

RENTAL POOL MANAGEMENT AGREEMENT

THIS AGREEMENT dated as of the ____ day of _____, _____

BETWEEN:

STRATA LOT OWNER
(the "Owner")

OF THE FIRST PART

- and -

PROPERTY MANAGEMENT COMPANY
(the "Manager")

OF THE SECOND PART

WHEREAS:

- A. The Owner is the owner of Strata Lot ____ (the "Unit") in the Development (as hereinafter defined) and is a member of the Strata Corporation;
- B. The Owner has the full right, title, power and authority to collect rents and operate the Unit and desires to appoint the Manager as its agent for the rental of the Unit upon the terms and conditions hereinafter set forth;
- C. The Owner hereby certifies that the owner [is\is not] a resident of Canada for the purposes of the *Income Tax Act* (Canada) and agrees to inform the Manager of any change of residency; and
- D. The Manager has agreed to become the Owner's agent in respect of the management of the rental of the unit on the terms and conditions contained in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

ARTICLE I - DEFINITIONS

1.1 In this Agreement the following terms have the following meanings:

- (a) "Adjusted Gross Revenue" has the meanings ascribed to such term in subsection ____;
- (b) "Audited Annual Financial Statements" means comparative financial statements for the Rental Pool prepared in accordance with sections _____ of the [Securities Act], as if the Rental Pool were a reporting issuer, together with an auditor's report on the comparative financial statements prepared by a person that is qualified under the [Securities Act] to make the auditor's report;
- (c) "Base Clean" means changing towels, removing garbage and general surface cleaning;
- (d) "Credit Card Commission" means a percentage of Gross Revenue established by the Manager from time to time based on the percentage which credit card commissions are of total revenues for the Panorama Resort;
- (e) "Development" means the _____ condominium development, comprising Strata Plan _____ in which the Unit is located;

- (f) "Financial Information" means the Audited Annual Financial Statements for the most recent financial year of the Rental Pool, which include financial statements for the prior comparative year and Interim Financial Statements for any interim periods after the most recent financial year end of the Rental Pool;
- (g) "Gross Revenue" has the meaning ascribed to such term in subsection _____;
- (h) "Interim Financial Statements" means interim financial statements for the Rental Pool prepared in accordance with sections _____ of the [Securities Act] as if the Rental Pool were a reporting issuer;
- (i) "Management Fee" means the management fee payable to the Manager, as described in section _____;
- (j) "Owner's Net Rental Revenue" has the meaning ascribed to such term in subsection _____;
- (k) "Owner's Occupancy Cost" means the fee charged by the Manager to an Owner during a period of personal use, in the amounts hereinafter set out;
- (l) "Owner's Share" means the unit entitlement for the Unit divided by the total unit entitlement for all of the Strata Lots considered to be in the Rental Pool for the purposes of section _____;
- (m) "Owners" means all of the owners of Strata Lots;
- (n) "Rental Pool" means the rental management arrangement undertaken by the Manager in accordance with this Agreement and any other similar agreements of like terms and conditions with owners of other strata lots in the Development;
- (o) "Rental Pool Account" means the account or accounts maintained by the Manager in accordance herewith;
- (p) "Reservation System/Affiliation Fees" means a fee charged by the Manager to recover from the Owners any amount or a portion of any amount payable in respect of franchise, affiliation, reservation system or other similar service arrangements engaged or entered into by the Manager;
- (q) "Season" means the Summer Season or the Winter Season, as the case may be;
- (r) "Standard Housekeeping" means a ____ day cleaning cycle which consists of a Base Clean on the first ____ days and a full clean on the ____ day;
- (s) "Strata Corporation" means the strata corporation, The Owners, Strata Plan No. _____ formed in respect of the Development;
- (t) "Strata Lots" means at any time all of the strata lots in the Development which are considered to be in the Rental Pool;
- (u) "Summer Season" means each period from and including May 1st to and including October 31st during the Term;
- (v) "Term" means the term of this Agreement, as determined in accordance with section ____;
- (w) "Unit Revenue Share" has the meaning ascribed to that term in subsection _____; and
- (x) "Winter Season" means each period from and including November 1st to and including April 30th during the Term.

