

**Metolian**  
**Cabin Rental Management Agreement**

This Unit Rental Management Agreement (“**Agreement**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 200\_, by and between Metolian Lodge, Inc. (“**Manager**”) whose address is \_\_\_\_\_ and \_\_\_\_\_ (“**Owner**”) who is the owner of the Cabin described as follows:

**Property Name:** Cabin at Metolian

**Unit Number:** \_\_\_\_\_

**Name(s) of Unit Owner(s):** \_\_\_\_\_  
\_\_\_\_\_

**Home Address:** \_\_\_\_\_

**Home Phone:** (\_\_\_\_) \_\_\_\_\_

**Work Phone:** (\_\_\_\_) \_\_\_\_\_

**Cell Phone:** (\_\_\_\_) \_\_\_\_\_

**E-mail Address:** \_\_\_\_\_

**Social Security or Taxpayer ID#:** \_\_\_\_\_

(If multiple Owners, please attach to this Agreement a list of the names and complete mailing and e-mail addresses of all Owners. Also, indicate the manner in which the multiple ownership is held (e.g., partnership; tenancy in common, etc). Identify on this page the applicable information for a primary contact that is authorized to act on behalf of all Owners and remit and/or receive payments on behalf of all Owners.)

**RECITALS**

- A. Owner is the fee simple owner of the above referenced Cabin at Metolian, located in Jefferson County, Oregon (the “**Unit**”).
- B. Manager is a company specializing in, among other things, the management, rental and general operation of resort properties.
- C. Owner wishes to engage the services of Manager to act as the sole and exclusive rental agent to offer the Unit for rent under the terms and conditions set forth below.
- D. Manager desires to be so engaged and use the Unit as a vacation rental accommodation and will rent it to guests (“**Rental Guests**”) who will occupy the Unit as part of the overall rental program (“**Rental Program**”) operated by Manager for Metolian (“**Property**”).

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

## AGREEMENT

**Definitions.** As used in this Agreement, the following terms shall have those meanings set forth below:

Declaration shall mean the Declaration of Protective Covenants, Conditions, Restrictions and Easements of the Metolian Cabin Neighborhood.

Gross Rent shall mean the rental amount charged to Rental Guests for use of a Unit in the Rental Program.

“Gross Rental Revenue” shall mean any income received by Manager in connection with or attributable to the rental and occupancy of the Unit by Rental Guests (except for monies received for any sales, bed, resort and related taxes applicable to the Unit and remitted by Manager to the taxing authorities), expressly excluding specific services including, but not limited to telephone calls, housekeeping, valet parking, pay order movies, ski tickets, golf green fees, food and beverage, and other services which Manager may provide in addition to the rental of the Unit.

Owner’s Guest(s) shall mean guests of Owner.

“Owner’s Immediate Family” shall include Owner (if an individual), his or her spouse or partner, and any children of Owner or his or her spouse or partner.

Owner Occupancy Periods – Periods of time wherein Owner, Owner’s Immediate Family or Owner’s Guest(s) occupy the Unit.

Rental Guest(s) shall mean guests who occupy the a unit as part of the overall Rental Program.

Additional capitalized terms contained herein shall have those meanings set forth in the Agreement.

1. **Term.** Owner agrees to make available for rental, and Manager agrees to offer for rental, the Unit subject to the terms and conditions set forth herein, for a twenty-four (24) month term to begin on \_\_\_\_\_, 200\_, and to terminate at midnight on \_\_\_\_\_, 200\_ (“**Term**”). This Agreement shall automatically renew for additional and successive twenty-four (24) month terms (“**Renewal Term**”) unless either party provides the other with written notice of its intent not to renew at least ninety (90) days prior to the expiration of the Term or any Renewal Term.
2. **Authority to Rent.** Owner hereby grants to Manager the sole and exclusive authority to rent and market the Unit. Owner agrees that all remuneration from the rental of the Unit will be collected through Manager subject to Manager’s Compensation as specified in **Section 12** hereof.

Subject to Owner’s, Owner’s Immediate Family, and Owner’s Guest’s use of the Unit pursuant to **Section 5** herein, Manager shall have absolute discretion to determine whether to allow a Rental Guest’s occupancy of the Unit. Owner shall not lease or arrange for any occupancy of the Unit other than by referral of prospective Rental Guests to Manager. In addition, Owner agrees not to accept any remuneration from any party other than Manager for rental of the Unit and agrees to refer to Manager all rental inquiries during the Term or any Renewal Term of the Agreement. Owner’s failure to comply with these provisions may result, in Manager’s sole discretion, in termination of this Agreement in accordance with **Section 14** hereof. Furthermore, Owner has two options when referring a Rental Guest to Manager as outlined on **Schedule A** attached to this Agreement.

