

RENTAL MANAGEMENT AGREEMENT

Lakeland Village Beach and Mountain Resort

This Rental Management Agreement (this “**Agreement**”) is made and entered into as of the ___ day of _____ 20__ and becomes effective on October 1, 2018 (the “**Effective Date**”) by and between _____, a _____ (“**Manager**”), and _____ (“**Unit Owner**”). Manager and Unit Owner may be referred to hereafter individually as a “**Party**” or collectively as the “**Parties**”.

RECITALS

A. Unit Owner owns **Unit** ____ (the “**Unit**”) (all Units under this Agreement with Manager are collectively referred to as “**Units**”) at Lakeland Village Beach and Mountain Resort (the “**Project**”).

B. Unit Owner is a member of the Lakeland Village Owner’s Association (“**Association**”); and Manager has entered into a Lease and a Rental Program Agreement with the Association which has set forth the general provisions for renting Units.

C. Unit Owner does not intend to occupy the Unit at all times of the year, and Unit Owner desires to engage the services of Manager to offer, manage and operate the Unit as part of a collection of transient rental units within the Project (the “**Rental Program**”).

D. Unit Owner desires for Manager to rent the Unit through the Rental Program to other transient guests (“**Resort Guests**”) when not occupied by Unit Owner or Unit Owner’s non-paying guests, all on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Unit Owner and Manager agree as follows:

1. **Engagement.** Unit Owner hereby engages Manager to serve as the exclusive rental and property manager and agent for the Unit, and Manager hereby accepts such engagement to serve as the exclusive rental and property manager and agent for the Unit, on the terms and conditions set forth in this Agreement. Unit Owner may not rent the Unit to any persons or entities except through the services of Manager pursuant to this Agreement.

2. **Term.** The term of this Agreement (the “**Term**”) will commence as of the Effective Date and will terminate upon the expiration or termination of that certain Rental Program Agreement between Manager and Lakeland Village Owners Association, dated _____, 2018, pursuant to which Manager shall operate the Rental Program effective as of October 1, 2018. Notwithstanding the foregoing, upon the execution of this Agreement by Unit Owner, Manager is authorized to immediately begin accepting reservations for the rental of the Unit for the period beginning after October 1, 2018.

3. **Manager’s Rental Authority, Services and Policies.** Without application for the Winter Season immediately following the October 1, 2018 Effective date, if Owner notifies Manager in writing (by either text message, email, US mail or any other available written communication delivery alternative), on or prior to June 1 for the following Winter Season (December 15 through March 15) or January 1 for the following Summer Season (June 15 through September 15), Owner and/or Owner’s guests may occupy the Unit during the dates set forth in the respective notice. In the absence of this notice, Manager shall use reasonable efforts to make the Unit available for Owner’s usage. Once Manager confirms, in writing, Owner’s use of the Unit, Manager may not rent the Unit during that period of time without Owner’s written consent.

(a) **General.** Manager, in consultation with RMAC pursuant to Section 5(b), will establish, modify from time to time, and implement a standard of maintenance, repair, service and operation for the Rental Program and the participating units which is consistent with Manager’s operation and management of the Project (the “**Rental Program Standard**”). During the Term, Manager will manage, operate, rent, and maintain the Unit in a manner that

is consistent with the Rental Program Standard and as more particularly provided for elsewhere in this Agreement. From the date of this Agreement and during the Term, Manager may enter into reservations and rental agreements for the Unit on Unit Owner's behalf, in the name of Unit Owner and with the effect of binding Unit Owner and Unit Owner's successors and assigns, for the periods as permitted in this Agreement. From the date of this Agreement and during the Term, Manager may collect deposits, rents and other sums from Resort Guests and otherwise enforce the terms of rental agreements. Manager may, but is not obligated to, institute legal action to enforce rental agreements and may compromise the same in the name of Unit Owner. To the extent both Owner and Manager consent to and determine to institute such legal action, the cost and expense thereof, and any proceeds therefrom related to rent, shall be split 55% to Owner and 45% to Manager, but proceeds related to damages for which Owner is solely liable shall be given 100% to Owner. In the event Owner determines to institute such legal action of its own accord, such action shall be at Owner's sole cost and expense and any proceeds thereof shall belong to Owner.

(b) **Management Fee/Unit Owner's Share of Proceeds.** As compensation for the management services provided under this Agreement, Unit Owner agrees to pay Manager a fee equal to forty five percent (45%) of Gross Rental Proceeds (the "**Management Fee**"). Manager agrees to pay Unit Owner the remaining amount of Gross Rental Proceeds, i.e., fifty five percent (55%). "**Gross Rental Proceeds**" means all proceeds received by Manager directly attributable to rental of the Unit pursuant to this Agreement other than any applicable bed, excise, sales or similar taxes collected on behalf of and required to be remitted to governmental authorities and other third parties. Gross Rental Proceeds specifically includes resort fees and all revenue, including commissions, actually received from Online Travel Agents (OTAs) with respect to rental of the Unit. Further, Gross Rental Proceeds shall not include, and Unit Owner has no right or claim to, any amounts paid by Resort Guests for additional fees and charges, local and long distance phone service, extra maid or other service, food and beverage services, use of or services provided at the Amenities, events or reservations booked by or through Manager, airport transportation, any forfeited rental deposits, interest on advance booking deposits or other items not customarily included in the rental rate for the Unit, and such sums are not part of Gross Rental Proceeds and are the sole property of Manager. Manager shall, from the Management Fee, pay the cost of credit card fees and other outside costs associated with credit card transactions for the Unit and the cost of commissions, including, but not limited to, commissions for wholesalers, travel agents, and large groups.

(c) **Rental Liaison Services.** Manager shall designate an employee to be the Unit Owner Liaison to keep Unit Owners informed and to give Unit Owners a point of contact when communicating with Manager. Manager shall be responsible for preparing and distributing a monthly newsletter to all Unit Owners in the Rental Program.

