

DATE _____ UNIT NUMBER _____

OWNER NAME _____

HOME PHONE _____ BUSINESS PHONE _____

EMAIL ADDRESS _____

OCEAN'S REACH CONDOMINIUM ASSOCIATION, INC.
RENTAL PROGRAM CONTRACT

It is understood that as a service to condominium owners who wish to have their units rented while they are not occupying them, Ocean's Reach Condominium Association, Inc. (hereinafter referred to as "Rental Agent") agrees to provide the services herein described under Duties and Responsibilities of Rental Agent. The owners of the units agree to comply with the Duties and Responsibilities of Owners herein described.

It is further understood that this contract shall continue for a period of twelve (12) months beginning the first day of October of each year and thereafter until this agreement is cancelled by either party pursuant to written notice thereof.

It is further understood that the Rental Agent shall actively market Ocean's Reach and solicit rentals, but cannot and has not guaranteed full rental occupancy for the period of time which the owners have designated to the Rental Agent's office as being available for rental.

Those units not deemed fit for rental will be excluded from rental activity or dropped from the rental program until such time as the owner has corrected the problem(s) and returned the unit to suitable condition for renting per the condo inspection reports and Rental Agent's condo standards.

DUTIES & RESPONSIBILITIES OF RENTAL AGENT

The Rental Agent agrees to provide marketing and reservation services for Ocean's Reach rental condos, answer inquiries, handle reservation requests, confirm reservations, collect and process deposits and final payments, provide monthly rental statements and rental proceeds to owners and maintain Guest Service hours. Additionally, Rental Agent agrees to provide welcoming and departure services, customer relations for all Ocean's Reach guests, owners and prospective guests, maintenance resolution, departure inspection and condo condition oversight and reports to owners.

The Rental Agent will provide and maintain a web site for Ocean's Reach and a web listing on that site for owner's rental condo(s). Listing will include updated interior photos, captions and description, rental rates and rental policy information. There will be no charge to the owner for the listing. Charges may be assessed to the owner for additional photography and image upload services throughout the year.

The Rental Agent will be responsible for establishing rental rates, discount and rental policies that are industry and geographically competitive.

The Rental Agent is hereby authorized by the owner as the agent for the owner to enter into a reservation agreement with prospective guests and to collect rental payments, including state and local taxes.

The Rental Agent will collect guest profile information for each reservation to include name, address, phone numbers, email address, etc. Credit card numbers are collected and entered into the cloud based software and not retained by the Rental Agent. This information remains confidential and the property of the Rental Agent. *Guests have not given permission to forward their profile information to any other party.*

Rental Agent will inspect all units in the rental program on a regular basis, including guest departure, in order to maintain Rental Agent quality standards. This inspection evaluates any defects, deficiencies and guest damages in the unit that would interfere with the safety, enjoyment and pleasure of the guest and neighboring guests, including soundproofing issues. Rental Agent may assess guest for cost of damage and/or additional cleaning services.

The Rental Agent agrees to perform (or order performed as owner's agent) both minor and emergency repairs that are necessary to maintain the rental unit in a rentable state and to insure the safety and security of all guests. These include but are not limited to: plumbing, heating/air conditioning repairs, washer/dryer repairs, replacing light bulbs, changing air filters, carpet and upholstery cleaning, window repair, TV repair, replacement of kitchen equipment and appliances, deep cleaning and other minor repairs. These costs will be charged to Owner. Rental Agent agrees to attempt to notify Owner when ordering or performing services above \$500.00.

Should any major replacements or repairs (with the exception of emergency repairs) be necessary, Rental Agent will within 48 hours notify Owner and arrange with the Owner the necessary replacement or repair at Owner's expense and the schedule of completion so that the unit is available and rentable for current and prospective guests. The Owner understands that its failure to act may result in the necessary repairs being ordered by the Rental Agent and charged against its rental account.

