

SKYRUN PARK CITY
RENTAL MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, _____, by and between the undersigned party or parties, hereinafter collectively referred to as "Owner", as later defined, and Park City Ski Chalets LLC dba SkyRun Park City (hereinafter, "Manager").

WHEREAS, Owner is owner/s of the property _____, in Park City Utah, situated in Park City, Utah, (hereafter, "Unit").

WHEREAS, Owner desires to make the Unit available for short-term occupancy under the management of Manager; and

WHEREAS, Manager is in the rental management business and is desirous of providing rental and management services for Owner.

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

1) DEFINITIONS

"Owner" shall mean the person or entity, whether one or more, appearing of record in the official records of the Clerk and Recorder, as holder of title to the Unit.

"Manager" shall mean SkyRun Park City, and assigns.

"Unit" shall mean the property owned by Owner and referenced in the preamble above.

2) TERMINATION:

(i) This Agreement shall become effective once executed by both parties and shall continue in full force and effect until terminated as set forth herein. Either party shall have the right to terminate this Agreement immediately or with notice for any reason upon providing written notice to the other party.

(ii) If this Agreement is terminated for any reason, including if the Owner sells Unit during the term, or a foreclosure action is filed against Unit, any advance reservation(s) for the Unit shall be the property of Manager to be placed in other available unit(s). Manager will make its best effort to move said reservation(s) to like accommodation(s). If, however, comparable accommodation(s) are not available, or renters do not want to move for any reason, Owner agrees to the following:

(1) honor said reservation(s) (or make the honoring of reservation(s) a condition of the sale for the new owners) and compensate the Manager as set forth in this agreement and

- (2) Indemnify and hold Manager harmless from all expenses, costs and damages incurred by Manager or guests as a result of refusal to honor said reservation(s).

Should Owner owe Manager any monies after termination, sale or foreclosure, Owner shall pay Manager and guarantees Manager payment for all monies owed within fifteen (15) days after written demand from Manager.

- 3) **NATURE OF RELATIONSHIP:** Manager is hereby exclusively retained for the purpose of renting and managing the Unit on the terms and conditions herein set forth. Nothing shall preclude the Owner, however, from using the Unit pursuant to Section 18 herein. Manager shall at all times be deemed to be an independent contractor and not an employee or servant of Owner nor shall Manager and Owner be deemed by the parties hereto or by any third party as joint ventures or partnership.
- 4) **RATES:** Manager shall consult with owner, set and advertise rates and rental policies under which Manager will offer the Unit for rental, which in Manager's business judgment will optimize the rental potential for the Unit. Manager can also offer discounts to guests off of published rates or offer the unit to other parties at a discounted rate in order to optimize the rental potential of the Unit. Manager will also attempt to minimize the offer of the Unit at discounted rates except in the case when using monthly summer rentals or last minute deals in order to maximize total income for the Unit.
- 5) **MANAGERS REPRESENTATION:** It is understood that Manager may be the rental manager for other condominium units, townhomes, and rental homes that might be in rental competition with Owner. It is further understood by Owner that SkyRun operates other properties in other locations and, that in securing occupancy for these properties, there may be a conflict of interest between Owner and Manager.
- 6) **OWNER USE EFFECTS RENT:** Owner acknowledges that the amount of use by Owner, Owner's family and/or Owner's guests may adversely impact Manager's opportunity to rent the Owner's Unit. Owner acknowledges that Manager makes no guarantees, warranties or representations as to the number of rental nights or amount of rental income to be generated by the rental and/or management of Owner's Unit under this Agreement.
- 7) **MAINTENANCE:** Should Manager discover a condition in the Unit which requires immediate attention in order to maintain the unit in a rentable condition or to prevent damage or additional damage to the Unit, other units or to any common area, or to maintain necessary services to the occupants (examples include water leaking, broken refrigerator, broken windows or doors, etc) , Owner hereby authorizes Manager, its agents or employees to enter the Unit for the purpose of performing such maintenance, repair, or replacement work as may be necessary at the sole discretion of Manager. There shall be no limit upon expenditures which Manager may reasonably undertake on behalf of and at the expense of Owner. Such expenditures will be performed and the Owner will be billed the cost of all expenses incurred by the manager plus \$65/hour for labor (50% of Park City market rate for handyman) and any management time involved in performing the maintenance. If specialized labor is required at a higher rate per hour, Manager will pass through this higher labor rate directly to Owner and Owner shall bear the expense of such labor. Manager will make its best efforts to