(d) **Rental Rates.** Manager will, from time to time, establish rental rates for the Unit and upon reasonable request provide Unit Owner with a sample of such rates for specified dates. Unit Owner acknowledges and agrees that the rates established for the Unit by Manager may vary from the rates for other units of the same size that are a part of the Rental Program because of differences in location and other factors, which include Manager's rating system for units described on **Exhibit A**. Manager may, in its reasonable discretion, rent the Unit for reduced rates to maximize occupancy. Further, Manager may grant complimentary use ("**Complimentary Nights**"), provided such Complimentary Nights do **not exceed three (3) nights per year** for the Unit. Manager may also grant discounted rates ("**Discount Rates**") for use of the Unit. Discount Rates may be offered to persons who, in Manager's sole judgment, will contribute to the success of the Rental Program and/or the Project, or other purposes deemed appropriate by Manager. The Unit will not be used for Complimentary Nights or Discount Rates when total rental occupancy of all units managed by Manager in the Project exceeds ninety percent (90%) or during High Occupancy Periods, which include, but are not limited to, Winter Season and Summer Season. Manager may also transfer Resort Guests to another unit to address Resort Guest satisfaction issues.

(e) **Priority of Rentals.** In operating the Rental Program, Manager will rent the available inventory of rooms in the Project and the Rental Program pursuant to normal industry practices. As is typical in the hospitality industry, Manager may give rooms commanding higher rental rates priority over other rooms. Unit Owner acknowledges that despite the efforts of Manager, the Unit may not be rented for the same or substantially the same number of nights and may not receive the same or substantially the same rental income, as similar units in the Rental Program for any period. In addition, it is understood that Manager may be the rental manager for other condominium units, townhomes, and rental homes and that any of the foregoing might be in rental competition with Unit Owner. It is further acknowledged by Unit Owner that Manager and its affiliates (serviced by one or more reservations departments operated by Manager and/or its affiliates) operate other properties and, that in securing occupancy for these properties, such activities shall not constitute a conflict of interest between Unit Owner and Manager. Unit

Owner acknowledges that the amount of use by Unit Owner, Unit Owner's family and/or Unit Owner's guests may adversely impact Manager's opportunity to rent the Unit. UNIT OWNER ACKNOWLEDGES THAT MANAGER MAKES NO GUARANTEES, WARRANTIES OR REPRESENTATIONS AS TO THE NUMBER OF RENTAL NIGHTS OR AMOUNT OF RENTAL INCOME TO BE GENERATED BY THE RENTAL AND/OR MANAGEMENT OF THE UNIT UNDER THIS AGREEMENT.

(f) **Housekeeping Services.** Manager will provide for the cleaning of the Unit during and at the end of periods of rental to Resort Guests and during and at the end of periods of Unit Owner Occupancy, and in doing so, will provide linens, towels, hand soaps, shampoo and other sundries in the Unit consistent with the Rental Program Standard, in accordance with then current established daily rates. Resort Guests staying five (5) or more consecutive nights will receive a mid-stay cleaning at no charge. Daily cleaning service to Resort Guests requesting the same shall be provided in accordance with the then current established daily rates. All housekeeping services provided during periods of Unit Owner Occupancy are subject to the provisions of Section 3(k) and Section 4(e).

(g) **Marketing.** Manager will pay all marketing and promotion, administration and bookkeeping expenses incurred for the rental of the Unit, it being understood that Manager may advertise, list and/or otherwise market the Unit for rental in any manner determined by Manager, in its sole and absolute discretion, including but not limited to, general marketing for the Rental Program as a whole or general marketing for the Project. On a periodic basis, but at least annually, Manager shall provide a complete operational, sales and marketing report, with factual backup, for its operational and managerial result of the Rental Program, on a current fiscal year basis, mutually acceptable to the parties.

(h) **Maintenance.** Manager will provide for all maintenance and repair for the Unit as needed to keep the same in a first-class condition consistent with the Rental Program Standard. All maintenance services provided by Manager (whether minor maintenance and repair services or major repair services) will be in accordance with Sections 4(h) and 4(i).

(i) **Employees and Third-Party Providers.** Manager may use its own employees to discharge its obligations pursuant to this Agreement or may contract with third party providers to provide all or any portion of the services required. If Manager chooses third party providers or subcontractors to discharge its obligations under this Agreement, Manager will fully assist Unit Owner in resolving any problems and making any claims against third party providers or subcontractors. To the extent that Manager provides any rental management services (such as repairs or service calls) through a third-party provider or subcontractor, Manager will obtain all necessary consents and require third party providers or subcontractors to carry current and appropriate insurance coverage(s) in amounts reasonable for the work being performed. All employees at the Project who are employed on behalf of the Rental Program shall be employees of Manager and shall be hired, trained, and terminated by Manager. Said employees shall be reported under Manager's federal employer's identification number. Manager shall indemnify and hold Unit Owner harmless from any unpaid payroll taxes for these employees.

(j) **Insurance.** Manager shall maintain such insurance as will protect it from any claims including Workman's' Compensation Insurance covering all of Manager's employees and Comprehensive General Liability Insurance. Manager shall at Managers expense, procure and maintain liability insurance of not less than \$2,000,000 and a fidelity bond in the amount of not less than \$500,000 covering Manager's agents, representatives and employees, during the term of this Agreement.

(k) **Manner of Payment; Remittal of Proceeds; Statement of Account.** At the end of each month during the Term, Manager will determine the Gross Rental Proceeds earned during that month and from such sums, will pay Manager for any minor maintenance items as provided for in Section 4(h), and will pay Manager the Management Fee incurred during such month when applicable. The foregoing charges are collectively referred to as the "**Unit Owner Costs.**" After the payments of the Unit Owner Costs, Manager will remit to Unit Owner any remaining Gross Rental Proceeds ("**Unit Owner's Share of Proceeds**") for such month by the 10th business day of the next month, together with a written statement (a "**Monthly Statement**") demonstrating how Manager arrived at Unit Owner's Share of Proceeds. Unit Owner will receive no interest on Unit Owner's Share of Proceeds. If the Gross Rental Proceeds are insufficient to cover the Unit Owner Costs, the Monthly Statement will reflect such fact and Unit Owner must remit the balance due to Manager (the "**Unit Owner Cost Deficiency**") within sixty (60) days after delivery of the Monthly Statement. If Unit Owner fails to pay the Unit Owner Cost Deficiency when due, interest will accrue at the rate of eighteen percent (18%) per annum (the "**Default Rate**") until paid in full. Manager will

maintain during the Term in accordance with its standard documentation retention policy records as necessary to support the calculation of Unit Owner's Share of Proceeds.