If unit is occupied while needing major replacement or repair, guests may need to be compensated and/or relocated to another condo. If relocated, Owner may incur loss of rental income based on the number of nights displaced up to 100% of rental revenue charged. Rental Agent may offer partial reimbursement for guest inconvenience from non-working appliances or unsatisfactory interior conditions and/or refund any deposit or rent or any portion thereof, resulting in a loss of income to the Owner. The amount of compensation due the guest for inconvenience will be determined by Rental Agent.

In the event the Rental Agent deems the condo premises to be unsatisfactory for rental, Rental Agent reserves the right to exclude from rental activity or remove the unit from the rental program immediately. Upon correction of defects, the unit shall be returned to the rental program and this rental contract shall remain in force. (Rental Agent has the right to order an additional inspection at Owner expense as a condition of re-entering the rental program).

If Rental Agent accepts a payment from a renter that is subsequently dishonored for any reason or fails to follow procedures regarding the collection of payment, Rental Agent shall be liable to Owner for the amount of the payment only if Rental Agent was negligent and failed to follow its procedures relating to the acceptance or collection of said payment. If the Rental Agent was not negligent, then Owner bears the risk of loss as a result of a dishonored payment. Rental Agent

will use reasonable means to attempt to recover the amount of the dishonored payment, but Rental Agent is not required to file suit or initiate legal action against the renter that provided the dishonored payment.

The Rental Agent agrees to arrange for inspection, cleaning and linen service upon the departure of each rental occupant and after owner's use. The cleaning and linen charges shall be paid by owner and deducted from owner's rental proceeds. All condo and linen cleaning shall be performed by Rental Agent's cleaning service. Should an owner and pet occupy their condo, it will be necessary to provide a deep cleaning, upholstery and carpet cleaning prior to the next guest occupying the condo. The owner will be assessed these charges and will need to schedule their departure accordingly with Rental Agent so that the cleaning can be performed and the condo available for the next incoming guest.

The Rental Agent agrees to perform systematic inventory inspections to maintain condition and required quantity of condo supplies and equipment. The inspections, replacement or repair of supplies and equipment shall be paid by owner and deducted from owner's rental proceeds.

It is agreed that the Rental Agent shall not be responsible for failing to discover any damage to a unit, its furnishings, or loss of inventory during its opening and departure condo condition inspection procedures.

The Rental Agent is hereby authorized to terminate any lease, evict a guest or assess damages if in Rental Agent's opinion a guest's behavior is objectionable (through excess noise, disorderly conduct, excess occupants, or violation of rules and regulations). Guests whose stay is shortened due to the guest's objectionable behavior are not entitled to a refund.

The Rental Agent agrees to obtain and maintain a collective license with the State of Florida permitting it to conduct transient rentals, but if the Rental Agent is unable to do so, the Owner shall obtain the required license with the appropriate agency of the State of Florida.

The Rental Agent agrees to remit monthly statements and rental proceeds electronically or by check at the beginning of each month for the previous month's rental period. Rental proceeds are only paid on rentals that have been completed in the month processed.

The Rental Agent agrees to supply owner with a year-end form #1099 and annual statement.

The Rental Agent will collect the required amount of all sales and use taxes levied by Lee County and/or the State of Florida from the guests and use it to pay the above-mentioned state and local taxes on behalf of the owners. *Prepaid discounts earned on the payment of above taxes are the property of the Rental Agent.*

Rental Agent agrees to obtain certificates of insurance, both liability and workers' compensation (or an exemption certificate, if applicable) for Lee county licensed contractors and maintenance personnel hired by Rental Agent to perform work within units. All personnel and contractors hired by Rental Agent need to comply with City of Sanibel licensing requirements.

Rental Agent agrees to be responsible for damage caused to owners' units by Rental Agent personnel while performing work within the unit during Rental Agent normal work hours.

Owner may contract with Rental Agent personnel to perform work inside Owner's unit(s) during non-working hours. This work agreement is between Owner and the individual and Rental Agent

is not responsible for the quality of the work performed. Owner contracts with Rental Agent personnel at his own risk and understands that Rental Agent shall have no liability to Owner.

