



## RENTAL PROGRAM AGREEMENT

This agreement is made on this \_\_\_\_\_ day of \_\_\_\_\_ between **Sanibel Moorings Condominium Association, Inc. (Association)** and:

\_\_\_\_\_  
\_\_\_\_\_  
(Owner).

In consideration of the terms, covenants, and conditions of this agreement, it is agreed that owner makes available for rental and Association (through its duly appointed representative/s) agrees to offer for rental, Unit(s) \_\_\_\_\_ (Premises).

### NATURE OF AGREEMENT

It is understood that the owner contracts with the Association for the services provided under the rental program and that the Association agrees to provide these services. It is agreed that the duties and responsibilities of the Association and Owner as listed in this agreement are applicable. It is expressly agreed that the Association will give its best efforts in securing suitable renters, and that the Owner will give his/her best effort in maintaining the Premises in a suitable manner. It is further agreed that in implementing this agreement, the Association does not guarantee rental occupancy at any level and does not guarantee rental income at any level. It is agreed that a primary objective of the rental program is to create vacation rentals and to maintain the goodwill of all rental guests and prospective guests, exclusive of those destructive of property or in violation of rental terms and conditions. It is specifically agreed that the Association, in managing the rental program, will use its best efforts, as it deems necessary to ensure the goodwill of the guests, the long-term benefit of all owners, and the integrity of the rental program. It is agreed that the Owner shall not act independently on his own behalf to rent Premises except by processing through the Association in accordance with all the terms of this agreement. The Association agrees to collect all applicable fees resulting from the rental of Premises in accordance with the terms of this agreement.

## **ASSOCIATION DUTIES AND RESPONSIBILITIES**

1. **Rental Rates:** The Association will determine all rental rates and will adjust those rates as required to conform to competing conditions, actual rental experience, and to maximize rental income for all participants in the program. Owners are encouraged to participate by submitting their thoughts and ideas to the Association.
2. **Accounting:** The Association will provide the Owner with a monthly accounting of all expenses and income associated with the Owner's participation in the program. This accounting will be a combined monthly statement that will include regular Condominium fees and any other credits and debits that have accrued, whether or not associated with the rental program. The Association will make payments to Owner of any net income owed by the 5<sup>th</sup> of the month following the end of each calendar month, the payment for such amount to be issued to Owner at an address specified by Owner. In the case where the net amount is owed to the Association, Owner must make payment in accordance with the Condominium Documents' requirements for payment of monthly Condominium fees including any late charges. The Association is authorized to deduct unpaid property and rental program expenses, including the Owners fair share of common rental expenses (on a cost/benefit basis as determined by the expense recovery method) from rent payments due the Owner.
3. **Rental priorities:** The Association will rent units based on the following priorities (not necessarily in given order):
  - a) Tenant preference regarding the availability, size, location, and furnishings of units, including requests for a specific unit.
  - b) Overall appearance and condition of Premise.
  - c) Number of days in which unit has been available for rental by the Association, including Owner generated rental days, but excluding up to 30 days of Owner and complimentary usage as specified by owner.
  - d) Past occupancy level of Premises, all other things being equal.
4. **Maintenance and furnishings:**
  - a) Association will make or will contract to have performed repairs to Premises for which Owner is responsible and which the Association deems reasonable and required, and which are not expected to exceed \$200.00 per incident or \$800.00 per calendar year. The Association is granted authority to make such determinations and when repairs and/or replacements are necessary to inspect the work and pay the contractor. If new requirements or new items are involved, the Association will notify the Owner prior to taking this action, except in the event of emergency. It is agreed that the Association decisions will be final and binding and that the Association is authorized to deduct these amounts from rent payments due the Owner.
  - b) Association will advise Owner in advance of any repairs that are the Owner's responsibility, that are required for Premise and that are estimated to cost in excess of \$200.00 per incident or \$800.00 per calendar year. Under emergency conditions, as determined by the Association, arrangements will be made for repairs to be performed without notice to Owner, if Owner cannot be reached.

- c) To maintain the Premises in good rental condition, the Association will, at its discretion, replace missing houseware items, have carpets cleaned, floors waxed, windows washed, and other such tasks performed as required, and will invoice the cost of such services to the Owner.
5. Premise standards:
- a) All units shall undergo a survey on an as needed basis or annually, by the Association for determining the overall condition and appearance of the Premises. Each Owner will receive a written evaluation indicating areas of strength and areas of deficiency for that unit.
  - b) Owner having deficiencies will receive a notice giving 30 days to correct the deficiency or submit a plan to correct the deficiency that is satisfactory to the Association. A second notice will be sent in 60 days (additional 30 days).
  - c) If, after 90 total days, there has been no satisfactory response, a final notice will be sent, removing Premises from the rental program. All decisions regarding the removal of units from the rental program shall be made by the General Manager and shall be final, except where there is a difference of rule interpretation, in which case the Owner may petition the Board of Directors with a specific documented request. Such petition must be submitted prior to the second (60-day) notice.
6. Inventories: The Association will require an inventory survey of all major furnishings and equipment and will review annually (and more frequently if determined necessary) such inventory, the general condition of Premises and will promptly notify the Owner of any deficiencies for which the Association requires or advises correction.
7. Marketing: The Association will manage on behalf of the Owner and the Association a full range of services to attract potential renters and arrange for their comfort and convenience. These services shall include, but shall not be limited to, printing and advertising of promotional material, administration of marketing and media programs, and the solicitation of referrals from tour planners, travel agents, travel writers, meeting planners, etc. The Association reserves the right to offer discounts and other incentives to attract potential renters.
8. Collection of Rent: The Association agrees to collect, demand, sue for relief and receipt of any and all rent and other charges which may, at any time, be or become due under the provisions of this agreement. Collection of rental shall be the responsibility of the Association. The Association will not be responsible for payment to owner of uncollectable rents when all legal recourse has failed.
9. Inspection: The Association will provide periodic inspections of premises to ensure that its contents are in order, that all appliances, electrical and plumbing systems are in proper working order and to make any reasonable mutually agreed special observations requested by Owner.

