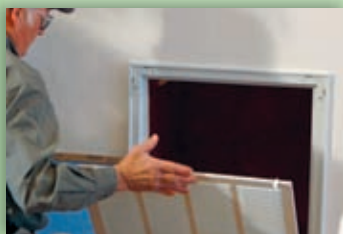




Property Owner's **HANDBOOK**

Southern Shores RealtySM



The Southern Shores Advantage

Southern Shores Realty has provided comprehensive real estate services to North Carolina's Outer Banks for over 50 years.

In the early 1950s, Southern Shores Realty was the exclusive sales agency for the developer of the Southern Shores community, at 2,600 acres, the first and largest planned residential community on the Outer Banks. Our services have grown to include Property Management, Vacation Rentals, Residential and Commercial Leasing, as well as Sales Assistance. We currently employ 63 full and part time year round staff, of which 22 are licensed real estate professionals, and over 100 seasonal employees.

Southern Shores Realty prides itself on having one of the most stable and experienced Sales Divisions on the Outer Banks. With 9 full time licensed brokers, and dedicated support staff, you can count on us to meet all of your real estate sales needs.

Our Rental Division consists of 7 licensed rental and property managers with fully staffed year round reservations and property services departments. We handle over 700 seasonal, year round and commercial rentals grossing over \$20,000,000.00 in rental income annually. Additionally, Southern Shores Realty provides property management services for vacant or second homes. Property management services include security checks for vacant properties, housekeeping, 24-hour on-call maintenance assistance and any other services required by absentee property owners.

Our Accounting Department, which includes a full time CPA, is fully automated and staffed with experienced personnel. This department offers bill paying services and direct deposit of rental income to all property owners.

In today's market you need a company that has been successful through difficult economic times. We have this experience and offer professional services that are flexible enough to fit your needs.

We invite you to our Rental Management Program. As the owner of a fine Outer Banks vacation home, you deserve the best representation. You should expect your home to receive good care and responsible tenants. We thank you for placing your trust in us.

Southern Shores RealtySM
800-334-1000 252-261-2000
www.southernshores.com



Service. Professionalism. Flexibility.
Our policy for over 50 years



The Outer Banks Rental Market

In preparing to market your vacation rental home, our rental managers take many characteristics of your home into consideration:

- Location - distance from the beach, views, neighborhood
- Size - number of bedrooms and bathrooms, common rooms in addition to great room
- Condition - building, furnishings, floor coverings, appliances, equipment, cleanliness
- Amenities - private pool, hot tub, community facilities, electronics, pool table, ping pong, high speed internet access.
- Interior - well decorated/furnished vs. tired/outdated; light/airy vs. dark/musty
- Conveniences - beach chairs, beach wagon, baby equipment, linens. etc.
- Capacity - dictated by the size of the septic system and community restrictions; seating and bedding to accommodate
- Rates - value based on all of the above

Helpful Hints

For Our Homeowners

Linens and Bedding

When replacing your mattresses and box springs, please purchase mattresses 14 inches thick or less. The new pillow top mattresses may be the new trend (15 to 25 inches), but most of your guests do not have the sheets to fit these beds. If you have, or are purchasing the larger mattresses please let us know so that we can advise the tenants.

For property owners that would like to provide linens to their guests, Southern Shores Realty has developed a discounted linen program. We currently use standard size fitted sheets for our linen packages. If you have or are contemplating the use of the larger luxury mattresses (15 to 25 inches), please let us know. We will assess the cost of linens for your beds and give you a quote accordingly.

Grills

You do not want grills on your decks so anchor them in a safe place. If you have a pool, the pool area is a perfect place for your grill. If you use a park grill, make sure there is plenty of comfortable seating around it so the designated “griller” can socialize while cooking.

Keyless Entry

Your guests will receive a personalized code that is valid during their stay. This enables your guests to proceed directly to the home and begin their vacation after cleaning and maintenance have been completed.

Lighting

Label light switches so your guests know which switches operate which lights.

Put lamps that you can read by in each room. Your guests do not want to read by an overhead light.



High Speed Internet Access

Every year more of your guests have a hard time getting completely away from their work. Providing free high speed internet access is an inexpensive but very important amenity to offer your guests.

Updates

Be sure to do something to update your property every year. Keeping your property updated provides a basis for raising your rates.