DUTIES & RESPONSIBILITIES OF OWNER

The Owner agrees to honor all confirmed reservations made by the Rental Agent during the period designated as being available for rentals. The Owner agrees to submit to the Rental Agent a schedule indicating when the Owner will use the property for personal purposes and agrees to check with the Rental Agent for possible rentals and last-minute reservations before scheduling usage for himself or others. Confirmed guest reservations will not be changed and will take precedence over any other arrangements Owner would like to make during the designated rental period.

It is agreed that the Owner may generate rental prospects on its own but, in doing so, must ensure from the Rental Agent the availability of the nights being rented prior to the time that the Owner confirms a booking with an Owner-generated rental prospect. All Rental Program reservation policies in effect must be followed for Owner-generated reservations. This includes adhering to the cancellation, deposit and final payment policies and obtaining all valid guest information, including payment information. All rental program guest rules and regulations must be provided to guests prior to reservation confirmation.

The Owner agrees that any reservation generated and confirmed by the Rental Agent remains the property of the Rental Agent. Any prospecting or solicitation by the Owner of a Rental Agent guest while owner is on the property is not allowed. Should unsolicited inquiries from a Rental Agent guest be made to an Owner on the property, the inquiries should be forwarded to Rental Agent.

The Owner agrees not to prospect future reservations from their guests secured by Rental Agent by offering incentives posted in their condo and advertising owner contact information.

The Owner agrees to provide Rental Agent with information regarding number and sizes of beds, occupancy limits, discount restrictions, etc. and notify Rental Agent of any significant changes that occur in inventory (such as bed sizes, addition or removal of sofa sleeper, etc.) and furnishings.

The Owner agrees to provide sufficient kitchen supplies, equipment and dinnerware as well as other miscellaneous inventory as listed by Rental Agent to meet the standards of the rental program. The Rental Agent will review the furnishings and inventory at regular intervals to assure that the unit continues to meet the standards and may replace and repair inventory at Owner expense.

The Owner agrees to a permanent fixture of any bathroom shower curtain rod(s) and the permanent installation of a minimum of one grab bar in each shower/tub area.

The Owner agrees to correct or schedule corrections within 48 hours any defects in its unit after notification by the Rental Agent so that the unit is available and rentable for current and prospective guests. The Owner understands that its failure to act may result in the necessary repairs being ordered by the Agent and charged against its rental account, the exclusion from rental activity of the unit or the immediate removal of its unit from the rental program.

The Owner agrees to correct any defects in its unit that would interfere with the enjoyment and pleasure of neighboring guests such as furniture scraping across tile floor.

The Owner shall not authorize any person, including delivery, repair and maintenance personnel, to enter its unit without prior notice to the Rental Agent. Upon arrival, all occupants, including Owners or their guests, shall check in with the Rental Agent at the office of the Rental Agent.

The Owner agrees to pre-schedule deliveries and all major remodeling and construction work for their condo with the Rental Agent. All major remodeling and construction work must be authorized and pre-approved by Rental Agent by completing a Request for Condo Alteration form 60 days prior to commencement of work. All major remodeling and construction work should be scheduled and completed in September unless otherwise designated by Rental Agent for the minimum noise disturbance, discomfort and inconvenience of all guests. All construction workers must check in with Rental Agent prior to commencement of work.

The Owner agrees that upon the sale or other transfer of the Owner's condo, the Owner will ensure that all reservations procured through date of closing will be honored and the payment of the leasing commissions for all pending reservations through date of closing procured by the Rental Agent will be made to Rental Agent. Upon the sale or other transfer of the Owner's condo, the Owner shall either: (1) ensure that the future owner signs a new Rental Agreement honoring all pending reservations and the payment of the leasing commissions; or (2) ensure in a manner satisfactory to the Rental Agent that the leasing commissions due the Rental Agent for all pending reservations will be paid and the reservations honored.

All real estate showings and open houses must be scheduled through Rental Agent when the unit is vacant and not when a guest occupies the unit (unless compensation is made to the guest or approval is granted).

