**HOSTEL OPERATIONAL AGREEMENT**  
**BETWEEN**  
**Shinaux NPO**

AND

**Cheep Sleep Inc.**

This Hostel Operational Agreement (the "Agreement") is made and entered into as of [дата] by and between:

1. **Shinaux NPO**, a non-profit organization registered under the laws of **Ontario**, with its principal office located at **[Адрес NPO]** (hereinafter referred to as "NPO").
2. **Cheep Sleep Inc.**, a for-profit corporation registered under the laws of **Ontario**, with its principal office located at **[Адрес Profit Corporation]** (hereinafter referred to as "Profit Corporation").

**1. PURPOSE AND SCOPE**

The purpose of this Agreement is to outline the roles, responsibilities, and operational guidelines between the NPO and the Profit Corporation in managing and maintaining the **[указать конкретное помещение/адрес]**, which serves as a co-living space operated under the ownership and legal control of the NPO.

**2. RESPONSIBILITIES OF THE PARTIES**

**2.1 Responsibilities of the NPO**

* Maintain full ownership and regulatory compliance of the co-living space.
* Collect all revenue generated from co-living operations at **[указать конкретное помещение]**.
* Oversee tenant/member management, including contracts, access control, and occupancy agreements.
* Allocate 60% of net profits to the Profit Corporation as per the **Profit Sharing Agreement**.
* Ensure the funds retained by the NPO (40%) are reinvested into social programs, maintenance, and expansion.
* Provide financial reports to the Profit Corporation on a **quarterly basis**.

**2.2 Responsibilities of the Profit Corporation**

* Provide operational management services as per the **Service Agreement**.
* Ensure compliance with safety, security, and maintenance standards.
* Assist in marketing and outreach efforts to maintain occupancy rates.
* Provide advisory support on optimizing financial sustainability and expansion strategies.
* Adhere to the financial structure outlined in the **Profit Sharing and Financial Flow Restrictions Agreement**.

**3. OPERATIONAL FRAMEWORK**

**3.1 Property Management & Maintenance**

* The NPO shall be responsible for major renovations and long-term infrastructure improvements.
* The Profit Corporation shall handle regular maintenance, security, and minor operational expenses.

**3.2 Booking and Membership System**

* All bookings shall be processed through the NPO’s digital platform.
* Profit Corporation may provide support for technical enhancements but shall not retain control over the booking system.

**3.3 Financial Management**

* Revenue shall be collected by the NPO, and distributions shall be made **quarterly** as outlined in the **Profit Sharing Agreement**.
* The NPO shall ensure proper record-keeping and financial transparency.
* Profit Corporation may conduct audits to ensure compliance.

**4. TERM AND TERMINATION**

**4.1 Term of Agreement:**  
This Agreement shall remain in effect **indefinitely** unless terminated by mutual agreement or under conditions outlined below.

**4.2 Termination Conditions:**

* Mutual consent of both parties.
* Breach of financial responsibilities by either party.
* Legal or regulatory non-compliance requiring suspension of operations.
* Notice period for termination shall be **120 days**.

**4.3 Transition Period Upon Termination:**

* Upon termination, the Profit Corporation shall submit a final operational report.
* The NPO shall have sole discretion over the continuation or restructuring of the co-living project.

**5. DISPUTE RESOLUTION**

* Any disputes shall first be addressed through **good faith negotiations**.
* If unresolved, disputes shall be referred to **binding arbitration** in **Ontario**.

**6. GENERAL PROVISIONS**

**6.1 Confidentiality:**  
Both parties agree to maintain confidentiality regarding sensitive financial and operational information.

**6.2 Amendments:**  
No amendments to this Agreement shall be valid unless made in writing and signed by both parties.

**6.3 Governing Law:**  
This Agreement shall be governed by and interpreted in accordance with the laws of **Ontario**.

**IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.**

**Signed and Acknowledged by:**

[Authorized Representative]  
Shinaux NPO

[Authorized Representative]  
Cheep Sleep Inc.