## **OWNER DUTIES AND RESPONSIBILITIES**

1. **Rental Agent:** Owner appoints the Association as sole rental agent for the Premises. (See section on joint responsibilities concerning Owner usage, complimentary usage, and Owner generated rentals).
2. **Expense Recovery:** Owner understands that there are substantial costs associated with the operation of the rental program and voluntarily agrees to pay his fair share of those expenses (on a cost/benefit basis as determined by the expense recovery method) and authorizes the Association to deduct his fair share at the end of each month.
3. **Furnishings and equipment:** Owner understands the need for all units to conform to a certain standard concerning furnishings, decorations, accessories, and other items. Owner agrees that the "Sanibel Moorings Unit Standards Manual" shall be the criterion for conformity and authorizes procedures under ASSOCIATION DUTIES AND RESPONSIBILITIES paragraph 5 in regard to his/her Premises.
4. **Insurance:** Owner shall, at his/her expense, maintain in effect throughout the terms of this agreement, both property damage liability and personal injury liability insurance. The personal injury liability insurance shall be in the minimum amount of \$500,000.00 for each occurrence. All policies shall be with financially sound and reputable insurers deemed acceptable by the Association. Both parties expressly agree that the named amount of insurance coverage in no way limits the Association's indemnification rights under this agreement. Owner shall notify the Association immediately of an incident, to Owner's knowledge, which might give rise to a liability claim. The Association shall not be liable for any damage to or destruction of an Owner's property, including but not limited to goods, equipment, fixtures, inventory or any other property used or retained by Owner. Owner expressly understands that Owner is solely responsible for acquiring certificates of insurance evidencing the above coverage. Owner further understands that the Association does not carry any insurance for Owner loss of rental income due to any event that would make his unit not usable for rental purposes and that it is his responsibility to provide for such protection should he desire it.
5. **Payment of utilities:**
  - a. Owner shall fully and promptly pay for all electric service and any other public utilities, and all costs and expenses in connection with the use, operation, and maintenance of his individual premises and all activities conducted thereon, and the Association shall have no responsibility of any kind for any of the above-mentioned costs or expenses.
  - b. Owner agrees that the Association may pay delinquent utility bills to avoid interruption of service and to maintain the primary objective of the rental program. Owner further agrees that, in such instances, the Association will deduct the charge and may deduct a 10% surcharge from the Owner's rental revenue.

6. Taxes and assessments: Owner shall promptly pay all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or impose of, of every name, nature, and kind whatsoever, including all governmental charges that may be levied, assessed, charged, or imposed on the Premises.
7. Managing systems: Owner understands that the Association may determine the need for the installation of, adjustments to and/or replacement of various systems, including but not limited to, lock and energy management systems, in conjunction with the Association's use of the premises. Owner expressly authorizes the Association to implement, at Owner's expense, any and all such installations, adjustments, and/or replacements as deemed necessary by the Association to use the Premises as a rental accommodation unit. Prior notification will be given except for emergencies.
8. Communications and correspondence: Owner understands that he cannot rely on verbal or telephone instructions to the Association regarding reservations, maintenance, etc. except where requests are confirmed in writing by the Owner.
9. Sale of Premises:
  - a. Owner agrees to notify the Association in writing when the premises are offered for sale. Owner understands and agrees to advise all sales persons that they must apply and sign for keys to the Premises at the Association and that the Association shall have complete control of the issuance of such keys.
  - b. Owner further agrees that he will advise the prospective purchaser of Premises of all confirmed advance reservations and acceptance of those reservations by the purchaser shall be a precondition of the sale transaction.
10. Withdrawal from the program: An Owner may withdraw his unit from the rental program by submitting written notice no later than 90 days prior to intended withdrawal. Owner may not rejoin the rental program for a period of two months from the withdrawal. However, the Association may waive the two-month period. Re-admission is subject to an inspection and satisfaction of required updates.

