

# RECREATIONAL RENTAL PROPERTIES, INC. PROPERTY MANAGEMENT AND RENTAL AGREEMENT

THIS Property Management and Rental Agreement (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between Recreational Rental Properties, Inc. (“RRP”) and \_\_\_\_\_, the owner (“Owner”), wherein the parties agree as follows:

1. **Property.** Owner grants RRP the exclusive right to rent, lease, operate and manage the “Property” located in the town of \_\_\_\_\_, County of \_\_\_\_\_, Wisconsin and is further identified as follows:

\_\_\_\_\_  
\_\_\_\_\_

2. **Term of Agreement.** The initial term of this Agreement shall be from the date set forth above until the first of January next following. Thereafter, the contract shall be automatically renewed for additional one (1) year periods unless thirty (30) days before the expiration date Owner or RRP delivers a written termination notice to the other party. In the event of a material breach by either party which is intentional, fraudulent or criminal in nature, the Agreement can be terminated immediately with no advance notice.

3. **Duties of RRP.** In general, the purpose of this Agreement is for the Broker (RRP) to act as the Owner’s agent in the rental of Owner’s property (described at paragraph 1) to third person. RRP shall have the following duties and responsibilities:

- A. **Reservations.** RRP shall manage reservations and check-in and check-out guests. RRP shall handle all inquiries and requests of all tenants, their guests and all other authorized users of the Property.
- B. **Employees and Independent Contractors.** RRP may employ, supervise, discharge and pay all employees or independent contractors who are reasonably required to be utilized by RRP in the management and operation of the Property. If independent contractors are used, RRP shall obtain a certificate of insurance from each independent contractor which names Owner as additional named insureds.
- C. **Payment of Invoices and Bills.** RRP shall pay all vendors’ invoices that are incurred as a result of any rentals, including but not limited to, maintenance, laundry, and costs incurred pertaining to staff or employees and housekeeping contractors.
- D. **Marketing.** On an annual basis, RRP will develop a marketing plan according to the sole judgment of RRP.

- E. Housekeeping Services. RRP shall provide all housekeeping services, including housekeeping and laundry service, which shall include a total cleaning before the next renting party arrives. The standard required for performing said housekeeping services shall be determined by RRP, with input from the Owner. Any standardized housekeeping supplies furnished to a unit in conjunction with a rental (including, but not limited to, soap, paper supplies, garbage can liners, and the like) shall be paid for by RRP.

For any housekeeping services provided to the Owner by RRP, RRP will charge owner for time and materials at a rate of \$25.00 per hour plus supplies.

- F. Sales Tax/Credit Card Fees. RRP shall be responsible to pay all sales and room taxes attributable to any rental, including credit card fees. RRP shall be entitled to charge renters a booking fee; said booking fee shall belong to RRP.
- G. Maintenance of Financial Records. RRP shall keep accurate records and accounts of all finances pertaining to cabin rentals, including expenses, payables, receivables and a statement of the account and a distribution of funds due to the Owner. A statement will be mailed to the Owner on the 15<sup>th</sup> of each month which shall include the previous month's records. In maintaining financial records, RRP shall adhere to all applicable requirements required by the Department of Regulation and Licensing contained in Chapter RL 18 of the Wisconsin Administrative Code. If an Owner is 30 days or more past due pertaining to any outstanding invoice, RRP is authorized to deduct the amount of late dues and maintenance assessments from monies due Owner. Continued failure to pay fees due and owing will result in legal action for collection.
- H. Insurance. RRP shall maintain a liability insurance policy providing coverage for services to be provided by RRP. The liability policy shall be in an amount not less than \$1,000,000.00 per occurrence / \$2,000,000.00 aggregate.
- I. Maintenance. RRP shall make all necessary repairs, improvements and alterations required to maintain the Property in a good state of repair and appearance, and to hire outside contractors as necessary. If a repair is needed and estimated to be less than \$400.00, RRP is deemed authorized to make said repair, but should make an effort to contact the Owner regarding said matter before making said repair. If the estimated repair exceeds \$400.00, RRP shall notify the Owner and obtain authorization from the Owner for the repair. If the Owner cannot be contacted for authorization and the repair can result in the loss of rental income, or failure to do the repair can result in greater damage to the Property, RRP is authorized to arrange for the repair. Owner shall reimburse RRP for the cost of all repairs made pursuant to this paragraph. RRP is authorized to be reimbursed for said repairs from the gross rentals collected by RRP on behalf of Owner.

