



RENTAL PROGRAM AGREEMENT

This Rental Program Agreement (hereinafter “Agreement”), is made this _____ day of _____, 20____, between Sanibel Moorings Condominium Association, Inc. (hereinafter “Association”), and _____

(hereinafter “Owner”).

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; the parties agree that they will use their best efforts to fulfill their obligations under this agreement. 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 secure suitable renters, and that the Owner will maintain 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 endeavor 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.

Term. This Agreement shall become effective as of the date first set forth above and shall continue in full force and effect for a period of one (1) year from the date of this Agreement, subject to the provisions regarding termination of this Agreement as described elsewhere in this Agreement. This Agreement shall be renewed automatically for succeeding terms of one (1) year each unless either party gives written notice to the other at least ninety (90) days prior to the expiration of any term herein of an intention not to renew this Agreement.

DUTIES AND RESPONSIBILITIES OF ASSOCIATION & OWNER

1. **Rental Rates:** The Association, through the actions of the Board, 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 comments or suggestions 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 all 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 on or about the 5th of the month following the end of each calendar month, the payment for such amount to be issued to Owner through a bank account as specified by Owner. In the case where the net amount is owed to the Association, the bank account specified by Owner will be debited on or about the 20th day of each month.
3. 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 Owner's fair share of common rental expenses (on a cost/benefit basis as determined by the expense recovery method) from rent payments due the Owner.
4. **No Guarantees or Warranty of Income.** The Association makes no representation, guarantee, warranty, or otherwise, whether express or implied, regarding income potential, profitability, occupancy, or profitability regarding, relating, or pertaining to any revenue Owner might anticipate realizing by placing the Premises in the Association's Rental Program pursuant to this Agreement.
5. **Maintenance and Furnishings:**
 - a) The Association shall perform, at Owner's expense, such routine maintenance services which are, in the sole discretion of Association, necessary to keep the Premises suitable for rental use. Such routine maintenance shall include, without limitation, tasks that are normally performed by property management and other semi-skilled personnel. Owner authorizes the Association, its agents, and employees to enter the Premises to perform such routine maintenance services. Association shall undertake such services and improvements and invoice Owner for the associated costs.
 - b) If Association determines in its sole discretion that the Premises requires maintenance services and/or materials that require skilled labor, trades people or subcontractors, then the Association shall undertake such services and bill Owner for the associated costs.
 - c) Except for emergency repairs as provided in Section 5(d), the Association shall notify owner before commencing any chargeable services in excess of Two Hundred and Fifty Dollars (\$250.00) for any one service. Owner understands and agrees that all decisions made by the Association shall be final and binding and that the Association is authorized to deduct these amounts from rent payments due and payable to Owner.

- d) Owner hereby authorizes the Association, its agents, and employees, to enter the Premises to perform emergency maintenance or repair work should the Association discover an emergency condition in the Premises which, in the Association's sole discretion, requires immediate attention in order to prevent further damage to the Premises, other premises, or the common elements. Emergency maintenance or repair work shall be performed without notice to Owner, if Owner cannot be reached.
 - e) To maintain the Premises in good rental condition, the Association will, at its sole 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.
6. Premise standards:
- a) Inventory, Survey and Inspection: The Association will conduct an inventory of all major furnishings and equipment and a survey of the general condition of the unit annually (and more frequently if determined necessary). The Association will conduct periodic inspections to ensure that all appliances, electrical, and plumbing systems are in proper working order. The Association will promptly notify the Owner of any deficiencies for which the Association requires or advises correction.
 - b) Prior to the acceptance of the Premises in the Rental Program, and thereafter during the term of the Agreement, the Premises shall be in compliance with the standards established from time to time by the Association for the furnishing, equipping, safety and operation of the Premises in the Rental Program and in compliance with this Agreement (the "Minimum Property Standards" under attached Schedule A). The established minimum standards will be evaluated and updated on an annual basis, or when deemed appropriate by the Association. Compliance with this Section shall be the Owner's responsibility, shall be at Owner's sole cost and expense, and shall at all times be a condition to maintaining the Premises in the Rental Program.
 - c) Owner Premises with deficiencies as determined by the Association will receive a notice providing Owner 45 days to correct the deficiency or submit a plan to correct the deficiency that is considered satisfactory to the Association.
 - d) If, after the expiration of 45 days, there has been no correction or satisfactory response, a final notice of deficient condition will be sent, removing the Premises from the Rental Program.
 - e) 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 for review. Such petition must be submitted within 30 days of the final notice of deficient condition. The decision of the Board of Directors with regard to the interpretation of the rule shall be final.
 - f) The Association shall clean units participating in the Rental Program, as well as arrange for annual deep cleaning of such units, and will invoice the cost of such services to the Owner.

