

RENTAL MANAGEMENT AGREEMENT

This Agreement dated as of _____, _____ (the “**Commencement Date**”).BETWEEN:

(herein called the “**Owner**”)

AND:

Restnest Hospitality Corp.

(herein called the “**Rental Manager**”)

WHEREAS:

- A. The Owner is the registered owner in fee simple of the rental property with a civic address of _____ (the “**Property**”);
- B. The Owner has the full right, title, power and authority to collect rents and operate the Property and desires to appoint the Rental Manager as its agent for short-term rentals of the Property upon the terms and conditions contained in this Agreement; and
- C. The Rental Manager has agreed to become the Owner’s agent in respect of managing the short-term rentals of the Property on the terms and conditions contained in this Agreement.

THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1:
DEFINITIONS

1. Definitions: In this Agreement the following terms have the following meanings:

“Adjusted Gross Revenue” has the meaning ascribed in paragraph 3.2:

“Commencement Date” means the commencement date described above;

“Family Member” means the spouse, children and parents of an Owner and the parents of the Owner’s spouse; and where there is more than one Owner, all the registered Owners and their spouses, children, parents and parents of their spouses

“Gross Revenue” has the meaning ascribed to such term in paragraph 3.2;

“Guest” means any person using and occupying a Property for overnight accommodation with the authorization of the Owner and who does not pay any money or give any other consideration to the Owner of the Property or any other party for such use and occupation;

“Management Fee” means the management fee payable to the Rental Manager under this Agreement as described in paragraph 4.1;

“Owner” means the person registered in the Land Title Office as owner in fee simple of the Property ;

“Owner’s Net Rental Revenue” has the meaning ascribed in paragraph 3.2;

“Owners’ Expenses” includes, but are not limited to, the following amounts payable in respect of a Property:

- (i) any taxes personal to the Owner, including income taxes, property taxes, capital taxes, goods and services taxes and corporate taxes; and
- (ii) strata fees and other amounts payable to the strata corporation in respect of the strata lots which also includes fines levied by the strata corporation for an Owner’s contravention of a bylaw or rule, if applicable;
- (iii) hydro;
- (iv) insurance, including building, personal property, contents and liability
- (v) replacement, repairs and maintenance;
- (vi) financing costs; and
- (vii) municipal utilities.

“Privately Rent” means when an Owner allows the use of his or her Property for any compensation, monetary or otherwise, excluding a renter of the Property arranged through the Rental Manager;

“Term” means the term of this Agreement, as determined in accordance with section 2.4;

ARTICLE 2

APPOINTMENT, USE, TERM AND TERMINATION

- 2.1 **Appointment.** The Owner hereby appoints the Rental Manager as its exclusive agent to manage the rental of the Property in accordance with the terms and conditions set out in this Agreement and the Rental Manager hereby accepts such appointment.
- 2.2 **Rental Business.** The Owner acknowledges and agrees that the Rental Manager will manage the rental of the Property in accordance with this Agreement. The Owner hereby irrevocably covenants and agrees to be bound by the rental bookings of the Property made by the Rental Manager in accordance with this Agreement. The Owner will indemnify and save the Rental Manager harmless from all claims, damages and costs in connection with any failure by the Owner, or anyone claiming under or on behalf of the Owner, to comply with such rental bookings.
- 2.3 **Use.** The Rental Manager will rent the Property as residential vacation accommodation only in accordance with this Agreement and not for any other purpose without the prior written consent of the Owner. Any use of the Property will comply with all applicable zoning bylaws and the bylaws, rules and regulations of the Strata Corporation, if applicable.
- 2.4 **Term.** The term of appointment of the Rental Manager under this Agreement will be from the Commencement Date until the Owner gives written notice of termination of this Agreement to the Rental Manager, in which case this Agreement will terminate on the 180th day after the date of such written notice. The Rental Manager may terminate this Agreement on 180 days notice in writing.
- 2.5 **Events Upon Termination.** Upon the expiration of the term or any other termination of the appointment of the Rental Manager under this Agreement:
- (1) the Rental Manager will not make any further rental bookings of the Property for any days beyond the expiry of the Term of this Agreement unless otherwise instructed by the Owner;
 - (2) the Owner will continue to be bound by the rental bookings made by the Rental Manager in accordance with this Agreement, including those which extend beyond the expiry of the Term and will indemnify and hold harmless the Rental Manager in respect thereof and the Rental Manager will be entitled to receive the Management Fee and any other amount owing to the Rental Manager hereunder in respect of such rental bookings;
 - (3) the money collected on behalf of the Owner and held by the Rental Manager will be paid in accordance with section 3.3 except an amount reasonably estimated by the Rental Manager to be required for anticipated accounts and anticipated Management Fees, which estimated amount will continue to be held for a period of 60 days after termination and during this period the Rental Manager may make withdrawals and payments with respect to any amount the Rental Manager is authorized or required to pay pursuant to this Agreement, including the Management Fee and any other amount payable to the Rental Manager hereunder, and the Owner will reimburse the Rental Manager for such amounts to the extent that funds collected by the Rental Manager are insufficient for this purpose;
 - (4) except as expressly set out in this Agreement and except as to liabilities and obligations accrued or arisen prior to the time of the expiration of the Term or the effective date of the termination, as the case may be, the obligations of the parties shall