- J. Inspection and Licensing Requirements. RRP shall make arrangements for all state inspections and licensing requirements to meet applicable codes for rental property. The costs will be the Owner's expense.
- K. Pets and Use of Tobacco. No pets or the use of tobacco shall be allowed on the Property by any tenants to whom RRP rents the Property. Owner may decide to allow pets on property and submit the approval in writing to RRP.
- L. Annual Water Test. On an annual basis, RRP shall perform a safe water test pertaining to the Property, and send a sample to an appropriate lab for analysis. Owner shall be responsible for paying for the cost of the test imposed by the lab or agency who conducts the analysis of the water sample. The costs will be the Owner's expense.

#### 4. Duties and Responsibilities of Owner.

- A. Insurance. Owner shall maintain premises and public liability insurance, including **short term renter's liability insurance**. Owner shall direct the insurance company insuring the Property to name RRP, as an additional insured under the policy's liability coverage. Certificates of insurance shall be provided to RRP by Owner on an annual basis.
- B. Payment of Fees and Charges. Owner shall pay to RRP, all fees, charges and compensation required pursuant to the terms of this Agreement.
- C. Maintenance of Premises. Subject to RRP's obligations set forth in section 3.I. above, Owner shall maintain the premises in a safe tenable condition.
- D. Taxes, Insurance and Utilities. Owner shall pay, when due, all current real estate taxes, insurance, utilities, heat, air conditioning, condominium dues (if appropriate) and maintenance of the premises including ongoing scheduled maintenance and capital improvements to keep the Property in tenable condition, including any requirements imposed by the Condominium Association (if applicable to the Property). **Garbage service, owner must provide a dumpster at the property from a local vendor and have on a scheduled pickup during the Core season and on will call basis the rest of the year.** RRP will determine the number of times for the scheduled pickup.
- E. Indemnification. Except as provided in section 3.E., Owner shall indemnify and hold RRP harmless with respect to liability and damages, costs and expenses in connection with any damage or injury whatsoever to persons or property arising out of or in any manner connected to the operation, ownership, maintenance or control of the Property, unless proven to be caused by acts of fraud, intentional misconduct or reckless misconduct of RRP or its agents. This indemnification provision, however, shall not apply to any losses which are covered by RRP's insurance policies.

F. Miscellaneous Supplies. Owner is responsible for the following supplies. Owner will be billed by RRP on the Owner's monthly statement pertaining to said matters:

- a. Light bulbs;
- b. Batteries for smoke detectors and remote controls;
- c. Carbon Dioxide Detectors and Smoke Alarms;
- d. Outside flood lights; and
- e. Furnace filters.

RRP is responsible for making sure that all of the above supplies are replenished on an as-needed basis.

G. Annual Cleaning and Inspection. On an annual basis, in the spring of each year, Owner shall require his/her Property to undergo an annual homeowner cleaning and inspection, as set forth on Addendum "A". This service can be performed by either the Owner or RRP, and if by RRP, RRP will charge owner time and material at a rate of \$25.00 per hour plus supplies.

H. RRP's Compensation. Except as hereinafter provided, Owner agrees to pay RRP a management fee equal to 40% of the gross rents, less the sales tax, local room tax and credit card fees incurred. Payment of the management fee and Owner's expenses paid by RRP shall be deducted monthly by RRP from the rents collected by RRP on behalf of the Owner. RRP is authorized to pay itself on a monthly basis without approval of Owner.

5. Exclusive Agency. RRP shall be the exclusive agent of the Owner for the rental of the Property. If the Property is rented by any person, whether or not as the result, direct or otherwise, of RRP's efforts, RRP shall be entitled to the compensation provided hereunder. The amount of rental to be charged shall be determined between Owner and RRP together.

