortfall, as Rental Agent determines in its sole discretion. Rental Agent reserves the right to adjust Owner's Occupancy Charges once each Operating Year to reflect any increase in operating costs of Rental Agent.

4.5. During any Owner Occupancy Period, Owner, and any guests of Owner, shall abide by the standard check-in and checkout times and procedures required by Rental Agent in the Rental Program. Notwithstanding anything contained herein to the contrary, Owner shall have the right to inspect the Unit only during those times that the Unit is unoccupied by a guest and Owner shall provide notice of the inspection visit to Rental Agent for the purpose of determining the unit is unoccupied.

5. **Guest of Owner Occupancy Periods.** Owner may request Guest of Owner Occupancy Periods in writing, via email or telephone call to Rental Agent. Subject to not displacing any and all confirmed reservations, Rental Agent agrees to honor requests from Owner for Guest of Owner Occupancy Periods on a space-available basis. Owner shall be solely responsible for all costs associated with Guest of Owner's occupancy of the Unit during the Guest of Owner Occupancy Periods, including but not limited to Owner's Occupancy Charges. During any Guest of Owner Occupancy Period, any guests of Owner shall abide by the standard check-in and checkout times and procedures required by Rental Agent for renters.

6. **Taxes, Licenses and Utilities; Gross Revenues.**

6.1. Owner shall be responsible for direct payment of any and all ad valorem and non-ad valorem taxes assessed against the Unit and its contents by any taxing authorities. Similarly, Owner shall be responsible for direct payment of any and all assessments against the Unit by the Council. Long distance telephone call service will be charged to the registered occupant of Unit and such monies shall be collected by Rental Agent and paid to the Council. Owner agrees to accept responsibility for all charges resulting from such calls made by Owner and Owner's guests. Electric, water and sewer services are paid by the Association and are not monitored for any Unit. Such utility charges are Common Expenses of the Council and are not part of the Rental Program. Rental Agent shall acquire for Owner any business license required by Georgetown County or the town of Litchfield Beach and charge the cost thereof against Owner's Share of Gross Revenues or bill Owner as Rental Agent may determine.

6.2. Gross Revenues include all revenues, sales, or income of any kind resulting from or related to the rental of the Unit and over which Rental Agent has responsibility, including, but not limited to the following: rental of Unit; and any other form of income, from any source whatsoever, that is directly attributable to the rental of the Unit, but not

including the proceeds of any financing or refinancing, casualty or liability insurance proceeds, or condemnation proceeds. The following amounts shall not be included in the determination of Gross Revenue: gratuities or payments in the nature of gratuities that Owner or Rental Agent is obligated to pay over to employees by law, contract or practice; sums and credits received in settlement for loss, theft, or damage to property unless in excess of the cost of settlement of such loss, theft, or damage to property; excise tax, sales tax, hotel tax, bed tax, room rental tax or use tax or similar taxes or charges that are required by law to be collected directly from guests or as part of the sale price of any goods or services or displays, and that must be remitted to governmental authorities; any payments made by Rental Agent for maintenance and repair of the Unit that are not refunded from Owner's Share of Gross Revenues or funded from the FF&E Reserve (if applicable); revenues received by Rental Agent for services or goods sold to guests or Owners; revenues received by Rental Agent in its capacity as Manager of the Council; proceeds from use and occupancy or business interruption insurance policies maintained by Rental Agent at its expense and Owner's Occupancy Charges and Guest of Owner Occupancy Charges.

