

RENTAL MANAGEMENT AGREEMENT

WHEREAS, _____
(hereinafter referred to as Owner), is the Owner of property in Ski Brule Village, as hereinafter described, and is desirous of entering into a Rental Management Agreement for said property for the purpose of property management in the absence of Owner and generation of rental revenues; and

WHEREAS, BRULE VALLEY MANAGEMENT, INC., (hereinafter referred to as Manager), is in the business of property management;

NOW, THEREFORE, in consideration of the terms, conditions, and considerations as recited herein, the parties agree as follows:

BRULE VALLEY MANAGEMENT, INC., AS MANAGER

Owner hereby designates and appoints BRULE VALLEY MANAGEMENT, INC., a Michigan Corporation, of Iron River, MI as the exclusive Manager, rental agent, and provider of goods and services of the premises known as:

Lot Number _____ of the Plat of Ski Brule Village, including premises located thereon, being a _____

INCLUDING PERSONAL PROPERTY LOCATED THERIN, (hereafter referred to as Premises), and Owner hereby makes the premises available for rent under terms as provided herein. BRULE VALLEY MANAGEMENT, INC., agrees to make reasonable efforts to rent the Premises and carry out the terms set forth herein.

1. TERMS:

This Agreement is in effect for an initial term of ten (10) years and will renew for an additional ten (10) year term automatically unless notice of termination provided. This agreement may be terminated at any time during the initial term or thereafter with twelve (12) month advance notice.

2. MANAGER’S RENTAL AUTHORITY

Manager is hereby authorized to rent the Premises under such conditions, and for such periods, and for the number of persons as are deemed desirable, in Manager’s discretion, consistent with the Owner’s responsibilities as provided herein, subject only to limitations contained herein. Manager is further authorized as follows:

- A. To collect rent dues or to become due and give receipts therefor.
- B. To institute and prosecute action, including eviction of tenants, to recover possessions, to sue for rents, damage and to settle, compromise and release actions or suits.

Manager is authorized to rent including, but not exclusively three (3) types of rentals:

- 1. Transient rentals (e.g. daily, weekly)
- 2. Summer Program transient rentals (e.g. daily, weekly)

3. RENTAL OF PREMISES:

Manager will maintain a rotation of rentals for those Premises under its management of like size and facility, (e.g. number of bedrooms, number of baths, fireplace, sauna, etc.), thereby equalizing the rental of similar Premises as practicable. However, rental of Premises shall be based upon the requirements of specific tenants requesting rental space from Manager and choice of available Premises shall be that of the tenants at the time of reservations.

4. RENTAL RATES:

Manager shall be solely responsible for rental rates and changes thereto. Such rates shall be established, by the Manager, on the basis of size of Premise, Premise facilities, seasonal markets, group business, competitive market, condition of the premises and other factors relating to rental rates as shall arise from time to time. Owner understands and agrees that the Manager will establish and publish gross rates which will include services not furnished by Owner (e.g. daily maid service and activity fee, charges for same are included in gross rental rates). Rates shall be published regularly by the Manager.

5. MANAGEMENT SERVICES PROVIDED:

Manager will for the basic fees:

- A. Furnish professional management personnel necessary to maintain a management, reservation, check in/check out office and service related thereto.
- B. Maintain a toll free number for reservations and related customer services.
- C. Collect rentals and maintain books and records necessary to account for Manager's responsibilities hereunder.
- D. Provide maintenance service to Owner, guests and tenants including:
 - 1. Linen and towel laundering;
 - 2. Cleaning supplies and equipment;
 - 3. Furnish soap, paper products and other amenities;
 - 4. Snow removal;
 - 5. Regular inspections for cleanliness
 - 6. Regular inspections for repair requirements, and damages;
 - 7. Cribs, roll-away beds
 - 8. Checkout cleans

Manager will provide Billable Goods and Services not included in the basic fees as follows:

- 1. Seasonal outdoor clean up as needed but not less than spring and fall;
- 2. Seasonal indoor clean up as needed but not less than spring, summer, fall and winter;
- 3. Owner Cleans;
- 4. Refuse removal and disposal;
- 5. Firewood;
- 6. Kindling;
- 7. Summer lawn care;
- 8. Routine Repairs;
- 9. Required furniture, furnishings, equipment and appliances.

6. ADDITIONAL MANGEMENT SERVICES:

Management services desired by the Owner and within the terms of this Agreement, but not detailed herein, shall be specified by the Owner, in writing, and made a part hereof upon agreement by the Manager. Without such detail, the terms hereof shall constitute the entire Agreement of the parties.

Manager will consider requests for detailed management services not within the explicit terms of this Agreement. If agreed to by the Manager, same shall be for additional consideration and shall be expressed in writing and made a part hereof.

7. MANAGER'S FEE

Manager shall receive basic fees as follows:

- 30% of gross rental proceeds for transient rentals
- 40% of summer program transient rentals; and
- 15% of long term rentals

In addition, Manager shall be paid by the Owner for cost, overhead and margin resulting from occupancy by the Owner, or non-paying guests.

8. MANAGER'S ACCOUNTING SYSTEM:

Manager shall deduct from the Owner's gross monthly proceeds, its basic fee for rental management (i.e. 15%, 30%, 40%).