contact Owner within 24 hours of such an occurrence by e-mail and will allow the Owner to make the repair if Owner contacts Manager before the repair is arranged for by Manager.

Should Manager discover a maintenance item that requires attention, but not immediate attention (examples include carpet needs steam cleaning, wall, room or condo needs painting, faucet is slowly dripping, etc), and if the total cost of the repair is over \$250, Manager will notify the Owner of the need by e-mail and provide a best estimate on the repair cost. Owner can then elect to have Manager arrange for the repair, or can fix the item on their own within 30 days. If the Owner does not respond to the email notification within 7 days after Manager sends it, Owner has elected that Manager make the repair at the terms described in this section above. If the Owner does not want the maintenance item fixed, that may be cause for termination of the contract if Manager feels that not performing the repair adversely affects the rentability of the unit. If the cost of the repair is \$250 or under, Owner authorizes Manager to perform the repair and bill the owner \$65/hr of our time plus our costs for parts and expert labor.

Whether the maintenance item requires immediate attention or not is at the sole discretion of Manager.

- 8) **MINIMUM FURNISHING:** The furnishings and inventory items as described in Exhibit A of this Agreement must be in each rental property and maintained in excellent condition. The linens necessary to accommodate the rental of Owner's unit(s) will be paid for and supplied by Manager as part of the cleaning services.
- 9) **OWNER PAYMENT:** Manager shall make an accounting and disperse any rents due to Owner by the 20th day of each month for the previous calendar month. In cases of multiple ownership, Manager will disperse rents and send associated information to a single party. From the rents collected, the Manager shall first deduct the Manager's Fee (as later defined) and any other expenses chargeable to Owner such as, by way of illustration, but not by way of limitation, past due debts, fees, and charges relating to the Unit before any rental income is paid to Owner. If the rental income is not sufficient to pay all of Owner's charges, Owner shall pay the balance of any such outstanding charges as reflected on the Owner's Statement by the last day of the following month.

All payments due from Owner not paid by the last day of the month following receipt of the Owner's statement may be assessed an interest charge at a rate of eighteen percent (18%) per annum, compounded monthly. In the event Manager commences legal action against Owner for any amounts properly due Manager by Owner pursuant to this Agreement, Owner shall be responsible for all costs, including but not limited to reasonable attorneys' fees and costs.

- 10) **OWNER'S INSURANCE:** Owner agrees to carry personal property insurance in an amount Owner deems appropriate. Owner further agrees to carry Comprehensive Personal Liability Insurance for the Unit in the amount of One Million Dollars (\$1,000,000) or more per occurrence, naming Manager as named additional insured. Owner agrees to provide Manager with a certificate of insurance evidencing such coverage.