cease and terminate;

- (5) the Rental Manager shall give possession of the Property, subject to the terms of this Agreement, including this section 2.5, to the Owner in good order and condition, subject to normal wear and tear; and
- (6) if the Owner terminates this Agreement with the Rental Manager then the Owner shall not use the name “**RESTNEST HOSPITALITY CORP.**”, or any portion thereof without the prior written consent of the Rental Manager. At the request of the Rental Manager, the Owner shall discontinue the use of all signs, tradenames, service marks, logos, stationary, advertising material, telephone listings, service manuals and other material that would make it appear to the public that the Property is operating as part of “**RESTNEST HOSPITALITY CORP.**” and all such products and materials shall be returned to the Rental Manager as property of the Rental Manager. The Rental Manager may also enter into the premises to effect removal of all displays of tradenames and any other materials of any kind which relate to the words “**RESTNEST HOSPITALITY CORP.**” and the Rental Manager shall have no liability to the Owners thereof, nor shall be accountable or be required to pay for such displays or materials.

ARTICLE 3

OWNER’S REVENUES AND EXPENSES

3.1 Rental Business Definitions. In this Agreement, the following terms have the following meanings:

- (1) “Cleaning Costs” means the expense charged by the Rental Manager to provide cleaning services upon checkout of paying guests.
- (2) “Gross Revenue” means the amount collected by the Rental Manager in connection with the rental of the Owner’s Property pursuant to this agreement; excluding the Management Fee, any revenue earned by the Rental Manager in providing extra services such as those described in sections 3.2, and any other fee or amount payable to the Rental Manager pursuant to this Agreement;
- (3) “Adjusted Gross Revenue” means the Gross Revenue less all goods and services tax, social services tax, hotel tax and any other applicable tax, rate or charge payable to any governmental or public authority or body with respect to the rental of the Owner’s Property pursuant to this Agreement and the Rental Business; and

(4) “Net Rental Revenue” means the Adjusted Gross Revenue less the Management Fee, the Cleaning Costs, any of the Owner’s Property Expenses paid by the Rental Manager;

3.2 Rental Manager’s Other Revenue. The Owner acknowledges and agrees that the Rental Manager will be entitled to keep 100% of the revenues from charges levied to the guest using the Property from any other services which the Rental Manager, at its sole discretion, provides in addition to the rental of the Property, and that such revenue will not be included in Gross Revenue.

3.3 Payment to Owner. The Rental Manager shall account for the Net Rental Revenue to the Owner within 30 days of the end of every month during the Term, the Rental Manager will, if the Owner’s Net Rental Revenue exceeds \$100 for such period, pay to the Owner the Owner’s Net Rental Revenue. Such payment will be made by the Rental Manager either by mailing the Rental Manager’s cheque for such amount to the Owner’s address set out above (or such other address as the Owner may notify the Rental Manager in writing pursuant to 8.4), e-transfer or ETF.