(l) No Pooling of Income and Expenses. Notwithstanding anything contained in this Agreement to the contrary, the amounts received by Unit Owner as Unit Owner's Share of Proceeds will be solely derived from the rental of the Unit and not from the rental of any other unit in the Rental Program and in no event will the Gross Rental Proceeds derived from renting the Unit through the Rental Program be pooled with the gross rental proceeds received by Manager for other units participating in the Rental Program. Likewise, in no event will the Unit Owner Costs incurred for the Unit pursuant to this Agreement be pooled with the owner costs incurred for other units participating in the Rental Program and Unit Owner will be responsible only for costs relating to the Unit, as described in this Agreement, and not for costs relating to other units participating in the Rental Program.

4. **Unit Owner Responsibilities.** In addition to the obligations of Unit Owner specified elsewhere in this Agreement, Unit Owner will perform the following functions.

(a) **Taxes.** Unit Owner will pay all real estate taxes and assessments levied against the Unit when due. All applicable bed, excise, sales or similar taxes collected on behalf of the Unit Owner and required to be remitted to governmental authorities, shall be paid by Manager to those authorities.

(b) **Insurance.** Owner agrees to carry personal property insurance in an amount Owner deems appropriate. Owner further agrees to carry Comprehensive Personal Liability Insurance for the Unit in the amount of Five Hundred Thousand Dollars (\$500,000) or more per occurrence.

(c) **Assessments.** Unit Owner is fully responsible for all Assessments.

(d) **Storage.** During periods that Unit Owner is not using the Unit, Unit Owner may not store or leave any personal property (other than the Furnishings and "Housewares") in the Unit excepting only those items that may be securely and properly stored in the Unit's designated locked Unit Owner's closet ("**Unit Owner Storage**"), if one exists. Manager may inspect Unit Owner Storage for health and safety purposes from time to time, but assumes no responsibility or liability for the contents of Unit Owner Storage. Unit Owner will not store or keep in Unit Owner Storage or any other part of the Unit any hazardous materials, explosives, highly combustible or flammable materials or other dangerous items. Manager will have keys to Unit Owner Storage at the front desk solely to assist Unit Owners who are not in possession of their keys and request a spare key from Manager. Manager shall not be responsible or liable for theft, loss or damage to any materials contained in Unit Owner Storage.

(e) **Room Charges.** Unit Owner is fully responsible for all resort charges billed to the Unit during Unit Owner's stay or the stay of any of Unit Owner's non-paying guests. The obligations set out in this Section survive termination of this Agreement. Examples of possible room charges are listed on the attached **Exhibit B**.

(f) **Unit Owner Use Procedures.** Unit Owner and its non-paying guests shall check-in and register at the applicable Project front desk, establish credit, check-out, and otherwise comply with the Project's arrival, departure, and registration procedures. Manager shall have control over the keys to the Unit during the Term and shall issue them, as appropriate, to Unit Owner and its non-paying guests during periods of their use of the Unit, and to Project staff to perform their duties. Unit Owner agrees to return all keys at the end of any period of personal use. Owner agrees that issuance of any keys to Unit occupants shall be at Manager's discretion.

(g) **Major Cleans.** In order to provide the highest quality in rental services, and in accordance with the Rental Program Standard, Manager, at its discretion, will perform one (1) major cleaning during the year. This clean will be scheduled so as to minimize interference with rental opportunities. Major cleaning shall include, but not be limited to general cleaning, carpet, window coverings, bedspreads, and upholstery cleaning. All material and labor cost to perform the major clean will be borne by Unit Owner, including the needed carpet, window coverings, bedspreads, upholstery cleaning, and other specific items other than general cleaning which may be provided by a sub-contractor. Unit Owner understands and agrees such carpet, window coverings, bedspreads, and upholstery cleaning are necessary on an annual basis to maintain the Unit in a first-class rental condition, consistent with the Rental Program Standard. A list of such annual deep cleaning items is attached hereto as **Exhibit C**. Should carpet cleaning or other deep cleaning work be necessary more than once per year, Manager will discuss and obtain the approval of Unit Owner of work needed and the costs of the same shall be borne by Unit Owner.

(h) **Minor Maintenance, Repair and Inspection.** Manager shall inspect the interior of the Unit from time to time in order to determine the condition of the Unit with respect to minor maintenance and repair, to the interior of the Unit. Such minor maintenance and repair will be brought to the attention of the Unit Owner, and Manager may reimburse itself for the cost of such minor maintenance items from Gross Rental Proceeds pursuant to Section 3(k) above. Unit Owner hereby authorizes Manager, and its agents and employees, to enter the Unit for such purposes and to perform any such maintenance and repair work as may be necessary, at the sole discretion of Manager, to keep the unit suitable for occupancy in accordance with the Rental Program Standard. Manager may, in its sole but reasonable discretion, determine what items of maintenance and repair constitute a “minor” item under this Section 4(h) and what items of maintenance and repair constitute a “major” item under Section 4(i). For purposes of clarification, and not by way of limiting example, a list of minor maintenance items, as well as annual preventative maintenance items, is attached hereto as **Exhibit D**. In connection with performing any minor maintenance items, Manager shall not charge the Unit Owner for the first 30 minutes of labor or for the first \$10.00 of parts required for repair thereof.

