

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (the "Agreement") is made and entered into this _____th day of _____, 2007, by and between the The Orchard at Carneros Association, a California nonprofit mutual benefit corporation ("Association"), and PlumpJack Management Group, LLC, a California limited liability company (the "Manager").

RECITALS:

A. Pursuant to the provisions of that certain Declaration Of Covenants, Conditions And Restrictions For the Orchard at Carneros (the "Declaration") recorded _____, 2007, as Instrument No. 2007-_____ of the Official Records of Napa County, California, the Association is responsible for the maintenance, control, operation, and management of the Orchard at Carneros Project located in Napa County, California, as more particularly described in the Declaration (the "Project").

B. Association is authorized to engage a manager for the Project and to delegate such of its powers to the manager as may be required to perform the Management Services (as defined herein).

C. Association desires to retain Manager to perform and provide the Management Services and Manager is willing to provide the Management Services, all on the terms and conditions hereinafter set forth.

THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

1.1 Certain Definitions. The defined terms as used in this Agreement shall have the following meanings:

- (a) "Agreement" means this Management Agreement.
- (b) "Association" means The Orchard at Carneros Association, a California nonprofit mutual benefit corporation.
- (c) "Board" means the Board of Directors of Association.
- (d) "Starting Date" means the date on which the Original Deed conveying the first Fractional Interest in the Project is recorded in the Official Records of Napa County, California.

(e) “Declaration” means that certain Declaration of Covenants, Conditions and Restrictions for the Orchard at Carneros recorded _____, 2007, as Instrument No. 2007-_____ of Official Records of Napa County, California.

(f) “Management Fee” has the meaning set forth in Paragraph 4.1 of this Agreement.

(g) “Management Services” has the meaning set forth in Paragraph 3.1 of this Agreement.

(h) “Notice” means any notice, demand, instruction or other communication required or permitted under the terms of this Agreement.

(i) “Operating Year” means a Fiscal Year of Association during the term of this Agreement. The first Operating Year shall be the period from the Starting Date through the last day of the then current Fiscal Year of Association, and the last Operating Year hereunder shall end upon the date of the expiration, or sooner termination, of this Agreement.

(j) “Project” means the Cottages, Common Area and Common Furnishings which are subject to the Declaration.

1.2 Other Defined Terms. Unless otherwise expressly indicated herein, the balance of the terms defined in this Agreement shall have the same meaning as described thereto in the Declaration.

ARTICLE II. ENGAGEMENT OF MANAGER

2.1 Basic Agreement. Association hereby engages and hires Manager as the exclusive manager of the Project contemplated by the Declaration and Manager hereby accepts and assumes the obligation to perform the Management Services during the term hereof, upon the terms, conditions and provisions hereinafter set forth and subject to the provisions contained in the Declaration. Manager shall perform the Management Services in accordance with good practices and standards prevailing in fractional ownership projects of comparable size and character, consistent with the best interests of Association.

2.2 Term. Subject to the provisions of Paragraph 2.5, below, the initial term of this Agreement shall be for a period of five (5) years, commencing on the Starting Date.

2.3 Early Termination. This Agreement may be terminated at any time as follows:

(a) Termination by the Board. This Agreement may be terminated by the Board either:

(i) for cause, in the event Manager fails to substantially perform any of its obligations hereunder, upon the vote or written assent of a majority of the Board; provided,

that if the cause constitutes a failure to substantially perform any term, covenant or condition contained in the Agreement which is capable of being cured, then this Agreement may not be so terminated unless (a) Manager shall have failed to cure such failure within thirty (30) days following the date on which Notice of such failure is received from Association, or (b) if such failure cannot reasonably be cured within thirty (30) days, Manager shall have failed to commence such cure and thereafter diligently prosecute the same until completion. In the event Manager shall dispute a termination of this Agreement pursuant to this subparagraph, the dispute shall be submitted to arbitration, provided that Manager so demands; or

(ii) without cause, upon ninety (90) days prior Notice to Manager authorized by vote or written Consent of a Majority of Owners.

(b) Termination by Manager. Except as expressly provided in this subparagraph, Manager may terminate this Agreement, at any time, upon ninety (90) days prior Notice to Association. In the event (i) Association shall fail to keep, observe or perform any material covenant, agreement, term or provision of this Agreement to be kept, observed, or performed by Association and such failure shall continue for a period of thirty (30) days after Notice hereof by Manager; or (ii) the Project or any portion thereof shall be damaged or destroyed by fire or other casualty and Association shall fail to undertake to repair, restore, rebuild or replace any such damage or destruction within ninety (90) days after receipt of insurance proceeds therefor, if such loss was insured, or within ninety (90) days after such fire or other casualty, if such loss was not insured, then this Agreement shall terminate at Manager's option, then within five (5) days after Manager's Notice to the Association.

