Schedule “H”
Rental Restriction Covenant

**TERMS OF INSTRUMENT – PART 2**

**RESTRICTIVE COVENANT**

**WHEREAS:**

A. The Transferor is the registered owner in fee simple of those certain parcel(s) of land situated in the City of Revelstoke, in the Province of British Columbia, legally described as:

(the "**Transferor's Lands**")

B. The Transferee is the registered owner in fee simple of those certain parcel(s) of land situated in the City of Revelstoke, in the Province of British Columbia, legally described as:

(the "**Transferee's Lands**")

C. The Transferor's Lands will be developed as part of a larger resort community by the Transferee.

D. The parties acknowledge that this Covenant is necessary in order to ensure that all residential accommodation built on the Transferor's Lands be available for commercial rental to the public in a manner which meets the standard of a high-quality resort and maximizes the number of people occupying such accommodation.

In consideration of the covenants contained in this Covenant and for other valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties covenant and agree with each other as follows:

**1. DEFINITIONS**

1.1. In this Covenant:

(a) "Covenant" means this entire instrument, including the Form C- General Instrument Part 1 attached, and this Section 221 Restrictive Covenant;

(b) "Personal Use" means the non-commercial use of a Unit by the Unit Owner as a recreational or seasonal residence;

(c) "Public" means all persons other than the Unit Owner;

(d) "Registered Owner" means the person registered in the Land Title Office as the owner in fee simple of the Unit or, where there is a registered agreement for sale of the Unit, the registered holder of the last registered agreement for sale;

(e) "Rental Manager" means the Transferee;

(f) "Rental Management Agreement" means the agreement made between the Registered Owner and the Rental Manager setting out the terms by which the Rental Manager will manage and make the Unit available for Rental Use in the form attached as Schedule A;

(g) "Rental Use" means the commercial use of a Unit for rental to the Public;

(h) "Season" means the Summer Season and the Winter Season;

(i) "Summer Season" means the period from and including May 15th to and including November 14th of each calendar year;

(j) "Unit" means a unit of residential accommodation on the Transferor's Lands;

(k) "Unit Owner" means the Registered Owner(s) of a Unit and the spouse, children and parents of such Registered Owner(s) and the parents of the Registered Owner(s)' spouse; and, where the Registered Owner(s) is a corporation or corporations, all directors, officers, shareholders and employees and the spouses, children and parents of each of them will together with the corporation or corporations constitute the "Unit Owner" for that Unit and "Unit Owner" shall include any person permitted by any as the foregoing to use the Unit free of charge;

(l) "Use" or "Used" in relation to any Unit includes the purpose to which the Unit is put and includes reside, sleep, inhabit, or otherwise occupy;

(m) "Winter Season" means the period from and including November 15th to and including May 14th of each calendar year.

2. **RESTRICTION ON RENTAL USE**

2.1. **Rental Use**. The Transferor covenants and agrees with the Transferee that the Unit shall not be used as or occupied for Rental Use during the Season and that no Registered Owner will permit its Unit to be used as or occupied for Rental Use during the Season except in accordance with each of the following:

(a) this Covenant; and

(b) the Rental Management Agreement.

2.2. **Rental Management Agreement.** The terms of the Rental Management Agreement are as set out in Schedule A. Any amendments to the Rental Management Agreement must be in writing and the parties agree to execute, deliver and register any documents or instruments necessary to ensure the enforceability of this Covenant.

3. **SALE OF UNIT**

3.1. **Proposed Sale.** In the event the Transferor wishes to sell or otherwise directly or indirectly dispose of the Unit, the Transferor will notify the Rental Manager in writing prior to selling or otherwise disposing of the Unit.

3.2. **Notice to Purchaser.** Prior to selling or otherwise disposing of the Unit, the Transferor will notify proposed purchasers of this Covenant and the Rental Management Agreement and their obligation to comply with the Covenant and enter into the Rental Management Agreement.

3.3. **Purchaser's Execution.** At the time of the closing of the purchase of a Unit, the purchaser shall enter into the Rental Management Agreement, failing which such purchaser shall be deemed to have done so for purposes of this Covenant upon becoming the Registered Owner of such Unit.

4. **TERMINATION**

4.1. This Covenant may be terminated only by mutual written agreement between the Transferor and the Transferee and upon such agreement the parties shall execute and deliver any document or instrument required to register a discharge of the Covenant at the Land Title Office.

5. **DISPUTE RESOLUTION**

5.1. Any of the parties to this Covenant shall refer to arbitration for any dispute about the interpretation or enforcement of this Agreement. Notice shall be given by the party desiring the arbitration to all parties with whom that party is having a dispute or disagreement and within two weeks after notice is received, the parties shall agree upon and appoint a single arbitrator. Provided, however if they cannot

agree upon a single arbitrator, each party shall within one further week appoint an arbitrator and the two arbitrators so appointed shall within one further week appoint a single arbitrator who shall be the sole arbitrator of the proceedings. The arbitrator shall hear the reference as soon as possible at a convenient location in the City of Revelstoke, British Columbia. The arbitrator may accept evidence on oath, affidavit or otherwise as they believe proper whether or not admissible in a court. Any award or order rendered by the arbitrator shall be final, conclusive and binding upon the parties and judgment may be entered on the arbitrator's award or order in any court having jurisdiction. The expenses of such mediation or arbitration shall be borne equally by the parties, except that each party shall be entirely responsible for its own legal fees and its nominee expenses, regardless of the outcome of the mediation or arbitration.

6. **GENERAL**

6.1. **Binding Covenant and Enurement.** Pursuant to Section 221 of the *Land Title Act*, the restrictions and covenants in this Covenant shall be perpetual and run with and burden the Transferor's Lands, as servient tenement, and bind the owner of the Transferor's Lands and its heirs, executors, administrators, assigns and successors in title to the Transferor's Lands, for the benefit of the Transferee's Lands, as dominant tenement, and the owner of the Transferee's Lands and its heirs, executors, administrators, assigns and successors in title to the Transferee's Lands.

6.2. **No Waiver.** Any delay or failure by the Transferee to insist upon the strict performance of any term of this Covenant, or to exercise any term, right or remedy contained in this Covenant or available to it in law or in equity will not be construed as a waiver or relinquishment by the Transferee for the future of that term, right or remedy. No term, condition, covenant or other provision of this Covenant will be considered to have been waived by the Transferee unless the waiver is expressed in writing by the Transferee.

6.3. **Interpretation.** Wherever the expression "Transferor" and "Transferee" are used, the same shall be construed as meaning the plural, all genders or non-genders, body corporate or politic where the context of the parties so require.

6.4. **Joint and Several.** If the Transferor or Transferee is more than one person, all of the covenants and liabilities of the Transferor or Transferee, as applicable, are joint and several.