7. **Maintenance of Unit.**

7.1. Subject to the terms set forth herein, Owner agrees to maintain the Unit, including all furnishings, in good repair and in rentable condition (as determined in the reasonable business judgment of Rental Agent). Owner agrees that it shall not make any substantial or material modifications to the Unit or the décor during the Term and any Renewal Term without reasonable notice to Rental Agent. Rental Agent reserves the right to cancel a reservation for the Unit in accordance with the provisions of Section 11 if for any reason, in Rental Agent's reasonable business judgment, the Unit is not maintained

in good repair and rentable condition. In connection therewith, Owner agrees to the following:

7.2. Unit Inspections. Rental Agent shall (i) conduct, at least once per Operating Year (and as needed more frequently), an inventory of all major furnishings and equipment, (ii) inspect the general condition of the Unit, and (iii) provide Owner with a written statement as to the condition of the Unit, and written recommendations for improvements to the Unit. Owner agrees that Rental Agent may replace or repair items that it reasonably determines are no longer usable or no longer meet the quality standards commensurate with first class lodging establishments and charge such costs against Owner's FF&E Reserve.

7.3. Furnishing, Fixture and Equipment Reserve ("FF&E Reserve"). For the Term of this Agreement, Rental Agent shall be authorized to disburse \$50 per month of Owner's Share of Gross Revenues into an FF&E Reserve for future repairs and renovations to FF&E in Owner's Unit. If approved by the Association Board, this amount may be changed by Rental Agent as necessary to insure appropriate reserves are maintained for Owner's Unit, and written notice will be provided Owner before any change in the amount. A maximum dollar amount ("Cap") of one thousand five hundred dollars (\$1500) will be accumulated in the FF&E Reserve for each unit by Rental Agent and revised from time to time at its sole discretion. Funds in the FF&E Reserve will be used by Rental Agent, in its reasonable business judgment, to replace furnishings, decorative items, accessories, floor and wall coverings, equipment and appliances in the Unit, as it deems necessary to maintain a uniform quality standard for guest lodging. Owner understands that Rental Agent makes no warranty as to the sufficiency of the funds held in the FF&E Reserve to pay the cost of all required replacements. Owner agrees that if there are insufficient funds in the FF&E Reserve at the time replacements are required

by Rental Agent, Owner will be responsible for making such replacements at Owner's expense. Owner further understands that Rental Agent is not obligated to advance funds against anticipated future rental income to Owner for purpose of meeting such expense. Owner acknowledges that the FF&E Reserve and maintenance fees are not intended to provide a source of funds to fund any maintenance, repairs or renovation of common elements of Litchfield Inn, which is the sole responsibility of the Council to which Owner pays regime assessments pursuant to the Master Deed. Rental Agent agrees that all funds in the FF&E Reserve will be spent only for replacements to the Unit and will not be used for any other purpose. In order to keep the Unit ready to rent to the greatest extent possible, Rental Agent will expend funds from the FF&E Reserve at its reasonable business judgment. Rental Agent will provide Owner, annually for each Operating Year, a complete accounting of all income and expense charged to the FF&E Reserve. Upon termination of this Agreement, per the terms and conditions stated herein, Rental Agent will pay to Owner the balance remaining in the FF&E Reserve as of the date of the termination. Rental Agent will make such payment to Owner by check within 30 days following the date of termination. In the event that Owner sells the Unit during the Term or any Renewal Term, Rental Agent will deliver the funds held in the FF&E Reserve to Owner. Owner can transfer its rights in the FF&E Reserve to a new owner, and Rental Agent will continue to hold such funds, if Owner chooses to do so.

7.4. Maintenance by Rental Agent. Rental Agent will provide repairs under \$25.00 for cost of parts or supplies and less than one hour for time of repairs required ("Minor Repairs") for the Unit at no charge. Rental agent will provide additional maintenance, repair services, and preventative maintenance at the Owner's expense. To alleviate the burden of multiple maintenance bills for minor service calls Owner agrees to enter into the Maintenance Service Contract with Rental Agent for one hundred and fifty dollars

(\$150) per calendar year (attached as Exhibit "C"). For amounts of repairs above \$250, Owner will be contacted to authorize the repairs. No single expense incurred for labor, parts, or materials shall exceed \$250 without the prior approval of Owner, except in emergencies, as determined by Rental Agent in its sole discretion, when the limit shall not apply. If Owner desires major repair or replacement of any interior items or furnishings, Rental Agent will, on request of Owner in writing, seek repair services or replacement and submit the invoice therefore directly to Owner for payment. Rental Agent assumes no responsibility for any maintenance other than housekeeping services as specified in this Agreement.