(c) Condemnation. If the whole of the Project shall be taken or condemned in any eminent domain, condemnation, compulsory acquisition or like proceeding by any competent authority for any public or quasi-public use or purpose, or if such a portion thereof shall be taken or condemned as to make it imprudent or unreasonable, in the reasonable opinion of the Board, to use the remaining portion as a vacation resort project of the type and class immediately preceding such taking or condemnation, then in either of such events, the term of this Agreement shall cease and terminate effective as of the date of such condemnation and thereafter, neither party shall have any further obligations hereunder. Manager shall continue to supervise and direct the management and operation of the Project until the effective date of such termination. To the extent (and only to the extent) any award for such taking or condemnation includes compensation to Manager for any loss of its income resulting from such taking or condemnation, Manager shall be entitled to the full amount of such award.

(d) Actions Upon Termination. Upon any termination or expiration of this Agreement, Manager shall promptly account for and deliver to Association all funds arising out of or in any way connected with this Agreement and all monies received by Manager subsequent to the termination of this Agreement and arising out of this Agreement. In addition, Manager shall deliver to Association, or to such other person as the Association shall designate in writing, a list of all materials, contracts, books and records and any and all other documents pertaining to the Project. Upon the termination or expiration of this Agreement, Association and Manager shall be released from further performance hereunder; provided, however, that all rights and obligations of Association and Manager accruing to such date, including without limitation any

rights to receive payments and the indemnification provisions contained herein, shall survive the termination or expiration of this Agreement.

2.4 Arbitration. In the event that Manager shall dispute a termination by Association, the dispute shall be submitted to arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. The fee payable to the American Arbitration Association to initiate the arbitration shall be remitted by Manager; the cost of arbitration, including such fee, shall ultimately be borne as determined by the arbitrator under the aforesaid rules.

2.5 Extended Term. The initial term of this Agreement, and any extension thereof shall be automatically extended, for additional and successive three-year terms upon the same terms and conditions as those set forth for the initial term of this Agreement unless Manager delivers, to the Board, not less than sixty (60) days prior to the expiration of the initial or extended term, as applicable, written Notice of its election not to extend. If no such Notice of nonrenewal is delivered, this Agreement shall be automatically extended for an additional three-year period unless (i) Manager has failed to substantially perform any of its obligations hereunder beyond any applicable cure periods, or (ii) not less than ninety (90) days prior to the expiration of the then current term, Association, with the Consent of a Majority of Non-Declarant Owners, determines not to extend the term and gives Notice of that determination to Manager.

2.6 Duties of Association. Association shall furnish Manager with copies of any and all documents connected with the Project which may assist Manager in carrying out its duties hereunder, including without limitation the Declaration, Rules and Regulations, Articles of Incorporation and Bylaws of Association, any notices received by Association, any rules and regulations promulgated by Association, and any written instruments executed by or on behalf of Association. Association shall timely provide Manager with any information which may be relevant to Manager's performance under this Agreement. Association shall fully cooperate with Manager in connection with Manager's performance hereunder.

ARTICLE III. SERVICES OF MANAGER

3.1 In General. Manager, to the exclusion of all persons, including the Association and its members, shall perform or cause to be performed the services described in Paragraphs 3.2, 3.3, 3.4, 3.5, 3.6 and 3.7 (collectively "Management Services") with respect to the Project, at all times in the manner consistent with the provisions of the Declaration, Bylaws of Association and the Rules and Regulations and subject to the terms and conditions set forth herein. Notwithstanding anything herein to the contrary, the Management Services shall be deemed to include the specific duties described in Section 4.2 of the Declaration and to the extent that any of the services described herein conflict with the provisions of Section 4.2, the provisions of Section 4.2 shall control. Except for those duties which by applicable law or a provision of the Declaration may not be delegated, Association hereby delegates all the powers and responsibility which Association has, pursuant to Section 4.2 of the Declaration, to the Manager. Subject to the provisions of Paragraph 3.8 below, Manager may contract with affiliates of Manager and/or

Declarant and delegate its authority and responsibilities to one or more sub-agents for such periods and upon such terms as Manager deems proper. All costs and expenses incurred by Manager in the performing the Management Services or causing the Management Services to be performed shall be operating expenses of the Association.

3.2 Operating Services. During the term of this Agreement, Manager shall use commercially reasonable efforts to provide the following operating services to Association with respect to the Project:

(a) Licenses and Permits. Manager shall apply for, obtain and maintain, either in its own name on behalf of Association or in Association's name, as may be required by the applicable authorities, all licenses and permits required for Association, in connection with the management and operation of the Project. The Board agrees to execute and deliver any and all applications and other documents and otherwise to cooperate to the fullest extent with Manager in applying for, obtaining and maintaining such licenses and permits. The cost of any licenses or permits shall be an operating expense of Association.

(b) Utility Services. Manager shall, on behalf of and at the expense of Association, make arrangements with (including contracting in the name of the Association) the appropriate utility companies for the provision of all utility services used or consumed in the Project, including, without limitation, water, gas, electricity, telephone, refuse collection, sewage disposal and, if available, cable television and internet services.