### 3. **Reservations and Allocation of Rental Nights.**

**A. Reservations by Rental Guests.** Manager agrees to maintain a reservation system (“**Reservations**”) through which all reservations for the Unit will be processed. Owner authorizes Manager to accept reservations for occupancy of the Unit for any length of time permitted under applicable law, and at any time, up to, but not beyond, thirty-six (36) months in advance, except for any excluded dates that may be submitted in writing from time to time by Owner. Both Owner

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

- B. Allocation of Rental Nights.** A rotational system will be utilized to ensure a fair and reasonable allocation over time of Rental Nights in each unit in the Rental Program. However, priority will be given to accommodating Rental Guest requests for different views, bed types and unit types. For purposes of the allocation of Rental Nights, Owner Occupancy Periods (**Section 5**) will be treated as if the Unit was occupied by a Rental Guest.
- C. Daily Cleaning.** Owner agrees that after each Owner Occupancy Period, daily cleaning shall be provided by Manager in the Unit and a standard fee shall be charged against the Owner's Operating Account for such cleaning(s) (**see Schedule C**).

**4. Owner's Operating Account, Accounting, Expenses.**

- A. Owner's Operating Account.** Owner agrees that the initial \$2,500 of the Unit's Adjusted Gross Rental Revenue allocable to Owner will be retained for a working capital fund (the "**Owner's Operating Account**"). No interest will be paid to Owner on the Owner's Operating Account. This fund will be used for routine maintenance/repairs, emergency repairs, Owner charges and major repairs to the Unit.
- B. Accounting.** Manager agrees to maintain records and to provide to Owner a quarterly statement of the Owner's Operating Account. The statement shall detail all remuneration from Rental Guests for the rental of the Unit and all charges against the Owner's Operating Account as permitted and described in this Agreement. Manager shall send, if applicable with each statement, a check payable to Owner, representing the amount allocable to Owner less expenses and required contributions to the FF&E Reserve, pursuant to the terms of this Agreement, which exceeds the charges against the Owner's Operating Account as provided for in this Agreement. The statement and payment will be sent via regular mail by the twenty-fifth (25th) day of the month following the end of the accounting quarter. Owner shall be responsible for all charges against its account and authorizes Manager to set off all charges against any sums which are, or are to be, properly credited to the Owner's Operating Account. Owner agrees to pay all charges within thirty (30) days following receipt of a statement to the extent that charges against the Owner's Operating Account exceed sums credited thereto or amounts contained in the Owner's Operating Account. Owner further agrees to replenish the Owner's Operating Account in the event the amount in the account has fallen below \$2,500 minimum working capital reserve. Non-payment of any amount due from Owner within thirty (30) days will be deemed delinquent and interest will accrue at the rate of one and a half (1½%) percent per month commencing on the thirtieth (30th) day of such non-payment. Manager reserves the right to place a lien on the Unit in the event a balance due from Owner accrues for more than ninety (90) days. Owner shall provide a credit card to be charge against to cover expenses not covered by the Owner's Operating Account and shortfalls in the minimum working capital reserve.
- C. Expenses.** Manager shall not be obligated to advance any funds on behalf of Owner or to pay any charges to the Owner's Operating Account except out of the Owner's Operating Account or the FF&E Reserve.

**5. Owner, Owner's Immediate Family and Owner's Guest Occupancy.**

- A. Owner Occupancy.** Subject to the terms of the deed restriction, owner must make the unit available for rent at least 38 weeks per year. Owner may reserve the Unit for Owner's, Owner's Immediate Family, or Owner's Guests personal use during the Term or any Renewal Term of this Agreement provided that: (a) Owner makes an advanced reservation by completing and submitting to Manager an Owner Usage Calendar (the "**Owner Usage Calendar**"), an example of which is attached to this Agreement as Schedule B, within thirty (30) days of execution of this Agreement and, thereafter, no later than May 1st of each year showing all reservation dates for the twelve (12) month period beginning the next November 1st through October 31st of the following year; and (b) Owner complies with any reasonable reservation policies and procedures that Manager may adopt. Occupancy by Owner, Owner's Immediate Family, or Owner's Guests shall be limited to the maximum occupancy period set for in the Declaration, and Manager shall not be

obligated to honor requests for occupancy exceeding the maximum occupancy period. If Owner fails to deliver the Owner Usage Calendar to Manager as required above, Manager may assume that the Unit is available for occupancy for all dates during that subsequent twelve (12) month period. The Owner Usage Calendar shall include all dates when the Unit will be occupied by Owner, Owner's Guests or Owner's Immediate Family. Any request by Owner is subject to Unit availability and previous reservations by Rental Guests.