- 11) **EXPENSES:** Owner agrees to pay all expenses associated with owning the unit including but not limited to homeowners associations dues and taxes.
- 12) **UTILITIES:** Owner agrees to pay for electricity, cable or satellite. Manager will not pay Owner for any expenses such as long distance phone charges or pay-per-view movies incurred due to not restricting the utilities from such use.
- 13) **IN UNIT SIGNS:** Owner agrees that small, unobtrusive signs will be allowed to be posted in the unit for the convenience of Unit occupants. Signs can include, but not be limited to marking owners areas in the kitchen or refrigerator that are off-limit to guests, check-in and checkout times, signs with the smoking policy, a key drop on the back of the door for extra keys, instructions on phone use near the phone and instructions on any potentially confusing items in the unit (such as tricky door locks or TV operation instructions) a small area for company information.
- 14) **KEYS:** Owner agrees issuance of any keys to Unit occupants shall be at Manager's discretion. Owner shall maintain a resortlock brand electronic keypad locking device for the front door (currently costs \$350 installed) and provide Manager 4 working keys to any common areas and guest-use areas such as ski lockers, room safe, hot tubs, garages. The cost of ongoing maintenance, service, or replacement for said locking device and owners-use keys shall be borne by Owner. The cost of re-keying from time to time at the discretion of the Owner will be borne by Owner.
- 15) **MANAGERS COMPENSATION:** Manager shall receive as its compensation for the services to be rendered under this Agreement, thirty percent (30%) of the gross unit rental. The commission is based on the gross unit rental and any other amounts collected as provided for on the current rate schedule or herein. The gross unit rental shall mean the total rental amount, less wholesaler or travel agent commissions, and sales tax and bookings fees collected by the Managers on-line reservation system. Cleaning fees for guest stays are paid by the guest directly, and do not come out of the owner's rental revenue. In the case that the fee is disputed or bad check or disputed payment of any other kind, the Manager will be liable to refund at most, the amount of fees the Manager has received. Manager will make all reasonable attempts to insure the validity of funds and to reconcile disputed payments with the renting party.
- 16) **CREDIT CARD FEES:** Manager will accept credit card payment for the unit and pay all fees related to the use of credit cards.
- 17) **DEPOSITS:** Manager will hold a credit card number from each guest and will attempt to charge the card for any damage found after an inspection of the unit reveals damage that can be attributed to the renter. Manager or it's representatives (cleaning company for example) will make it's best efforts to inspect for damage and will also make it's best efforts to take inventory of major items. Manager may, at its discretion, place advance rental deposits and earned rental income in an interest-bearing escrow account until dispersal, and shall be entitled to receive any interest earned thereon as further compensation under this Agreement.
- 18) **OWNER PERSONAL USE:** Owner shall use the SkyRun on-line booking engine (owners portal) for any intended use and provided that the unit is not currently rented, Owner and/or

Owner's guests may occupy the Unit at no rental fee. Once Manager confirms, in writing or e-mail, Owner's use of the Unit, Manager may not rent the Unit for this period without Owner's written consent.

- 19) **CLEANING AFTER USE:** After use of the Unit by Owner or by Owner's guest who occupy the Unit for a rental fee or free of charge, Owner shall utilize Manager's services to clean the Unit at the current standard charge for such services which will be set after our inspection. As a guideline, manager's cleaning fees are generally \$175 for a studio, \$205 for a 1 bedroom unit, \$285 for a 2 bedroom unit, \$325 for a 3 bedroom unit, \$425 for a 4 bedroom unit (with the same corresponding number of bathrooms). Individual homes are generally more. **These cleaning services are inclusive of all linen rental fees and supplies.** There may be extra charges for properties that are larger, have lots of beds (particularly bunk beds) or have a wood burning fireplace that needs cleaning and extra supplies like firestarters and a lighter. Fewer bathrooms or smaller properties may result in a reduction. The cleaning fee for each property will be mutually determined between Owner and Manager on a case by case basis.
- 20) **REFERRAL PROGRAM:** Owner is entitled to a \$500 referral award for referring a property that SkyRun signs to their management inventory.
- 21) **INTERNET:** As a condition precedent to this Agreement, Owner agrees to provide high speed wireless Internet at the Owner's expense if high speed Internet is available in the Unit.
- 22) **SHOWING:** Manager shall have the right to show the Unit to prospective guests and to enter the Unit for any purposes set forth in this Agreement or as may be necessary to carry out the intent of this Agreement.
- 23) **PERIODIC DEEP CLEANING:** In order to provide the highest quality in rental services, the Owner agrees to perform at least one (1) major cleaning during the year. This clean will be scheduled so as to minimize interference with rental opportunities. Major cleaning shall include, but not be limited to general cleaning, carpet, window coverings, bedspreads, and upholstery cleaning. All material and labor cost to perform the major clean will be borne by Owner. Owner understands and agrees such carpet, window coverings, bedspreads, and upholstery cleaning are necessary on an annual basis to maintain Unit in a first class rental condition. Should carpet cleaning or other contracted work be necessary more than once a year, Manager will notify Owner of work needed and the costs of the same shall be borne by Owner.
- 24) **UNIT FOR SALE:** In the event the Unit is available for sale, Manager must be notified in writing of the listing of the Unit and the identity of listing agents. If such notice is not received, Manager will not provide access to Unit for showing. Any real estate agent intending to show the Unit must notify and obtain permission from Manager before doing so. If the Unit is occupied, the unit will not be able to be shown until the Unit becomes unoccupied. Manager shall release rental history information pertaining to the Unit only if written authorization has been received from Owner or Owner's agent.