(c) Compliance with Laws. Manager agrees to operate the Project for Association in compliance with all applicable governmental laws, regulations, ordinances, orders and requirements (collectively, "Applicable Laws"). Manager agrees to use commercially reasonable efforts to operate the Project in accordance with the terms and conditions of the Declaration and in accordance with the requirements of any insurance carrier insuring the Project or any part thereof. The Association or Manager, with the majority consent of the Board, shall have the right to contest any Applicable Law unless failure to comply promptly therewith would or might expose either party to criminal liability or to substantial civil penalty unless the party affected thereby consents thereto.

(d) Operating Supplies; Operating Services. Manager shall, on behalf of and at the expense of Association, purchase and maintain sufficient inventories of all consumable items utilized in the operation of the Project, including, without limitation, soap, cleaning materials, stationery, stamps, linen, terry and other similar items. Manager shall also purchase equipment, tools, vehicles, appliances, goods, supplies and materials as shall be reasonably necessary to perform its duties, including the housekeeping, maintenance, upkeep, repair, replacement, refurbishing and preservation of the Cottages, the Common Areas and the Common Furnishings. Purchases may be in the name of the Association.

(e) Investigation of Accidents. Manager shall, on behalf of Association, promptly investigate all accidents, any damage or destruction to the Project (and the estimated cost of repair thereof) which are made known to Manager and make a full written report to the Board as to all material claims for damages relating to the ownership, operation and maintenance of the

Project as such claims shall become known to Manager. Manager shall prepare for approval by the Board any and all reports required to be filed by any insurance company in connection therewith. All such reports shall be filed with the Board within twenty (20) days after the occurrence of, or Manager's knowledge of, any such accident, claim, damage or destruction. Manager is not authorized to settle for Association any claim for personal injury or property damage in excess of Twenty-five Thousand Dollars (\$25,000) for any claim, without the prior written approval of the Board.

(f) Front Desk and Concierge Services. Manager shall cause on-site personnel to be available during regular business hours in order to check-in and check-out Members of Association and Permitted Users. The Association shall lease or otherwise procure front desk space in the Carneros Inn for front desk services to the Membership.

(g) Supervisory Services. Manager shall develop, implement and supervise the application of sound administrative practices, operational policies, and personnel and purchasing programs consistent with the terms and provisions of this Agreement. Manager agrees to establish, implement and supervise for Association the accounting, inventory and cost control systems necessary for the efficient operation and maintenance of the Project, subject to and consistent with the budget for the Operating Year.

3.3 Administrative Services. Not in limitation of the provisions of Paragraph 3.1, Manager shall provide the following services of an administrative nature:

(a) Association Meetings. Manager shall organize the meetings of the Board and of Association, including the preparation and delivery of notices of meetings, in accordance with the provisions of the Bylaws. Manager shall prepare the agenda for all meetings and assist in the conduct of the meetings and oversee the election of directors. Manager shall circulate minutes of any such meeting as prepared by the secretary of Association.

(b) Association Records. Manager shall keep all records of the affairs of Association, including, but not limited to, minutes of meetings, correspondence, modifications of the Bylaws and the Rules and Regulations.

(c) Rules and Regulations. Manager shall, from time to time, as necessary or desirable, recommend to Association that it amend, modify or supplement the Rules and Regulations.

(d) Roster of Owners. Manager shall annually compile a complete and accurate Roster of Owners setting forth the name of each Owner and the mailing address of such Owner. Manager shall furnish a copy of the Roster to the Owners only at the expressed direction of the Board.

(e) Exchange Services. The Manager shall have no authority, liability or responsibility with respect to the administration of any exchange programs operated by independent corporations, other than to communicate with representatives of any such exchange programs.

3.4 Personnel Services. Manager shall select, appoint and supervise a resort manager and such other personnel required for the operation, maintenance and security of the Project, and shall supervise, through the resort manager, the selection, hiring and work of such personnel. The resort manager and all personnel of the Project, in every instance, shall be employees of Manager or Declarant, or an affiliate of Manager, and not of Association, which shall have no right to supervise or direct such employees. The decision in regard to any discharge of resort manager and any personnel shall be at the sole discretion of Manager. The salaries and all additional costs of employment of such personnel shall be reimbursed to Manager and shall be an operating expense of Association, provided, however, that in the event Manager shall determine that the obligations of Manager hereunder can be carried out by personnel serving other associations, Manager may employ such personnel to additionally serve Association. In any such event, Manager shall allocate the salaries and additional costs of employment of such personnel equitably among Associations receiving the services of the personnel. Manager and all employees of Manager who handle or are responsible for handling of Association's monies hereunder shall be covered as employees or agents under a blanket fidelity bond in favor of Association and Manager in an amount acceptable to the California Department of Real Estate. The premiums for such bond shall be paid by Association.