- B. Unit Availability.** Manager must maintain at a minimum 50% of the Units within the Rental Program ("Rental Inventory") available for Rental Guests during peak demand times. Owner reservations for these peak demand times including Presidents Day Weekend, Memorial Day Weekend, Fourth of July Weekend, Christmas and New Years (defined annually) will be taken on a first come, first serve basis. Should ownership demand be great for these peak demand times, Manager has the right to create a rotational schedule that allows owners a fair and reasonable opportunity over time to utilize their respective units during these demand times.
  - C. Unscheduled Owner Occupancy.** Notwithstanding the reservation requirements in **Section 5(A)**, if Owner desires to use the Unit for personal use on a date other than as set forth on the Owner Usage Calendar, Owner shall notify Manager of the desire to use the Unit. If Manager has not received a Rental Guest reservation for the Unit on the dates requested by Owner, Manager shall make every reasonable effort to accommodate such a request from Owner. If Manager has received a reservation from a Rental Guest, Manager may deny such Owner request and Owner shall have no right to have personal use of the Unit during that period. Manager is under no obligation to inform Owner of any changes in availability based on cancellations, no-shows, change in dates, reduced blocks for group reservations, or any other similar circumstances.
  - D. Owner Services.** Owner, Owner's Immediate Family and Owner's Guests shall have priority check in through the lodge concierge. Owner, Owner's Immediate Family and Owner's Guests will be pre-registered and credit cards will only be taken when Owner, in the course of making the reservation, states that resort charges are the responsibility of the occupant. In order to protect the Owner, Manager requires Owner to personally request all Owner's Occupancy Periods in writing, via email or telephone call to Reservations, subject to terms of Owner occupancy described above in herein. Owner shall be solely responsible for all costs associated with Owner's, Owner's Immediate Family and Owner's Guest's occupancy of the Unit, including but not limited to all required and requested housekeeping services and any and all goods or services charged to the occupant's room account, and any applicable Daily Reservation Fees or Daily Service Fees (see **Schedule C**), should charging information not be specified during the reservation process. Owner recognizes and understands that personal use will reduce the availability of the Unit and negatively affect potential rental revenues. This is especially true during high demand periods, holidays and during special events throughout the year.
  - E. Amendments.** Manager reserves the sole right to amend **Schedule C** at any time during the Term or any Renewal Term of this Agreement.
  - F. Owner Access.** Owner shall not enter the Unit, nor permit any person, whether family member, repairman, or Owner's Guest, to do so, without prior notification to, approval of, coordination, and/or checking in through the lodge concierge or with Manager.
  - G. Owner Closet.** Owner may maintain a locked closet ("**Owner's Closet**") in the Unit for the storage of personal property or possessions. Owner understands that no personal articles or possessions of any nature may be left within the Unit except in the Owner's Closet. Manager assumes no liability for any items stored or maintained by Owner in any locked closet. For safety and security reasons, Owner is asked to provide an Owner's Closet key to Manager.
  - H. Use of Resort Amenities.** As a member of the Metolian Resort, Owner, and Owner's Immediate Family, shall have the right to use the amenities, athletic facilities and other resort amenities at all times including those periods when Owner or Owner's Family are not in residence at the Unit, along with the right to all other privileges provided to members.
- 6. Utilities, Property Taxes and Homeowner Association Dues.** Owner shall be responsible for direct payment to all entities providing utility services to the Unit, including, without limitation, all

companies providing, electric, gas, cable, telephone and water service if not provided through and assessed by Manager or the Unit's Homeowners' Association (the "HOA"). Owner shall also be responsible for direct payment of any and all property ad valorem and non-ad valorem taxes assessed against the Unit and its contents by any taxing authorities. If requested by Manager, Owner shall send to Manager appropriate evidence of payment of all such tax bills on an annual basis. If, in the reasonable opinion of Manager, a cessation of any utility service which may jeopardize rental income appears imminent, Manager reserves the right, but shall not be obligated, to pay the utility provider such amounts required to maintain service. Any such payments made by Manager shall be charged against the Owner's Operating Account. Long distance telephone call service will be charged to the registered occupant of the Unit and Manager will retain such monies in their entirety. Owner agrees to accept responsibility for all charges resulting from such long distance calls made by Owner, Owner's Immediate Family and Owner's Guests. Owner shall also be responsible for timely payment of any applicable HOA assessments.