6.5. **When Non-Binding.** The covenants of the Transferor contained in this Covenant will be personal and binding upon the Transferor in respect of the Transferor's Lands only during the Transferor's ownership of any interest in the Transferor's Lands.

6.6. **No Modification.** The parties agree that this Covenant will not be modified or discharged without written consent of the parties.

6.7. **Governing Laws.** This Covenant will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada, as applicable.

6.8. **Severability.** If any section, subsection, sentence, clause or phrase in this Covenant is for any reason held to be invalid by a court of competent jurisdiction, the invalid portion shall be severed and the provision that is invalid shall not affect the validity of the remainder of this Covenant.

6.9. **Further Assurances.** The Transferor will do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurances which may be reasonably necessary to give effect to the intent of the Covenant.

SCHEDULE A

**RENTAL MANAGEMENT AGREEMENT**
REVELSTOKE MOUNTAIN RESORT

This Agreement dated as of the_____day of_____, 20____.

BETWEEN:

| | | | |
|---|---|---|---|
| Name: | _____ | Name: | _____ |
| Address: | _____ | Address: | _____ |
| | _____ | | _____ |
| Telephone: | _____ | Telephone: | _____ |
| E-mail: | _____ | E-mail: | _____ |
| GST Number: | _____ | | |

(collectively, the "Owner")

AND:

**REVELSTOKE ALPINE VILLAGE INC.**
2950 Camozzi Road
Revelstoke, BC V0E 2S0
E-mail: _____
Telephone: _____

(the "Manager")

"Unit": _____, including any limited common property or common property rights of the Unit, as applicable.

The Owner hereby certifies that the Owner [ ] is a resident of Canada [ ] 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.

BACKGROUND:

A. The Owner is the registered owner of the Unit located at Revelstoke Mountain Resort (the "Resort") in Revelstoke, British Columbia, Canada.

B. The Resort is a world-renowned ski resort complete with summer and winter recreational activities, social amenities and community spaces used by owners at the Resort and visitors from around the world.

C. Subject to the Rental Covenant, the Owner has the full right, title, power and authority to offer the Unit for rental and desires to appoint the Manager as its agent for the rental of the Unit upon the terms and conditions set out in this Agreement.

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.

THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT:

## 1. DEFINITIONS

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

(a) "**Adjusted Gross Revenue**" means the Gross Revenue less the Credit Card Commission, any Reservation System/Affiliation Fee (if applicable), booking commissions to travel agents and wholesalers, all goods and services tax, room tax and other applicable taxes payable with respect to the rental of the Unit and all other reasonable expenses;

(b) "**City**" means the City of Revelstoke:

(c) "**Credit Card Commission**" means a percentage charged by the credit card company from time to time as a processing fee for transactions paid by credit card;

(d) "**Development**" means the strata or subdivision project in which the Unit is located;

(e) "**Financial Information**"· means the financial information pertaining to the Unit during the Rental Period, including any deductions withheld and remitted in accordance with Section 3.3;

(f) "**Financial Records**" has the meaning set out in Section 5.1(j);

(g) "**Gross Revenue**" means all amounts collected by the Manager in connection with the rental of the Unit (including, without limitation, all amounts collected by the Manager for the rental of parking stalls), except for money paid for specific services, such as Owner's Departure Cleaning Charge, valet and special housekeeping charges, payment for ski rentals or tickets, viewing movies, vending machine use, coin-operated laundry, crib or cot rental and any other services which the Manager may provide in addition to the rental of the Unit;

(h) "**Management Fee**" means the management fee payable to the Manager, as described in Section 4.1;

(i) "**Owner's Annual Interior Deep Cleaning Charge**" means the fee charged by the Manager to the Owner for the annual interior deep cleaning of the Unit provided by the Manager in accordance with Section 5.2;

(j) "**Owner's Annual Routine Maintenance Charge**" means the fee charged by the Manager to the Owner for the routine maintenance services provided by the Manager pursuant to Section 5.3;

(k) "**Owner's Departure Cleaning Charge**" means the fee charged by the Manager to the Owner following a period of personal use of the Unit by the Owner in accordance with Section 7.3;

(l) "**Owner's Net Rental Revenue**" means the Gross Revenue less the Management Fee, Owner's Departure Cleaning Charge, Owner's Annual Interior Deep Cleaning Charge and Owner's Annual Routine Maintenance Charge (in each case as applicable), monthly other amounts deductible from Owner's Net Rental Revenue as provided for in this Agreement, except those that have already been deducted in accordance with the Adjusted Gross Revenue;

(m) "**Owner's Usage**" means the deep cleaning period and other periods when an Owner or family and friends of an Owner are occupying the Unit during a Rental Period;

(n) "**Personal Use**" means the non-commercial use of the Unit by the Owner as a recreational or seasonal residence in accordance with Section 2.2;

(o) "**Public**" means all persons other than the Owner;

(p) "**Rental Covenant**" means the restrictive covenant registered against title to the Unit in favour of the lands owned by the Manager in respect of the rental of the Unit;

(q) "**Rental Period**" means the period(s) of time during the Term that the Owner elects to rent the Unit under this Agreement in accordance with Article 2;

(r) "**Rental Operating Account**" has the meaning set out in Section 3.1;

(s) "**Reservation System/Affiliation Fee**" 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 in or entered into by the Manager for the benefit of the rental of the Unit;

(t) "**Season**" means the Summer Season or the Winter Season, as the case may be;

(u) "**Summer Season**" means each period from and including May 15th to and including November 14th during the Term;

(v) "**Term**" means the term of this Agreement, as determined in accordance with Section 2.7, and includes any Renewal Term, as applicable;

(w) "**Units**" means all units available for rental, subject to the Rental Covenant and a rental management agreement, within the Resort; and

(x) "**Winter Season**" means each period from and including November 15th to and including May 14th during the Term.

1.2. For the purposes of this Agreement, a Unit will be considered capable of rental on any particular day and the Owner will be able to collect the Owner's Net Rental Revenue for that day if the Owner has elected to rent the Unit in accordance with Section 2.3, the Unit is not being used by the Owner for personal use in accordance with Section 7.1, and the Unit is, in the reasonable opinion of the Manager, fit for occupancy by renters.

2. **MANAGEMENT, USE, TERM AND TERMINATION**

2.1. **Appointment and Management.** The Owner 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. The Manager accepts such appointment and shall serve as the exclusive rental manager for the Unit in accordance with this Agreement.

2.2. **Not Required to Rent.** The Owner and the Manager agree that notwithstanding the execution and delivery of this Agreement, the Owner is not required to make the Unit available for rent to the Public and that as long as the Owner is using the Unit for Personal Use the terms of this Agreement pertaining to the rental of the Unit shall not apply.

