

GORGE RENTALS PROPERTY MANAGEMENT, INC.
Vacation Property Rental Contract

Parties of the Contract

In consideration of the covenants herein contained Dennis Shasha (hereinafter called "Owner"), and Gorge Rentals Property Management, Inc. (hereinafter called "Agent"), agrees as follows:

Exclusive Agency; Termination; Legal Remedies

The Owner hereby employs Agent exclusively to rent, lease, operate and manage the property located at: 4484 Baldwin Creek Parkdale, Oregon 97041 upon the terms hereinafter set forth beginning on the tenth day of April, 2005 thereafter for annual periods. Either party may terminate this agreement upon thirty (30) days written notice after the expiration of 3 months of the original term, with the agreed upon exception that such termination shall not occur during the months of May, June, July, August and December.

In the event this contract is in default or breached, the defaulting or breaching party promises and agrees to pay the other party's attorney fees for enforcement of this contract, including, but not limited to attorney fees and other costs for enforcement even though no suit or action is filed herein; however, in the event litigation is instituted arising directly or indirectly out of this contract, the losing party shall pay to the prevailing party his/her reasonable attorney fee and costs, including attorney's fee in any appellate court.

Agent Accepts Employment and Agrees:

Renting the Premises; Agent to Negotiate the Contract

- a. To use due diligence in the management of the premises for the period and upon the terms herein provided, and agrees to furnish all services required for the renting, leasing, operating and managing of the herein described premises.
- b. Rental/Lease amount will be established by Gorge Rentals Property Management, Inc., based on the market rate of similar properties.
- c. To not charge Owner for his/her occupancy of the premises. Owner must confirm in writing, in advance with Agent, as to the availability of the premises and notify immediately of intention to occupy or Owner book so that conflicts do not arise with reservations to third parties. Owner agrees to notify Agent immediately if Owner's guests intend to cancel their reservation so premises may be made available to third parties.
- d. To maintain usual business hours on a daily basis. A twenty-four hour answering service and a toll free telephone number will be provided to Owner and Tenants.
- e. To make available to Owner, during normal business hours, all records and documentations relating to Owner's premises for his/her perusal or review.
- f. To inspect the premises every three months for security and safety purposes.
- g. Agent agrees to inspect premises following all departures to determine damage and take appropriate steps if necessary.

Monthly Statements

- a. To provide written confirmation of all future rentals and/or leases to Owner on a monthly basis.
- b. To deliver to the Owner on or before the 15th day of each month hereafter, a detailed written statement of receipts, expenses and charges and to remit to the Owner receipts less disbursements. In the event the disbursements shall be in excess of the rents collected by the Agent, the Owner agrees to pay such excess promptly upon demand by the Agent.
- c. To pay directly to Owner on or before the 15th day of each month following receipt, Owner's percentage of the gross rental fee obtained by the Agent on the Owner's behalf, unless otherwise directed in writing.
- d. To forward directly to Owner the percentage of any forfeited funds obtained by the Agent from renters/lessees under the rental/lease agreement with such third parties, unless otherwise directed in writing.

Collection of Funds

- a. To collect and submit Transient Room Tax on all Agent guest reservations at no additional charge to owner.
- b. Agent will reimburse itself and/or pay any and all expenses covered under this contract from the funds held on Owner's behalf in Agent's client trust account. If sufficient funds do not exist to cover any such expenses pursuant to the contract, the Owner will be billed on a monthly basis. If payment is not received within thirty (30) days of billing, Agent is authorized to impose a monthly interest rate on the unpaid balance at 1.5% or accruing at 18% per annum.
- c. Agent shall not co-mingle any of the receipts or revenues from said premises with Agent's own funds. Agent to deposit all receipts collected for the Owner (less any sums properly deducted or otherwise provided herein) in a Trust account in a national or state institution qualified to engage in the banking or trust business, separate from the Agent's personal account. However, Agent will not be held liable in event of bankruptcy or failure of a depository.