**7. Furnishing of Units.**

- A. Acquisition and Maintenance.** Owner shall, at Owner's sole expense, initially furnish and maintain the Unit in a first-class, occupiable condition, with complete furniture, fixtures and equipment ("FF&E") including all items required and specified in **Schedule D**, attached to this Agreement. Determination of first-class, occupiable condition and the type, color and specifications of all FF&E and decorations shall be within the sole, but reasonable discretion of Manager.
- B. Furnishing Inventory.** At all times during the Term or any Renewal Term of this Agreement, Owner agrees to maintain only the specified FF&E package as listed on **Schedule D** attached hereto and incorporated herein by this reference. Manager reserves the right to amend **Schedule D** at any time. Notwithstanding the foregoing, Manager at Manager's expense (a) shall conduct, at least annually (and as needed more frequently), an inventory of all major furnishings, fixtures and equipment, (b) shall inspect the general condition of the Unit, and (c) shall provide Owner with a written inventory report, a written statement as to the condition of the Unit, and written recommendations for improvements to the Unit. Owner agrees that Manager 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 (**see Section 7(D)**).
- C. Housewares and Linen Inventory.** Owner shall initially provide in the Unit, at Owner's sole expense, those housewares and linens listed on **Schedule E**, attached to this Agreement. Manager shall maintain and restock these items in the Unit, at Owner's sole expense, to ensure a complete inventory for all Rental Guests. The cost of maintaining and restocking these replacement housewares and linens in the Unit will be deducted from the Owner's FF&E Reserve (**see Section 7(D)**).
- D. Furnishing, Fixture and Equipment Reserve ("FF&E").** Manager will establish a FF&E reserve account for the Unit ("**FF&E Reserve**"), which will be funded by Owner each month through an automatic deposit equal to 4% of the Unit's Gross Rental Revenue for the month just ended (**as outlined in Schedule G**) ("**Reserve Schedule**"). The funding of the FF&E Reserve provided for herein is calculated based on 4% Gross Rental Revenue, but is taken solely from the 50% share of Adjusted Gross Rental Revenue (defined below) allocated to Owner. The percentage of the deposit for the FF&E Reserve may be revised from time to time to by Manager at its sole discretion. A minimum and a maximum dollar amount ("**Cap**") to be accumulated in the FF&E Reserve for each Unit will be established by Manager and revised from time to time at its sole reasonable discretion. If the amount in the FF&E Reserve at the end of each calendar year should exceed the Cap, the excess amount, over and above the Cap, will be paid to Owner within sixty (60) days of the end of the calendar year end. If the amount in the FF&E Reserve at the end of each calendar year should be less than the required reserve, the deficit amount will be billed to Owner for payment within forty-five (45) days of the end of the calendar year. If amount is unpaid by Owner, it may be deducted by Manager from future rental proceeds. Funds in the FF&E Reserve will be used by Manager, in its sole reasonable discretion, to repair or replace furnishings,

decorative items, accessories, floor and wall coverings, equipment and appliances in the Unit, and to pay for items that are considered to result in permanent improvement to, or upgrading of the Unit, as it deems necessary to maintain the first-class quality standard. Owner understands that Manager makes no warranty as to the sufficiency of the funds held in the FF&E Reserve to pay the cost of all required replacements. Funds in the FF&E Reserve may not be used to pay for Routine Maintenance/Repairs (covered under **Section 8A** below), Major Maintenance Repairs (covered under **Section 8B** below) and Emergency Repairs (covered under **Section 8C** below). Owner agrees that if there are insufficient funds in the FF&E Reserve at the time repairs or replacements are required by Manager, Owner will be responsible for making such repairs or replacements at Owner's expense. Owner further understands that Manager will not advance funds against anticipated future rental income to Owner for purpose of meeting such expenses. Manager shall obtain Owner's written approval prior to incurring any costs under this **Section 7D** in excess of two thousand five hundred dollars (\$2,500). Manager will provide Owner, quarterly, a complete accounting of all activity in the FF&E Reserve and the remaining balance in the account. Upon termination of this Agreement, Manager will pay to Owner an amount equal to the balance remaining in the FF&E Reserve as of the date of the termination. Manager will make such payment to Owner by check within sixty (60) days following such date. Interest earned on any amounts in the FF&E Reserve deposited by Owner shall be credited to Owner's FF&E Reserve. If amounts in Owner's FF&E Reserve are maintained in a bank account along with FF&E Reserves deposited by other unit owners participating in the Rental Program, Manager will allocate such interest among the FF&E Reserves of all unit owners participating in the Rental Program on a systematic and reasonable basis. In the event that Owner sells the Unit during the term of this Agreement, Owner can transfer its rights in the FF&E Reserve to the new Owner, and Manager will continue to hold such funds.