25) **DAMAGE LIABILITY:** Owner agrees Manager shall not be held liable for any losses or damage done to Owner's Unit or Owner's personal property by negligent, intentional or wanton acts of any occupant(s) thereof or third persons. While Manager shall not be held responsible for such losses, Manager shall cover many losses under the Renters Insurance in the following section, or make an effort to determine the parties responsible for such losses and collect damages on the Owner's behalf. Owner shall be responsible for insuring its interests, including its own contents and furnishings and any other items in the Unit.

26) **RENTERS INSURANCE:** Manager will pay for the damage or theft to Unit and/or its contents caused by the act of an individual guest up to \$3,000. To cover the cost of this, Manager is authorized to collect a fee (typically \$69/rental) from each guest using Unit that will be used as insurance. This fee is collected directly from the guest separate from rental fees so as to avoid negative impact on Owners rental commission as defined in Section 15.

To be covered, the damage must be caused in total by one single guest, and must be caused by an act of that guest that is outside normal use. Therefore, the normal wear and tear or aging of items is NOT covered, even if items wear out more quickly with repeated guest use. For example, a worn out or outdated sofa or carpet would NOT be covered since it was worn out by many guests over many stays, however a guest that stains your sofa or your carpet so that it needs to be repaired or replaced WOULD be covered. Something that breaks even if the guest is using the item correctly would NOT be covered (for example your refrigerator or oven stops working or a drain clogs not due to blatant guest misuse) however if the guest put an inappropriate item down the drain and it clogged, then that WOULD be covered. The cost for replacement of commonly broken/lost items like drinking glasses, plates and lost utensils IS covered since these are broken by the act of a single guest and dropping a glass is not 'normal use'.

27) **INDEMNIFICATION:** Owner agrees to defend, indemnify, and hold harmless Manager, its directors, officers, owners, employees, agents, affiliates, successors and assigns from any and all costs, losses, liabilities, damages, lawsuits, judgments, claims, actions, penalties, fines and expenses (including, without limitation, interest, penalties, reasonable attorney fees and all monies paid in the investigation, defense or settlement of any or all of the foregoing) that arise out of (directly or indirectly), or are incurred in connection with: (i) personal injury, including death to person(s) or damage to or loss of property incurred by any entity accessing and/or utilizing the Unit; (ii) the access to, use and/or occupancy of, the Unit by any persons and/or Manager's access to, rental, maintenance, and/or management, of the Unit; (iii) the breach of this Agreement, fault, negligence, act or omission by Owner or its agents or contractors; (iv) Owner's or any renter's alleged breach of any laws, rules and regulations as applicable to it; and/or (v) Manager acting in accordance with the instructions of the Owner.