3.5 Financial Services. Not in limitation of the provisions of Paragraph 3.1 above and subject to the supervision of Association, Manager shall provide the following services of a financial nature subject to the provisions of the Budget, at the expense of Association:

(a) Budgets. Manager shall, not less than seventy-five (75) days prior to the end of the first Fiscal Year and each succeeding Fiscal Year thereafter, prepare and submit to the Board for approval, a budget meeting the requirements of the Declaration. Each budget approved by the Board is called the "Budget." Association shall promptly review and provide written approval or disapproval (together with the basis of such disapproval) to Manager following Manager's submission of each budget. Manager shall use commercially reasonable efforts to distribute or cause to be distributed a copy of the Budget to all Owners not more than sixty (60) nor less than forty-five (45) days before the beginning of each Fiscal Year, which Budget must include the following:

- (i) The estimated revenue and expenses on an accrual basis;
- (ii) The identification of the total current cash reserves;
- (iii) The identification of the estimated remaining life and the method of funding each reserve component; and
- (iv) A general statement addressing the procedures used for calculating and establishing the reserves.

(b) Special Assessments. Manager shall determine whether or not a Special Assessment may be required from time to time and, promptly upon making a determination that a Special Assessment is required, shall submit a recommendation to the Board that a Special Assessment be levied.

(c) Collection of Assessments. To the extent that Assessments against Owners are not collected from Owners, or otherwise by Declarant as impounds pursuant to promissory notes payable by Owners to Declarant, or its successor(s)-in-interest, Manager shall collect the Assessments on behalf of Association and enforce payment of Assessments by causing to be prepared and mailed to any delinquent Owner a notice of delinquency and by using commercially reasonable efforts to lawfully collect delinquent Assessments as provided in the Declaration.

(d) Bank Accounts. Manager shall establish and maintain the bank accounts provided for in the Declaration and shall deposit or invest funds collected from Owners and all other amounts collected by Manager in connection with the performance of its duties hereunder in the accounts designated for such purpose as set forth in the Declaration.

(e) Disbursements. Manager shall disburse from the bank accounts of Association any and all amounts required for the payment of all Association expenses incurred consistent with the applicable Budget and as otherwise permitted by the Declaration. All Reserve Account disbursements shall be signed by two members of the Board, or by an officer of Association and a member of the Board.

(f) Financial Statements. Manager shall, within 120 days after the end of each Fiscal Year, prepare and distribute Annual Reports to each Owner in accordance with the Declaration.

(g) Books and Records. Manager shall keep and maintain or cause to be kept and maintained full and adequate books and records reflecting the results of operation of the Project in accordance with prevailing accounting standards. The books of accounts and other records relating to the operation of the Project shall be available to Association and the Members at all reasonable times for examination, inspection and transcription. The Manager shall charge a reasonable fee for any transcription or reproduction of the records of Association.

(h) Statements of Status. Manager shall prepare the Statements of Status and shall distribute copies of such Project documents as may be required to be delivered to an Owner as provided for in the Declaration.

3.6 Physical Services. Not in limitation of the provisions of Paragraph 3.1 above, Manager shall provide the following services of a physical nature:

(a) Initial Inspection of Cottages. Manager shall, upon Declarant's written request, make an initial inspection of each Cottage for the purpose of comparing the Common Furnishings located therein to the Common Furnishings Inventory attached hereto as Exhibit 1 and made a part hereof. Upon determining that all Common Furnishings specified in the Common Furnishings Inventory are in place, Manager shall execute a certification in the form of the Certification of Furnished Cottage attached hereto as Exhibit 2 and made a part hereof, and deliver the same to Declarant for delivery to the Secretary of Association.

(b) Inspections. Manager shall make regular inspections of the Project and render reports and make recommendations concerning the Project to the Board. A general check shall

be made of the physical condition of the Cottage and any damage thereto (other than normal wear and tear) shall be noted. In the event any item is missing or damage to the Cottages has occurred (other than normal wear and tear), Manager shall, at the expense of Association, replace the missing item(s) and/or cause the damage to be repaired and shall bill the Owner for the missing item(s) and/or the damage if, in the judgment of Manager, it is reasonable to do so. Manager shall also have the right to enter into the Cottages as set forth in the Declaration.

(c) Association Insurance. Manager shall at the sole cost and expense of Association, procure and keep in force all insurance and/or bonds required by the provisions of the Declaration. Manager shall administer all such insurance and claims under such insurance policies. Such insurance, which may be combined with that for other associations or in one or more master policies obtained by Manager, shall include, but shall not be limited to:

(i) A policy of insurance showing Association as the named insured, and Manager as an additional insured, evidencing that Association is insured under the Worker's Compensation Law of the State of California in accordance with the provisions of the applicable statutes; and

(ii) A policy or policies of insurance showing Association as the named insured, and covering Manager and its employees as employees or agents of Association, evidencing that Association is insured against loss against embezzlement, misappropriation and misapplication of funds by the employees retained by Manager.

All such policies shall provide that the same shall not be canceled except upon thirty (30) days prior written notice to both Association and Manager.

(d) Repair and Maintenance of Cottages, Common Area and Common Furnishings. Manager shall cause the Project to be repaired, maintained, repainted, furnished and refurnished in accordance with the provisions of the Declaration and in the manner consistent with the reserves established for such purpose. Subject to the provisions of Paragraph 3.8, below, Manager, as the Association's agent authorized to incur obligations and make expenditures on behalf of the Association, shall, except in the circumstances of an emergency nature, request the advance approval of the Board for any unbudgeted single expense in excess of \$5,000.