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, publishing 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, promotions, 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 in connection with the rental of the Premises. Collection of rental charges 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. 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).
10. Expense Recovery: Owner understands that there are substantial costs associated with the operation of the Rental Program and voluntarily agrees to pay the Owner's fair share of those expenses (on a cost/benefit basis as determined by the expense recovery method) and authorizes the Association to deduct said fair share at the end of each month.
11. 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 paragraphs 5 and 6 in regard to the Owner's Premises.
12. Insurance: Owner covenants and agrees to at all times to maintain in full force and effect comprehensive bodily injury and property damage liability insurance with a minimum limit of Five Hundred Thousand Dollars (\$500,000.00) per occurrence, and to cause the Association to be named as an additional insured thereunder. All insurance shall be with a financially sound and reputable insurance company qualified to do business in the State of Florida. In addition, such policies shall provide that the Association shall be entitled to receive not less than thirty (30) days' notice of any cancellation of such policies or reductions in the amount or scope of coverage. Such insurance shall cover all property damage, personal injury or death arising from or connected with the use of the Premises by Owner and renters and their family members, guests, invitees, and permittees. Owner agrees that the applicable insurance policy shall provide that Owner's insurance shall at all times be primary, regardless of whether or not the Association has any collectible insurance. Owner shall provide to the Association promptly, upon request, a true, correct, and complete copy of the insurance policy (with all endorsements) and certificates of insurance maintained by the Owner pursuant hereto. Owner acknowledges that the minimum coverage limits of any policy may be increased from time to time as determined by the Association, in its sole discretion. Owner understands and agrees that Owner's insurance coverage in no way limits the Association's right of indemnification under this Agreement. Owner shall notify the Association immediately of any incident, to Owner's knowledge, which might give rise to a liability claim.

13. Insurance - Continued:

The Association shall not be liable for any damage to or destruction of Owner's or renter's property, including but not limited to, goods, equipment, fixtures, inventory, or any other property used or retained by Owner or renters. Owner further understands that the Association does not carry any insurance for Owner's loss of rental income due to any event that would make the Premises not habitable or fit for rental purposes, and that Owner is responsible for procuring such insurance if desired.

14. 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 assess the Owner's account for the delinquency and a 10% surcharge.

15. Taxes, licenses and assessments: Owner shall be required to timely comply with any and all directives or other requirements imposed by all Federal, State and local government bodies or agencies and complete and keep current all licenses, applications or filings required or imposed by any governmental body or agency as well as promptly pay all taxes (including ad valorem real estate taxes, all sales, use and/or bed taxes), assessments, rates, charges, license fees, municipal liens, levies, excises, or imposition of every name, nature, and kind whatsoever, including all governmental charges that may be levied, assessed, charged, or imposed on the Premises.

16. 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. To the extent practicable, the Association shall provide prior notification of such action to the Owner.

17. Communications and correspondence: Owner understands that he cannot rely on verbal or telephone instructions to the Association regarding reservations, maintenance, etc. except where such requests are confirmed in writing by the Owner and acknowledged by the Association.

18. Sale of Premises:

- a) Owner agrees to notify the Association in writing when the Premises are offered for sale.
- b) Owner must complete an Authorization to Release Information and Show Unit form authorizing the Association to release information and allow access to the unit.

19. Owner understands and agrees to advise all sales personnel 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. The scheduling of "Open Houses" must be coordinated with the Association.
20. Owner shall make the sale subject to all confirmed advance reservations held by the Association as of the date of the proposed sale. Owner shall also obtain the written agreement of any purchaser that all confirmed advanced reservations for the Premises existing as of the date of the sale will be honored.
21. Termination:
 - a. This Agreement shall continue in effect as described in the section entitled "Term" on page one or until terminated by either party with ninety (90) days' written notice.
 - b. Upon the effective date of termination of this Agreement, Owner shall surrender and the Association shall remove from the Premises any Association property being used or kept within the Premises, including, but not limited to, bed linens and bath towels.
 - c. If this Agreement is terminated for any reason, the Association may in its sole discretion honor all confirmed advanced reservations held by the Association as of the effective date of the termination, which in such case shall be honored by Owner. Upon the effective date of such termination, the Association shall not accept any reservations for the Premises and the Association shall use reasonable efforts to relocate rental reservations from the Premises to other Premises under the rental management of the Association.
 - d. Owners who withdraw from the Rental Program may not rejoin the Program and place the Premises in the Association Rental Program within a period of six (6) months following the effective date of termination of the Agreement. However, the Association, in its sole discretion, may waive the six (6) month moratorium period and readmit Owner's Premises into the Association Rental Program subject to an inspection of the Premises and satisfactory compliance with all required property standards under the Agreement.

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

1. Owner agrees to make unit available for rental no less than 51% of each calendar year.
2. Owner agrees to minimum length of stay requirements as set by the Association which may include rentals of less than one week.
3. 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).