2.3. **Election To Rent.** At any time, the Owner may elect to make the Unit available for rent to the Public. Upon electing to make the Unit available for rent the Owner shall notify the Manager in the form attached as Schedule A and upon the receipt of such notice by the Manager the terms of this Agreement with respect to rental management shall be in effect and the Manager will manage the rental of the Unit in accordance with this Agreement.

2.4. **Election to Not Rent.** The Owner may remove its Unit from availability for rental to the Public on written notice to the Manager, provided the Owner remains bound by all rental bookings made by the Manager as of the date of such notice. Upon the Owner wishing to rent the Unit again to the Public, the Owner must give notice to the Manager in accordance with Section 2.3 to re-instate the rental management of the Unit.

2.5. **Rental Manager.** The Owner acknowledges and agrees that the Manager will manage the rental of the Unit in accordance with this Agreement. 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. 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.

2.6. **Use.** The Unit will be rented for short term vacation 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, rules, regulations, and documents registered against title to the Unit.

2.7. **Term.** The term of this Agreement will be for a period of ten (10) years from the date of this Agreement up to and including April 30, 20____ (the "Term"), subject to any renewal set out in Section 2.8, unless terminated earlier in accordance with this Agreement.

2.8. **Automatic Renewal.** The Term shall automatically renew for five (5) successive renewal terms of ten (10) years each (the "Renewal Term"), unless terminated earlier in accordance with this Agreement. Each Renewal Term will be on the same terms and conditions as this Agreement.

2.9. **Manager's Right to Terminate.** The Manager may terminate this Agreement if the Owner fails to keep, observe, or perform any material covenant, agreement, term or provision to be kept, observed, or performed by the Owner under this Agreement, and such default continues for a period of 45 days after the Owner's receipt of written notice from the Manager requesting the cure of such default, or if such default is of such a nature that it cannot be cured by the Owner within such 45 day period if the Owner fails to commence to cure such default within 14 days of receipt of such notice or thereafter to proceed diligently and continuously to cure such default; provided this termination shall be suspended during an arbitration of a dispute as to a default under this Section 2.9 until the decision of the arbitrator(s) is delivered.

2.10. **Owner's Right to Terminate.** The Owner may terminate this Agreement if any of the following events occur:

(a) the Manager fails to keep, observe, or perform any material covenant, agreement, term or provision to be kept, observed, or performed by the Manager under this Agreement, and such default continues for a period of 45 days after the Manager's receipt of written notice from the Owner requesting the cure of such default, or if such default is of such a nature that it cannot be cured by the Manager within such 45 day period if the Manager fails to commence to cure such default within 14 days of receipt of such notice or thereafter to proceed diligently and continuously to cure such default; provided this termination shall be suspended during an arbitration of a dispute as to a default under this Section 2.10(a) until the decision of the arbitrator(s) is delivered;

(b) the Manager files a petition in bankruptcy, any proposal for reorganization, or for an arrangement under any bankruptcy or insolvency laws, or if any petition under any such law is filed by any third party against the Manager and not dismissed within 60 days; or

(c) the Manager makes any assignment of its property for the benefit of the Manager's creditors.

2.11. **Events upon Termination.** Upon providing or receiving a notice of termination, and upon the actual termination or expiry of this Agreement:

(a) the Manager will not make any further rental bookings of the Unit;

(b) the Manager may, at its discretion, transfer any existing rental bookings of the Unit to any other rental unit within the Resort and the Owner acknowledges that such rental bookings will have been made due to the efforts made and the expenses incurred by the Manager and will remain the property of the Manager following termination;

(c) if the Manager does not transfer the rental bookings of the Unit pursuant to Section 2.11(b), the Owner will continue to be bound by the rental bookings made by the Manager in accordance with this Agreement including those which extend beyond the date of the termination or expiry of this Agreement and will indemnify and hold harmless the Manager in respect of such rental bookings and the Manager will be entitled to receive the Management Fee and any other amount owing under this Agreement in respect of such rental bookings; and

(d) following the expiry or termination of this Agreement, the Manager will account to the Owner for the money collected on behalf of the Owner in the Rental Operating Account and held by the Manager and will continue to be held for a period of 60 days after the expiration or termination of this Agreement and during this period the Manager may make withdrawals and payments from the Rental 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 under this Agreement, and the Owner will reimburse the Manager for such amounts to the extent that funds held in the Renal Operating Account on behalf of the Owner are insufficient for this purpose.

2.12. **Assignment by Manager.** The Manager will, on delivery of at least 180 days prior written notice to the Owner, have the right to assign its interest in this Agreement and have its obligations under the Agreement assumed by a professional rental operator of equal or greater managerial capacity and ability to that of the Manager provided such assignee assumes the obligations of the Manager under this Agreement and all of the other rental management agreements for the Units. For the purposes of this Agreement, "managerial

capacity and ability" means the overall ability and capacity of a rental management company based on:

(a) international recognition of its trademark, trade name, service mark and copyright to be used in connection with the marketing and operation of the Resort as a luxury resort of its size and location;

(b) its financial status;

(c) the size and geographic distribution of its reservation system among potential guests of the Resort;

(d) the perceived operating standards of rental units managed by it under the same trademark and trade name which it would use for the Resort;

(e) a reasonable estimate of its ability to maintain or increase the Owner's Net Rental Revenue over that which would have been produced by the Manager for the balance of the period under the Agreement under the same conditions; and

(f) its ability to provide competent personnel experienced in the hospitality industry to manage and operate the Resort.

Satisfaction of the foregoing test will be determined by the Manager in its sole discretion.

3. **RENTAL OPERATING ACCOUNT AND OWNER'S REVENUE**

3.1. **Rental Operating Account.** The Manager will maintain an account or accounts in respect of its rental management obligations under this Agreement in a financial institution qualified to engage in the banking business in British Columbia. The Owner acknowledges and agrees that the Rental Operating Account may contain funds in respect of the rental of other Units within the Resort and that the Owner's funds may be commingled with the funds of other owners. The Manager will deposit and disburse the amounts associated with the rental bookings under this Agreement from the Rental Operating Account. 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 Rental Operating Account will be for the Manager's benefit and account**.**

3.2. **Payment to Owner.** The Manager will pay to the Owner the Owner's Net Rental Revenue in the Rental Operating Account on a monthly basis, provided the Owner's Net Rental Revenue exceeds $100. Such payment will be made by the Manager to the Owner by way of e-transfer. The Manager shall provide written notification of the e-transfer to the Owner, which will include a written statement prepared by the Manager setting out the Gross Revenue, Adjusted Gross Revenue, Owner's Net Rental Revenue, and all applicable deductions.

3.3. **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, that payable in connection with the Management Fee (other than income tax or withhold tax on the Management Fee itself). The Owner authorizes and agrees that 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, non-resident or other withholding tax or any other applicable tax, charge, rate or levy which the Manager is required to remit.

3.4. **Reporting.** The Manager will provide the Owner with an annual statement of the Financial Information within a reasonable period of time at the end of each Term year.