(e) Maid Service and Cleaning. Subject to any limitations on the provision of housekeeping, maid and cleaning services by the Association set forth in the Declaration, Manager shall cause maid service to be provided to the Cottages and shall cause them to be thoroughly cleaned during all Service Periods in the manner provided for in the Declaration and in the Rules and Regulations.

(f) Reservations. Manager shall establish and operate a reservation system implementing the reservation procedure set forth in the Rules and Regulations. The reservation system shall include the books and records required to reflect the reservations made, Use Periods actually used, and such other information as shall be necessary to efficiently coordinate the Project operations.

3.7 Other Acts. Manager shall, at Association's expense, perform all such other and further acts and things to be done in and about the Project as Manager may, in its sole and absolute discretion, deem appropriate or necessary to the efficient operation thereof, except for the obligations of Association set forth in Article IV and subject to the limitations upon the powers of Manager as set forth in Paragraph 3.8.

3.8 Limitations on Powers of Manager. Except for contracts which have been reviewed and approved by the California Department of Real Estate, and notwithstanding the powers of Manager as set forth in Paragraph 3.1 through 3.7, the Manager shall not enter into a contract with a third person or entity whereby such person or entity will furnish goods or services to the Project for a term longer than one year unless authorized by a Consent of a Majority of Non-Declarant Owners, except for:

(a) A contract with a public utility company if rates charged for the materials or services are regulated by the California Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(b) Prepaid casualty and/or liability insurance policies not to exceed three (3) year's duration; provided, however, that the policy permits short rate cancellation by the insured; and

(c) The following types of contracts provided that the lessor or provider is not an entity in which the Declarant or the Manager has a direct or indirect interest of ten percent (10%) or more:

(i) A lease of Common Furnishings;

(ii) Agreements for cable television services and equipment or satellite television services and equipment;

(iii) Agreements for burglar alarm services and equipment; and

(iv) Fidelity insurance for the Manager.

(d) Contracts providing for the implementation of an Exchange Program at the Project.

3.9 Limited Liability. Manager shall not be responsible for the acts, omissions to act or conduct of any of the Owners, Permitted Users or Exchange Users, or for the breach of any of the obligations of any of the Owners, Permitted Users or Exchange Users.

3.10 Miscellaneous. Manager is further authorized to do all things reasonably deemed necessary or desirable for the proper maintenance and operation of the Project.

ARTICLE IV.
OBLIGATIONS AND COVENANTS OF ASSOCIATION

4.1 Management Fee. As compensation for the services to be rendered by Manager hereunder, and in addition to the reimbursement to Manager or payment by Association for expenses as herein provided, Association shall pay Manager for each Operating Year, at its principal office (or at such other place, if any, as Manager may from time to time designate by written Notice to the Board) a monthly management fee equal to one-twelfth (1/12) of eight percent (8%) of Basic Expenses in the Budget that corresponds to the Operating Year, excluding therefrom Manager's compensation (the "Management Fee"). In addition, the Manager shall be entitled to all rebilling fees collected in connection with delinquent sums due and payable by Owners to the Association; but all late fees and lien fees shall inure to the benefit of the Association. The Management Fees shall be included as a Basic Expense in each approved Budget. The Management Fee shall be payable in monthly installments on or before the tenth (10th) day of each month for the preceding month. Manager is hereby authorized to pay itself its Management Fee out of the general/operating account of Association. All unpaid portions of the Management Fee shall bear interest at the maximum rate permitted by law from the date such Management Fee becomes due until fully paid.

4.2 Cooperation with Manager. The Board shall furnish Manager with copies of all documents and Notices which may assist or be necessary to Manager in carrying out its duties hereunder, and shall furnish Manager with sufficient instructions and funds to enable Manager to perform all of the acts required of Manager under the provisions of this Agreement.

4.3 Roster of Owners. On or prior to the execution of this Agreement, Association shall provide to Manager, a true, complete and current list of the owners (the "Roster") for Manager's use. The Roster shall identify each Owner. Association shall at its discretion, notify the Manager in writing of the name(s) of any Owner(s) not in good standing. Association will provide, or cause to be provided, to each Owner an appropriate identification number specifying that the registered holder of the identification number is the Owner of one or more Fractional Interests.

4.4 Insurance. In addition to the requirements set forth in Paragraph 3.6(c), the Association agrees to obtain and maintain, or at the written request of the Board with respect to any and all of such policies, Manager will obtain and maintain on behalf and at the expense of Association, the insurance policies with liability limits as specified in the Declaration. During the term of this Agreement, Association shall maintain business interruption insurance and Manager shall be named as an additional insured on such business interruption insurance policy or policies to the extent of Manager's interest in fees to be paid by Association to Manager pursuant to this Agreement. Association and Manager shall be party-insureds as their interests may appear and as may be permissible under applicable law, under all policies provided hereunder. Declarant shall be an additional insured under all policies provided hereunder.