Advertising

- a. Agent is to assume responsibility for advertising the vacant property through the following means:
 - 1. www.GorgeRentals.com
 - 2. InnLog.com
 - 3. Gorge.net classified ads
 - 4. Availability flyers at Agent's office
 - 5. Hood River Downtown Visitor's Center
 - 6. Gorge Living Magazine
 - 7. Sign (if Owner desired)

Any additional advertising requested by the Owner shall be done by Agent, at the cost of the Owner.

Owner Hereby Gives Agent the Following Authority and Powers and Agrees to Assume Expenses Connected Herewith:

Cleaning

- a. To make arrangements for, and inspect the cleaning of the premises upon each guest checkout in a timely manner.
- b. Agent agrees to collect a cleaning fee from each party upon check in.

Repairs and Maintenance

- a. To make or cause to be made and supervise repairs and alterations on said premises; to purchase supplies and pay all bills therefore. The Agent agrees to secure the prior approval of the Owner on all expenditures in excess of one hundred dollars (\$100.00) for any one item, except recurring operating charges and/or emergency repairs in excess of the maximum, if in the opinion of the Agent, such repairs are necessary to protect the property from damage or to maintain services to the tenants as called for in the rent/lease.
- b. To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises; it is agreed that all contractors and employees shall be deemed contractors and employees of the owner and not the agent, and that the Agent may perform any of it's acts, defaults or negligence if reasonable care has been exercised in their appointment and retention.

Service Contracts

- a. To make contracts for electricity, gas, fuel, water, telephone, window cleaning, ash or rubbish hauling and other services or such of them as the Agent shall deem advisable; the Owner to assume the obligation of any contract so entered into at the termination of this agreement.

Owner Agrees To The Following:

Save Harmless

- a. To save the Agent harmless from all claims, actions and judgments for damages in connection with the management of the herein described property and from liability from injury suffered by any contractor, employee or other person whomsoever, and to carry, at the Owner's expense, necessary public liability and workmen's compensation insurance adequate to protect the interests of the parties hereto, which policies shall be so written as to protect the Agent in the same manner and to the same extent they protect the Owner, and will name the Agent as co-insured. The Agent also shall not be liable for any error of judgment or for any mistake of fact of law, or for anything which it may do or refrain from doing hereafter, except in cases of willful misconduct or gross negligence.
- b. Owner shall provide written verification of fire, theft, frozen/broken water pipe damage and liability insurance. Owner acknowledges by the signing of this contract that Gorge Rentals Property Management, Inc. assumes no responsibility for said risks and does not carry insurance to protect Owner from said risks. Owner is required to provide Agent annual renewal verification in writing.
- c. Owner agrees that Agent is not liable for any damages to the premises caused by agency guests. Owner assumes full responsibility for any costs or repairs thereto, but Agent will make every reasonable effort to hold such agency guests accountable for damages.

Occupancy Guidelines

- a. Upon signing this contract, Owner agrees to provide a rentable unit to Agent, as described in Addendum A.
- b. Owner agrees that the premises is to be advertised as:
 - Smoking Pets Allowed
 - Non-Smoking No Pets Allowed
- c. Owner agrees to provide the following:
 - i. Basic telephone service with a block on long distance calls;
 - ii. Garbage/trash pick-up, at least two containers, which are to be dumped on a weekly basis, except on holidays and during months when it may be required twice weekly.

- iii. Basic cable/satellite service for television viewing, which shall also include at least one color television, preferably a 19 inch or larger screen.
- d. Owner agrees to pay for firewood, snow removal, yard care, hot tub and general maintenance, as needed.
- e. Owner will be responsible for remedying any substandard conditions in or to the premises. Agent will notify Owner upon awareness of any such conditions or take appropriate actions to remedy the substandard conditions. Owner hereby agrees to allow Agent to remove the rental unit from its availability for renting and/or leasing until such time as Owner or his/her agents have rectified the substandard condition. It is understood by Owner that if guest requests to be moved due to substandard conditions, Owner will not be compensated.