8. **Housekeeping Service.** Housekeeping service to the Unit will be provided upon departure of rental guests at Rental Agent's expense. Housekeeping shall be provided by Rental Agent in order that consistent standards are maintained. Rental Agent will provide housekeeping service daily as shown on Exhibit "A" hereto, including, but not limited to, clean and make up room, provide guest supplies and amenities, clean towel delivery and trash removal, at no charge to rental guests. Other guest services may be provided for rental guests at the discretion of Rental Agent, or at the rental guest's request, in which case the then effective rate of such service will be charged to the rental guest's account. During any Owner Occupancy Period, or Guest of Owner Occupancy Period, Owner or guest may elect to have Rental Agent provide such other services, for which the scheduled rate of such service shall be charged against Owner's account or collected from the guest directly.
9. **Annual Cleaning.** Owner agrees to be responsible for the costs of at least one deep cleaning of the Unit in each Operating Year (defined as January 1 through December 31), and for the annual winter preventative maintenance service in the amounts set forth on Exhibit "B". Such annual cleaning and maintenance service shall only be provided by Rental Agent in order that consistent standards are maintained. A detailed checklist is completed

during the deep clean. Inventory items are replaced throughout the year as necessary. During the deep clean, any items that are showing wear and are no longer presentable to a guest will be discarded and replaced. Inventory items that are replaced will be charged to the unit owner as necessary for replacement and standards. Annual Deep Cleaning pricing for all units is \$150.00. Work may be contracted with an outside vendor at prevailing rate if needed. Carpet, tile and furniture cleaning will be based on the size of the unit. This work may have to be contracted with an outside vendor as needed. Fees are subject to change annually.

10. **Discretion of Rental Agent.** Owner understands and agrees that Rental Agent may, from time to time, change the applicable rental rates without notice to Owner to meet prevailing market conditions. Rental Agent shall also have the right to change the regularly advertised rate in circumstances such as, but not limited to, extended length of stay, group or corporate discounts, package plan discounts, customer loyalty programs or in similar situations when Rental Agent deems it advantageous to charge a reduced rate. Notwithstanding the foregoing, Rental Agent may offer the Unit on a complimentary basis or may offer a renter a reduction in the applicable rental rate in the event of Unit's need for a repair or other problem not in the direct control of Rental Agent that cannot be corrected within an acceptable time to renter/guest. Owner agrees that the renter may be transferred to another Unit if such reduction in rental rate is not acceptable to the renter. In the event of such a transfer, Owner of the unit to which the guest is transferred shall be credited revenues for the rental based upon the number of days of actual occupancy of the Unit. Rental Agent makes no representation that major repairs can be made within an acceptable period to the renter and hereby advises Owner, and Owner understands and agrees, that failure of the type herein discussed may periodically cause a loss of rental income.

11. **Compensation.** For its services hereunder, including the provision of the Rental Management Services listed in Exhibit "A", and for reimbursement for promotion of rental of

the Unit, Rental Agent shall be compensated, and Owner agrees that Rental Agent shall be entitled to a Base Fee of forty percent (40%) of Gross Revenues, determined by Monthly Accounting Periods. The remaining sixty percent (60%) of Gross Revenues (the “Owner’s Share”) shall be payable to Owner, less maintenance repairs, license fees, Owner Occupancy Charges and payments to the FF&E Reserve as set forth herein. Rental Agent and Owner mutually agree that neither party shall be entitled to any compensation or reimbursement for losses due to uncollected rents from guests relating to the rental of the Unit. Furthermore, Rental Agent agrees to decrease the Base Fee (and thereby increase the Owner's Share) on an individually negotiated basis for a rental of the Unit for not less than thirty (30) consecutive days which utilizes less than all of the Rental Management Services during such rental period.