4.5 Indemnification. Manager shall not be liable to Association or to the Owners or any other person for any loss or damage not caused by the Manager's own gross negligence or willful misconduct, and Association will and does hereby indemnify and save harmless Manager and

Declarant, from any such liability for damages, costs and expenses (including attorneys fees) arising from injury to any person or property in, about and used in connection with the Project from any cause whatsoever, and from the theft or disappearance of the personal property of Association or the Owners or any other person, and from any other injury or loss claimed by any person in connection with the operation of the Project, unless such injury or loss shall be caused by Manager's own gross negligence or willful misconduct. Neither Association nor the Owners, moreover, shall have any claim of any nature against Manager relating to any labor relations matters. Notwithstanding any other provisions of this Agreement, neither Association nor the Owners shall make any claim against Manager, or any affiliate of Manager, on account of any alleged errors in judgment where such judgment is exercised in good faith in connection with the operation of the Project by Manager or the performance of any services provided by or arranged through Manager. The provisions of this Paragraph 4.5 shall survive the expiration or earlier termination of this Agreement.

4.6 Employees. The salary and other related expenses (including, without limitation, payroll taxes and the cost of employee benefits) or other compensations for any Association employee shall be an expense of Association though paid by Manager, and Manager shall be entitled to reimburse itself from funds of Association on a monthly basis for such expenditure, which reimbursement shall be in addition to and separate from the compensation paid to Manager pursuant to Paragraph 4.1, above.

4.7 Advances and Reimbursements. Manager shall not be required to perform any act or duty hereunder involving an expenditure of money unless there shall be sufficient funds therefor in the bank accounts of Association; if at any time the funds in the bank accounts of Association are not sufficient to pay the charges incident to this Agreement, Manager, although not obligated to do so, may advance such sums as it deems necessary, and in such event, Manager shall be entitled to reimburse itself from Association funds for the amount of such advances, together with interest at the rate of ten percent (10%) per annum commencing from and after twenty (20) days from the date of the advance by Manager. In the event no Association funds are available from which to reimburse Manager, Association shall immediately levy a special assessment against its members or borrow the funds, and promptly reimburse Manager for any amounts advanced, plus interest as herein provided.

4.8 Discounts. All discounts, rebates or commissions, or like items which pertain to purchases of goods or services by Manager on behalf of Association shall inure to the benefit of Association.

4.9 Single Contracts. Manager may enter into single contracts for operation and maintenance services covering the Project and other projects managed by the Manager, provided that (a) the amount payable by Association pursuant thereto shall not exceed by more than five percent (5%) the amount for such items set forth in the Budget for such Fiscal Year, and (b) such contracts provide that the persons or entities with whom such contracts are made shall have no claim against Association for any amount whatsoever in excess of the amount for such service as is set forth in the contract.

ARTICLE V.
GENERAL PROVISIONS

5.1 Assignment. Manager shall not assign this Agreement to any unaffiliated party without the prior written consent of the Board. It is understood and agreed that any consent granted by the Board to any such assignment shall not be deemed a waiver of the covenant herein contained against assignment in any subsequent case.

5.2 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute a single document.

5.3 Entire Agreement. This Agreement contains all of the covenants and agreements of the parties hereto with respect to the matters contained herein. No prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

5.4 Governing Law. This Agreement is made and shall be construed and interpreted in accordance with the laws of the State of California. Venue shall be Napa County, California.

5.5 Headings. The article and section headings contained herein are for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties and without regard to, or aid of, Section 1654 of the California Civil Code.

5.6 Notices. Any Notice shall, unless otherwise specified, be in writing, sent by telegram or telex or by certified or registered first-class mail, postage prepaid, return receipt requested to the following addresses:

If to Association: The Orchard at Carneros Association
 4048 Sonoma Highway
 Napa, California, 94559
 Attention: President

If to the Manager: PlumpJack Management Group, LLC
 3138 Fillmore Street
 San Francisco, CA 94123
 Attention: Rick Riess

Notice shall be deemed sufficiently given either when delivered personally at the appropriate addresses set forth above (in which event, the Notice shall be deemed effective only upon such delivery) or forty-eight (48) hours after deposit of same in any United States or Canadian Post Office box other than in the state to which the Notice is addressed, or 72 hours after deposit of same in any such post office box other than in the state to which the Notice is addressed, postage prepaid, addressed as set forth above. Either party to this Agreement may change its address by giving the other party Notice of its new address as herein provided.

5.7 Partnership or Joint Venture. Nothing contained in this Agreement shall constitute or be construed to be or create a partnership or joint venture between Association and Manager.

5.8 Severability. The provisions of this Agreement shall be deemed independent and severable, and the invalidity, partial invalidity or unenforceability of any provision shall not invalidate any other provisions.

5.9 Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

5.10 Waiver. No waiver of any breach of any of the provisions of this Agreement shall constitute a waiver of any succeeding or preceding breach of the same, or of any other, provision contained herein.