The Owner agrees to keep current with all insurance requirements contained in Association documents and must carry a general liability insurance policy, **required** minimum coverage of \$300,000.

The Owner agrees to maintain and keep current all required utility accounts (ie. electricity and telephone accounts) in good standing. In the event Owner becomes delinquent in said accounts, Rental Agent reserves the right to withhold any delinquent fees and payments from Owner's rental proceeds.

The Owner shall obtain and provide to the Rental Agent a City of Sanibel Business Tax Receipt applicable to the rental of real property on Sanibel, which the Owner must pay for and renew annually.

The Owner agrees to keep current on all fees or other charges of any kind levied against the unit due the condominium association. In the event Owner becomes delinquent in said fees, Rental Agent reserves the right to withhold any delinquent fees from owner's rental proceeds.

The Owner agrees that the Rental Agent shall not be liable for any injury claims of those performing repairs, cleaning or replacement to the real or personal property within units by those vendors or personnel contracted directly by Owner. If any person or entity contracted by Owner brings an injury claim against Rental Agent, the Owner agrees to indemnify and hold Rental

Agent harmless and to pay all costs and reasonable attorney's fees incurred in the defense of the action.

Owner agrees to supply Rental Agent with a copy of contractors' licenses and certificates of insurance, both liability and workers' compensation, (or an exemption certificate, if applicable) for contractors, maintenance workers, etc. hired by Owner for work performed inside their unit and prior to commencement of work. All personnel and contractors contracted by Owner must comply with City of Sanibel licensing requirements.

The exclusive venue for resolving disputes that arise under this agreement shall be Lee County, Florida.

The prevailing party in any litigation arising out of this agreement shall be entitled to recover its or their reasonable attorney fees and costs.

COMMISSION FEES

It is further agreed that the following commissions will be collected from Owner rental proceeds by the Rental Agent at the time of monthly statements to Owners:

- 15% commission charged on all rentals generated by Travel Agents
 - 10% commission charged on all rentals generated by Rental Agent
 - 5% commission charged on all rentals generated by unit Owner *EXCEPTING when*
1. Rental rate price (including any discount) offered by Owner is more than 10% lower than Rental Agent is offering (including any discount) based on Rental Agent policy for that time, or
 2. If Owner offers a rental rate price (including any discount) that exceeds a 30% discount off the published rate (based on rates posted on "Rates and Reservation" page).

Each of these two exceptions would incur a commission charge of 10% of the rental price charged.

It is further agreed that all commissions are computed based on the rental price charged, excluding tax.

Owner will pay the credit card fee for guest credit card payments. This fee can be reduced or increased at any time based on industry review.

NO commission will be charged on occupancy by the Owner, Owner designate or immediate family of the Owner of the unit when rental charges are not assessed to the occupant by the Owner.

If a rental price is charged by an Owner to a friend or family member, (excluding a miscellaneous linen and/or cleaning charge) a commission is charged based upon the above fee schedule. At no time shall a rental price be charged and collected by an Owner and not processed through the Rental Agent. Any violations to this rule may cause a removal of the unit from the rental program.

The Owner acknowledges that a rental deposit may be commingled with other rental deposits with respect to the same and other units and said deposit will not be segregated. Further, any interest accruing thereon, if any, will be the property of the Rental Agent. All rental deposits are held in escrow by Rental Agent.

TERMINATION

This contract may be terminated by either party by written notice, and shall be effective immediately upon receipt of the written notice by Rental Agent or Owner. All existing reservation contracts placed prior to date of receipt of notice will be honored by Owner and Rental Agent.

AGENT'S ACCEPTANCE OF THIS AGREEMENT IS SUBJECT TO INSPECTION OF CONDO PREMISES AS TO HABITABILITY AND ACCEPTABLE FURNISHINGS IN COMPLIANCE WITH RENTAL AGENT STANDARDS.

OWNER: _____ UNIT # _____

DATE: _____

RENTAL AGENT: _____

DATE: _____

RA01/09/2015