(i) **Major Repairs.** Bids for repair services and/or materials which require skilled labor, tradespeople or subcontractors shall be secured by Manager on behalf of Unit Owner. In addition, services or materials which result in permanent improvement to, or upgrading of, any material aspect or feature to the Unit, the Housewares or Furnishings, and are requested by Unit Owner, shall be discussed with the Unit Owner to determine the appropriate course of action by Manager on behalf of Unit Owner. All such items shall be deemed “major” items and the cost of which shall be borne solely by Unit Owner and funded in accordance with Section 4(j). Should Manager discover a condition in the Unit which requires immediate attention in order to prevent damage to the Unit, other units or to any common area, or to maintain necessary services to the occupants, Unit Owner hereby authorizes Manager, its agents or employees to enter the Unit for the purpose of performing such repair work as may be necessary at the sole but reasonable discretion of Manager. Manager will use best efforts to contact Unit Owner within forty-eight (48) hours of such an occurrence. All major repair work will be subject to Section 4(j).

(j) **Furnishings and Housewares** Unit Owner is solely responsible for furnishing the Unit with furniture, fixtures, and equipment (the “**Furnishings**”). From and after confirmation that all Furnishings and housewares items, such as kitchen, bath, and bedroom linens and terry, pillows and blankets, cookware, small kitchen appliances, dishes and utensils (collectively “**Housewares**”) are present in the Unit and consistent with the Rental Program Standard, such Housewares shall be replaced at Manager’s expense provided the unit remains on rental program and damage was caused by rental guests. Manager shall be responsible for inspecting each Rental Program Unit upon guest check out and shall replace any missing Houseware items as needed. Any new houseware items, recommended by Manager, shall be implemented in consultation with RMAC. All Furnishings items must be consistent with the Rental Program Standard and approved by Manager and RMAC. Unit Owner is solely responsible for the cost and expense of all major repair and replacement within the Unit provided by Manager and must keep the Furnishings in the Unit in a first-class condition consistent with the Rental Program Standard. Manager is not required to seek the consent of Unit Owner for any repairs that cost less than \$300, or that constitute an emergency, would jeopardize immediate rental of the Unit, or threaten to harm other units. Manager may either retain the cost of any repair from Unit Owner’s Share of Proceeds or submit an invoice to Unit Owner for such amounts, with no obligation to advance funds on behalf of Unit Owner. Unit Owner will pay to Manager such amounts due within sixty (60) days of invoice. If Unit Owner fails to pay such amount when due, interest will accrue at the Default Rate until paid in full. With regard to improvement of the Furnishings, Manager and RMAC may from time to time make recommendations to Unit Owner regarding improvements and replacements. Unit Owner will follow such recommendations, and hereby acknowledges that if Unit Owner does not provide funds to make the recommended improvements, repairs or replacements, Manager’s ability to rent the Unit may be adversely affected and Manager may refuse to rent the Unit or may terminate this Agreement as provided for in Section 10(b). With Unit Owner’s permission, Manager may make any improvements or replacements of the Furnishings and may either retain the cost of any such improvements from Unit Owner’s Share of Proceeds or submit an invoice to Unit Owner for such amounts, with no obligation to advance funds on behalf of Unit Owner. A listing of the current Housewares’ package is attached hereto as **Exhibit E**.

5. **Rental Management Advisory Committee (RMAC).**

(a) **Establishment of Rental Management Advisory Committee.** The Association’s Declaration directs that a Rental Management Advisory Committee (RMAC) shall be established and shall be comprised of nine members. The Declaration specifically provides for the election process, terms of membership, and qualifications of the RMAC members.

(b) **Authority.** The Declaration states that the RMAC shall review a schedule of rental rates regarding rental of Units in the Rental Program, shall annually review the terms of this Agreement, shall consult with Manager on behalf of the Association, and shall facilitate communication among the Unit Owners, the Association and Manager with respect to the Rental Program. Manager and Unit Owner hereby acknowledge this authority bestowed upon the RMAC. The RMAC shall also have the authority and responsibility to work with Manager to establish standard criteria for rating of the units in the Rental Program and to act on behalf of the Association and the Unit Owners in the Rental Program to establish and provide oversight of the Agreement with Manager.

6. **Review and Audit of Records.** Upon five (5) business days' prior notice and during Manager's normal business hours, Unit Owner may review Manager's rental records concerning the Unit for the purpose of comparing the same to the Monthly Statements. In addition, Unit Owner, upon five (5) business days' prior notice and during Manager's normal business hours, may have any and all rental records kept by Manager relating to the Unit audited. All requests shall be limited to the trailing three (3) years. Any such audit will be at Unit Owner's sole cost and expense and shall occur at the place Manager customarily maintains such records or such other place as is reasonably established by Manager. Unit Owner shall not be permitted to review, access or audit Manager's rental records for any other units.

7. **Pets.** Subject to any rules and regulations for the Project adopted from time to time by the Association, Unit Owner may bring pets in to the Unit. No Resort Guests shall be permitted to bring pets in to the Unit. Manager is not responsible for any damage caused to the Unit or the Furnishings and Housewares by any pet kept in the Unit, even if in violation of this Section 7. In the event Unit Owner is allowed to bring pets in to the Unit, Unit Owner shall be solely responsible for any additional costs or expenses for cleaning the Unit as a result thereof. Manager shall have sole discretion to determine the necessity, level, and frequency of such cleaning. Manager shall make an effort to discover any damage during any cleaning during a stay or during an inspection after check out, and shall take steps to correct any violations and charge guests for any additional cleanings required due to the violation.

8. **Smoking.** The Unit will be designated as **non-smoking** and Unit Owner, Unit Owner's non-paying guests, and Resort Guests may not smoke in the Unit or on any entry ways, decks, or balconies of the Unit. Manager is not responsible for any damages caused to the Unit or the Furnishings and Housewares as a result of smoking in the Unit, even if in violation of this Section 8. Manager shall make an effort to discover any damage during any cleaning during a stay or during an inspection after check out, and shall take steps to correct any violations and charge guests for any additional cleanings required due to the violation.