28) **ASSIGNMENT:** This Agreement shall inure to the benefit of and constitute a binding obligation upon the parties hereto, their successors, agents, heirs, personal representatives and assigns. This Agreement shall constitute the entire agreement between the parties, and no variance or modification thereof shall be valid and enforceable except by supplemental agreement in writing executed by both parties. Unless notified in writing to the contrary, the following address and telephone number of Owner are the correct address and telephone

number of Owner and the same may be used for the purposes of any required, permitted or desirable correspondence, including the sending of payments, notices, Owner's Statement Reports and other matters.

29) **Sale of Property:** Things happen, life changes happen, and sometimes a new property owner ends up selling their property. There is a lot of work that goes into getting a property onboarded, and in the event that a property owner ends up selling their property in the first year, manager requests to be compensated for the onboarding costs involved in getting the property listed for rent, permits, linens, photography, rate setting, purchasing data comp sets and other tasks related to onboarding. Manager requests \$1,000 per bedroom plus hard costs.

(PLEASE PRINT CLEARLY)

Bedrooms: _____ # Bathrooms: _____ Sq Footage: _____

Would you like an optional wireless Internet router? (\$90 installed) _____

Lock Options (choose one):

_____ Install a resortlock button lock on my _____ door. Cost = \$350. Highly recommended due to code that changes with each guest and is valid only for the stay dates of that guest.

_____ I will have a push button lock system installed on my own that meets my own personal security requirements. I understand that SkyRun will not change the code manually and does not recommend the use of locks that don't change codes for each guest.

OWNER OF RECORD: _____

HOME PHONE: _____ EMAIL ADDRESS: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

BUSINESS PHONE: _____ BUSINESS FAX: _____

SOCIAL SECURITY #: _____

Tax ID #: _____

For Electronic Deposit of Rental Funds:

Bank Name:

Routing No.:

Account No.:

If only one owner, please list another person we could contact in case of an emergency.

NAME:

ADDRESS:

TELEPHONE:

THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT.

MANAGER

SKYRUN PARK CITY

BY: _____ DATE: _____

NAME: _____

OWNER(S) TO SIGN ON NEXT PAGE(S)

By signing below, you are indicating that you own all or part of the unit. You are also indicating that ANY AND ALL additional owners have signed below.

OWNER

BY: _____
Signature

DATE: _____

OWNER

BY: _____
Signature

DATE: _____

OWNER

BY: _____
Signature

DATE: _____

OWNER

BY: _____
Signature

DATE: _____

(additional copies of this page as required. ALL owners of condo must sign)

EXHIBIT A

MINIMUM KITCHEN, BEDDING AND ACCESSORIES REQUIREMENTS

Kitchen/Accessories:

- Microwave
- Dinnerware
 - 8 place settings (40 pieces for Studios, 1 and 2 bedrooms)
 - 12 place settings (60 pieces for 3 and 4 bedrooms)
 - Dinner Plate
 - Salad Plate
 - Soup Bowl
 - Cup
 - Saucer
 - Platter (1)
 - Vegetable Bowl (1)
 - Creamer (1)
 - Sugar with lid (1)
- Flatware
- 8 place settings (for Studios, 1 and 2 bedrooms, 12 place settings for 3 and 4 bedrooms)
 - Dinner Knife
 - Dinner Fork
 - Salad Fork
 - Soup Spoon
 - Steak Knife
 - Teaspoons (12 for Studios, 1 and 2 bedrooms) (16 for 3 and 4 bedrooms)
- Serving Spoons (2)
- Cold Meat Fork
- Butter Knife (1)
- Silverware Tray (1)
- Glassware
 - Juice (8 for Studios, 1 and 2 bedrooms, 12 for 3 and 4 bedrooms)
 - Wine (8 for Studios, 1 and 2 bedrooms, 12 for 3 and 4 bedrooms)
 - Highball (8 for Studios, 1 and 2 bedrooms, 12 for 3 and 4 bedrooms)
 - Old Fashioned (8 for Studios, 1 and 2 bedrooms, 12 for 3 and 4 bedrooms)
- Cookware (12 pieces)
 - 4.5 Qt. Dutch oven with lid
 - 8" Skillet with lid
 - 10" Skillet with lid
 - 3 qt. Sauce Pan with lid
 - 2 qt. Sauce Pan with lid
 - 1 qt. Sauce Pan with lid
- Bake ware (set of 4)
 - Cookie Sheet
 - Cake Pan
 - Roast Pan
 - Broiler Pan