Amenities

Your guests will appreciate any “Extras” you provide in the home. Books, movies, games, toys, beach chairs, coolers, bikes and baby equipment for example. They will love not having to pack as much.

Electronics

Provide clearly marked instructions for operating the TV, VCR, DVD, stereo, and/or home theatre. Keep it simple.

Your guests will appreciate any “Extras” you provide...they will love not having to pack as much.

Pictures, Pictures, Pictures . . .

Consider each room in your house a “photo op”

Many reservations are booked through our website so you have a very short window of opportunity to catch a potential guest’s eye. Whether you go with color and a little imagination or light, bright and airy, your photos need to pop.



Guests are no longer satisfied with a detailed description and an exterior photo. They want to see exactly what they are renting - exterior, interior, kitchen, bedrooms, living area, rec room, etc. They want to see it ALL - so you need to grab them immediately with inviting photos of a comfortable and fun place to stay.

After we have received your management agreement, one of our photographers will visit your property to take photos. Each room will be photographed for our website and other websites where we list your property. It is very important that these photos show your house at its best.

Each room will be photographed for our website and other websites where we list your property.



Marketing Your Home

With a company like Southern Shores Realty managing your rental property, you have the advantage of our years of experience and knowledge of the latest travel trends working for you.

While still advertising in newspapers and magazines, the main focus of our advertising, in recent years has turned to the internet. Maintaining a high level of visibility on the internet is imperative and Southern Shores Realty does that for you.

Our annual Vacation Rental Catalog is also produced and mailed to thousands of potential guests each fall. Although few guests will make a decision based solely on what they see in the rental catalog, we feel that it is still an important part of a total marketing package.

www.SOUTHERNSHORES.com



Since 1995 Southern Shores Realty has been a leader in internet advertising for Outer Banks vacation properties.

Each home in our rental program is included on our web site at www.southernshores.com.

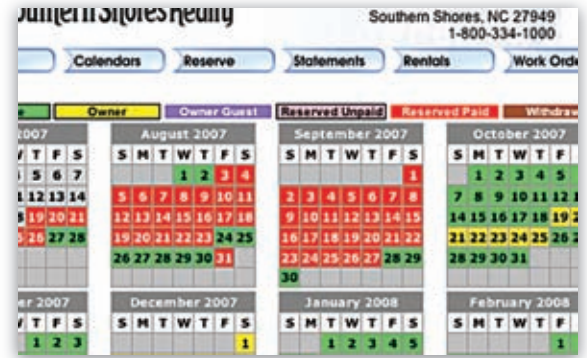
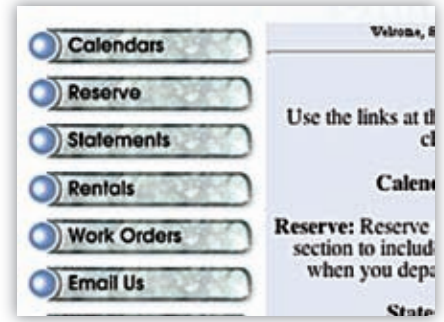
Our website has been built with the vacationer in mind. With over 50 years of experience, we know what vacationers are looking for and have had our website designed to make it easy for them to find. Our design and programming team works diligently to ensure that our website is a resource that vacationers can depend on for planning their perfect beach vacation.

A website is nothing without traffic. We drive traffic to our site using multiple listing sites, links, email blasts, banner ads, pay-per-click advertising, and search engine optimization and marketing.

On-Line Resources

Each property owner in the Southern Shores Realty program is set up with a login ID and password for entering the Owner's Section of our website. When you sign your RMA, please include a password that you would like to use to log on to the site along with your email address so we can set up your account. Below is a list of features currently available to our property owners.

- Bulletin Board for Announcements and Important Information
- Company Roster
- Access to OwnerLink which includes
 - Owner Statements
 - Work Orders
 - Owner Time Booking
 - Reservations Calendar
 - Reservations History Reports



Email Marketing

Our email marketing campaigns have been very successful. We maintain a list of email addresses for past guests and are able to send out periodic messages announcing special discounts or other offers that might be of interest to them and increase bookings. Messages can be targeted to a specific group of guests or sent to our entire list.

Owner Self Promotions

Some of the most successful rental property owners are those who take an active role in marketing their properties. A very popular service with many of our rental property owners is our Advertising Flyer program. Upon request, our marketing department will provide you with flyers that can be distributed to friends, family, co-workers, etc.