3.5. **Owner/Manager Costs**. Schedule B is attached to this Agreement as a convenient, information only, summary of the respective responsibilities of the Owner and the Manager for commonly occurring costs and does not amend the specific terms of this Agreement. If any specific term of this Agreement conflicts with Schedule B, the specific term will supersede the Schedule.

4. **COMPENSATION OF MANAGER**

4.1. **Management Fee.** As compensation for the services provided by the Manager under this Agreement, the Owner will pay to the Manager a monthly management fee of 30% of the Adjusted Gross Revenue for each month during the Term. The Manager may increase the Management Fee and adjust the level of services provided by the Manager, in the Manger's discretion, upon 6 months written notice to the Owner prior to the commencement of a Season; Provided, however, that such increase may not occur more than once in any Season during the Term.

5. **MANAGER's OBLIGATIONS**

5.1. **Manager's Responsibilities.** During the Term, the Manager will:

(a) retain the right to the use of the Manager's reservation/booking system;

(b) use reasonable efforts to rent the Unit during the Rental Period;

(c) operate, supervise, manage, maintain, control and rent the Unit in such a manner as would a prudent manager of a rental unit similar to the Unit within a similar development as the Resort;

(d) annually determine the rate of rental for the Unit having regard to the seasonal uses of the Unit, the market for the rental of units similar in quality and value to the Unit and the optimization of the Owner's revenue. Attached as Schedule C is the Manager's current pricing management guidelines, which may be modified by the Manager from time to time in the Manager's sole discretion;

(e) collect all rents, fees and other amounts payable in connection with the rental of the Unit, give receipts and acknowledgements of such amounts, and if reasonable, make abatements and allowances in respect of such amounts;

(f) charge the renters of the Unit for all long-distance telephone calls made from the Unit by such renters, and remit all amounts collected on behalf of the Owner to the applicable telephone utility;

(g) check-in all renters at the Manager's front desk facility, if applicable;

(h) provide renters with any information regarding the Resort's and Unit's rules, bylaws, notices or other applicable policies, guidelines, or documents governing the use of the Unit and common areas at the Resort (collectively, the "Resort Policies");

(i) at the Manager's sole cost and expense, replace from time to time towels, house linens and housewares such as glasses, cups, saucers, bowls, plates and cutlery and similar in-suite items, in each case which such items are worn out or damaged as a result of normal wear and tear and not through misuse or abuse by the Owner during a period of the Owner's Personal Use or Owner's Usage, and generally provide those services customarily provided by managers operating similar rental management businesses or operations on terms and conditions similar to those contained in this Agreement (including the Management Fee);

(j) keep or cause to be kept full and adequate books of account and such other reasonable records reflecting the Rental Operating Account, Gross Revenue, Adjusted Gross

Revenue, Owner's Net Rental Revenue and all deductions therefrom, including the Management Fee (the "Financial Records");

(k) permit the Owner during normal business hours and on reasonable notice, to examine or make copies of the Financial Records of the Unit at the Manager's office, but such examination will be done at the cost of the Owner and with as little disruption as possible to the day to day operations of the Manager;

(l) warn off and prohibit and proceed against any person who trespasses upon the Unit or any part of the Unit with the knowledge of the Manager by due process of law as the Manager may deem appropriate, either before or after such warning off or prohibition;

(m) use reasonable efforts to ensure that the Unit and its use and occupancy comply with all fire and safety codes, rules and requirements of all governmental or regulatory authorities, including the bylaws and applicable rules and regulations of the strata corporation, if applicable, subject at all times to the duties of the Owner as the owner of the Unit and provided that the Manager will not be obligated to advance or utilize any of its own funds in respect of the foregoing;

(n) take out and maintain at all times during the Term the following insurance pertaining to the rental management business and operations of the Manager:

(i) comprehensive public liability insurance in an amount of at least $2,000,000 for claims for personal injury, death or property damage arising out of any single occurrence;

(ii) any innkeeper's liability, worker's compensation or other similar insurance as may be required by law;

(iii) such other insurance as the Manager may determine to be necessary or desirable from time to time;

(o) faithfully perform its duties and responsibilities under this Agreement and otherwise use its best efforts to supervise and direct the rental of the Unit in an efficient and profitable manner consistent with the standard of the Resort, it being the intention of the parties that the Manager will have control of and discretion with respect to the rental of the Unit for the purposes permitted under this Agreement and the right to determine all operating policies with respect to reasonable standard of operations, quality of services and any other matters affecting the rental of the Unit;

(p) procure and maintain all such licences and permits as are necessary in connection with the performance by the Manager of its obligations under this Agreement;

(q) provide such general administrative, supervisory and management staff and keep in stock such cleaning and other supplies as may from time to time be required to carry out the obligations of the Manager under this Agreement; and

(r) indemnify and save the Owner harmless from any claim, damage and cost incurred by the Owner as a result of any negligence, willful misconduct or breach by the Manager of a term of this Agreement.

5.2. **Annual Interior Deep Cleaning.** Subject to Section 5.3, the Manager will arrange for an interior deep cleaning of the Unit once in each calendar year (the "Annual Interior Deep Cleaning"), which will include the services described in Schedule D of this Agreement. In consideration for this service, the Owner will pay to the Manager the Owner's Annual Interior Deep Cleaning Charge in the amount applicable for the Unit as set by the Manager from time to time, which will be deducted by the Manager from the Owner's Net Rental Revenue. The

Manager may change the amount payable for any or all of the services set out in Schedule D once per calendar year at the start of the Winter Season upon 60 days written notice to the Owner. The Owner shall have the right to occupy the Unit during the Annual Interior Deep Cleaning, which shall be a minimum of 7 days annually.

5.3. The Manager reserves the right to arrange for an interior deep cleaning of the Unit twice in a calendar year if the average annual occupancy of the Unit exceeds 60% and the Manager determines in its sole discretion that an additional interior deep cleaning of the Unit is necessary given such occupancy levels, in which case the Owner will pay to the Manager an additional Owner's Annual Interior Deep Cleaning Charge in the amount applicable for the Unit as determined by the Manager from time to time.

5.4. **Annual Routine Maintenance.** Subject to Section 5.5, the Manager will arrange for a routine maintenance check of the Unit once in each calendar year. In consideration for this service, the Owner will pay to the Manager an Owner's Annual Routine Maintenance Charge in the amount applicable for the Unit as determined by the Manager from time to time, which will be deducted by the Manager from the Owner's Net Rental Revenue. The Manager may change the amount payable for any or all of the services set out in Schedule D once per calendar year at the start of the Winter Season upon 60 days written notice to the Owner.