All goods and services not included in the basic fee shall be charged as provided herein and deducted from the rental proceeds after deduction of the basic rental fees to the extent that said rental proceeds cover such goods and services. In the event that rental proceeds are not sufficient to pay for said goods and services, during any monthly period, they will be billed to the Owner. Payment by Owner is due ten (10) days from the statement date. Delinquent balances will be charged 1.5% SAI until paid in full.

Goods and services will be billed as follows:

Goods from Brule Valley Management inventories will be charged at cost plus 15%. Goods not from Brule Valley Management inventories will be charged at cost plus 20%, or at the current Brule Valley Management published list price.

Billable services, including administrative services not included in the basic fee will be billed at hourly rates as regularly published by Brule Valley Management.

Manager will account to the owner on a monthly basis, on or before the 20th of the following month. Such accounting shall include payment of any revenue owed to the Owner.

9. CONDITION OF PREMISES:

It is understood and agreed that the Premises must be in rentable, first class condition as determined by the Manager to continue and participate in the rental program. Manager shall advise and make recommendations to Owner regarding acceptability of Premises. Manager shall determine acceptability of Premise for rental.

To this end, Owner agrees to keep the Premises in first class, rentable condition, and to furnish and maintain the Premises with complete furnishings, furniture and appliances. Manager will periodically inspect the Premises to verify that it meets the standard requirements to participate and continue in the rental program. Manager has the authority to undertake any repairs, replacements and/or maintenance that may be required to maintain the Premises in a first class, rentable condition at Owner's expense. If the unit is not in first class, rentable condition, Manager will remove the Premise from the rental program until such times as the needed work is completed.

10. EQUIPMENT POOLS:

Owner agrees to participate in equipment pools including other owners and authorizes the Manager to establish such pools as the Manager determines appropriate. Owner agrees to pay pro rate for participation in such pools. Example of pools would include linens and hot tub pools. Manager is authorized to and Owner agrees to participate in and pay for other additional service arrangements as established by the Manager and to pay fees related thereto. Examples of additional services are: refuse collection and/or disposal, television service, phone service, hot tub maintenance, septic cleaning and chimney cleaning.

11. STANDARDIZED FURNISHINGS, FURNITURE, EQUIPMENT AND APPLIANCES:

Owner recognizes and agrees that premises will be provided with furnishings, furniture, equipment and appliances that are as specified by the Manager to accomplish standardization among the premises under management.

12. MUTIPLE UNITS:

The provision hereof shall apply to Premises with more than one rental unit on a unit basis.

13. RESERVATION BY OWNER:

Owner may reserve the Premises for use by himself/his family or his personal guests at any time during the term of this Agreement, provided that Owner gives written notice to Manager for the period or periods of such intended use. Owner must make reservations before December 1st of the year proceeding the year of intended use (e.g. 1999-2000 Season – Reservations must be made by December 1, 1998) for Owner's reservations to have priority over Manager. Except as provided herein, Manager's reservations shall have priority over Owner's use.

14. LIABILITY INSURANCE – HOLD HARMLESS

Owner shall maintain and verify to Manager policies of insurance insuring for personal and property injury of all types, specifically including coverage for renters and guests in the amount of \$1,000,000 per person, per incident. Brule Valley Management and Ski Brule, Inc. shall be named as additional insured on said policy. Proof of such insurance must be provided by Owner to the Manager. Should Owner fail to provide Manager with such proof of insurance, Manager will purchase same at Owner's expense.

Owner does hereby hold the Manager harmless and agrees to defend and indemnify Manager for any and all claims, liability, demand and damages of every kind and nature, whatsoever, arising out of, but not limited to claims for personal injury or property damage of all types.

15. PROMOTIONAL PURPOSES:

Manager shall have the use of the Premises for promotional purposes for fourteen (14) days per calendar year at no cost. However, Manager shall use no more than seven (7) days during the summer season – April 1 to September 30 and no more than seven (7) days during the winter season – October 1 to March 31.

16. OWNER TRADE ARRANGEMENT:

Management reserves the right to use each Premises to accommodate the Owner of another Premise when said Owner’s Premise was previously rented. In such a case, the first party shall be compensated by receiving its income from the second party’s rental up to the amount that the first party would have received under normal rental conditions.

17. OWNER’S INFORMAITON:

Owner’s inquiries regarding the status of the Premises shall be made in writing or by telephone to number (906) 265-6111. No response will be given to information requested by Owner to calls to any other number.

18. NOTICES:

All notices, correspondence, payments and all other written communications required or made between the parties hereto shall be sent to the following address:

OWNER: _____

Only this party will be contacted in regard to this Agreement. No other party will be allowed to communicate on matters pertaining to this contract.

MANAGER: Brule Valley Management
Village Manager
119 Big Bear Road
Iron River, MI 49935

19. SALE SURVIVAL

During the term specified herein, this agreement shall run with the land, it shall survive a sale of the premises; a subsequent owner shall be bound to the terms hereof.

20. SUCCESSORS – ASSIGNS:

This Agreement shall be binding upon the successors and assigns of the Owner. This Agreement shall be voidable by the Owner if assigned by Brule Valley Management, Inc., to any entity not controlled by Brule Valley Management, Inc.

BRULE VALLEY MANAGEMENT, INC.

Dated: _____

By: _____

Dated: _____

Owner (s): _____