4. The Association will contact the Owner in writing each year, requesting the Owner to specify dates during which the Premises will be unavailable for rental by the Association for the subsequent 12-month period.
5. 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.
6. Owners may use, offer complimentary use, or secure last-minute rentals at any time the unit is not rented. All such uses of the Premises **must** be arranged through the Association in the normal manner for making rental arrangements.
 - a) Rates for such rentals (if not complimentary) shall be at least 90% of the published rate.
 - b) An Owner may offer his unit to guests without payment of rent or incurring the rental expense recovery fee.
 - c) All uses, whether or not complimentary, incur an amenity fee expense and linen and cleaning fees, except that an Owner's use of his own unit will not incur the amenity fee expense.
 - d) 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 25% of the published rental rate.
 - e) After such guest departs, the Association may, at its sole discretion, inspect the unit to ensure it has been properly cleaned, and is in appropriate condition for subsequent rental.
7. Finders Fee: The Association will compensate any owner 10% of the Gross rental received (not including sales tax) for referring a new renter to stay at Sanibel Moorings, whether the renter stays in the owner's unit or any other.
8. 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. Communication by email or other electronic means shall NOT be considered sufficient notice.

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 Owner's fair share of common expenses (on a cost/benefit basis as determined by the expense recovery method), plus specific charges that may apply to the Owner's unit, which may include but not be limited to the following:
- Maid and Linen fees for all owner and guest reservations.
 - Rental Expense Recovery fee
 - 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, including owner-generated reservations.
 - Annual deep cleaning charges.
 - Maintenance charge for ordinary maintenance that can be performed by Association's staff and in accordance with dollar limits previously specified within the section of this Agreement entitled "Duties and Responsibilities of Association and Owner."
 - Cable television fees (rental units must have cable TV).
 - Pet fees and/or extermination charges 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 Fees. If any civil action, arbitration or other legal proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party shall be entitled to reasonable attorney fees, court costs and all expenses, even if not taxable as court costs (including, without limitation, all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that civil action, arbitration, or legal proceeding, in addition to any other relief to which such party or parties may be entitled. Attorney fees shall include, without limitation, paralegal fees, investigative fees, administrative costs, and all other charges billed by the attorney or prevailing party.
3. Governing Law and Venue. This Agreement shall be governed by and constructed in accordance with the laws of the State of Florida. Any action brought by either party against the other arising out of this Agreement, or to enforce this Agreement, shall be brought in Lee County, Florida.
4. Indemnification of Association. Owner agrees to indemnify and hold the Association and their agents harmless from and against any and all claims, actions, damages, liability, and expense in connection with loss of life, personal injury and/or damage to property (occasioned wholly or in part by any act or omission of Association, its agents, contractors, invitees or employees) arising from or out of any occurrence in, upon, or at the Premises, or the occupancy or use by Owner, renters, or any other person's use of the Premises or Association property, whether or not the loss, damage, or claim results from negligence or otherwise of the Association or their agents. The foregoing shall include Owner's obligation to pay all attorney's fees and court costs actually incurred by the Association or their agents in connection with any matter covered by the foregoing, regardless of whether suit is brought or any appeal is taken therefrom. Further, Owner hereby releases the Association, and their employees, successors and assigns, from any and all liability for damages and personal injuries of whatever nature to Owner or renters, and their family, guests and employees. The terms of this clause shall survive notwithstanding the termination of this Agreement by either party.

MISCELLANEOUS PROVISIONS

1. Setoff. The Owner acknowledges and agrees that in the event that the Association properly incurs any charge, fee, cost, or expense as permitted in this Agreement, the Association shall have the right to charge all such amounts to the Owner, and deduct such expenditures until fully paid from the current and/or following monthly rental proceeds of the Premises payable to Owner.
2. Remedies Cumulative. All rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies that may be available to the parties, whether provided by law, equity, statute, or otherwise. In addition to all other remedies permitted in this Agreement, upon breach by the Owner of any provision contained in this Agreement, the Association shall have the right to suspend its services with respect to the Premises until such breach shall have been cured or otherwise terminate this Agreement.
3. Severability. In the event any provision of this Agreement, or any portion of any provision of this Agreement, shall for any reason be held to be invalid in a court of competent jurisdiction, the same shall not terminate or otherwise modify the remaining portions of this Agreement, which shall remain in full force and effect by and between the parties hereto.
4. Non-Waiver Provisions. No waiver of any condition or covenant of this Agreement or failure to exercise remedy by either of the parties hereto shall be considered to imply or constitute a waiver of such condition or covenant in the future.
5. Complete Agreement. All negotiations, considerations, representations and understandings between the parties are incorporated herein and may be modified or altered only by agreement in writing between the parties, and under no circumstances shall any oral or verbal representation of either party alter, amend, or modify the terms and/or provisions of this Agreement.
6. Agreement Binding on Successors. The covenants, agreements, and obligations herein contained shall extend to, bind, and inure to the benefit not only of the parties hereto, but their respective personal representatives, heirs, successors and assigns.

Signed:

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

(All co-owners must sign)

For the Association

Signed: _____ Date: _____
 General Manager