



RENTAL AGENCY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This RENTAL AGENCY AGREEMENT ("AGREEMENT") is made this ___day of _____ 2019, by and between _____ hereinafter referred to as "AGENT" and the Lessee(s) identified below (individually or collectively as "LESSEE") of the unit ("UNIT"), described as follows:

Project Name: **The Resort at Gabayan Riviera**

Address: Siquijor Island in the Philippines

Unit Number(s):

Name of Unit Lessee(s):

Home Address of Unit Lessee(s):

Cell Phone:

E-mail address:

ID #:

The AGENT and the LESSEE are collectively referred to as "PARTIES."

WITNESSETH:

WHEREAS, the LESSEE desires to engage AGENT as the Transient Occupancy Rental Agent for the UNIT in accordance with the terms and provisions of this AGREEMENT;

WHEREAS, the AGENT has experience and expertise in securing guests ("Rental Guests") for transient occupancy of rental and resort lodging units in a resort style community setting;

WHEREAS, that all rentals pursuant to this AGREEMENT shall be on a transient occupancy basis, defined as occupancy by Rental Guests not to exceed 30 days in length. This AGREEMENT is not intended to create a property management arrangement whereby Agent manages the unit for the benefit of Lessee for leasing or any purpose other than a transient occupancy basis.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, terms, and provisions of this AGREEMENT, the PARTIES agree as follows:

1. Rental Agency Appointment and Rental Authority.

- 1.1. Subject to the terms and conditions set forth herein, LESSEE hereby appoints AGENT as the transient occupancy Rental Agent for the UNIT;
- 1.2. It is hereby understood and agreed that the LESSEE has the right to occupy his/her unit on the dates of their choosing, however, a minimum of six (6) months' notice should be given to reserve those dates so the AGENT would not make alternate reservations to Rental Guests. Should the LESSEE wish to stay in his/her unit on dates within the six (6)-month notification period, he/she could only do so on dates not previously committed to Rental Guests;
- 1.3. AGENT hereby accepts such appointment for an initial term of no less than ten (10) years;
- 1.4. LESSEE shall not use any other third-party property manager to lease or arrange for any transient occupancy for the "Rental Time Period" provided to AGENT;
- 1.5. AGENT shall use best efforts to apportion reservations and available Rental Guests on a fair and

equitable basis within the discretion of AGENT between the Unit and all other units for which AGENT serves as a rental Agent. To minimize any question of inequitable apportioning, the AGENT shall use a pool system to determine LESSEE revenue share outlined in the Revenue Pooling Share Agreement, a copy of which is hereto attached as ANNEX "A" and made an integral part hereof;

1.6. AGENT shall be responsible for daily housekeeping of all units that have been submitted to the Rental Pool System. LESSEE shall be responsible for his/her own housekeeping during times that he/she shall occupy the UNIT;

1.7. AGENT shall be responsible to supply all linens, beddings and consumables for the UNIT while submitted to Rental Pool System. When LESSEE shall occupy his/her units, AGENT's linens, bedding and consumables shall be removed. LESSEE may however request for the same at his/her own expense;

1.8. Nothing contained in this Agreement shall create, or shall be construed to create a partnership or joint venture between LESSEE and AGENT.

2. AGENT'S Responsibilities and Obligations.

2.1. *Rental of Unit.* AGENT shall place the UNIT into Agent's rental program and use best efforts to rent the UNIT on a transient occupancy basis as provided for in this AGREEMENT. AGENT will not rent the Unit/Units for less than 20% of market value unless given prior approval from LESSEE. AGENT manages daily rates based on the marketplace for comparable unit types and maintains rates to be offered at no less than 20% of the rack rate (BAR) offered by comparable third-party agent. AGENT will bear the cost of reservation affiliation fees, credit card commissions, commissions owed to travel agents, tour brokers, or other persons or companies in accordance with normal business practice in the trade;

2.2. *Maintenance of Common Facilities.* The AGENT shall be responsible to maintain all common facilities to a standard that will ensure rentability of the units at a price level consistent with local industry standards for 3-4 star facilities. Expenses for maintenance of common facilities shall be the responsibility of the AGENT and paid from AGENT's share of the revenue split as spelled out in the Revenue Pooling Share Agreement;

2.3. *Standards of Service.* The AGENT shall be responsible to maintain a standard of service to the resort style community Rental Guests that would equal or surpass what would be expected for a 3-4-star facility. All costs to meet this criterion shall be borne by the AGENT;

2.4. *Maintenance and Upkeep of Units as Fixed Assets.* The AGENT shall be responsible for the proper maintenance and periodical upkeep of buildings, including painting, plumbing, electrical, roofing, etc. The costs of maintenance shall be paid for out of the Fixed Asset Maintenance Fund as outlined in the Revenue Pooling Share Agreement;

2.5. *Furniture, Fixtures and Equipment.* The AGENT shall be responsible to maintain all Furniture, Fixtures and Equipment to a standard that will ensure rentability of the units at a price level consistent with local industry standards for 3-4-star facilities. Costs shall be paid out of the Furniture, Fixtures and Equipment Fund, as outlined in the Revenue Pooling Agreement.