5.5. The Manager reserves the right to arrange for routine maintenance of the Unit in accordance with Schedule D twice in a calendar year if the average annual occupancy of the Unit exceeds 60% and the Manager determines in its sole discretion that additional routine maintenance of the Unit is necessary given such occupancy levels, in which case the Owner will pay to the Manager an additional Owner's Annual Routine Maintenance Charge in respect thereof in the amount applicable for the Unit determined by the Manager from time to time.

5.6. **Damage to Unit**. The Manager will notify the Owner promptly of any material damage to the Unit. If the Manager deems, in its sole reasonable discretion, the Unit to be unfit for rental for any reason whatsoever at any time during the Rental Period, the 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 Manager will not be obligated to advance or utilize any of its own funds, including the Management Fee or any other amount owing to the Manager pursuant to this Agreement. Notwithstanding the above, the Manager will be responsible and will pay for the repair of any damage (other than that due to normal wear and tear) to the Unit or the contents of the Unit, including any thefts that are not covered by insurance policies held by the Manager, caused by any renter of the Unit pursuant to this Agreement, by any guest of any renter of the Unit, or by any employee or agent of the Manager. The Manager will pay the insurance deductible when a theft of property of the Owner occurs when either a guest is occupying the Unit or there is no sign of forced entry to the Unit.

5.7. **Repairs**. The Owner shall be responsible for all maintenance and repairs of the Unit and contents within the Unit except as otherwise specifically provided for in this Agreement, including without limitation, any structural repair or painting of the Unit. The Owner authorizes the Manager to make or cause to be made at the sole cost and expense of the Owner any minor repairs, including any item requiring attention due to normal wear and tear, provided that the cost of any single repair does not exceed $300.00 CAD and that the total cost of such repairs does not exceed $1,000.00 CAD in a calendar year, and any emergency repairs to the Unit or the contents within the Unit as the Manager may determine are necessary, and to deduct the cost of such repairs from the Owner's Net Rental Revenue. The Owner will reimburse the Manager in respect of any amount incurred in connection with such

repairs that is not deducted from the Owner's Net Rental Revenue forthwith upon receipt by the Owner of the Manager's invoice. Under no circumstances will the Manager be obligated to make or cause to be made any repairs to the Unit or the contents within the Unit except as set out in this Section 5.7. In the event of an emergency or disaster, the Owner authorizes the Manager to provide or contract for services necessary to mitigate additional damage, provided that the Manager provides the Owner with an estimate or estimates of such repair costs. The Owner acknowledges and agrees that the Manager will be entitled to a handling charge for management of the repair effort in the case of repairs necessitated by an emergency or disaster.

5.8. **Painting.** The Owner authorizes the Manager to paint or cause to be painted the Unit when required due to normal wear and tear, but no more frequently than once every three years, and to deduct the cost of such painting from the Owner's Net Rental Revenue. The Owner will reimburse the Manager in respect of any amount incurred in connection with such painting that is not deducted from the Owner's Net Rental Revenue forthwith upon receipt by the Owner of the Manager's invoice.

5.9. **Complimentary Use of Unit**. ***Intentionally Deleted*.**

6. **OWNER'S OBLIGATIONS**

6.1. **Owner's Responsibilities.** The Owner will:

(a) provide the Manager with keys for the Unit, any parking facility or storage areas applicable to the Unit, the entrance to the building in which the Unit is located (as applicable) and any other locked facility in the Unit to which the renters of the Unit will be permitted access (as applicable), and the Owner authorizes the Manager to duplicate any such keys as required by the Manager;

(b) ensure that the Manager, the Manager's agents and representatives and the renters of the Unit have full, free and uninterrupted access to the Unit and any parking facility or storage areas applicable to the Unit as contemplated by this Agreement;

(c) promptly pay when due all amounts owing under any financing of the Unit arranged by the Owner and all real property taxes, telephone and utility charges (provided that the Owner will not be responsible to pay for long distance telephone charges incurred by the renters of the Unit), cablevision charges, monthly maintenance fees, strata fees, if applicable, and all other fees, charges, taxes, rates, levies and assessments in respect of or relating to the Unit, provided that if the Owner fails to do so the Manager is irrevocably authorized (but not obligated) to deduct any such amounts from the Owner's Net Rental Revenue and pay it to the applicable party;

(d) not permit any lien, charge or encumbrance to be filed against title to the Unit without the Manager's prior written consent, except in connection with the Owner's financing of the Unit;

(e) ensure that the Unit is serviced with water, sewer, electricity, propane and internet access at all times during the Term;

(f) take out and maintain at all times during the Term the following insurance pertaining to the Unit:

(i) comprehensive public liability insurance in the amount of at least $2,000,000 for claims for personal injury, death or property damage arising out of any single occurrence;

(ii) rental interruption insurance with such policy limit as may be required by the Manager from time to time;

(iii) contents insurance with respect to the Owner's property within the Unit; and

(iv) such other insurance as may be reasonably required by the Manager from time to time;

(g) during any period that the Unit is being rented pursuant to this Agreement, remove from the Unit or store within the Unit in a locked container or storage area all of the Owner's personal items and effects;

(h) indemnify and save the Manager harmless from any claim, damage and cost incurred by the Manager in connection with the management of the Unit and to carry at the expense of the Owner, adequate insurance to protect the Manager against any such claim, damage and cost in the same manner and to the same extent as the Owner naming the Manager as one of the insured; and

(i) comply with the Resort Policies, as may be amended from time to time, including without limitation regarding smoking and pets within the Unit.

6.2. **LIMITATION OF LIABILITY.** THE OWNER WILL NOT CHARGE THE MANAGER OR HOLD IT RESPONSIBLE FOR ANY LIABILITY FOR ANY ERROR OF JUDGMENT FOR ANY MISTAKE OF FACT OR LAW OR FOR ANYTHING WHICH IT MAY DO OR REFRAIN FROM DOING IN CONNECTION WITH THIS AGREEMENT EXCEPT IN THE CASE OF NEGLIGENCE OR WILFUL MISCONDUCT.

6.3. **Furniture, Fixtures and Equipment.** The Owner will furnish, maintain and equip the Unit and keep it furnished, maintained and equipped as a high-quality rental unit to a standard befitting the development the Unit is located within the Resort and comparable to that maintained in other Units within such development. Subject to approval of the Manager, which approval shall not be unreasonably withheld, the Owner may decorate the Unit to the Owner’s personal taste provided however that linens and cutlery may be required to be purchased from the Manager. Without limiting the generality of the foregoing, the Owner will be solely responsible for the cost of repairing, maintaining or replacing any item of furniture, fixtures, equipment and supplies listed in Schedule E of this Agreement as necessary to maintain the Unit in a first-class, occupiable condition to the satisfaction of the Manager. The Owner will also be solely responsible for all repair, maintenance, restoration, redecorating and other expenses arising as the result of the rental or use of the Unit including normal wear and tear. For the purposes of this Agreement, “normal wear and tear” costs will include upkeep and maintenance expenditures necessitated due to the use of the Unit for short term vacation use in the manner contemplated in this Agreement, the Owner acknowledging that “normal wear and tear” upkeep and maintenance expenditures resulting from such rental occupancy of the Unit will exceed the "normal wear and tear" upkeep and maintenance expenditures which would be incurred by the Owner if the Unit was utilized solely for residential purposes or the Owner’s personal use.