- Pyrex Casseroles (4 pieces)
 - 1 qt. with lid
 - 2 qt. with lid
- Knives (set of 3)
 - Paring
 - Sandwich
 - Roast
- Knife Sharpener (1)
- Cutting Board (1)
- Stainless Steel Serving Utensils (set of 7)
 - Ladle
 - Spatula (Slotted)
 - Spoon (Slotted)
 - Hamburger Turner
 - Fork
 - Potato Masher
 - Solid Spoon
- Rack for Serving Utensils (1)
- Miscellaneous Utensils
 - Can Opener (1)
 - Can Piercer (1)
 - Cork Screw (1)
 - Potato Peeler (1)
 - Egg Beater (1)
 - Measuring Spoons (1 Set)
 - Grater/Slicer (1)
 - Colander (1)
 - Measuring Cup-Pyrex (1)
- Salt & Pepper Shakers (1 set/wooden)
- Ice Cube Tray (2)
- Juice Server with lid (2 pieces/plastic)
- Tea Kettle (1)
- Salad Bowl (1 wooden)
- Salad Spoon and Fork (1 set/wooden)
- Electric Appliances
 - Coffee Maker (1)
 - Toaster (1)
 - Blender (1)
 - Hand Mixer (1)
- Kitchen Wastebasket (1)
- Paper Towel Holder (1)
- Pot Holders (2)
- Place mats (set of 8 for Studios, 1 and 2 bedrooms, set of 12 for 3 and 4 bedrooms)
- Clothes Hangers (6 wooden per closet)
- Fire Extinguisher (1)
- Humidifier (1 per bedroom)

- Fireplace tools (1 set - if unit has wood-burning fireplace)
 - Shovel, Broom, 2 Prong, Stand, Log Rack, Ash Bucket
- Guest Book
- Iron, Ironing Board and Pad (1), Iron Organizer
- Dust Pan, Broom (1)
- Shower Curtain (1 per bathroom with shower)
- Shower Curtain Rings (1 set of 12 per bathroom with shower)
- Vanity Wastebasket (1 per bathroom)
- Toilet Plunger (1)
- Luggage Rack (1 per bedroom)
- Vacuum Cleaner/broom, dustpan
- Wastebasket (1 per bedroom)
- Hi Definition Cable Ready TV's 1 per bedroom, 1 living room, with remote control
- Bedding (SkyRun uses the "Triple Sheet Method for sanitary and professionally made beds.provides other linens and towels)
 - For Twin Beds:
 - Twin White Duvet Insert (1 per bed)
 - Twin mattress pad (1 per bed)
 - Pillow (2 per bed, includes extra for closet) Changed out every 2 years
 - Blanket for foot of the bed (1 per bed)
 - Decorative pillow (1 per bed)
 - For Queen Beds (or Hide-a-Beds):
 - Queen White Duvet Insert (1 per bed)
 - Queen Mattress Pad (1 per bed)
 - Pillow (3 per bed, includes extra for closet) Changed out every 2 years
 - Blanket for foot of the bed (1 per bed)
 - Decorative pillow (1 per bed)
 - For King Beds:
 - King White Duvet Insert (1 per bed)
 - King Mattress Pad (1 per bed)
 - Pillow (4 per bed, includes extra for closet) Changed out every 2 years
 - Blanket for foot of the bed (1 per bed)
 - Decorative pillow (1 per bed)

Other Features (optional):

For our use in creating your web page and marketing the unit, please list any Unique Features that would be attractive to renters: (ie slope view, laundry in room, etc) on this page and add pages as necessary and send any photos you have that you would like for us to use in addition to the ones we take.