

RENTAL PROGRAM ENTRY/EXIT RULES

The rules conform with the principles set out in the Rental Management Agreement. The rules can be changed from time to time by the Rental Manager with the approval of the board of TSCC1703.

ENTRY INTO LEASING POOL

1. Enrollment

A Unit may be enrolled in the Rental Program once the Owner has listed a Suite Enrollment Application with the Owner Relations Manager; the Unit has been approved as a Qualified Suite by the Rental Manager; a Rental Management Agreement (RMA) has been executed; and arrangements have been made for the payment of the applicable Catch-Up Contribution to the FF&E Capital Expense Reserve Fund.

2. Qualified Suite

A Unit shall constitute a Qualified Suite if it meets the Acceptable Standard which is defined as:

The Suite shall be in a good state of maintenance and repair; free of damage or abuse; in a clean, tidy, and orderly condition ready for guest occupancy; and it shall display an appearance and finishes at least equivalent to those of other Participating Suites as determined in the sole discretion of the Rental Manager (the "Entry Acceptable Standard").

Prior to the unit's entry into the Rental Program a pest control inspection conducted by an outside company selected by the rental manager is required. The cost of said inspection (currently estimated at \$56.50) and the resultant treatment to eliminate any pests (i.e. bed bugs, cockroaches, etc.), if required, will be paid for by the owner wishing to place his/her unit into the rental program.

3. Three Unit Limit

No more than a limit of (3) Qualified Suites per month shall be entitled to be newly enrolled or re-enroll in the Rental Program; or such greater number of units as the Rental Manager may determine at its sole discretion.

4. One Unit/Month

No Owner of a Qualified Suite shall be entitled to enroll more than one Unit in any month.

5. Blackout Period

Qualified Suites shall not be enrolled during the Blackout Period from November 1st to February 28th. The Unit shall be listed with the Owner Relations Manager prior to September 25th if the Owner wishes to enroll the Unit prior to the

Blackout Period. The Rental Manager may, in its sole discretion, permit enrollment of one or more listed Units, during the blackout period, if satisfied that future bookings during this period indicate satisfactory performance of the Rental Program.

6. **Property Tax**

The Municipal Property Assessment Corporation (MPAC) has determined that suites participating in the Rental Program are classified “Commercial” for purposes of Property Tax. By June 30th of each year, the Rental Manager is required to submit a list of suites enrolled in the Rental Program for MPAC to determine the following year’s tax classification.

7. **Capital Expense Reserve Fund**

- (a) **FF&E Contribution** – At time of entry to the Rental Program each newly-enrolled or returning Participating Suite shall be required to match their unit’s then current Point Factor contribution to the FF&E Capital Expense Reserve Fund (The Catch-Up Contribution).
- (b) **Catch-Up Contribution** – The following criteria will apply:
 - i. A newly enrolled Suite’s Catch-Up Contribution to the FF&E Capital Expense Reserve Fund shall be the amount per Unit in the FF&E Capital Expense Reserve Fund for that particular class of unit at the end of the month preceding the entry of the Unit into the Rental Program.
 - ii. For a newly enrolled Suite which enters or re-enters the Rental Program after the first scheduled program wide renovation has been undertaken, the newly enrolled Suite Owner shall be obligated to pay the full cost of bringing the unit up to the current acceptable standard as defined by the Rental Manager. The Suite Owner shall also be obligated to Catch-Up the unit’s share of the Capital Expense Reserve Fund. The Catch-Up contribution shall be calculated in the same manner described in 4(b) i
 - iii. For a Suite which previously participated and which returns to the Rental Program within 10 years of withdrawal from the Rental Program the Catch-Up Contribution to the FF&E Capital Expense Reserve Fund shall be determined in the same manner described in 4(b) i & ii. From this shall be deducted any unspent amounts which were contributed to the FF&E Capital Expense Reserve Fund, while the Suite was previously enrolled in the Rental Program.
 - iv. The Owner of a returning suite commits that should the unit be withdrawn from the pool in less than two (2) years from the date that it has been renovated using previously contributed FF&E Capital Expense Reserve Fund monies, the Owner will repay an

amount calculated as follows: the cost of the renovation funded from the FF&E Capital Expense Reserve Fund (excluding any top-up capital paid by the Owner) of the unit multiplied by: (twenty four months less the number of months that have elapsed since the renovation was completed on the unit) divided by twenty four months.