12. **Termination Rights of Rental Agent and Owner.**

12.1. Rental Agent reserves the right to terminate this Agreement under the following circumstances:

12.1.1. Rental Agent reserves the right to terminate this Agreement during the Term or any Renewal Term should Rental Agent deem the Unit to be unsatisfactory for rental under the following conditions. In the event that Rental Agent deems the Unit to be unsatisfactory for rental, Rental Agent will notify Owner to remedy defects and Owner shall have not less than sixty (60) days within which to cure defects. If Owner does not remedy defects to the reasonable satisfaction of Rental Agent within the right to cure period, Rental Agent can terminate the Agreement immediately.

12.1.2. Rental Agent reserves the right to terminate this Agreement during the Term or any Renewal Term if Owner maintains a delinquent balance on Owner's account for a period of more than 90 days.

12.1.3. In the event that this Agreement is terminated for any of the aforesaid reasons, Rental Agent shall have the right, but not the obligation, to transfer to other accommodations at Litchfield Inn, if possible, any confirmed reservations which are for occupancy of the Unit subsequent to such sixty (60) day period. Upon any termination of this Agreement, the same shall terminate Rental Agent's authority to accept future reservations for the Unit. Owner, his heirs, his successors, or assigns shall be obligated to honor any reservations or commitments made during the Term or any Renewal Term and prior to the date of termination pursuant to the terms and provisions of this Agreement; provided that Rental Agent shall be obligated to effect a transfer to other accommodations at the Litchfield Inn, if possible, any confirmed reservations subsequent to said sixty (60) day termination period.

12.2. Owner reserves the right to terminate this Agreement under the following circumstances. Owner may provide notice to Rental Agent for any or no reason whatsoever that Owner desires to terminate the Agreement, and such termination shall take effect sixty (60) days after the date of such notification. Rental Agent will make every attempt to relocate reservations to other Units. In the event that Rental Agent is unable to do this, for a period of one hundred eighty (180) days from the date of notice Owner shall be obligated to honor any reservations made during any Renewal Term and prior to the date of termination pursuant to the terms and provisions of this Agreement, or to compensate Rental Agent for Rental Agent's Share of Gross Revenues lost from cancellation due to Owner not so honoring reservations, as well as any expenses incurred relocating the displaced guests.

12.3. This Agreement shall automatically terminate if during the Term or any Renewal Term the Regime Rental Management Agreement is terminated for any reason.

12.4. Owner shall inform Rental Agent in writing if the Unit is to be put up for sale within five (5) business days of listing the Unit for sale. The Unit cannot be shown for sale during periods of rental occupancy and any sale of the Unit must be subject to confirmed reservations for occupancy of the Unit, as limited by the South Carolina Vacation Rental Act (§27-50-210 *et. seq.*) and the provisions of this Agreement.

12.5. Upon the effective date of termination of this Agreement, Rental Agent shall promptly deliver to Owner all funds and all materials, supplies, equipment, keys, contracts, documents, files, books and other records of Owner retained by Rental Agent; provided that Rental Agent shall be entitled to retain copies of such information as it determines are reasonably required for its own records.

13. **Indemnification, Insurance.** Owner agrees to indemnify and hold harmless Rental Agent and all of its officers, directors, shareholders, employees and agents, from and against all claims, suits, damages, costs, losses and expenses (including attorneys' fees through all appellate levels) arising from injury to any person or property in, on or about the Unit relating to, arising from, or connected with this Agreement and/or the Unit, except in the case of Rental Agent's fraud, gross negligence, or willful misconduct. During the Term and any Rental Term of this Agreement, Owner agrees to maintain at its sole cost and expense, with an insurance company acceptable to Owner and Rental Agent, the following type of insurance:

13.1. Homeowner's insurance policy on the Unit, all betterments and the contents located therein. To the extent possible all coverage shall be written on a full replacement cost basis. The term "replacement value" shall mean the actual cost of restoration of the Unit and the contents located therein to as nearly the conditions existing immediately prior to the damage or destruction.