ARTICLE II - APPOINTMENT, USE, TERM AND TERMINATION

2.1 Appointment

The Owner hereby appoints the Manager as its exclusive agent to manage the rental of the Unit in accordance with the terms and conditions set out in this Agreement and the Manager hereby accepts such appointment. The appointment pursuant to this section includes the right to make available all rights appurtenant to the Unit to use all limited common property for the use of the Unit (whether alone or in common with other Strata Lots) and the common property of the Development, subject to any rules, regulations and bylaws of the Strata Corporation.

2.2 Rental Pool

The Owner acknowledges and agrees that the Manager will manage the rental of the Unit and the other Strata Lots in accordance with the Rental Pool. The Owner hereby irrevocably covenants and agrees to be bound before and after termination of this Agreement by the rental bookings of the Unit made by the Manager in accordance with this Agreement and the Rental Pool. The Owner will indemnify and save the Manager harmless from all claims, damages and costs in connection with any failure of the Owner, or anyone claiming under or on behalf of the Owner to comply with such rental bookings.

2.3 Use

The Unit will be rented for _____ use only in accordance with this Agreement and will not be used for any other purpose except in accordance with arrangements agreed to in advance between the Owner and the Manager. Any use of the Unit will comply with all applicable laws and the bylaws and rules and regulations of the Strata Corporation and, in particular, any long term rental arrangement will be structured so as to be subject to the _____ Act [legislation governing rental of hotel accommodations].

2.4 Term

The term of the appointment of the Manager will be the period from and including the Commencement Date to and including 0 [SAME DATE FOR ALL AGREEMENTS]. The term of the appointment will continue thereafter for successive five year periods unless either party gives the other notice of termination of this Agreement as follows:

2.5 Events upon Termination

Upon giving or receiving notice of termination of this Agreement, the Manager will not make any further rental bookings of the Unit for any days beyond the expiry of the term of this Agreement unless otherwise instructed by the Owner. The Owner will continue to be bound by the rental bookings made by the Manager in accordance with this Agreement including those which extend up to ___ months beyond the expiry of the term, or the termination, of this Agreement and will indemnify and hold harmless the Manager in respect thereof and the Manager will be entitled to receive the Management Fee and any other amount owing hereunder in respect of such rental bookings. The money collected on behalf of the Owner in the Operating Account and held by the Manger will continue to be held for a period of ___ days after termination and during this period the Manager may make withdrawals and payments from the Operating Account with respect to any amount the Manager is authorized or required to pay pursuant to this Agreement, including the Management Fee and any other amount payable to the Manager hereunder, and the Owner will reimburse the Manager for such amounts to the extent that funds held in the Operating Account on behalf of the Owner are insufficient for this purpose.

2.6 Termination

- (a) The Owner may terminate this Agreement effective on:
 - (i) [date] of any year provided the Owner gives written notice of termination to the Manager by [date] of that year; or

- (ii) [date] of any year provided the Owner gives written notice of termination to the Manager by [date] of that year; or
- (b) The Manager may terminate this Agreement at any time by giving the Owner not less than ____ days prior written notice.

ARTICLE III - OPERATING ACCOUNT AND OWNER'S EXPENSES

3.1 Rental Pool Account

The Manager will maintain an account or accounts in respect of the Rental Pool in a financial institution qualified to engage in the banking business in _____. The Manager will receive and disburse amounts in respect of the Rental Pool from its own operating accounts, but will reconcile the Rental Pool Account on a monthly basis to ensure that the balance thereof is not less than the aggregate of Owner's Net Rental Revenue for all Strata Lots in the Rental Pool. The obligation of the Manager to disburse funds and carry out the obligations imposed by this Agreement is conditional upon sufficient funds being available from the Gross Revenue or from the Owner's resources. All interest earned on the Manager's Operating Account and Rental Pool Account will be for the Manager's benefit and account.