3.4 Statement to Owner. Concurrently with the payment of the Owner’s Net Rental Revenue in accordance with section 3.3, the Rental Manager will mail or email to the Owner a written statement of account in respect of the Gross Revenue, the Adjusted Gross Revenue, the Management Fee, and the Net Rental Revenue, (including details of the calculation thereof) and any applicable withholding tax, goods and services tax or other applicable tax, charge or levy for such period and will include a daily breakdown of revenue. The Rental Manager will provide to the Owner at the expense of the Owner:

(a) annual financial statements (including statements for the prior comparative year) with respect to rental of the Owner’s Property for each calendar year; and

3.5 GST and Withholding Tax. The Owner will be responsible for the payment of all goods and services tax and other applicable taxes, charges, rates and levies in connection with the Property or this Agreement, including, without limitation, that payable in connection with the Management Fee. The Rental Manager will withhold from the Owner’s Net Rental Revenue and will remit to Revenue Canada or any other relevant authority any amount required to be withheld or

remitted in respect of goods and services tax, withholding tax or any other applicable tax, charge, rate or levy which the Rental Manager is required to withhold or remit.

- 3.6** **Schedule “A”**. Schedule “A” is attached to this Agreement as convenient reference of respective responsibilities for commonly occurring costs. If any specific item of this Agreement is in conflict with Schedule “A”, the specific term of this Agreement will supersede and prevail over the term in Schedule “A”.

ARTICLE 4

FEES

- 4.1** **Management Fee**. As compensation for the services rendered by the Rental Manager pursuant to this Agreement, the Rental Manager shall be paid a management fee of ____% in the first year and ____% the following year.

ARTICLE 5

RENTAL MANAGER’S RESPONSIBILITIES

- 5.1** **Rental Manager’s Responsibilities**. The Rental Manager will at its sole cost and expense unless otherwise stated:

- (1) operate, supervise, manage, maintain, control and rent the Property in such manner as would a prudent owner of a rental property and may employ competent personnel to do so; determine the rates of rental for the Property having regard to the seasonal uses of the Property and the market for the rental of sites similar to the Property;
- (2) collect all rents, taxes, fees and other amounts payable in connection with the rental of the Property, give receipts, and if reasonable, make abatements and allowances in respect thereof;
- (3) give to the renters of the Property such notices and statements as may be reasonably required from time to time;
- (4) provide full cleaning services upon checkout of paying guests;
- (5) keep and maintain the Property while it may be unoccupied in a state of cleanliness;
- (6) keep or cause to be kept full and adequate books of accounts and such other reasonable records reflecting the Gross Revenue, the Adjusted Gross Revenue, the Management Fee, the Net Rental Revenue, the Owner’s Net Rental Revenue and the Rental Business Expenses;
- (7) use reasonable efforts to ensure that the Property and the use and occupancy thereof comply with all fire and safety codes, rules and requirements of all governmental or regulatory authorities, including the applicable bylaws, rules and regulations of the Strata Corporation, if applicable, subject at all times to the duties of the Owner as the Owner of the Property and provided that the Rental Manager will not be obligated to advance or utilize any of its own funds in respect of the foregoing;
- (8) take out and maintain at all times during the term insurance against such risks and to such levels as is determined prudent by the Rental Manager, acting reasonably;

- (9) procure and maintain all such licenses and permits as are necessary in connection with the performance by the Rental Manager of its duties and obligations under this Agreement;
- (10) provide such general administrative, supervisory and management staff and keep in stock such supplies from time to time required to carry out the duties and obligations of the Rental Manager under this Agreement;
- (11) take such steps, so far as it may be within its power to do so, to ensure that all restrictions and limitations with respect to the use of the Property are observed and fulfilled.
- (12) Market the property, create and maintain website with photos, pricing, descriptions and availability for each individual property
- (13) Prescreen guests, by phone, ensuring they fall within the marketing target group
- (14) Cover all customer relations and communications related to the booking of the property.

5.2 Damage to Property

- (1) The Owner will be responsible for the repair of any damage (including that due to normal wear and tear) to the Property caused by any renter of the Property pursuant to the Rental Business;
- (2) Subject to section 5.3(1), the Rental Manager will notify the Owner promptly of any material damage to the Property. If the Rental Manager deems the Property to be unfit for rental for any reason whatsoever during the Term, the Rental Manager will notify the Owner of such condition and take such steps, as directed in writing by the Owner, as are reasonably necessary to remedy such condition, provided that such steps will be taken at the sole cost and expense of the Owner and the Rental Manager will not be obligated to advance or use any of its own funds, including the Management Fee or any other amount owing to the Rental Manager pursuant to his Agreement.