6.4. **Owner's Authorizations.** The Owner authorizes the Manager to take any and all such steps as are reasonably necessary or desirable to enable the Manager to perform efficiently its functions and duties under this Agreement including, without limitation, depositing and withdrawing funds from the Rental Operating Account as set out in this Agreement and performing the Manager's obligations set out in Section 5, and the Owner appoints the Manager to be the attorney of the Owner to execute all necessary instruments and documents of whatsoever kind or nature and to take or cause to be taken all such steps, actions or proceedings, in the name of and on behalf of the Owner, as fully and effectually in every respect as the Owner itself could do in respect of the matters herein contained, including the right to institute or defend legal proceedings in respect of the same, in relation to which the Owner hereby covenants and agrees to provide the Manager with all documents

and instruments of whatsoever nature reasonably required by the Manager and to cooperate with the Manager in instituting or defending legal proceedings as aforesaid, provided that the Manager will not be obligated to institute or defend any such legal proceedings and that such legal proceedings will be undertaken at the sole cost and expense of the Owner. The authority of the Manager to litigate on behalf of the Owner is restricted to collecting revenues. All other related matters require the Owner's consent.

6.5. **Sale of the Unit.** The Owner and the Manager agree as follows:

(a) in the event the Owner wishes to sell, lease or otherwise directly or indirectly dispose of the Unit, the Owner will notify the Manager in writing forthwith prior to selling, leasing or otherwise disposing of the Unit;

(b) the Owner will forthwith notify any proposed purchaser or lessee of the Unit of:

(i) the fact that the ownership and use of the Unit is subject to the rights of renters pursuant to this Agreement and the Rental Covenant; and

(ii) their right to obtain Financial Information from the Manager before an agreement of purchase and sale is entered into;

(c) the Owner will not directly or indirectly sell, lease or otherwise dispose of the Unit unless prior to the completion of such transaction, the proposed purchaser or lessee:

(i) covenants in writing to the Manager and any other person the Manager may determine in a form reasonably required by the Manager, to be bound by the rental bookings of the Unit made by the Manager pursuant to this Agreement, and that the Manager will be entitled to receive the Management Fee and any other amount owing under this Agreement in respect of all future rental bookings of the Unit in existence as of the date of the completion of such transaction; and

(ii) if such purchaser or lessee wishes to rent the Unit, enters into a new rental management agreement with the Manager on the same terms and conditions as this Agreement, such new agreement to take effect as of the date of completion of such transaction;

(d) the Owner and the proposed purchaser or lessee may jointly in writing direct the Manager not to make any further rental bookings of the Unit pursuant to this Agreement;

(e) the Manager will, upon receipt of reasonable notice of an intended sale or lease of the Unit, deliver Financial Information to any prospective purchaser or lessee of the Unit before the agreement of purchase and sale is entered into;

(f) the Manager will provide any prospective purchaser or lessee of the Unit with details in respect of the rental bookings of the Unit pursuant to this Agreement upon the written request of the Owner;

(g) the Manager will not be required to make any adjustments as between the Owner and any purchaser or lessee of the Unit, and the Manager will be deemed to have fully discharged its obligations under this Agreement if the Manager pays the Owner's Net Rental Revenue for the month in which the sale of the Unit completes to or to the order of the person who was, according to the records of the Manager, the registered owner of the Unit on the first day of that month;

(h) this Agreement will be deemed to be terminated after the completion of the sale, lease or other disposition of the Unit and the full satisfaction by the parties of their obligations under this Agreement; and

(i) if any lease between the Owner and a lessee is terminated, the Owner will promptly notify the Manager and enter into a new rental management agreement with the Manager on the same terms and conditions as this Agreement.

7. **USE OF UNIT BY OWNER**

7.1. **Booking by Owner.** If at any time during the Rental Period, the Owner wishes to use the Unit for the Owner's Usage, the Owner will notify the Manager of the days the Owner wishes to use the Unit at least six (6) months prior to the commencement of each Season in which the Owner wishes to use the Unit, and the Owner will be entitled to use the Unit on such days. The Owner will otherwise be bound by the rental bookings of the Unit made by the Manager pursuant to this Agreement. The Owner will not be required to pay any rent, fees or surcharges for the days of the Owner's Usage except for the Owner's Departure Cleaning Charge described in Section 7.3. The Manager will provide the Owner with an Owner's Usage calendar prior to each Season which the Owner will be required to complete and return in order to book the Unit for the Owner's Usage.

7.2. **Change in Use.** The Owner will promptly notify the Manager in writing if the Owner determines or discovers at any time that the Owner will not use the Unit on any of the dates for which the Owner gave notice pursuant to Section 7.1 and the Manager may then rent out the Unit on such dates. If the Owner wishes to use the Unit on a date or dates for which the Owner has not given notice pursuant to Section 7.1, the Owner may make written application to the Manager, not more than 7 days in advance, requesting the use of the Unit. The Manager shall, subject to any rental bookings of the Unit, permit the Owner to use the Unit on such dates under the terms set out in Section 7.1.

7.3. **Owner's Departure Cleaning Charge.** At the end of a period of the Owner's Usage (including a single day stay) or Personal Use, where the Owner elects to commence a Rental Period, the Owner will pay the Manager a departure cleaning fee in the amount applicable for the Unit as determined by the Manager from time to time (the "Owner's Departure Cleaning Charge"). The Manager may change the amount of the Owner's Departure Cleaning Charge once per calendar year at the start of the Winter Season upon 60 days' written notice to the Owner. The Manager may deduct the applicable Owner's Departure Cleaning Charge from the Owner's Net Rental Revenue. If the Owner requests the Manager to provide special housekeeping services during the Owner's Usage or period of Personal Use (over and above departure cleaning services), the Owner will pay the Manager the applicable fee set by the Manager from time to time in addition to the Owner's Departure Cleaning Charge.

7.4. The Owner acknowledges and agrees that if extra cleaning of the Unit over and above the departure cleaning services set out in Schedule D is required, as determined solely by the Manager, at the end of the Owner's Usage (including a single day stay) or Personal Use, where the Owner has elected to commence a Rental Period, as a result of the Owner keeping a pet within the Unit during such period, the Owner will pay the Manager a fee of $75.00 in addition to the applicable Owner's Departure Cleaning Charge.