6. Owner Occupancy. Owner has the right to occupy the Property at any time that the Property has not been previously reserved for rental. There shall be no time limit on the amount of time that the Owner occupies the premises outside of the Core Season. The Core Season shall be defined from Memorial Day to Labor Day and the Property shall be available for rental during the Core Season for at least nine (9) full weeks. Owner shall give adequate notice of intention to occupy the Property. Notice is deemed adequate if the Property is not previously reserved for rental. RRP shall be entitled to no compensation for owner occupancy, or for occupancy by guests of Owner who are paying no rent or consideration to Owner for the use of the Property.

7. Obligation of Owner to Honor Reservations. Owner agrees that if Owner removes the Property from the rental pool that Owner shall honor all reservations made by RRP for up to one (1) year from date of removal. If Owner fails to honor said reservations Owner

shall be liable to RRP for the full amount of the reservations plus attorney fees needed to collect said rental fees.

8. **Default Period.** In the event of a material breach by either party to this Agreement, this Agreement may be terminated by the non-defaulting party if such default is not cured within ten (10) days after the delivery of written notice of such default to the defaulting party. The ten (10) day notice, however, shall not apply to any breach by a party resulting from fraud, criminal, intentional or reckless misconduct. Any breach resulting from fraud, criminal, intentional or reckless misconduct shall result in the contract being terminated upon written notice being provided to the defaulting party.
9. **Notices.** Any notice required under this Agreement shall be adequately served if mailed to the other party by first class mail, with the envelope addressed to the addresses listed below:

Recreational Rental Properties, Inc.  
**PO Box 1361**  
**Hayward, WI 54843**

Owner:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. **Miscellaneous Provisions.**

- A. **Choice of Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.
- B. **Entire Agreement.** This Agreement represents the entire Agreement of the parties. All prior negotiations and discussions have been merged into this Agreement. No modification or waiver of this Agreement or any part hereof shall be valid unless in writing and signed by the parties.
- C. **Waiver.** No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other subsequent breach or condition, whether of like or different nature.
- D. **Assignment.** Broker (RRP) retains the right to sell Recreational Rental Properties, Inc. and Owner shall remain obligated to new Recreational Rental Properties, Inc owners as to the terms of this agreement and the new RRP owner shall have all of the obligations of Broker under this agreement..
- E. **Sale of Property.** During the term of this contract, Owner may terminate the contract upon the sale of the Unit provided a thirty (30) day written notice is given to Manager. In such an event, however, Owner, and Owner's heirs,

successors and assigns must abide by all then existing reservations for said Property for the current term.

F. Unenforceability of Provision. The validity or unenforceability of any provision of this Agreement shall not affect the validity or unenforceability of any other provision of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first above written.

**RECREATIONAL RENTAL PROPERTIES, INC.:**

By: \_\_\_\_\_  
Michael Best, President/Broker

Recreational Rental Properties, Inc.  
P.O. Box 1361  
9993N Grand Pines Lane  
Hayward, WI 54843  
715-934-4622

By: \_\_\_\_\_  
\_\_\_\_\_, Owner

By: \_\_\_\_\_  
\_\_\_\_\_, Owner

## Addendum "A"

### Annual Homeowner Cleaning & Inspection Responsibilities

#### Kitchen Inspection

These items need to be available for guest use and replaced if worn from normal wear and tear.

- 3 sauce pots
- 2 good fry pans
- 1 large boiling pot
- 1 can opener
- 1 corkscrew
- 1 cookie sheet
- 1 strainer
- 1 juice/water pitcher
- 1 pizza cutter
- 2 large wooden / plastic spoons
- 1 spatula
- 4 serving plates
- At least a service for 12 (plates, bowls, silverware) – *May need more depending on your Rentals Occupancy Rating*
- At least 8 Coffee Cups
- At least 8 Drinking Glasses
- Cutting board
- Coffee pot and filters
- Inspect all dinnerware and glasses for chips, cracks and peeling
- All items must be washed and sanitized
- Test all appliances and make sure they are in good working order
- Remove all other items from cupboards and drawers, perform deep clean
- Wash refrigerator and freezer – inside and out and under
- Remove all food from property
- Wash all walls and corners
- Take down and clean all light fixtures
- Clean and bleach all garbage can liners
- Inspect kitchen chairs – insure they are stable and repair if necessary