8. **Maintenance of Unit**. Subject to the terms set forth herein, Manager agrees on Owner's behalf to maintain the Unit, including all furnishings in a first-class, occupiable condition, as determined in the sole reasonable discretion of Manager. Owner agrees that it shall not make any modifications to the Unit or the décor during the Term or any Renewal Term of this Agreement without the written approval of Manager. In connection therewith, Owner agrees to the following:
  - A. **Routine Maintenance/Repairs**. Minor repairs will be handled by the resort engineering staff at no charge to Owner. Manager agrees to perform such routine maintenance services, which are, in the sole discretion of Manager, necessary to keep the Unit suitable for occupancy and in compliance with the standards set forth in this Agreement. Such routine maintenance shall consist only of tasks that are normally performed by Manager's staff and other semi-skilled personnel at an expense of two hundred dollars (\$200.00) or less. Some examples of routine maintenance services that Manager will perform are listed on the attached **Schedule C**. Owner authorizes Manager, its agents, and employees to enter the Unit to perform such routine maintenance services.
  - B. **Major Maintenance/Repairs**. If Manager determines that the Unit requires maintenance and/or repair services and/or materials that require skilled labor, tradesmen or subcontractors, or exceed two hundred dollars (\$200.00) and/or that are outside the scope of the routine maintenance services, described in **Section 8A** above, then Manager shall undertake such services and/or repairs and bill Owner for the associated costs, plus a fifteen (15%) percent markup (see **Schedule C**) to cover the management and oversight of these projects. Except for routine maintenance/repairs pursuant to **Section 8A**, emergency repairs discussed in **Section 8C**, and Unit painting pursuant to **Section 9B**, Manager shall obtain Owner's written approval for any such chargeable services and/or repairs in excess of two thousand five hundred dollars (\$2,500) for any one service or repair. Such services shall be billed at the current hourly billing rate for skilled employees of Manager (see **Schedule C**), or at the actual invoice amount plus a markup of fifteen (15%) percent for outside contractors, whichever are utilized. Manager shall use its reasonable efforts to select a competent provider of such services that is most cost effective for Owner. Manager will endeavor to charge rental guests for any extraordinary damage to a unit and credit that to the Owner's Operating Account. Notwithstanding the proceeding language, Manager will

in no way be liable to Owner for damages resulting from the use of the Unit by Rental Guests, or liable for nonpayment of rent or other financial obligations by Rental Guests.