9. **Damage to Unit.** From and after the Effective Date, Manager is not responsible for any loss or damage occurring to the Unit (including all Furnishings and Housewares) whether by wear and tear, casualty, theft, vandalism, acts of God, natural disaster or otherwise caused by a Resort Guest or occupant. Upon discovery of any material loss or damage to the Unit, Manager will promptly notify Unit Owner. Manager will use reasonable efforts to collect amounts due from Resort Guests as necessary to reimburse Unit Owner for the cost to repair any damage caused by Resort Guest or its invitees; provided, however, Manager cannot and does not guarantee that the same will be collected. Manager may settle any amounts due from a Resort Guest or damage claim against a Resort Guest, in the exercise of Manager's discretion. If Manager is unable to collect and/or acceptably settle amounts due from a Resort Guest through demands and/or negotiation, Manager will advise Unit Owner and Unit Owner may elect to commence litigation against Resort Guest therefor at Unit Owner's sole cost. Manager shall assist Unit Owner by providing information regarding the damage and the identity and contact information of the Resort Guest. Manager, however, shall be responsible for, and shall repair or replace at Manager's expense, damage caused by Manager's employees.

10. **Termination.**

(a) **Automatic Termination Upon Sale.** This Agreement will automatically terminate upon the transfer of title to the Unit by Unit Owner. Unit Owner will notify Manager thirty (30) days prior to the expected closing date of any sale or other transfer of the Unit.

(b) **Termination by Manager.** Manager may terminate this Agreement upon the occurrence of any of the following events:

(i) Upon giving at least **90 days'** prior written notice for any reason, with or without cause;

(ii) After giving Unit Owner a detailed description of any defects regarding Furnishings falling below the Rental Program Standard and allowing Unit Owner a reasonable time to cure any defects, if Unit Owner fails to follow Manager's recommendations regarding Furnishings as provided for in Section 4(j), or the Unit falls below the Rental Program Standard, in Manager's sole discretion;

(iii) Immediately upon default by Unit Owner of its obligations under this Agreement, provided that notice and an opportunity to cure have been provided in accordance with Section 11; or

(iv) Immediately upon filing of a petition in bankruptcy by Unit Owner, or if Unit Owner shall make an assignment for the benefit of creditors or take advantage of any insolvency act, or a foreclosure proceeding is pending against the Unit.

(c) **Termination by Unit Owner.** Unit Owner may terminate this Agreement upon the occurrence of any of the following events:

(i) Upon giving at least **90 days** prior written notice for any reason, with or without cause;

(ii) Immediately upon default by Manager of its obligations under this Agreement, provided that notice and an opportunity to cure have been provided in accordance with Section 11; or

(iii) Immediately if a petition to have Manager adjudged bankrupt is filed by or against Manager or if a petition for reorganization under any law related to bankruptcy is filed by or against Manager or if a trustee or receiver is appointed to take possession of all or substantially all of Manager's assets.

(d) **Obligations upon Termination.** In the event of Unit Owner's termination under sub-section 10(c)(1) above, Manager shall, following (if applicable) the relevant notice period set forth above, use reasonable efforts to transfer any confirmed reservations to accommodations similar to the Unit; if, however, Manager is unable to relocate such reservation(s) to similar accommodations, Unit Owner will be fully obligated to honor future rentals of the Unit booked prior to the termination, shall share the income from such rental and will be fully obligated to maintain the Unit in accordance with this Agreement during such rental periods. Manager shall notify Unit Owner within thirty (30) days of receiving notice of termination whether there are any future rentals booked prior to the termination that Unit Owner will be fully obligated to honor and shall set forth the dates of those future rentals. After the termination, Manager's and Unit Owner's obligations under Sections 3(b), (k) and (l), and Sections 4(g), (h) and (i) regarding Gross Rental Proceeds and Unit Owner's Costs will remain in full force and effect as to such prior reservations and shall survive the termination of this Agreement. The obligations set out in this Section survive the termination of this Agreement. Should Unit Owner owe Manager any monies after termination of this Agreement, Unit Owner shall pay Manager and guarantees payment for all monies owed within fifteen (15) days after written demand from Manager. Manager may, in its sole discretion, apply one hundred percent (100%) of Unit Owner's portion of the Gross Rental Proceeds to decrease any delinquent account or monies owed Manager at the time of, or in connection with the termination of this Agreement. If Manager has provided Unit Owner with dates of future rentals that Unit Owner is fully obligated to honor as set forth above, Unit Owner hereby agrees Manager may require up to \$2,000 be withheld from the proceeds of the sale of the Unit, to be held in trust in a non-interest bearing account by Manager's representative for up to sixty (60) days and to be applied against any monies owed Manager or for any expenses that arise as a result of a reservation not being honored after termination of this Agreement as provided for above. After said sixty (60) days, Manager shall return the remainder to the Unit Owner with a statement indicating any deductions or offsets made.

11. **Default and Remedies.** In the event a Party defaults in the performance of any of its obligations under this Agreement, which default is not cured within fifteen (15) days after the other Party gives notice of such default (or such longer period as may be required if cure cannot reasonably be accomplished within fifteen (15) days provided that the Party in default diligently commences and proceeds with cure), then the other Party will have all rights and remedies provided for in this Agreement or otherwise available at law or in equity, including without limitation, termination of this Agreement as provided for in Section 10. All such remedies are cumulative with and non-exclusive of one another and may be pursued by the non-defaulting Party either successively or concurrently as the non-defaulting Party may elect. The exercise of any one remedy will not be an election of remedies to the bar of

the exercise of any other remedy. In addition to any other remedies available, in the event of a default by Unit Owner, Manager may deduct any amounts owed to Manager by Unit Owner pursuant to this Agreement from Unit Owner's Share of Proceeds without notice (provided it is reflected on the Monthly Statement) and/or suspend the offering of the Unit for rental. Further, in the event Unit Owner fails to pay any party other than Manager any amount required under this Agreement when due, Manager may, but is not obligated to, make payment to said party on behalf of Unit Owner and may deduct such amount from Unit Owner's Share of Proceeds after giving Unit Owner notice and giving Unit Owner the opportunity to show that the amount was paid (provided it is reflected on the Monthly Statement). Notwithstanding anything contained in this Agreement to the contrary, in any action for damages, each Party will be entitled only to actual damages and expressly waives any right or claim for punitive, exemplary or consequential damages of any kind or nature.