- 13.2. Liability coverage protecting Owner during those periods when unit is occupied by Owner, Owners' guest or rental guests.
- 13.3. The insurance coverage required to be maintained during the Term or any Renewal Term of this Agreement shall include (1) bodily injury and property damage liability insurance, with a combined single limit of not less than \$500,000 per occurrence and (2) any other coverage required under the Council documents. Owner shall supply Rental Agent with proof of coverage or appropriate certificates evidencing such coverage's. The amount of insurance contained in any of the aforementioned insurance coverage's shall not be construed to be a limitation of the liability on the part of Owner.
- 13.4. Rental Agent shall indemnify and hold harmless Owner from any claim for damages, costs and expenses arising from injury to any Person or property in, about and in connection with the Property to the extent caused by the fraudulent act, gross negligence or willful misconduct of Rental Agent.
14. **Risk of Loss.** Owner acknowledges that losses from theft, vandalism, acts of God, the elements, or other matters beyond the control of Rental Agent shall be borne solely by Owner, provided that Rental Agent used reasonable care in the rental of the Unit to guests or occupants. Owner assumes all risk for the loss of personal property kept on the Unit, provided that Rental Agent used reasonable care in the rental of the Unit to guests or occupants. Rental Agent shall incur no liability for the loss or damage of any such personal property, provided that Rental Agent used reasonable care in the rental of the Unit to guests or occupants. In addition, Rental Agent shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of Owner and/or any occupant or user of any portion of the Unit including, without limitation, Owner and Owner's guests, invitees, agents, renters, servants, contractors or subcontractors or for any property of any such persons.

15. **Subordination.** This Agreement shall automatically be deemed subordinate to any mortgage now or hereafter placed on the Unit, and as such, this Agreement shall not survive the foreclosure of any mortgage by any such mortgagee.
16. **Default of Owner.** In the event Owner fails to pay Rental Agent any amount required under this Agreement when due, Rental Agent shall have the right to deduct said amount from any amounts payable to Owner hereunder without notice. Similarly, in the event that Owner fails to pay any party other than Rental Agent any amount required under this Agreement when due, Rental Agent shall have the right, but not the obligation, to make payment to said party on behalf of Owner and to deduct said amount from the sums payable to Owner hereunder without notice.
17. **Notice.** All notices required or desired to be given under this Agreement shall be in writing and shall be deemed given when either delivered personally or deposited (i) in the United States mail, certified mail, postage prepaid, with a return receipt requested; or (ii) with a recognized overnight courier service (i.e., FedEx, Express Mail, Emory, Purolator, United Parcel Service, etc.), to the parties at the addresses provided in the preamble of this Agreement, or such other addresses as hereinafter indicated by appropriate written notice.
18. **Miscellaneous.** This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina, which shall control all matters relating to the execution, validity and enforcement of this Agreement. In the event that it becomes necessary for either party to this Agreement to incur legal fees and expenses for the enforcement of this Agreement, the prevailing party as determined by the trier of fact, shall be entitled to reasonable attorney's fees and costs, including fees incurred in any appeals. If any clause or provision of this Agreement shall be held invalid or void for any reason, such invalid or void clause or provision shall not affect the whole of this Agreement and the balance of the provisions hereof shall remain in full force and effect. This Agreement contains the entire

agreement of the parties hereto as of the date hereof. No waiver of any covenant or condition of this Agreement by either party shall be deemed to imply or constitute a further waiver of same or of any other covenant or condition of this Agreement. No modification, amendment, release, discharge or waiver of any provisions hereof shall be of any force, effect or value unless in writing signed by the parties to be charged. Rental Agent is an independent contractor. The existence of this Agreement shall not be deemed to cause employees of one of the parties to be deemed to be employees of the other party, nor shall it be deemed to create any partnership, joint venture or similar relationship between the parties.