- C. Emergency Repairs.** Owner hereby authorizes Manager, its agents, and employees, to enter the Unit for all purposes, including to perform emergency maintenance or repair work should Manager discover an emergency condition in the Unit which, in Manager's sole discretion, requires immediate attention in order to prevent damage to the Unit, other units, or a common area and for sales purposes to show rooms to potential future guests. There shall be no limit upon expenditures for such emergency maintenance and repair work that Manager may undertake on behalf, of and at the expense of, Owner. Manager shall notify Owner of any emergency actions taken, and the associated costs, as soon as practical after Manager has taken such actions. Manager shall take reasonable efforts to provide the most cost effective emergency maintenance or repair work for Owner.
9. **Housekeeping Services.** Housekeeping services for the Unit will be provided for Rental Guests at Manager's expense. Manager will provide the same complete daily housekeeping service as generally provided in the hotel industry. During any Owner's Occupancy Period, Owner, Owner's Immediate Family or Owner's Guests will receive daily housekeeping service and the charge outlined on **Schedule C** will automatically be posted to the Owner's Operating Account. Cleaning fees are subject to change at any time and without notice at the sole discretion of Manager. Owner agrees that housekeeping services shall only be provided by Manager to ensure that consistent first-class standards are maintained.
- A. Annual Interior Deep Cleaning.** Manager shall provide, at Owner's expense, one thorough cleaning of the Unit in each calendar year. Annual cleaning shall only be provided by Manager to ensure that first-class standards are maintained. The cost of the cleaning shall be charged to the Owner's Operating Account.
- B. Unit Painting.** As part of keeping the Unit in a first-class, occupiable condition and as required due to Unit normal wear and tear, Manager shall undertake a scheduled repaint of the interior of the Unit from time to time, however, no more frequently than once every three years, unless required due to exceptional circumstances. Owner shall pay for the costs of such services. An estimated cost will be provided to Owner before such services are performed and will be undertaken at such a time when occupancy is projected to be the lowest. Cost of the Unit painting may be deducted from the Owner's FF&E Reserve (**see Section 7(D)**).
10. **Discretion of Manager.** Owner understands and agrees that Manager may, from time to time, change the applicable rental rates to meet prevailing market conditions. Manager shall also have the right to change the regularly advertised rate in circumstances such as, but not limited to, extended length of stay, group discounts, or in similar situations when Manager deems it advantageous to charge a reduced rate. Owner further agrees that Manager may offer a Rental Guest a reduction in the applicable rental rate in the event of Unit's need for a repair that cannot be corrected within an acceptable time. Owner agrees that the Rental Guest may be transferred to another rental property if such reduction in rental rate is not acceptable. In the event of such a transfer, Owner shall be credited revenue for the rental based upon the number of days of actual occupancy of the Unit. Manager makes no representation that major repairs can be made within an acceptable period 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. **Promotional Occupancy.** For the purpose of attracting occupancy and promoting the rental of all Units, Manager, at no cost to Owner, has the right to use the Unit for promotional purposes when such use, in Manager's sole discretion, may contribute to the success of the occupancy of the Unit or other Units in the Property ("**Promotional Occupancy**"). Such persons that may receive complimentary use of the Unit include, but are not limited to, employees of travel companies or airlines, travel writers or other media, tour planners, conference planners or other leaders of group occupancy packages. Promotional Occupancy shall be limited to a maximum of seven (7) nights per Unit per year. If a complimentary night occurs on any night when not all other units in the Property (which are included in the Rental Program) are rented out, Owner shall receive no credit for rental revenues for Owner's Unit for such night. In the event that a complimentary night occurs during any night when all other

units in the Property (which are included in the Rental Program) are rented out, Manager shall credit the Owner's Operating Account with rental revenues for that night based on the actual average rate realized for that night for all other similar Units within the Property. This amount shall be an expense of Manager and subject to the Management Fee included in **Section 12** below.

**12. Manager's Compensation** For its services hereunder, Manager shall be compensated, and Owner agrees that Manager shall be entitled to:

- A. Marketing and Front Desk Expense.** Manager shall be paid twelve percent (12%) of Gross Rental Revenue to compensate Manager for sales, front desk and marketing fees. The remaining Rental Revenue after payment of the foregoing expense is herein referred to as "**Adjusted Gross Rental Revenue.**"
- B. Management Fee.** As compensation for Manager's services provided under this Agreement, Manager shall retain fifty percent (50%) of all Adjusted Gross Rental Revenue.
- C. Travel Agent Commissions and Credit Card Fee.** Travel agent commissions and credit card fees will be split 50%-50% between Owner and Manager.
- D. Change in Management Fee.** Manager shall notify Owner in writing of any proposed changes to Manager's compensation. If Manager gives Owner such notice of any changes on or before the fifteenth (15<sup>th</sup>) day of any month, then the changes shall be effective on the first day of the following month unless Owner gives Manager written notice on or before the first day of the following Manager's notice that Owner wishes to not accept such changes, in which case this Agreement shall terminate in accordance with **Section 14(e)**.
- E. Uncollected Rents.** Manager and Owner mutually agree that neither party shall be entitled to any compensation or reimbursement for losses due to uncollected rents relating to the rental of the Unit.

**13. Forfeiture of Reservation Deposits** Unless the Owner's Unit has been specifically requested and reserved by a Rental Guest, all reservation deposits that are forfeited and captured, and all other related cancellation charges ("**Cancellation Fees**") pursuant to Manager's cancellation policies shall be property of the Manager and shall be paid to Manager and Manager shall have no obligation to account for the Cancellation Fees to Owner. In those cases where the Owner's Unit has been specifically requested and reserved by a Rental Guest, all Cancellation Fees shall be applied first to pay Manager the full amount of Manager's marketing and front desk expense as set forth under paragraph 12A of this Agreement, then to the Owner's Operating Account if the cancelled reservation for the Unit is not replaced by another reservation. If the cancelled reservation is replaced by another reservation, then Manager shall retain the entirety of the Cancellation Fees.