3.2 Rental Pool Definitions

In this Agreement, the following terms have the following meanings:

- (a) "Gross Revenue" means all amounts collected by the Manager in connection with the rental of the Strata Lots pursuant to the Rental Pool, except for monies paid for specific services, such as Owner Occupancy Costs, telephone, valet, special housekeeping (over and above Standard Housekeeping), vending machine use, coin-operated laundry, [list of any other specific services] and any other services which the Manager may provide in addition to the rental of the Strata Lots.
- (b) "Adjusted Gross Revenue" means the Gross Revenue less the Reservation System Affiliation Fee, the Credit Card Commissions, booking commissions to travel agents and wholesalers, all goods and services tax, hotel tax and other applicable taxes with respect to the rental of the Strata Lots pursuant to the Rental Pool and the cost of preparing Annual Audited Financial Statements;
- (c) "Unit Revenue Share" means the Owner's Share, calculated on a daily basis, of the Adjusted Gross Revenue received by the Manager on the days the Unit is in the Rental Pool;
- (d) "Owner's Net Rental Revenue" means the Unit Revenue Share less the Management Fee and the Owner's Share calculated on an appropriate basis (determined by the Manager, acting reasonably) of any other amounts payable to or deductible by the Manager pursuant to this Agreement.

For the purposes of this section, a Unit will be considered to be in the Rental Pool on a particular day only if, in the reasonable opinion of the Manager, it is fit for occupancy by renters and unconditionally available for rental by the Manager to the public pursuant to the Rental Pool. Without limiting the generality of the foregoing, for the purpose of this section, a Unit will not be considered to be in the Rental Pool on a particular day if it is booked for use by the owner thereof in accordance with Article ____ hereof, or if in the reasonable opinion of the Manager its condition renders it unfit for use by renters pursuant to the Rental Pool.

3.3 Payment to Owner

The Manager will pay to the Owner the Owner's Net Rental Revenue then in the Operating Account on a monthly basis. The Manager shall mail the Manager's cheque for such payment within ____ days after the end of every calendar month to the Owner's address set out above (or such other address as the Owner may notify the Manager pursuant to section ____). Such payment will be accompanied by a written statement prepared by the Manager setting out the Unit Revenue Share on a monthly basis, the

Management Fee, the Owner's Occupancy Costs and any other deductions from Unit Revenue Share or Owner's Net Rental Revenue.

3.4 G.S.T. and Withholding Tax

The Owner will be responsible for the payment of the goods and services tax and other applicable taxes, charges, rates and levies payable by the Owner in connection with the Unit or this Agreement, including, without limitation, any taxes payable in connection with the Management Fee. The Owner hereby appoints the Manager as its agent for the purpose of remitting any such taxes to the applicable authorities, provided that the Manager will properly take into account any input tax credits to which the Owner is entitled in respect of goods and services tax paid on the Management Fee or other amounts paid hereunder. The Manager may withhold from the Owner's Net Rental Revenue and 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 Manager is required to withhold or remit.

3.5 Owner/Manager Responsibilities

A summary of the respective responsibilities of the Owner and the Manager for commonly occurring costs are attached hereto as Schedule "A". If specific terms of the Agreement come in conflict with Schedule "A", the specific terms shall supersede the Schedule.

3.6 Reporting

The Manager shall prepare or cause to be prepared, and send to the Owner the following:

- (a) at the cost of the Owner and the owners of the other Strata Lots, Annual Audited Financial Statements for the Rental Pool on or before the ____ day after the end of each financial year of the Rental Pool; and
- (b) at the cost of the Manager Interim Financial Statements for the Rental Pool on or before the ____ day after the date they are made up.

ARTICLE IV – MANAGEMENT FEE

4.1 As compensation for the services rendered by the Manager pursuant to this Agreement, the Owner will pay to the Manager a monthly management fee of ____% of the Unit Revenue Share for each month during the Term.

ARTICLE V - MANAGER'S OBLIGATIONS

5.1 Manager's Responsibilities

The Manager will:

- (a) use reasonable efforts to rent the Strata Lots during the term;
- (b) determine the rate of rental for the Strata Lots, having regard to the seasonal uses of the Strata Lots, the market for the rental of condominium units similar to the Strata Lots and the maximization of the Owner's return;
- (c) collect all rents, fees and other amounts payable in connection with the rental of the Strata Lots, give receipts and acknowledgements therefor, and if reasonable, make abatements and allowances in respect thereof;
- (d) charge the renters of the Unit for all long distance telephone calls made by such renters from the Unit and remit all amounts collected on behalf of the Owner to the long distance provider providing telephone service to the Development;

THIS IS A 13-PAGE DOCUMENT.