5.3 Repairs and Replacement. The Owner hereby authorizes the Rental Manager to make or cause to be made, at the sole cost and expense of the Owner any emergency repairs to the Property or improvements thereon as the Rental Manager may determine are necessary.

ARTICLE 6

OWNER'S RESPONSIBILITIES / SALE OF PROPERTY

6.1 Owner's Responsibilities. The Owner will:

- (1) provide the Rental Manager with any keys or entry devices to the Property and any other locked facility on the Property to which the renters of the Property will be permitted access and the Owner authorizes the Rental Manager to duplicate any such keys as required by the Rental Manager;
- (2) ensure that the Rental Manager, the Rental Manager's agents and representatives and

the renters of the Property have full, free and uninterrupted access to the Property;

- (3) promptly pay when due all amounts owing under any financing of the Property arranged by the Owner and all real property taxes, telephone and utility charges, cablevision charges, monthly maintenance fees, management fees and other amounts payable to the Strata Corporation, if applicable, and all other taxes, rates, levies and assessments in respect of or relating to the Property;
- (4) not permit any lien, charge or encumbrance to be filed against title to the Property except in connection with the Owner's financing thereof;
- (5) ensure that the Property is serviced with water, sewer, and electricity, at all times during the Term;
- (6) take out and maintain at all times during the Term the following insurance pertaining to the Property:
 - (a) comprehensive public liability insurance in the amount of at least \$2,000,000 for claims of personal injury, death or property damage arising out of any one occurrence; and
 - (b) The Rental Manager may reasonably require such other insurance as from time to time; and
- (7) permit the Rental Manager to use the Property for complimentary stays for promotional purposes in the Rental Manager's discretion, acting reasonably.

6.2 No Private Rentals. The Owner may not at any time Privately Rent the Property. If an Owner breaches this covenant the Owner will pay a charge of \$100 to the Rental Manager for each day the Property is Privately Rented as compensation for lost revenue and incurred costs.

6.3 Owner's Authorizations. The Owner hereby authorizes the Rental Manager to take any and all such steps as are reasonably necessary or desirable to enable the Rental Manager to perform efficiently its functions and duties under this Agreement. The Owner hereby covenants and agrees to provide the Rental Manager with all documents and instruments of whatsoever nature reasonably required by the Rental Manager and to cooperate with the Rental Manager in connection with any of the foregoing matters.

6.4 Sale of the Owner's Property. The Owner agrees that if at any time the Owner wishes to sell, lease or otherwise directly or indirectly dispose of the Owner's Property or any interest therein to any person (other than by way of financing), the Owner will provide the Rental Manager a minimum of 3 months' notice of its intention to dispose of the Property in order for the Rental Manager to manage, modify or cancel any existing reservations.

ARTICLE 7

OWNER USE

- 7.1 Use of Property by Owner.** The use of the Property by an Owner is subject to the following terms and conditions:
- (a) there is no limit on the number of days during which an Owner, Family Member or an Owner's Guests may use his Property; if any Property Owner wishes to use the Property or allow Family Members or Guests to use the Property, the Owner (or any other person authorized in writing by the Owner to reserve use of the Property on behalf of the Owner);
 - (b) the Owner will be bound by and comply with the check-in and check-out times established by the Rental Manager for the use of the Property.
- 7.2 Use by Owner.** Any use of the Property by the Owner pursuant to this Article 7 will be strictly for the Owner's private purpose. Under no circumstance will the Owner during the Term directly or indirectly charge rent or accept any form of consideration for the use of the Property except in accordance with this Agreement.
- 7.3 Inclusion of Non-paying Guests.** For the purpose of Article 7, Owner includes non-paying guests of the Owner.