3. LESSEE'S Responsibilities and Obligations

3.1. The LESSEE shall promptly notify the AGENT in writing of any damage or defect to his/her UNIT or Furniture, Fixture and Equipment that may affect the rentability of the same. Any damage or defect that is due to a willful neglect or abuse by the LESSEE shall be to the cost of the LESSEE;

3.2. While on site, the LESSEE and his/her guests must abide by the rules of conduct of the resort as outlined by the AGENT. Should the LESSEE continually violate the rules of conduct, and/or engage in any criminal activity, the AGENT reserves the right to take legal actions to maintain the peace and enjoyment of the premises by other LESSEE and RENTAL GUESTS;

3.3. All accounts owed by the LESSEE for resort services shall be due and payable on the last day of every month. Should the LESSEE's account not be paid in full when due, the AGENT reserves the right to offset any amounts owing against revenue due to the LESSEE.

4. Accounting and Disbursement of Rental Revenue.

4.1 The AGENT shall furnish the LESSEE with a monthly accounting statement for the previous month outlining the following:

(a) *Gross Rental Revenue;*

(b) *Breakdown of Revenue Disbursement to: 1) Owner's Pool, 2) Agents Fee, 3) Fixed Asset Maintenance Fund, 4) Furniture, Fixture and Equipment Fund;*

(c) *Individual Owner's Earnings Statement;*

(d) *General Ledger Account Statements detailing credits and debits to 3) and 4).*

4.2. The AGENT shall make disbursement to LESSEE not later than the 20th of the month for all earnings of the previous month.

5. No Guaranty or Warranty of Income.

The AGENT makes no representation, guaranty, warranty, or otherwise, whether express or implied, regarding income potential, profitability, occupancy, or profitability regarding, relating or pertaining to

any revenue LESSEE might anticipate realizing by placing the UNIT on the rental program of AGENT pursuant to this AGREEMENT. Such matters are purely speculative and are based on factors set forth in this AGREEMENT and other factors, which are beyond the control of AGENT, including without limitation, weather, economic conditions, and demand.

6. Termination, Dispute Settlement, Complaints

Arbitration Clause. Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration administered by an agreeable third party.

IN WITNESS WHEREOF, the PARTIES have hereunto affixed their signatures on the date stated above.

AGENT

LESSEE

Signed in the presence of: _____

ACKNOWLEDGMENT

Republic of the Philippines)
City of _____) S.S.

BEFORE ME this __ day of _____ 20__ at the City of _____, Philippines, personally appeared the following persons who exhibited to me as competent proof of their identity the following:

Name	Identification Card	Date	Place
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known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed.

This Rental Agency Agreement consists of three (3) pages and has been signed by the parties including their two material witnesses on each and every page hereof.

WITNESS MY HAND AND SEAL

Doc. No.
Page No.
Book No.
Series of 20

*Building Communities of
Your Dreams*



metro dumaguete estates incorporated

ANNEX "A"

Revenue Pooling Share Agreement

General Outline

This agreement forms part of the Lessee/Agent Agreement and is meant to address specific issues. The general goal of this agreement is to spell out how revenue will be split to provide the following:

Total Gross Revenue

All unit rental revenue will be submitted to a Pool System. From that Pool, the funds will be split as follows:

- 1- **Lessee** – 40% - which will be then disbursed to each unit holder based on an algorithm which shall consider such variables as type of unit, number of days, and which days are made available for rental. (e.g. weekend shall receive a higher pool rating than mid-week). This algorithm may be found at (<https://dumaguetedreamhomes.com/calculator/>). See also Annex B for mathematical representation of pool revenue distribution).
- 2- **Fixed Asset Maintenance Fund** – 10% - Money in this fund shall be put aside to cover all fixed asset maintenance and replacement costs, such as roofing, plumbing, electrical, etc.
- 3- **Furniture, Fixtures and Equipment Fund (FF and E)** - 10% – Money in this fund shall be set aside to replace and upgrade items on a planned schedule such as beds, refrigerators, chairs, desks etc.
- 4- **Management** – 40% - To cover all operating costs, beddings, linens and consumables, common facility maintenance, and management fees.

Notes

- *Owners shall receive monthly financial reporting*