**14. Termination Right of Manager or Owner**

- A. End of Term.** Either party may terminate this Agreement with written notice of its intent not to renew at least ninety (90) days prior to the expiration of the Term or any Renewal Term.
- B. Condition of Unit.** Manager reserves the right to terminate this Agreement, with ninety (90) days' written notice, should it deem the Unit to be unsatisfactory for rental. Manager will notify Owner to remedy defects. If Owner does not remedy defects within ninety (90) days, Manager can terminate the contract immediately. In the event that this Agreement is terminated pursuant to this paragraph, Manager shall have the right, but not the obligation, to transfer to other accommodations any confirmed reservations which are for occupancy of the Unit subsequent to the date of termination. Notwithstanding the foregoing, in the event Owner's termination is due to the sale of the Unit, and the purchaser executes a Rental Management Agreement effective upon the change in ownership, Manager agrees not to transfer any future reservations to other units.
- C. Owner Default.** Manager may terminate this Agreement upon ten (10) days prior written notice if Owner fails to comply with any provision of this Agreement or any term or condition of any rules or regulations Manager may adopt applicable to the Unit. Manager's determination of non-

compliance shall be final and binding on Manager and Owner.

- D. Sale of Unit.** Owner reserves the right to terminate this Agreement at any time during the Term or any Renewal Term of this Agreement, upon sale of the Unit, with ninety (90) days advance written notice to Manager.
- E. Change in Management Fee.** Owner reserves the right to terminate this Agreement if Owner does not approve of a Change in Management Fee and properly notifies Manager in accordance with **Section 12D**.
- F. Relocation of Reservations.** In the event of an Owner or Manager termination in accordance with **Sections 14A-E** above, Manager will make every attempt to relocate reservations to other Units within the Property. In the event that Manager is unable to do so, Owner, and Owner's heirs, successors or assigns shall (i) be obligated to honor any reservations made during the Term or any Renewal Term of this Agreement and prior to the date of termination pursuant to the terms and provisions of this Agreement and to compensate Manager for Manager's lost revenue and any expenses incurred by Manager in relocating the displaced guests and (ii) indemnify, defend and hold harmless Manager and its members, officers, directors, employees, shareholders, agents and affiliates from any damages, costs, expenses, losses, obligations or liabilities incurred by them arising out of any claims made by any displaced guests. Upon termination of this Agreement, the same shall terminate Manager's authority to accept future reservations for the Unit. Owner will be responsible at its sole cost, for physical changes necessary to convert the Unit from a rentable condition to any other use (example: addition or removal of Property owned or related materials, supplies, etc.).
- G. Significant Damage to Unit.** If either the Property or Unit is so damaged by fire, catastrophe, acts of God, civil commotion, war or other casualty as to render the Unit unfit for rental purposes, as determined by Manager, then all Unit reservations that cannot be fulfilled due to the condition of the Property or Unit may be cancelled, and the obligations of the parties hereunder shall be temporarily abated until the Property and/or Unit is restored to a first-class, occupiable condition suitable for renting.

**15. Indemnification, Insurance.** Owner agrees to indemnify defend and hold harmless Manager and all of its officers, members, directors, shareholders, employees, affiliates 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. During the Term or any Renewal Term of this Agreement, Owner agrees to maintain at its sole cost and expense with an insurance company acceptable to Owner and Manager, the following types of insurance:

- A. Homeowner's Insurance Policy.** Owner shall carry homeowner's insurance policy on the Unit, all betterments and the Unit's contents. 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.
- B. Standard Liability Coverage.** Owner shall carry standard liability coverage covering Owner's Unit.
- C. Insurance Policy Requirements.** Any such insurance policies shall name Manager as an additional insured. 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 \$1,000,000 per occurrence and (2) any other coverage required under the Declaration.

From time to time during the term of this Agreement, but not more frequently than semi-annually, Manager shall have the right to review the liability insurance coverage maintained by Owner as

required under this Agreement and require adjustments in limits and coverages as determined by Manager at the time of such review, in Manager's reasonable discretion. All liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which Manager and Manager's affiliates may carry as to the Unit. All policies of insurance obtained by Owner shall contain a waiver of any insurer's right to maintain any claim against Manager and Manager's affiliates by subrogation, and no such insurer shall have the right to maintain any claim or action against manager or any of Manager's affiliates by subrogation or otherwise. Owner shall supply Manager with duplicate copies of all insurance policies containing such coverage or appropriate certificates evidencing such coverage, prior to the first rental or lease of the Unit and on an annual basis thereafter. Furthermore, such certificates shall indicate that Manager will receive at least thirty (30) days advance written notice before any such insurance policy is cancelled. The amount of insurance contained in any of the aforementioned insurance coverage shall not be construed to be a limitation of the liability on the part of Owner. An insurance company reasonably acceptable to Manager shall underwrite all such policies and coverage.