5.11 Merger. All understandings and agreements heretofore had between the parties respecting the employment contemplated by this Agreement are merged by this Agreement which fully and completely expresses the agreement of the parties. There are no agreements except as specifically set forth in this Agreement or to be set forth in the instruments of other documents delivered or to be delivered hereunder.

5.12 Amendments. No change in or addition to, or waiver or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of each of the parties hereto.

5.13 Warranties. Association represents and warrants that it is a validly organized corporation with full power and authority to enter into this Agreement and to carry out the transactions herein contemplated, and that the undersigned officers of Association have all necessary authority to execute this Agreement. Manager represents and warrants that it is a validly organized corporation with full power and authority to enter into this Agreement and to carry out the transactions contemplated herein. Manager further represents and warrants that it is duly qualified to do business and in good standing in the State of California. The undersigned officers of Manager have all necessary authority to execute this Agreement on behalf of Manager.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the date first written above.

“ASSOCIATION”

THE ORCHARD AT CARNEROS ASSOCIATION,
a California nonprofit mutual benefit corporation

By: _____
Its: President

“MANAGER”

PLUMPJACK MANAGEMENT GROUP, LLC.,
a California limited liability company

By: _____
Its: Managing Member

Exhibit 1
Common Furnishings Inventory
(The Orchard at Carneros)

KITCHEN and DINING ROOM

Utensils/Tools

hand grater	1
strainer (hand held)	1
measuring cups	1
measuring spoons	1
knife block w/scissors	1
cutting board (wooden & plastic)	2
utensil holder	1
tongs, 3 wood. spoons, 2 spatulas, 1 slot. spoon, rubber spoon, whisker	
pizza slicer	1
ice cream scoop	1
garlic press	1
can opener	1
peeler	1
cheese slicer	1
oven mits (square & glove)	2

Serving

bread basket	1
paper napkins/holder	1
sugar bowl w/sugar packets	1
creamer	1
coffee cups	8
plastic pitcher w/lid	1
glass pitcher	1
acrylic cups	8
juice glasses	8
water glasses	8
bowls	8
salad plates	8
dinner plates	8
serving platter	1
salad serving bowl w/serving fork & spoon	1
soup spoons	8
stainless steak knives	8
dinner knives	8
regular spoons	8
salad forks	8
dinner forks	8

serving pieces	4
cheese dome/server/board	1
wooden serving tray (large)	1
wine sealers	2
wine opener	1
coasters sets	2
ice bucket/tongs	1
decanter	1
champagne flutes	8
red wine glasses	8
white wine glasses	8
silver wine cooler/flower vase	1

Bakeware/Cookware, Etc.

cookie sheet	2
cooling rack	1
pizza pan	1
mixing bowls - plastic	1
clear glass nesting bowls	1
glass casserole pan	1
saute pans (2)	2
pots w/lids (3)	3
salad spinner	1
disposable tupperware	1
tea kettle	1
spice rack	1
salt and pepper shaker/grinde	1

Linens

dish towels	6
placemats/napkins (wipeable)	8
placemats/napkins (linen)	8
napkin rings	8

Appliances

toaster	1
blender	1
coffee bean grinder	1
coffee filters	1
coffee maker	1

Cleaning/Consumables/Miscellaneous

liquid soap dispenser	1
sponge holder	1
paper towel holder	1
broom and dust pan set/or dustbuster (to be stored under sink)	1
black plastic trash can	1

bottle brush	1
dish drying rack (<i>compact or collapsible</i>)	1
cordless phone/phone book	1
flashlight	1
first aid kit	1

Furnitures, Fixtures and Equipment

dining table 48" x 32" w/mable top	1
dining table 48" x 32" w/mable top	1
large mirror 46" x 54"	1
Shaun dining chair # 1542T	1
dining pendant	1

LIVING ROOM

Marcel coffee table, 54" x 24"	1
window seat cushions 114"w	1
fab #1 seat - stance 461380, 003	1
G10 lounge chair	2
Living room drapes	4
window seat pillows 20" x 20"	12
floor lamp	1
Pablo Elise lamp	1
Solure 6175-6119 10' x9'	1
lighter	1
ashtrays/matches	2
fireplace tools	1

MASTER BEDROOM & MASTER BATHROOM

Eames long chr- bedroom, ivory/wal	1
MBR/Bath drapes	2
bench w/cushion top	1
piper floor lamp, pol nickel	1
fabricate headboard drape	1
bedskirt	1
dresser w/drawers	1
King Headboard 73"w x 90"h	1
fabricate headboard drape	1
artwork #2	2
bedside light	2
MF 904 fans, galvanized	1
bedside rug 60" x 36"	1
extra blanket	1
robes	2
slippers	2
2 king pillows/2 standard pillows	4

hangers (10-shirt/10-pant/4-padded)	24
luggage racks	2
umbrella	2
plunger	1
trash cans	2
blow dryer	1
glasses	2
tissue holder	1
soap dishes	1
q-tip/cottonball holder	1
clock w/ipod player	1
laundry basket	1
ironing board/iron	1
vanities 68"l x 22"d x 36"h	1
Chrome folding mirror	1
vanity wall sconce	2