12. **Indemnification.** From and after the Effective Date, each Party (the "**Indemnifying Party**") hereby agrees to indemnify, defend and hold harmless the other Party (the "**Indemnified Party**"), each of its affiliated entities and their respective employees, officers, directors, managers, members, owners, agents and assignees, and each of their successors-in-interest from all losses, damages or liabilities of any nature, including without limitation, any personal injury or property damage, that arise from or relate to the Indemnifying Party's breach of its obligations under this Agreement and/or the gross negligence or willful misconduct of the Indemnifying Party. The obligations set out in this Section 12 survive the termination of this Agreement.

13. **Unit Owner's Representations and Acknowledgements.**

(a) *No Representations Concerning Rental Income.* **UNIT OWNER ACKNOWLEDGES AND AGREES THAT NEITHER MANAGER, NOR ANY DELEGATEE, AGENT OR EMPLOYEE OF MANAGER, HAS MADE ANY REPRESENTATIONS, WARRANTIES, STATEMENTS OR PROJECTIONS OF ANY KIND RELATED TO POTENTIAL RENTAL INCOME THAT WILL BE GENERATED BY PLACING THE UNIT IN THE RENTAL PROGRAM.**

Unit Owner Initials

(b) *No Representations Concerning Economic or Tax Benefits.* **UNIT OWNER ACKNOWLEDGES AND AGREES THAT NEITHER MANAGER NOR ANY DELEGATEE, AGENT OR EMPLOYEE OF MANAGER, HAS MADE ANY REPRESENTATIONS, WARRANTIES, STATEMENTS OR PROJECTIONS OF ANY KIND RELATED TO ANY ECONOMIC OR TAX BENEFITS THAT UNIT OWNER MIGHT ENJOY OR BENEFIT FROM BY VIRTUE OF OWNING THE UNIT OR PLACING THE UNIT IN THE RENTAL PROGRAM.**

Unit Owner Initials

14. **Notices.** All notices, consents or other written communication given pursuant to this Agreement must be in writing and will be deemed properly given and received on the earlier of when actually delivered or when deemed delivered in accordance with the following provisions. Notice may be given by (a) delivery by Federal Express or a similar courier service, in which case notice will be deemed given one business day after being deposited with the courier for overnight/next day delivery; (b) fax, in which case the notice will be deemed given when the receiving fax machine sends electronic confirmation of receipt; (c) registered or certified mail, first class postage prepaid, in which case notice will be deemed given three business days after being deposited with the United States Postal Service; or (d) email, in which case notice will be deemed given upon electronic confirmation that such email was opened. To be valid, a notice must be sent to the address or fax number shown in the addendum attached to this Agreement, or to such other address or fax number as the receiving party may have specified by written notice given in accordance with this Section 14.

15. **Showing of Unit.** In the event the Unit is available for sale, Manager must be notified in writing of the listing of the Unit and the identity of listing agents. If such notice is not received, Manager will not provide access to Unit for showing. Any real estate agent intending to show the Unit must notify and obtain permission from Manager before doing so. If the Unit is occupied, or if such guest is unavailable or denies access to the Unit, Manager will not permit access to the Unit until able to obtain guest's permission or until the Unit becomes unoccupied. Manager shall

release rental history information pertaining to the Unit only if written authorization has been received from the Unit Owner.

16. **Miscellaneous.**

(a) ***Independent Counsel.*** Unit Owner should and has been advised to seek whatever independent advice and counsel Unit Owner deems necessary to fully understand the ramifications of the Rental Program and this Agreement, expressly including tax consequences of this Agreement.

(b) ***Entire Agreement.*** This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter hereof, and there are no representations, inducements, promises or agreements, oral or otherwise, not included in this Agreement. If any clause or provision of this Agreement is held to be invalid in whole or in part, then such clause or provision will be deemed stricken and the remaining clauses and provisions, or portions thereof, will remain in full force and effect.

(c) ***Amendments.*** No amendment, alteration, modification of or addition to this Agreement will be valid or binding unless expressed in writing and signed by Unit Owner and Manager.

(d) ***Governing Law.*** This Agreement will be governed by and interpreted in accordance with the laws of the State of California, without regard to its conflict of laws principles.

(e) ***Attorneys' Fees.*** In the event of litigation concerning the terms and provisions of this Agreement, the prevailing party will be entitled to an award of reasonable attorneys' fees and costs.

(f) ***No Assignment By Unit Owner.*** Unit Owner may not assign its rights or obligations under this Agreement without the express written consent of the Manager.

(g) ***Counterparts; Facsimile Signatures.*** This Agreement may be executed in counterparts, each of which will constitute but one agreement. This Agreement may be executed by facsimile and any facsimile will have the same force and effect as the original.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Unit Owner and Manager have executed this Agreement as of the Effective Date.

Owner (Print) _____

Owner (Sign) _____

Date: _____

Address Street: _____

City, State, Zip: _____

Email: _____

Phone: _____

Business Tax Id (if applicable) _____

Owner (Print) _____

Owner (Sign) _____

Date: _____

Address Street: _____

City, State, Zip: _____

Email: _____

Phone: _____

Business Tax Id (if applicable) _____

MANAGER

(Name of Managing Entity):

Name (Print): _____

Title: _____

Sign: _____

Date: _____

EXHIBIT A

RATINGS SYSTEM

LAKELAND VILLAGE RENTAL PROGRAM

Property Rating Descriptions

GOLD

Gold is the highest rating classification assigned to rental units. Units with a gold rating reflect recent interior design concepts and motifs. Interior décor is coordinated throughout the property and inventory contained within each room of the unit is top notch in quality and condition. Bathrooms and kitchens are newer and up-to-date. Gold units combine comfortable and stylish interior aspects which represent better than average lodging accommodations.