19. **Assignment.** This Agreement shall not be assignable by either party without the written approval of the other party; provided, however, that Rental Agent may assign this Agreement to any entity that controls, is controlled by or is under common control with Rental Agent. In the event of assignment, the assigning party shall promptly provide to the other party a written notice of assignment stating the name, initial contact person(s), address, telephone and facsimile numbers of the assignee.

20. **Management Services for Other Property.** Rental Agent may, in its sole discretion, and on such terms as it determines, also offer to and serve as rental manager or manager of the rental program, property or regime for any other condominium, property owners' association or hospitality property, provided that in no event shall they manage any property substantially similar to Litchfield Inn which is located within a Ten (10) mile radius from the Property without the prior authorization of the Association, which authorization shall not be unreasonably withheld. It being the intent of this provision that the Manager not manage any property which is in direct competition with the Litchfield Inn so as to avoid issues related to conflict of interest with regard to marketing and preference of another project over the Litchfield Inn.

21. **Accounts.** Rental Agent shall deposit all funds it receives on behalf of Owner, in one or more banks, savings and loan associations, or other financial institutions located in the State of South Carolina whose deposits are insured by an agency of the federal government. Such accounts shall be in the name of Rental Agent. Rental Agent may also deposit funds of the Owner in money market or equivalent accounts of reputable securities or financial institutions if such accounts are insured by any agency of the federal government. All such funds shall be segregated from other funds of Rental Agent or the Association.
22. **Disclaimers of Rental Agent.** Owner hereby acknowledges that Rental Agent operates other rental properties which may be competitive with the Unit, and it is mutually agreed that Rental Agent has not and shall not guarantee, under any circumstances, (i) the level of occupancy of the Unit and/or the level of any rental revenue; or (ii) the equal distribution of rentals among all rental units operated by Rental Agent within Litchfield Inn, and Owner further acknowledges that rental income may not exceed assessments, taxes and other costs associated with the Unit. Except as specifically provided to the contrary in this Agreement, no obligations of Owner with respect to the Unit shall be assumed by Rental Agent. Owner shall remain responsible for the payment of all assessments and other sums due the Council pursuant to the Master Deed, By-laws and all other documents governing Litchfield Inn, mortgage payments, income, real property, personal property or other taxes, insurance premiums, utility fees, charges and deposits and all other obligations of Owner arising in connection with ownership of the Unit.

OWNER ACKNOWLEDGES AND AGREES THAT NO REPRESENTATION OR GUARANTY OF ANY KIND OR NATURE HAS BEEN MADE BY RENTAL AGENT OR ANY AGENT OR EMPLOYEE THEREOF, AND THAT OWNER IS NOT RELYING ON ANY SUCH REPRESENTATION, WITH RESPECT TO THE EXISTENCE OF ANY ECONOMIC OR TAX BENEFITS OR IMPLICATIONS WHICH MAY OR MAY NOT ARISE BY VIRTUE OF OWNER'S ENTERING INTO THIS AGREEMENT, AND THAT RENTAL AGENT HAS NOT GIVEN OWNER ANY ADVICE WITH RESPECT TO ANY TAX STRUCTURES OR TAX IMPLICATIONS.

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY
SIGNATURE PAGE(S) TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

RENTAL AGENT:

AVON II, LLC

By: Michael W. Tall, Senior Vice President

OWNER of Unit(s) _____:

Print Name: _____

Address: _____

Email: _____

Phone: _____

Taxpayer ID Number(s): _____

**PLEASE FAX OR EMAIL THIS SIGNED PAGE TO: (843) 766-6763 OR
DPIPER@CHARLESTOWNEHOTELS.COM**

Exhibit "A"
Rental Management Services:

Maintain front desk staffing:

Staff the registration area for guests needs
Check in guests
Check out guests
Provide guests electronically coded keys for their stay
Handle guest service issues
Provide express breakfast (if not in conflict with other Agreements entered by the Association)
Take reservations for future stays
Handle telephone switchboard, guest calls, information calls, etc.
Daily accounting of revenues and expenses