Some owners also choose to list their property on multiple listing websites, and have inquiries directed to our rental department.

Before listing your home on any other site, please call our marketing department at (252) 261-2000 ext. 301 for a list of the sites we currently use to avoid duplication.



Annual Vacation Planner

Be a part of one of the best rental catalogs on the Outer Banks. Our award-winning vacation home catalog is published annually. Our standard ad size, 1/6 page with one exterior photo of your home, is available at no cost to you. If you are interested, 1/3 page, 1/2 page, and full page ads are also available. Production of our annual rental catalog begins in May and continues through October.

SOUTHERN SHORES

Property #1015 - BEACH BREAK
 1314 Seaboard Rd. - Land Hills, Land-O-Lakes - Saturday
 5 BR, 5 1/2 Baths - Capacity 12
 Beds: 3K, 2Q, 2P, 1V
 Beach break... (text continues)

Property #1016 - FIRST VIEW
 121 Wood Duck Dr. - Carolina Shores
 4 BR, 5 1/2 Baths - Capacity 14
 Beds: 3K, 2Q, 2P, 1V, 1B, 1C
 Oceanfront... (text continues)

Standard 1/6 page

- 1 photo
- 3 icon limit
- 75 word limit
- No charge

Double 1/3 page

- 1-2 photos
- 6 icon limit
- 150 word limit
- \$350/year

Property #113 - LUZON
 113 Old Duck Rd. - Old Duck Beach - Oceanfront
 3 BR, 4 1/2 Baths - Capacity 10-12 - Saturday
 Beds: 3K, 4E, 1B, 2P, 1V
 Oceanfront... (text continues)

Property #624 - OLDE DUCK PEACH
 504 Old Duck Rd. - Old Duck Beach - Oceanfront
 7 BR, 5 1/2 Baths - Capacity 18 - Saturday
 Beds: 8K, 2Q, 2P, 1V
 Oceanfront... (text continues)

Property #1062 - SEA-DUCK-SUN
 143 Old Duck Rd. - Old Duck Beach - Oceanfront
 3 BR, 5 1/2 Baths - Capacity 10 - Saturday
 Beds: 2K, 2Q, 2P, 1B, 1V
 Only 1 mi from the beach... (text continues)

Property #1015 - BEACH BREAK
 1314 Seaboard Rd. - Land Hills, Land-O-Lakes - Saturday
 5 BR, 5 1/2 Baths - Capacity 12
 Beds: 3K, 2Q, 2P, 1V
 Beach break... (text continues)

Property #515 - FIRST VIEW
 121 Wood Duck Dr. - Carolina Shores
 4 BR, 5 1/2 Baths - Capacity 14
 Beds: 3K, 2Q, 2P, 1V, 1B, 1C
 Oceanfront... (text continues)

Triple 1/2 page

- Up to 3 photos
- 6 icon limit
- 200 word limit
- \$600/year

Full 1 page

- 6-7 photos
- 6 icon limit
- 300 word limit
- \$900/year

Property #1025 - PRINCE OF TIDES
 421 1/2th Arch - Ocean South, Inc. D - 4 BR, 7 1/2 Baths - Cap. 23 - Oceanfront - Saturday
 Beds: 3K, 2Q, 2P, 1V, 1B, 1C
 Oceanfront... (text continues)

Property #1025 - PRINCE OF TIDES
 421 1/2th Arch - Ocean South, Inc. D - 4 BR, 7 1/2 Baths - Cap. 23 - Oceanfront - Saturday
 Beds: 3K, 2Q, 2P, 1V, 1B, 1C
 Oceanfront... (text continues)

Accounting Services

Management services performed as part of the agent's commission:

- Marketing and booking expenses for renting your property.
- Cleaning after each paying tenant.
- Collecting all rent and taxes.
- Collecting and remitting all sales and occupancy taxes, as well as the required government reports.
- Disbursing first half of the rent the month we receive it. (SSRS begins receiving Priority Reservation money for the next year in the fall of the previous year.) Disbursing the balance upon rental departure. (½ of the agency commission is deducted from the advance rent payment and ½ of the agency commission is deducted from the balance rent payment) An *exception to this policy is “new construction” which includes remodels and pools. Rental proceeds are retained by SSRS until the certificate of occupancy is awarded.
- Providing detailed monthly statements of Owner's account(s) including copies of cancellations, and invoices paid from the account, Agent does not retain copies of invoices.
- Paying mortgage, utility and contractor bills upon request. (Only contractors that are covered by Workman's Compensation and Liability Insurance).
- Providing end-of-year statements with 1099.
- Providing ACH deposit of funds upon request.