SILVER

Units with a silver rating offer acceptable accommodations with furniture of standard quality and design. A consistent style is apparent throughout, although the unit may be a few years' dated and lacking a bit in consistency and finishing touches. Bathrooms and kitchens may not be new but remain in good condition and reflect current styles. Overall, the unit is comfortable and attractive but typically does not exhibit the decorative enhancements of a gold-rated property.

BRONZE

Bronze units remain in serviceable condition, however are in need of improvements in order to meet the expectations of lodging guests. Units with a bronze rating offer just basic environments. Personality and decorating motifs may be present but typically are not fully coordinated; there may be a "pieced together" feel to the property. First impressions are "OK". Furnishings and décor contained in each room of the unit are mostly utilitarian and tend to be dated (10+ years old). Interior components may be on the lower end quality-wise.

EXHIBIT B

EXAMPLES OF ROOM CHARGES

Housekeeping Fee Schedule

The following charges have been established for wholly owned rental properties within Lakeland Village California Resort:

<u>Unit Size</u>	<u>Check-out</u>	<u>Daily (Special Request)</u>
Studio/Loft	30.00	20.00
1 Bedroom	50.00	20.00
2 Bedroom	75.00	30.00
3 Bedroom	120.00	40.00
4 Bedroom	135.00	45.00
5 Bedroom	195.00	50.00

Daily Service:

Change of towels, make beds, remove trash, straighten kitchen, load dishwasher (no unloading), vacuum if necessary.

Check-out Service:

Complete cleaning and resetting of unit.

Annual Deep Cleaning Fees:

Studio	300.00
1 Bedroom	395.00
2 Bedroom	485.00
3 Bedroom	545.00
4 Bedroom	615.00
5 Bedroom	930.00

Deep Cleaning fees **do not include** carpet cleaning, window cleaning, dry cleaning or maintenance items. These items will be billed separately.

All cleaning must be done by Manager and Manager's choice of vendor.

Cleaning charges are subject to change without notice at Manager's discretion.

THE RATES SET FORTH IN THIS EXHIBIT B ARE SUBJECT TO CHANGE FROM TIME TO TIME IN MANAGER'S SOLE DISCRETION TO REFLECT MARKET CONDITIONS. PROPERTY TOURS HAVE NOT BEEN CONDUCTED TO PROVIDE EXACT PRICING, AND VAIL RESORTS WILL WORK WITH RMAC TO REFINE PRICING AFTER PROPERTY TOURS

EXHIBIT C

HOUSEKEEPING DEEP CLEAN CHECKLIST:

Kitchen

- Unplug the refrigerator and take all the pieces and drawers out from the refrigerator so it can be cleaned.
- Remove all buttons and grill from stove so it can be cleaned.
- Spray the inside boarder from the dish washer with IC-115 or PEROXY clean.
- Remove all dishes and other items from cabinets, revise them and see what needs to be cleaned.
- Spray stove and over with EASY OFF and OVEN CLEANER let is set for 20-30 minutes depending how dirty it is. (Make sure to use proper protection when using this liquids it can cause damage, take items that are being sprayed out to the balcony when spraying them)
- Use Port-A-Vac from top to bottom including window sills, under refrigerator, drawers etc,
- Clean all drawers from the inside and outside using Murphy's Liquid soap/shine.
- Clean all dirty items.
- Place all items back in place and organize them.
- Clean refrigerator and freezer using a small brush to remove scratches and SOS to remove all stains.
- Clean the stove and oven light cover completely including the inside.
- Clean the dishwasher with a small brush both inside and out.
- Clean microwave with a small brush both inside and out.
- Clean coffee maker with a small brush both inside and out.
- Clean all ledges by removing all stains including all corners.
- Clean kitchen sink using SOS and small brush. Remove food dispenser guard and clean it from the inside.
- Vacuum all window sills and railings. After vacuuming, clean them.
- Clean trash can and recycling can.
- Clean walls and light covers.
- Please use polish on all cabinets and drawers.
- Clean floors using SOS or metal sponge to remove all skid marks and use small brush in all corners.
- Clean telephone and fire extinguisher.

Bathrooms

- Spray bathtub, toilet, and sink with FOAMY Q&A.
- Remove cover from fan and shelves from medicine cabinet.
- Turn off all lights clean light bulbs and clean the light base board.
- Use Port-A-Vac from top to bottom including all cabinets and drawers.
- Scrub all walls from tub/shower, use chrome shine with steel wool on faucet and water knob. Use small brush on all corners and small ledges.
- Rinse tub/shower completely.
- Scrub toilet with Pumice to remove all stain marks.
- Use small brush to clean all knobs.
- Clean water knobs behind toilet.
- Clean bathroom sink using steel wool and small brush all around the corners.
- Remove all scum from water faucet and knobs.
- Clean medicine cabinet both inside and out.
- Clean all mirrors with detail.
- Polish all chrome including toilet paper spindle and around heater.
- Polish all cabinets, drawers, and door with Murphy's.
- Use scratch protector where ever it's necessary.
- Clean floors and remove all skid marks using small brush in all corners.
- Wash trash can both inside and out.

Bedrooms

- Clean doors both inside and out including door frame.
- Clean all spider webs.
- Clean light cover and put back in place.
- Dust closet shelves and organize blankets, pillows, etc...
- Clean railings from closet door and corners.

- Vacuum window sills and railing and clean them after.
- Clean railing and edges from sliding doors.
- Clean sliding door both inside and out.
- Vacuum curtains, blinds, and lamp shades with Port-A-Vac.
- Detailed dust everything including bed frames, drawers, lamps, light bulbs, etc.
- Clean trash cans both from inside and out.
- Clean light switches.
- Clean all base boards from walls.
- Vacuum all space heater vents.
- Move all furniture and vacuum.
- Use scratch protector on door and drawers if it's necessary use lemon oil on all wood surfaces.
- Clean all picture frames.
- Clean all wood surfaces with Murphy's.
- Revise all blankets and comforters. Remove any that need to go to dry cleaner's.
- If the bedroom had a balcony it's necessary to sweep the unit and organize any items on it including wood and clean all furniture outside and light cover.