Owner's Guests

- a. Owner understands that check in is at 3:00 PM and check out is at 11:00 AM. Owner guests must comply with the above check in/check out times.
- b. Owner agrees that all Owner guests will pick up keys at Agent's office and return them upon departure.
- c. Owner agrees to make all inquiries, arrangements and changes on behalf of Owner's guests. If there are multiple Owners, one Owner shall be designated to make reservation and changes.
- d. Owner agrees to review all future booking before making additional bookings. The priority of reservations is determined on a first come, first serve basis.
- e. Owner agrees to carefully review all statements and all future bookings. If there are mistakes or conflicts, it is the Owner's responsibility to notify Agent immediately. It is understood that if Agent is not notified within 48 hours, all bookings will be abided by.

Owner Further Agrees to Pay Agent:

- a. For management and operation of the premises: 25% of gross receipts. Any bookings in excess of 31 days will be charged an 11% management fee, except when it occurs during the months of May, June, July and August.
- b. A one time, non-refundable Activation Fee of two hundred dollars (\$200.00), due upon signing this contract.
- c. A minimum amount of three hundred dollars (\$300.00) to be kept in a separate owner reserve fund to be used for maintaining the property during periods of vacancy. Funds used from this reserve will be deducted from the monthly rent and the balance sent to the owner. This amount will be returned in full upon termination of this contract.
- c. Cost of first set of bed linens and towels for entire home, averaged at \$75 per person the home sleeps, or a minimum of \$300.00, whichever is greater. Additional/replacement linens and towels are included in the management fee.
- d. A fee of \$20.00 for a replacement check if Owner loses or misplaces check sent with monthly statement.
- e. Owner agrees to pay Agent for any additional cost of repairs, maintenance, upgrades, any deep cleaning work and carpet cleans, which Agent considers necessary to maintain the property in a suitable condition. Agent reserves the option to schedule deep cleaning if needed twice yearly, after ski season and again after summer vacations. All charges will be noted on the monthly statement.

Owner Further Agrees:

- a. To provide Agent with a list of personal inventory of items on the premises.
- b. To disclose any information with regard to the presence of toxic substances on the premises including but not limited to lead paint, drug residues, petroleum distillates, etc.
 - Known toxic substances is/are present on the premises
 - There is no knowledge of the above toxic substances on the premises
 - All available records and reports pertaining to the above toxic substances on the premises are listed here
- There are no reports or records pertaining to toxic substances on the premises.
- c. To notify Agent, in writing, forty-five (45) days prior to the change of ownership of the premises.
- d. To notify Agent of any change in address or telephone numbers within ten (10) days of any such change.

If Owner shall fail to pay Agent the sums due to Agent, or if any mortgage upon said property shall be foreclosed and the mortgagee or other person, firm, or corporation lawfully entitled to possession of said premises under said foreclosure shall demand or take possession thereof or if such rentals shall be seized under any order of any court, or if Owner shall fail to furnish and maintain said premises and necessary services in connection therewith, then, in any of such events, at Agent's option, Agent may terminate this Agreement, with or without prior notice to Owner, but such termination shall not relieve Owner of any of his or its obligation to Agent theretofore accrued. Upon any such termination, Agent shall make a full written accounting to Owner for all funds received by Agent since the date of any last such accounting made to Owner.

Both Owner and Agent Agree:

- a. All inquiries for space in said premises, or any part thereof, shall be referred to Agent and all persons making said inquiries shall be instructed to deal with and through Agent.

- b. This agreement is not assignable.
 - c. Sale of the premises shall serve to terminate this agreement. Termination shall occur on the day of closing.
 - d. Additional Instructions (i.e.: parking; entrances; equipment storage; etc.): _____
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This Agreement shall be binding upon the successors and assigns of the Agent, and heirs, administrators, executors, successors and assigns of the Owner.

(Owner)
SSN or TIN: _____
Date: _____

(Owner)
SSN or TIN: _____
Date: _____

Gorge Rentals Property Management, Inc.
610 Oak Street
Hood River, OR 97031
541-387-4080

Broker

Date