Our accounting department is fully automated and staffed with experienced personnel.

Bill Paying Service

If you want Southern Shores Realty to pay your utility bills, mortgage, etc., have each company send your bills to:

[Your Name]
Southern Shores Realty
Cottage #
P.O. Box 150
Kitty Hawk, NC 27949

Phone numbers for utility companies

Dare County Water Dept252-475-5990
Charter Cable.....888-438-2427
Dominion NC Power.....888-667-3000
Embarq (telephone)800-672-6242

Direct Deposit

If you are interested in having your rental income electronically transferred to your bank, fill in the “Authorization Agreement for Automatic Deposits” form (enclosed) and return it to our accounting department, along with a voided check from your bank, so we will be able to record the proper account number.

There will be no cost to the property owner for one transfer per month.

Property Services **Maintenance**

Our maintenance staff is available seven days a week. Emergency maintenance services are available 24 hours a day for owners and guests. Our staff of trained professionals takes the worry out of managing your home from a long distance.

One Fee Maintenance Program

Our Easy One Fee Maintenance Plan eliminates the “nickel-and-diming” that most property owners have come to expect when dealing with maintenance issues from a long distance.

Once the fee has been paid we will take care of many customary issues for no extra charge. Some things included are:

What you can expect from our maintenance department:

- A Maintenance Technician will be radio dispatched to your home in a timely manner when problems are reported
- Coordination of winterization and dewinterization services
- Clearly itemized invoices
- Coordination of maintenance requests
- Close communication with owner regarding maintenance and repair issues

- Smoke detector battery checks
- Monthly air filter replacements (May-Sept)
- Standard incandescent bulb changes
- Deliveries and messages
- Troubleshooting of maintenance issues

You will only be charged cost for parts and materials, and items purchased for the rental property. If maintenance is required, we bill at an hourly rate that is lower than most area contractors.

An added bonus of the One Fee Maintenance Plan is Monthly Security Checks. Performed two times each month from October through March, and once in April, these checks keep your property secure during the off season.

See enclosed form for full details of the One Fee Maintenance Program.

Use of Contractors

SSR only pays contractors that are covered by Workman's Compensation and Liability Insurance from your rental trust account.

We have many skilled vendors that we use routinely, but if you have vendors that you prefer, provide us with a list and SSRS will contact them directly for work performed during the season.

- If preferred maintenance personnel do not respond to call by next business day, SSR will contact another qualified contractor to handle the call.
- In the event of an emergency, SSR will make every attempt to notify you of the problem.



Property Services **Housekeeping**

Our housekeeping department offers a variety of services:

- Spring Cleaning
- Arrangement of carpet, upholstery, or window cleaning
- Linen program for owners who would like to provide sheets, towels, and/or bath mats for their guests
- Complimentary items for incoming guests
- If you would like to leave a gift in the owner's closet for your guests, our staff will make sure that the gift is out when the guests arrive.
- With advance notice, our housekeeping department can also schedule to clean your property after your stay for a reasonable fee.

Each year, Southern Shores Realty requires a Cleaning Information and Training class for all cleaners and inspectors. A Sales Representative of Spartan Chemicals teaches our cleaners and inspectors the proper use of Spartan Chemicals, and an OSHA instructor presents cleaning and safety guidelines.

Each cleaner and inspector receives a certificate for completion of the training. This training, as required by OSHA, helps to make our cleaners and inspectors aware of the occupational health and safety of using cleaning materials.

Equipment Checklist, Regular Clean Standards, and Cleaning Inspection forms are included in this packet for your convenience.

To ensure that your vacation home is properly cleaned before each guest arrives, we employ our own cleaning crews and inspectors.

- Our cleaning crews and inspectors are professionally trained each season.
- To maintain a high level of cleanliness, we attempt to give our cleaning crews permanent assignments to the houses they will clean.
- Pre-inspections are performed during the mid/off seasons when your home may have been sitting vacant for more than a week.





Southern Shores RealtySM
THE OUTER BANKS EXPERT

P.O. Box 150 • 5 Ocean Blvd. • Southern Shores, NC 27949
800-334-1000 • 252-261-2000

www.southernshores.com