- (c) **Payment of Catch-Up Contribution** – A newly enrolled or returning Participating Suite’s Catch-Up Contribution to the Capital Expense Reserve Fund may be paid either in full or in part at the time of enrollment. Should a partial payment be made, the remainder shall be deducted in equal parts from Monthly Net Rental Revenue during an agreed upon number of months or it shall be contributed in full at the time of the next renovation if the Rental Manager agrees on this method of Catch-Up.
- (d) **FF&E Contribution upon Exit** – Upon Exit of a Participating Suite from the Rental Program, the Owner shall not be entitled to receive any withdrawal from the Capital Expense Reserve Fund; instead, all FF&E Capital Expense Reserve Fund Contributions shall continue to be retained within the FF&E Capital Expense Reserve Fund.

EXIT RULES

8. Owner Use

- (a) **Owner use** – The Owner may make use of the Participating Suite in the Rental Program for temporary personal use upon ten (10) days prior notice given to the Rental Manager for days pre-selected by the Owner in consultation with the Owner Relations Manager and subject to honouring existing reservations of the Unit by a guest and subject to accommodating future reservations during future periods beyond the ten (10) day notice normally required as determined by the Rental Manager. An Owner seeking to remove the Participating Suite for the purpose of Owner Occupancy for an extended period not to exceed one hundred and eighty (180) days and, as that extended period of time may be defined from time to time by the Rental Manager, may be required to provide a notice period of not less than four (4) months to the Rental Manager. The Owner shall waive the Owner’s Share of Net Rental Revenue during any personal usage period. During personal use periods the Owner shall be assessed a daily contribution towards the FF&E Capital Expense Reserve Fund, which daily contribution called the FF&E Reserve Owner Use Fee will be calculated and based on the Unit Point Factor. The fee amount will be set annually in advance. For personal use the FF&E Owner Use Fee will be added to the Turnover Fee at the time of check out.

Should the Owner wish to request a period of longer than 180 days, this will be considered a notice of permanent withdrawal and written notice of not less than four (4) months is required.

- (b) **Shorter Notice** – The Rental Manager, at its option, may agree to personal use with less than the required notice of ten (10) days or four (4) months notice as the case may be. With this shorter notice period, the Rental Manager may, at its discretion, provide the Owner with use of an alternate suite.
- (c) **“Turnover Fee”** means the fee the Owner shall be charged as a turnover fee per occasion related to those nights during which the Owner uses a suite in the building (see “Owner Nights”). Currently the Turnover Fee is \$35.00 based on usage of one to three nights in order to ensure that the Unit is fully cleaned, supplied and prepared for use in the Rental Program. Should the unit be used by the owner for four nights or more a “deep” cleaning is required in order for the unit to be returned to participation in the Rental Program; in this case the turnover charge shall be \$80.00 (subject to adjustment to be evenly applied). Fees are subject to change at the discretion of The Rental Manager.
- (d) **Cleaning and Condition of Participating Unit** – Following an Owner’s Use of the Unit, the Owner shall leave the Unit in a first class, clean and orderly condition, ready for the next guest, subject to the standard cleaning procedure.

9. **Re-Enrollment After Permanent Removal**

- (a) An Owner who has withdrawn a Participating Suite from the Rental Program as a Non-Participating Unit for extended period (exceeding 180 days), for permanent owner occupancy or for rental pursuant to a long term lease for a period of one (1) year or more, may re-enroll the Unit in the Rental Program as a Participating Suite subject to the following criteria:
 - i. The Owner shall provide at least thirty-five (35) days prior written notice to the Rental Manager of the Owner’s intention to re-enroll the Unit as a Participating Suite;
 - ii. The Unit must achieve the criteria applicable to a Qualified Suite and applicable to the Catch-Up Contribution to the Capital Expense Reserve Fund.
 - iii. The Owner is subject to the enrollment conditions.

10. **Sale of Unit**

- (a) **Notify Purchaser** – Prior to entering any contract or agreement to sell the Unit, the Owner shall notify the proposed purchaser of the existence and terms of the RMA.
- (b) **RMA Assumption Agreement** – At the completion of the sale of the Unit, the seller shall ensure that the proposed purchaser shall execute and deliver to the Rental Manager the RMA Assumption Agreement. By

signing the RMA Assumption Agreement the Purchaser agrees to be bound by the RMA for a minimum period of four months from the closing date of the purchase transaction. The purchaser may terminate the RMA after the purchase transaction has closed by giving at least four (4) months written notice to the Rental Manager. At the Rental Manager's sole discretion the RMA Assumption Agreement provision may be waived if the unit will not be required to meet rental program occupancy requirements.

- (c) **Notify Managers** – Within five (5) days after completion of the sale of the Owner's Unit, the Owner shall notify the Rental Manager thereof in writing, providing the name, address and contact particulars for the Purchaser of the Unit and a copy of the Agreement of Purchase and Sale.