**JOINT RESPONSIBILITIES CONCERNING OWNER USAGE, COMPLIMENTARY USAGE, OWNER GENERATED RENTALS, ETC.**

1. The Association will assume that an Owner's unit is available for rental for a period of up to 12 months ahead from any given point in time, as long as the Owner has not reserved specific dates for his own use or complimentary use. (This is a rolling 12-month period counted from any date forward).
2. The Association may, from time to time, contact the Owner in writing, requesting the Owner to specify dates during which the Premises will be unavailable for rental by the Association for the subsequent 12-month period.
3. Owners may generate rentals for themselves and/or other owners. All such rental arrangements (including collection of deposits, rents, etc.) must be made through the Association in the normal manner for making rental arrangements.

Owners not in the rental program may rent their units to friends and acquaintances under the following conditions:

1. The rental must be processed through the Association as for any normal rental.
  2. The owner is not entitled to the Rental finder fee.
  3. The owner pays to the Association the regular expense recovery fee based on the full rental rate for their unit for that time period.
  4. The owner or renter pays to the Association the Amenity Fee.
  5. The renter may participate in linen exchange and maid service by paying the normal fee therefore.
  6. After such renter departs, the unit will be inspected to insure proper cleanliness, that the air conditioning controls are properly set and that all appliances are turned off and to turn the faucets/toilets.
4. Owners may use, offer complimentary use, or secure last minute rentals at any time the unit is not rented. All such rentals must be made through the Association in the normal manner for making rental arrangements. Rates for such rentals cannot be at a rate of more than 20% off of the published rate.

An Owner may offer his unit to guests without payment of the expense recovery fee. Owners who allow complimentary usage of their units may accept small tokens of appreciation for such usage. In the event that a thing(s) of substantial value or money is received, including bartered goods and services, one of which might be reciprocal usage of facilities at Sanibel Moorings or anywhere else, the owner will be required to pay a fee to the Association equal to 26% of the published rate for that usage period or the entire payment less \$25.00 per week, whichever is least. After such guest departs, the Association will inspect the unit to insure it has been properly cleaned (so as not to attract insects into the building) that the air conditioning controls are properly set, that all appliances are turned off and to turn check the faucets/toilets. The Association must clean units participating in the Rental Program; this includes an annual Deep Clean of the unit. These guests may also receive linen and cleaning service by paying the fee(s) for same.

5. Finders Fee: The Association will compensate any owner 10% of the Gross rental received (not including sales tax) for referring a renter to stay at Sanibel Moorings, whether the renter stays in the owner's unit or any other.
6. Owner agrees not to enter the Premises or to permit any person to enter the Premises other than during confirmed times of occupancy by Owner, without prior notification to and coordination with the Association.

**WARRANTS**

1. Notices: Written notice mailed or delivered to the Association shall constitute sufficient notice to the Association and written notice mailed or delivered to the designated address of designated primary Owner contact shall constitute sufficient notice to Owner:

By Owner to: Sanibel Moorings Condominium Association  
 Post Office Box 899  
 Sanibel, Florida 33957

By Association to: \_\_\_\_\_  
 (Designated as primary Owner contact)

Social Security # or Tax I.D. \_\_\_\_\_

Address: \_\_\_\_\_  
 \_\_\_\_\_

Home Telephone: \_\_\_\_\_

Business Telephone: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

2. Rental payments and charges: Owner agrees to accept all applicable revenues resulting from the rental of the Premises in accordance with the provisions of this agreement. Owner voluntarily agrees to pay his/her fair share of common expenses (on a cost/benefit basis as determined by the expense recovery method), plus specific charges that may apply to his unit, which may include but not be limited to the following:
  - Maid and linen services.
  - A clean up charge for restoration of Premises to rental condition after occupancy by Owner, his personal guests(s), or other non-rental use of Premises.
  - Amenity Fee charged for all guest reservations, inclusive of owner generated reservations with the exception of immediate family consisting of mother, father, husband, wife, domestic partner, children, step-children, grandchildren, brothers and sisters of record unit owners.

- Maintenance charge for ordinary maintenance that can be performed by Association's staff and in accordance with dollar limits previously specified under Association Duties and Responsibilities under item #4.
- Cable television fees (rental units must have cable TV).
- Extermination charge incurred after use of the Premises by Owner or owner's guest(s) when pets have occupied the Premises.
- Inventory charge incurred when the Association prepares, at Owner's request, an inventory of furnishings and equipment items.

**PREMISES**

1. Assignment and sublease: Except as noted previously, Owner shall not assign this agreement, or any interest herein, and shall not sublet the Premises or any part thereof, or any right or privileges appurtenant thereto, without the prior written consent of the Association. Any such assignment or subletting without such consent shall be null and void and shall, at the option of the Association, terminate this agreement.
2. Attorney's fees and venue: If any action at law or inequity shall be brought to recover any rent/money under this agreement, for on account of any breach of, or to enforce or interpret any of the provisions of this agreement, or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party, as part of the prevailing party's costs, reasonable attorney's fees, the amount of which shall be fixed by the court and shall be made a part of any judgement or decree rendered.
3. Association indemnity: Owner agrees to indemnify and save harmless the Association against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from the conduct or management of the Premises or from any accident in or on the Premises, except as may be adjudicated in a court of law.

Signed: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(All co-owners must sign)

Signed: \_\_\_\_\_

For the Association