Maintain housekeeping Staff:

Clean rooms and make up rooms
Operate laundry service to clean all linens and provide linen service
Replace lost/soiled linens
Provide guest supplies and amenities to all rooms

Sales and Marketing:

Advertising
Produce collateral materials
Internet Marketing
Direct Sales

Management:

Operate the Rental Program consistent with a hotel use
Inspect the Unit for damages and possible repairs needed
Make recommendation to Owners for improvements or repairs
Hire, fire and provide all human resource functions for employees in the Rental Program
Provide statements and accounting information for Owners per Rental Agreement

Preventive Maintenance:

Periodically, Rental Agent will perform a sweep of your unit to assure that air conditioning filters are changed, light fixtures are tight and functioning properly, and several other details that will keep your property in good rental condition.

Additional Services

Provide Maintenance staff: (Billed to owner as used, *not* included in Rental Program)

Provide staffing and supplies to handle room repairs
Handle work orders or emergency repairs
Contact outside service vendors if required for repairs
Purchase needed parts and supplies to make repairs in rooms
Provide winter Preventative Maintenance to rooms

Exhibit “B”
Schedule of Fees and Charges
(subject to annual adjustment, Board approval required)

Housekeeping Service Fees

Rental Agent will provide daily service to rental guests, to include light housekeeping, bed making, clean towel delivery and trash removal, at no extra charge.

During any Owner Occupancy Period, or Guest of Owner Occupancy Periods, at the request of the Owner or Guest Rental Agent will provide daily housekeeping service at the following rates (a) \$15.00 per day for Units in the Lodge; (b) \$20.00 per day of Units in the Inn or designated Townhouses; (c) \$25.00 per day for Units designated as Villas, which shall be charged against Owner’s account or collected from the Guest directly.

During any Owner Occupancy Period, or Guest of Owner Occupancy Periods, Owner or Guest will be charged for housekeeping for the last day of occupancy, which shall be charged against Owner’s account or collected from the Guest directly.

Annual Deep Clean not to exceed \$150.00

Linen Replacement \$150/year

Maintenance

Our in-house staff can handle most situations that arise. Work performed by Litchfield Inn personnel will be billed directly to Owner's account. (See Options for maintenance.)

Maintenance (In house) \$35 per hour

If a problem arises outside our scope of expertise or above \$250, with owner approval, we will contact a qualified professional contractor on your behalf for a minor fee not to exceed 10% of the Vendor Billing. Rental Agent will monitor the contractor to ensure the timing of their work.

Exhibit “C”

Maintenance Service Contract

This Maintenance Service Contract (“Contract”) is made between AVON II LLC (“Company”) and owner of Unit (“Owner”), and will be effective from the start date of the Unit Rental Management Agreement, through the termination of the Unit Rental Management Agreement. Unless cancelled by the Company or Owner at least sixty (60) days prior to expiration it will renew for a likewise term of one year. This contract is non-transferable and non-refundable upon sale of Unit. The Contract rate may be adjusted by the Company annually not to exceed the consumer price index adjustment for the previous calendar year.

The Contract is intended to protect the condominium owner from ongoing minor unscheduled maintenance charges, which are incurred by work performed by the Company’s maintenance personnel related to incidental repair and maintenance in the unit.

In addition, the Contract will provide for any maintenance personnel required to assist subcontractors and inspect the work performed. The Contract assures that no charges will be made for work completed by the Company’s employees or agents that takes **less than one hour and/or requires parts costing less than \$25.00.**

In consideration of payment of \$150.00 per calendar year (may be prorated), which may be deducted from future rental proceeds; the Company will provide any labor without limitation to maintain the unit in good repair provided that such labor is provided by the Company. This Contract excludes the annual winter preventive maintenance charges and installation charges associated with the refurbishment and replacement of furniture, fixtures, and equipment.