7.5. **Vacating Unit.** The Owner will leave the Unit in a reasonably neat and tidy condition following the Owner's Usage or Personal Use. The Owner will vacate the Unit by 12:00 noon on the day following the last evening of the Owner's Usage or Personal Use, where the Owner has elected to commence a Rental Period.

7.6. **Use by Owner.** Any Owner's Usage of the Unit under this Section 7 will be strictly for the private purposes of the Owner or the Owner's non-paying guests, who will be subject to all the rights and obligations of the Owner under this Section 7. Under no circumstances will the Owner during the Term directly or indirectly charge rent or accept any form of consideration for the use of the Unit except in accordance with the Rental Covenant and this Agreement.

7.7. **Parking.** Subject to any applicable registrations or bylaws, the Manager will have the absolute right to control, manage and administer in connection with this Agreement any right to or interest in any parking stall or stalls at the Resort appurtenant to the Unit, provided that:

(a) at any time the Manager will not utilize more parking stalls than the number of parking stalls which is equal to the number of Units that are being rented by the Manager under a rental management agreement; and

(b) subject to availability, the Owner will have the right to use one parking stall, free of charge, during a period of Owner's Usage or Personal Use reserved in accordance with this Section 7, as well as any other parking stall or stalls as may be allocated for the Owner's use by the Manager upon the request of the Owner, subject to availability and in the Manager's sole discretion.

8. **GENERAL**

8.1. **Schedules.** The Schedules are attached to and form an integral part of this Agreement.

8.2. **Time.** Time is of the essence of this Agreement.

8.3. **Cooperation.** The parties will at all times during the Term act in good faith, cooperate and act reasonably in respect of all matters within the scope of this Agreement.

8.4. **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 Manager of his or her decision promptly. In the absence of a notification from the Owner within seven (7) days after notice has been given to the Owner by the Manager, the Manager will be entitled (but not obligated) to make such decision on behalf of the Owner. The 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 Manager has acted in good faith.

8.5. **Dispute Resolution.** All disputes arising out of or in connection with this Agreement that the parties are unable to resolve informally within thirty (30) days may be referred to mediation on notice by one party to the other, with the assistance of a neutral mediator jointly selected by the parties. Failing agreement, the dispute shall be submitted to arbitration in the City of Revelstoke, British Columbia or any other venue agreed upon by the parties, pursuant to the Arbitration Act (British Columbia), as amended from time to time ("Arbitration Act") or by any other form of arbitration mutually acceptable to the parties. Unless the parties otherwise agree, such dispute, controversy or claim shall be determined by a single arbitrator. If the parties cannot agree on the arbitrator, the arbitrator shall be appointed further to the provisions of the Arbitration Act. Any award or order rendered by the arbitrator shall be final, conclusive and binding upon the parties and judgment may be entered on the arbitrator's award or order in any court having jurisdiction. The expenses of such mediation or arbitration shall be borne equally by the parties, except that each party shall be entirely responsible for its own legal fees and its nominee expenses, regardless of the outcome of the mediation or arbitration.

8.6. **Relationship.** This Agreement is not a lease, partnership or joint venture agreement and nothing contained in this Agreement will constitute the parties as landlord and tenant, partners or joint venturers.

8.7. **Notices.** Any payment, demand, notice, direction, consent, waiver or other communication required or permitted to be given or made under this Agreement will be in writing and will be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier or mail to the party's address set out on the first page of this Agreement, or at such other address as either party may specify in writing, or (iii) sent by e-mail or other similar electronic means of

electronic communication. Notice will be deemed given when received or, if delivery is refused by the party to which it is intended to be given, on the date delivery is so refused.

8.8. **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, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise of any other right, power or privilege.

8.9. **Governing Law.** This Agreement will be governed by and construed according to the laws of the Province of British Columbia and the federal laws of Canada as applicable.

8.10. **Canadian Funds.** All amounts payable by either party to the other will be paid in Canadian funds.

8.11. **Entire Agreement.** This Agreement, including any schedules and any documents incorporated by reference, constitute the entire Agreement between the parties and supersedes all previous negotiations, proposals, commitments, writings and understandings of any nature, whether oral or written, unless they are expressly incorporated by additional reference in this Agreement.

8.12. **Amendment.** No amendment, change or modification of this Agreement is valid unless it is in writing and signed by both parties.

8.13. **Assignment.** This Agreement is not assignable by the Owner, whether by operation of law, assignment, transfer or otherwise, without the prior written consent of the Manager and the assignee's agreement to be bound by the terms of this Agreement. The Manager may assign this Agreement in accordance with Section 2.12.

8.14. **Gender and Number.** Words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and *viceversa*.

8.15. **Joint and Several.** If the Owner is more than one person, all of the covenants and liabilities of the Owner are joint and several.

8.16. **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.

8.17. **Survival.** The following provisions survive the termination or expiry of this Agreement and continue in full force and effect, and do not merge: Sections 2.5, 2.11(c), 5.1(r), 6.1(h) and 6.2.

8.18. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, by a court of competent jurisdiction, such invalidity or unenforceability attaches only to such provision and everything else in this Agreement continues in full force and effect.

8.19. **Counterparts.** This Agreement may be executed electronically and in counterparts, all of which taken together will be deemed an original and constitute one Agreement, and may be delivered electronically.

*Intentionally left blank*
*See next page for signatures*

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

BY THE MANAGER:

**REVELSTOKE ALPINE VILLAGE INC.**
by its authorized signatory(ies):

_____
Name:

BY THE OWNER:

[If Individual(s)]

_____
Name:

_____
Name:

[If Company]

_____
by its authorized signatory(ies):

_____
Name:

_____
Name:

**SCHEDULE A**

**OWNER'S ELECTION TO RENT**

I, _____, Owner of _____ _____ [legal description] hereby elect to make the Unit available for rent to the Public, pursuant to Section 2.3 of the Rental Management Agreement.

The commencement date of the Rental Period shall be _____.

Dated the _____day of _____, 20___.