16. **Theft, Etc.** Owner acknowledges that losses from theft, vandalism, acts of God, the elements, or other matters beyond the control of Manager shall be borne solely by Owner. Owner assumes all risk for the loss of personal property kept in the Unit. Manager shall incur no liability for the loss or damage of any such personal property. In addition, Manager 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, Owner's Immediate Family and Owner's Guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons.
17. **Sale of Unit.** Owner shall inform Manager in writing if the Unit is to be put up 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 and the provisions of this Agreement.
18. **Successors Bound, Subordination.** All covenants, conditions, provisions and obligations contained herein or implied by law shall attach, burden, encumber, bind and inure to the benefit of Owner and Manager and their respective heirs, successors, assigns and legal representatives. Accordingly, this Agreement shall survive any sale of the Unit by Owner and be binding upon any successor in title. Notwithstanding the foregoing, 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.
19. **Default of Owner.** In the event Owner fails to pay Manager any amount required under this Agreement when due, Manager 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 Manager any amount required under this Agreement when due, Manager 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.
20. **State of Oregon Statutes.** This Agreement, and rental of the Unit hereunder, may subject Owner and/or Manager to the provisions, and entitle Owner and/or Manager to the benefits of the State of Oregon Statutes governing hotels and restaurants and the regulations from time to time promulgated there under. If, and to the extent that, said Statute and/or regulations are applicable to rentals pursuant to this Agreement, Owner agrees to comply with and abide by said laws and regulations. Manager will endeavor, but shall not be obligated, to keep Owner advised from time to time with respect to the nature and extent of such laws and regulations and the measures to be taken in order to comply therewith.
21. **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., Federal Express, Express Mail, Emery, Airborne, 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.

22. **Entire Agreement.** The Exhibits, riders, addenda, modifications and amendments to this Agreement are part of this Agreement and incorporated herein by reference.
23. **Miscellaneous.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, 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 shall be entitled to reasonable attorney's fees, legal assistant 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 provisions shall not affect the whole of this Agreement and the balance of the provisions hereof shall remain in full force and effect. This Agreement, together with any other writings signed by all of the parties which are expressly stated to be supplemental hereto, and together with any other writings executed and delivered pursuant to the terms of this Agreement shall constitute 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 it 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.
24. **Assignment.** Manager shall have the right to assign from time to time this Agreement and its rights and interests to any successor or assignee of Manager which may result from any merger, consolidation, dissolution, liquidation or reorganization with, or any sale or assignment to, any related or unrelated corporation, individual, limited liability company, partnership or other entity which shall acquire all or substantially all of Manager's management business, or any affiliate or successor thereof. Manager may also transfer from time to time this Agreement and its rights and interests hereunder, provided that such entity operates with the same standards as Manager. Any assignee of Manager must be fully capable (including financially capable) of fulfilling and shall agree in writing to be bound by the terms and conditions of this Agreement. Upon any such assignment and assumption, the assignor shall have no further obligation as Manager hereunder and shall have no further liability with respect to Manager's obligations arising from and after the date of such assignment, and all such obligations and liabilities of Manager hereunder shall be and become those of the assignee.
25. **Disclaimers of Manager.** Owner hereby acknowledges that Manager operates other rental properties which may be competitive with the Unit, and it is mutually agreed that Manager 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 Manager within the Property. Except as specifically provided to the contrary in this Agreement, Manager shall assume no obligations of Owner with respect to the Unit. Owner shall remain responsible for the payment of all assessments and other sums due the HOA pursuant to any declaration or other documents governing the Unit, 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 the ownership of the Unit. OWNER ACKNOWLEDGES AND AGREES THAT NO REPRESENTATION HAS BEEN MADE BY MANAGER OR ANY MEMBER, OFFICER, DIRECTOR, SHAREHOLDER, AFFILIATE, 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 PURCHASE OF THE UNIT OR ENTERING INTO THIS AGREEMENT, AND THAT MANAGER OR ANY MEMBER, OFFICER, DIRECTOR, SHAREHOLDER, AFFILIATE, AGENT OR EMPLOYEE THEREOF HAS NOT GIVEN OWNER ANY ADVICE WITH RESPECT TO ANY TAX STRUCTURES OR TAX IMPLICATIONS.

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

**MANAGER:**

**OWNER 1:**

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

**OWNER 2:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_