#### Window Inspections

- Remove winter windows and put in summer screens
- Wash all windows inside and out
- Wash all curtains
- Clean screens – inside and out
- Check window cranks and locks work properly
- Inspect all windows for cracks or broken glass – replace if necessary

### **Bedroom Inspection**

- Wash all bed sheets/linens including all comforters and blankets
- Need at least 1 extra set of sheets/linens per bed
- Clean under beds
- Make sure all pet hair is removed from property
- Wash all walls and corners if needed
- Shampoo carpet if needed
- Remove all light fixtures and clean
- Clean all lamp shades
- Remove all personal items from closets and dressers – perform deep clean

### **Living Room Inspection**

- Take apart all furniture and vacuum. Also vacuum under all furniture
- Shampoo carpets if needed
- Keep working vacuum at rental with extra bags
- Wash all walls and corners if needed
- Make sure all pet hair is removed from property

### **Bathroom Inspection**

- Deep clean all bathrooms. Remove any water rust.
- Check for leaky faucets
- Wash all walls and corners if needed
- Wash or replace shower curtains
- Wash all rugs

### **General Items**

- Inspect all fire extinguishers and make sure they are operable
- Check all smoke detectors – replace batteries
- Check carbon monoxide detector
- Verify hot water heater is on and working
- Verify all water is flowing correctly to all faucets and drains. Fix any leaks
- Pump septic tank. All septic tanks should be pumped at least once a year
- If you have a holding tank verify that all alarms and sensors are working correctly
- Check to make sure TV is working properly.
- Include typed instructions detailing how to use all electronic devices such as Stereo, DVD Player, Video Tape Player, or games.
- Type up detail instructions on any special house instructions such as; where trash goes, holding tank instructions, where not to park.
- Post phone number of house and any emergency number such as local police department and fire department.
- Remove all personal items from property or move to designated area of house that is labeled off limits to the guest.
- Check for burnt out light bulbs inside and out.



- Purchase bulbs to have on property for guests and cleaning staff. Please indicate on bulbs the location they are to be used.
- Schedule dumpster pickup service for the season
- Clean furnace filters
- Verify air conditioning is working
- If no air conditioning verify that you have a fan for each bedroom
- Clean all fans on property
- Wipe telephone with disinfectant
- Make sure house alarm is disabled for the season
- Make sure hidden key works and is in correct location
- Clean inside of fireplace and remove all ashes and soot
- Clean out dryer lint and clean out washing machine
- Perform annual water test and fax results to Hayward Office at 715-462-9754
- Fax copy of rental insurance agreement to Hayward Office at 715-462-9754
- Review web site ad and virtual tour at [www.rrpwi.com](http://www.rrpwi.com) to make sure everything online is correct with your property.

### **Outside Inspection**

- Install outside hoses and verify they are working properly
- Thoroughly clean barbeque grill and fill propane tank
- Power wash outside of property. Make sure it is clean of all spiders, webs and bugs.
- If needed schedule Pest Control Company to spray annually for insects
- Check attic or crawl spaces for any pests or rodent problem and call exterminator if needed (double check for bats)
- Clean and set out all lawn furniture
- Inspect dock and verify it is in good working condition
- Verify dock will be put in and ready by first rental date
- If boat on property make sure it is cleaned out and that it has enough floatation devices and proper/current registration
- Clean yard, mow grass, and verify you have contractors in place to maintain yard over the season.
- Walk around foundation and spray foam in any new cracks that formed over the winter to prevent rodents from entering the property.
- Inspect the property and make sure there are no guest hazards such as loose steps or railings.
- Inspect yard and entire property for dead or fallen trees. Remove any hazardous trees that may have blown down.
- Clean and bleach all garbage can liners
- Verify fire pit is ready for season
- If providing firewood verify it is ready for guests
- Put out flower pots for the season if needed
- If guest has access to garage make sure it is open and clean
- Verify enough propane is in tank for the season
- Sweep all decks and sidewalks
- Double check for any roof leaks / damages

- Clean all gutters
- Clean chimney

All of the items above must be completed by the first rental of the season. It is suggested that all of the above items be completed by May 15 of the current year.