ARTICLE 8

MISCELLANEOUS

- 8.1 Cooperation.** The parties will at all times act in good faith, cooperate and act reasonably in respect of all matters within the scope of this Agreement;
- 8.2 Approval by the Owner.** Whenever any matter pursuant to or arising out of this Agreement is left to the discretion or approval or disapproval of the Owner, the Owner will notify the Rental Manager of the Owner's decision promptly. In the absence of a notification from the Owner within 30 days after any matter arises the Rental Manager will be entitled (but not obligated) to make such decision on behalf of the Owner. The Rental Manager will not be responsible for any decisions so made or for the failure of the Manager to make any such decision provided that the Rental Manager has acted in good faith.
- 8.3 Relationship.** This Agreement is not a lease, partnership or joint venture agreement, and nothing contained herein will constitute the parties landlord and tenant, partners or joint venturers.
- 8.4 Notices.** Any payment, demand or notice in connection with this Agreement will be emailed, delivered, faxed or sent by postage prepaid mail and addressed to the parties at their addresses first above written, or at such other address as either party may specify in writing to the other in the manner set forth in this section 8.4. The time of giving and receiving any such notice will be deemed to be on the day of delivery or transmittal if delivered or sent by email or fax, or on the sixth business day after the day of mailing. In the event of a stoppage of postal services, all notices will be delivered or sent by email or fax rather than mailed.
- 8.5 No Waiver.** No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 8.6 Applicable Law.** This Agreement will be construed according to the laws in force in the Province of British Columbia.

- 8.7 Canadian Funds.** All amounts payable by either party to the other hereunder will be paid in Canadian funds.
- 8.8 Entire Agreement.** This Agreement constitutes the entire agreement between the parties and will not be modified or amended except by an instrument in writing signed by each of the parties.
- 8.9 Non-limiting.** The word “including”, when following any general statement, will be construed to refer to all other things that could reasonably fall within the scope of such general statement, whether or not non-limiting language (such as “without limitation”) is used with reference thereto.
- 8.10 Gender and Number.** Words importing the masculine gender include the feminine and vice versa and neuter genders and words in the singular include the plural, and vice versa.
- 8.11 Joint and Several.** If the Owner is comprised of more than one person, all of the covenants, agreements, duties, obligations and liabilities of the Owner under this Agreement are joint and several covenants, agreements, duties, obligations, and liabilities of all persons comprising the Owner.
- 8.12 Enurement.** This Agreement will enure to the benefit of and be binding upon the heirs, executors, legal representatives, successors and permitted assigns of the parties.
- 8.13 Execution in Counterparts and by Facsimile or Email.** This agreement may be executed by the parties in counterparts and may be transmitted by facsimile or email and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had executed and delivered the same original Agreement.

Name: _____

X _____

RESTNEST HOSPITALITY CORP..

PER: _____
(AUTHORIZED SIGNATORY)

SCHEDULE OF OWNERS SUPPLIES

- all-purpose cleaners and refills
- glass cleaner and refills liquid toilet bowl cleaner and plunger
- sponges, cleaning rags and rubber gloves self-wringing mop with bucket
- broom, dustpan, carpet stain remover, liquid hand soap dispensers and refills for each sink and tub liquid dish soap and dishwasher detergent (if applicable)
- laundry soap, stain remover for laundry, laundry baskets
- toilet paper, Kleenex, paper towel, napkins
- tin foil
- good vacuum cleaner with attachments
- garbage cans for kitchen and bathrooms
- black garbage bags & white kitchen garbage bags
- flashlights with batteries for emergencies
- matching dish set and cutlery for 1.5 times the maximum number of persons
- pot & pan set
- coffee maker, coffee filters, kettle and teapot
- corkscrew and bottle opener
- salt and pepper
- several hot mats and oven mitts
- drying rack for dishes, cutting board
- telephone book
- extra light bulbs for all lights, extra batteries
- minimum of 10 clothes hangers per closet

- tea towels and dish rags for kitchen
- 2 complete sets of bedding for each bed, including hide-a-beds
- towel sets for 2 times the maximum number of persons (bath towel, hand towel, face cloth)
- 2 washable bathmats for each bathroom, a non-slip mat for each bathtub
- Ironing board and iron
- Instruction list e.g.: where to put garbage and garbage day, where to put recycling, water shut off valve, air conditioning instructions, hot tub instructions, lawn maintenance schedule, thermostat instructions
- List of important phone numbers for guest including: maintenance person, cleaner, owner contact number or property caretaker number.
- Flat screen TVs only
- Basic cable television package
- Wireless internet