Laundry

- Clean door both from inside and out including door frame.
- Clean all spider webs.
- Wash light cover and put it back on.
- Dust shelves and organize it.
- Clean the interior for both washer and dryer including the filter.
- Polish the exterior for both washer and dryer.
- Use Port-A-Vac behind the washer and dryer.
- Wash trash can both inside and out.
- Clean all light switches.
- Clean all base boards.
- Clean floors and also remove all skid marks of any kind.

Hallways and Stairway

- Remove all spider webs.
- Wash all light cover and put them back in place.
- Vacuum and clean space heater vents.
- Clean all light switches.
- Clean all base boards.
- Use Port-A-Vac on all carpet edges and corners.
- Vacuum stairs with Port-A-Vac.

Entryway

- Sweep closets.
- Sweep balcony and stairs.
- Remove all spider webs.
- Clean light covers both in and out.
- Clean doors from both inside and outside and clean the railing.
- Clean all light switches.
- Clean all base boards and use Port-A-Vac on edges and corners.
- Clean floor and remove all kinds of skid marks.

Living Room

- Place small light covers inside dishwasher (inspectors will put it back in place).
- Remove all spider webs.
- Dust everything also dust shelves inside closets and organize it.
- Clean light covers from ceiling light, exterior only.
- Clean fireplace both inside and out.
- Clean fireplace's floor.
- Vacuum couches and pillows with Port-A-Vac.

- Clean all light switches.
- Clean all base boards.
- Vacuum all window sills and railing, clean them after.
- Clean frame and railing from sliding door.
- Clean door both inside and out.
- Vacuum and clean all space heater vents.
- Vacuum all carpet edges and corners with Port-A-Vac.
- Move all furniture and vacuum.
- Use scratch cover on furniture if necessary. Use lemon oil on all wood surfaces.
- Clean all picture frames.
- Clean all wood with Murphy's.
- Sweep balcony and organize it, clean all table chairs and tables and the exterior from all lamps.

EXHIBIT D

MINOR MAINTENANCE EXAMPLES

Standard light bulb replacement
Remote control calls
Hairdryer replacements or repairs
Tripped breakers or GFIs
Toilet repairs
Guest lock outs
Minor TV/VCR/DVD problems
Heat calls, thermostat sets
Clogged toilet drains (excluding snaking/jetting drains)
Guest assistance with appliances (stoves, refrigerators, microwaves, etc.)
Setting closet or sliding doors back on track
Opening and closing windows
Clearing disposals

ANNUAL PREVENTATIVE MAINTENANCE ITEMS

Inspect main H2O shutoff valve Check if it's labeled.

Inspect entire HVAC system Tstat Vacuum Return air. Pilot Clean burner. Change filters. Air flow. Wall heater test/clean.

Inspect main breaker. Inspect all outlets. Label 1/2 hots. Test GFCI outlets. Inspect all lights - note any damage
Inspect all fans/vents.

Look for paint touch up Is spare paint can in unit? Inspect drywall for repairs.

Inspect flooring Inspect counter's Inspect cabinets - function, alignment, knobs.

All keys accounted for? Master door/Ski locker/Other.

Inspect all doors latch Damage Door stops Closets Locks.

Inspect Plumbing fixtures shower heads faucets clear drains Angle stops Leaks Flapper tabs Caulk tubs, sinks, showers as needed.

Inspect towel/TP bars Toilet seats.

Test/inspect all CO/smoke detectors Install batteries as needed.

Inspect windows/slider doors Function Latching Screens Locking.

Fireplace Warning sign Instructions Correct/Verify with list/Compile for front desk.

Inspect Murphy bed if applicable Measure to SLY or Tag.

Inspect Appliances: Range - gasket, knobs, burners, bake, broil. Micro - Proper tray/function. DW- Function/clean drain/agitator. Fridge - parts/ice maker/ vacuum coils.

County Placard? Y/N

Inspect exterior decks and general outside(siding, windows, walkways. Report issues to CAMCO

Run washer/dryer cycle Inspect flex duct/vent Inspect hose bib connections and drain pipe

EXHIBIT E

Dinner Plates
Salad Bowl
Stem Glasses
Cereal Bowls
Large Glasses
Medium Glasses
Juice Glasses
Wine Glasses
Bouillon Spoons
Dinner Forks
Salad Forks
Teaspoons
Dinner Knife
Paring Knife
Hand Can Opener
Cork Screw
Carving Fork
Serving Spoon
Spatula
Silverware Tray
Muffin pan
Broom
Coffeepot
Pot Holders
Juice Pitcher
Plastic Salad Bowl
Ice Trays
Small Fry pan
Large Fry Pan
Medium Fry Pan

Small Sauce Pot
Medium Sauce Pot
Large Sauce Pot
Serving Plater
Colander
Steak Knives
Coffee Mugs
Bedroom Clock Radio
Blender
Iron
Ironing Board
Cutting Board
Toaster
Measuring Cup
Measuring spoons
3-Quart Baking dish
Cookie Sheet
Tea Kettle
1-Quart Pyrex Bowl
1 1/2 Quart Pyrex Bowl
2 1/2 Quart Pyrex Bowl
Cheese Grater
Ice bucket
Bedroom Oscillation Fans
Slotted Spoon
Large Spaghetti Pot
Wastebasket
Fire Extinguisher
Hand Mixer
Potato Masher

Potato Peeler
Comforters
Wooden paper Towel
Holder
Carbon Monoxide Detector
Down Pillows
Complimentary Coffee
Pot Holders
Paper Towels
Bath Hair Dryers
Bedding package sheets
Bedding package blankets
Kitchen place mats

NOTE: Each kitchen package is maintained to service the number of people allowable in the particular type unit. Manager and RMAC may jointly make substitutions, modification and additions to package from time to time.