[If Individual]

Owner Signature: _____

Owner Signature: _____

[If Company]

_____
by its authorized signatory(ies):

_____
Name:

_____
Name:

**SCHEDULE B**

| | Manager | Owner |
|---|---|---|
| Advertising & promotion | X | |
| Bank charges | X | |
| Booking commission[1] | 50% | 50% |
| Brochure | X | |
| Business Licence | X | |
| Cable/Smart TV | | X |
| Cleaning supplies | X | |
| Clerical & accounting | X | |
| Computer costs | X | |
| Credit Card Commission[1] | 50% | 50% |
| Front desk & reservations staff Fill | X | |
| Appliance replacement | | X |
| Guest supplies | X | |
| Insurance – contents, rental interruption | | X |
| Insurance – liability | X | X |
| Kitchen utensils and dishware | X | |
| Laundry | X | |
| Linen and bedding supply | | X |
| Linen replacement | X | |
| Manager's telephone reservation line | X | |
| Normal wear and tear | | X |
| Office equipment | X | |
| Owner's Annual Interior Deep Cleaning Charge[2] | | X |
| Owner's Departure Cleaning Charge[2] | | X |
| Owner's monthly statements | X | |
| Owner's Annual Routine Maintenance Charge[2] | | X |
| Photocopying | X | |
| Property taxes | | X |
| Renter damage | X | |
| Reservation System/Affiliation fee (if applicable)[1] | 50% | 50% |
| Stationary & office supplies, postage | X | |
| Strata fees | | X |
| Utilities | | X |

(1) Deducted from Gross Revenue

(2) Deducted from Owner's Net Rental Revenue

**SCHEDULE C**

**Revelstoke Mountain Resort Pricing Management General Guidelines**

In order to achieve the highest occupancy percentages and average daily rates, a variety of pricing options are available to transient, wholesale, travel agents, tour operators, corporate and leisure travel groups and other guests. The Manager will use its best judgement in an effort to secure consistent levels of occupancy. The following typical forms of lodging or hotel rates and packages are offered

**RACK RATES**

"Rack Rate" is a lodging and hotel industry term meaning "full price lodging". Rental guests not on a package or other special rates will be on Rack Rate. In addition, the Manager may elect not to offer packages if it feels Rack Rates can prevail

**PACKAGE RATES**

Through a package a rental guest has the opportunity to enjoy the lodge and resort without having to worry about purchasing the individual components (including, but not limited to, ski tickets, ski school, golf, adventure packages, childcare, meals. etc.). A package's components are all discounted so that the rental guest will receive value through the purchase that could not have been obtained through separate purchases, including lodging. The Manager recognizes the importance of, and will actively promote, packages to encourage rental guest satisfaction, encourage length of stay (especially midweek) and build overall business resulting in both a short-term and long-term benefit to the Owner.

**WHOLESALE / TOUR OPERATOR / TRAVEL AGENTS**

One of the best ways to drive occupancy is to have a large distribution network of people selling your property. This gets the information about the lodging and Revelstoke Mountain Resort out to many more people than the Manager could do on its own. In effect, the Manager has sales people all over the world working to fill its beds. The Manager recognizes this and therefore has established "net" rates for the business and people that work in the wholesale, tour operator and travel agent industries. The wholesaler or tour operator that sends the Manager the most business is rewarded with the "best" rates. These types of businesses are the largest source of destination extended stay bookings and therefore are critical in driving occupancy.

**GROUP RATES**

Group business is recognized by the Manager to be an important way to build occupancy, "rounding it out" throughout the year, especially during quieter periods. The Manager will encourage corporate and leisure group business in its effort to build consistent occupancy among all units. All group rates are negotiated separately by the sales team in a manner that will optimize current and future sales. Offered rates take into consideration length of stay, time of year and size of group.

**SPECIAL RATES**

The Owner must recognize that a key focus of the Manager is to promote a favorable guest experience that will encourage rental guests to return. The Manager has no desire to arbitrarily forego rental revenues, but understands that a satisfied rental guest is crucial to the ongoing success and future of renting the Owner's Unit. If the Manager determines it necessary or advisable to provide special rates, it will do so appropriately with an eye towards gaining the satisfaction of the rental guest, encouraging length of stay and creating a desire to return, thus enhancing the Owner's long-

term goals.

**HOLIDAY RATES**

The Manager may establish holiday rates, which may exceed regular Rack Rates during certain holiday or special event periods: however, other rates may also be available during such periods, such as group, reduced or special rates.

**SCHEDULE D**

**Housekeeping and Maintenance Services Housekeeping Services**

## A. Departure Cleaning

Departure cleaning services will include the following:

| | |
|---|---|
| Kitchen | Clean all appliances, wipe all cabinets and cupboards, clean baseboards, scrub and clean floors, remove all left-over food stuffs. |
| Dining Room | Clean light fixtures, wipe baseboards. |
| Living Room | Clean windows, lamps, remove chair cushions and sofa cushions and clean, make up sofa bed, clean window blinds. |
| Bathrooms | Clean walls and both sides of the door, wipe inside vanity drawers and underneath cabinet, clean baseboards and scrub floor. |
| Bedrooms | Clean and vacuum behind and under furniture, wipe out all drawers, wipe baseboards, clean windows, sills, blinds and tracks. |
| General | Check for damage, check inventory levels, maintenance items, sweep cobwebs, neaten and straighten all furniture and decorative items, and collect personal items left behind. |
| Decks (if applicable) | Furniture wiped, deck swept/shoveled and outside windows within reach cleaned. |

## B. Annual Interior Deep Cleaning

Annual interior deep cleaning services will include the following:

| | |
|---|---|
| Kitchen | Remove all vents and clean, wash painted walls, wash inside and outside all cabinets and drawers, pull out appliances and clean behind and all surfaces, remove light fixtures and clean, dust walls top to bottom. |
| Dining Room | Clean vents, move all furniture and vacuum, wash walls. |
| Living Room | Move all furniture and vacuum, wash walls, check propane fireplace, and wash windows. |
| Bathrooms | Remove vents and clean, clean ceiling and light fixtures. |
| Bedrooms | Clean light fixtures and vents, move beds and furniture and vacuum, clean all doors on both sides, wash walls. |
| General | Steam clean entire carpeted area, identify and have repaired any maintenance deficiencies, check all plugs and outlets, wash all windows inside and out. |

## SCHEDULE E

**Furniture, Fixtures and Equipment Owner Responsibilities**

As set out in Section 6.3 of the Agreement to which this Schedule E is attached, and without limiting the generality of Section 6.3 or any other provisions of the Agreement, the Owner will be solely responsible for the cost of repairing, maintaining and replacing the furniture, fixtures, equipment and other items listed below, necessary to maintain the Unit in an occupiable first-class condition:

- Carpet
- All furniture in all rooms
- Sofa bed(s)
- Beds
- All appliances
- Tile and/or linoleum
- TV's
- Coffee maker
- Kettle
- Toaster
- Blender
- iron and ironing board
- Clock radio
- Telephones
- DVD
- Hair dryer
- All decor items/wall hangings
- Duvet and duvet covers

For information purposes and to allow the Owner time to budget for these expenses, please note the estimated expected "life" of the major items identified below which will be the sole responsibility of the Owner:

- Carpet - replace every 5 - 7 years
- Painting - total repaint every 3 years or as needed due to "normal wear and tear"
- Furniture - replace every 4 - 8 years, depending on condition and quality
- Sofa bed(s) - replace mattress and mechanism as needed (3 - 5 years)
- Decor / wall hangings - every 6 years or as needed
- Beds - replace mattresses every 4 years
- Major appliances - replace every 6 -10 years or as needed
- Tile and / or linoleum - replace every 5 - 7 years
- TV's - replace every 5 -10 years or as needed