GUEST BEDROOM & BATHROOM

fabricate headboard drape	1
bedskirt	1
dresser w/drawers	1
King Headboard 73"w x 90"h	1
fabricate headboard drape	1
artwork #2	2
bedside light	1
MF 904 fans, galvanized	1
bedside rug 60" x 36"	1
Panama side table 18.5" x 18.5"	2
fabric- padded bolster -ultra suede	1
Le Corbusier Basculant armchair	1
Guest room drapes- cottage	2
table lamp	1
extra blanket	1
robes	2
slippers	2
2 king pillows/2 standard pillows	4
hangers (10-shirt/10-pant/4-padded)	24
luggage racks	2
umbrella	2
trash cans	2
blow dryer	1
glasses	2
tissue holder	1
soap dishes	1
q-tip/cottonball holder	1
clock w/ipod player	1
laundry basket	1

vanities 68"l x 22"d x 36"h	1
Chrome folding mirror	1
vanity wall sconce	2

LAUNDRY CLOSET

step stool	1
fire extinguisher	1
stacking washer/dryer	1

OUTDOOR LIVING ROOM

Devon round table 48" dia	1
Barcelona cock tbl 29.5"x29.5"	1
Panama dining table 39.25"x39.25"	1
Tissage arm chair TH-W13A	4
fireplace screen- Rivet	1
outdoor floor lamp	1
Outdoor pendant	1
Barcelona 2-S sofa w/cushion	1
Saranac end table 22" x 22"	1
Classic Chaise CL-70	2
market umbrella and base	1
cocoa mat	2
fab- jake stripe, color seagrass cushions	2

OUTDOOR PAVILLION and COVERED BED

Barcelona 2-S sofa w/cushion	1
Panama dining side chair w/cush	1
Barcelona 2-S sofa w/cushion	1
Panama dining side chair w/cush	1
bed cushion	1
drapery- covered bed	1
covered bed pillows 20" x 20"	8

FRONT PORCH

wood rocker, white	1
Quadrasyl wall lamp	1

MISCELLANEOUS PROPS

Smart Candles	1
---------------	---

PlumpJack Book	1
Pillows on white bed	8
Throw	3
Back in time clock	1
Capiz 16" mosaic bowl	1
Pillows	6
Green Glass Vases	2
Chess Game	1
Books	6
Bradford Hurricane	1
Wood vases	2
Diva candleholder	1
Wine Rack	1
Shesham Candlesticks at Fireplace	1
Sofa pillows	6
Stainless steel fruit bowl	1
Cheese Plate	1
Ivory candles and plates	2
Starck clock	1
TV'S	2
Photographs	4
Casamidy Hurricanes	1
Outdoor door mat	3
Indoor door mat	4
Mailbox	1

OWNERS LOUNGE

Sofas	2
Lounge Chairs	4
Side Tables	2
Coffee Table	1
Window Banquette	1
Curtains	
Area Rug	1
Outdoor Chairs	6
Outdoor Sofa	1
Outdoor Dining Tables	2
Desks	2
Office Chairs	6
Owner/guest phones	2
Kleenex holder	2
Soap dispenser	1
Trash can	1
Paper Towel Dispenser/Hiolder	3
Extras of Cottage Inventory i.e., dishes, glasses, vacuum/dustbuster	
Wine Cooler	1

Caraffe	4
Wine Glasses	36
Glasses	36
Dishes	36
Silverware	36
Placemats/Cloth Napkins	12
Serving Trays	3
Baskets	3
Cutting Board	2
Knife Set	1
Framed Photos	5
Compendium	1
Games (basket for storage)	6
Bookshelves/Books	
Umbrella Holder	1
Magazine Rack/Holder	2
Fireplace Tools and Lighter (Outdoor Fireplace)	1
Extra Laptop	1
Coat Rack	1

Exhibit 2
Certification of Furnished Cottage
(The Orchard at Carneros)

The undersigned, as the Manager employed by the The Orchard at Carneros Association, pursuant to that certain Management Agreement dated _____, 2007 and that certain Declaration of Covenants, Conditions for The Orchard at Carneros recorded on _____, 2007, as Instrument No. 2007- _____ in the Office of the County Recorder of Napa County, hereby certifies as follows:

1. All Common Furnishings set forth in that Common Furnishings Inventory attached as Exhibit 1 to the Management Agreement described above, as filed with the California Department of Real Estate, are in place within Cottage No. _____, or have been purchased and are in storage awaiting delivery to the Association.

2. The Common Furnishings in place within the above-described Cottage have remaining useful lives equivalent to that of new furnishings and are of a quality substantially equivalent to those Common Furnishings located within the model Cottage shown to prospective purchasers of Fractional Interests.

Executed this ____ day of _____, 200__, by Manager.

PlumpJack Management Group, LLC.,
a California limited liability company

By: _____

Its: _____