

Casa del Mar

Homeowners Association General Information

- The property was built in 1980 and there are 276 individually owned condominiums, each unit is approximately 475 square feet in size.
- Homeowners Association monthly common area fees for each unit for the fiscal year October 2019 through September 2020 are \$389 per month per unit. The common area fees dues cover the expenses for exterior building maintenance, grounds upkeep, water service, satellite TV channels, property wide Wi-Fi, courtesy patrol service and all related exterior common area operational expenses.
- Exterior building and common area property insurance is billed separately. The insurance cost per unit for December 2020 through November 2021 (the insurance policies renew on different dates than the Homeowner's Association's fiscal year) is \$1,500 per unit. In 2020/2021, the insurance cost for each owner is billed in 4 separate billings of \$375 each, due on the 1st of January, March, May and July respectively.
- Each owner is responsible for providing interior insurance coverage for all perils including contents, improvements and betterments and personal liability insurance for their individual unit.
- Property taxes are also paid by each individual owner.
- The Homeowners Association does not currently have reserve funds designated to fund major capital improvement or repair projects. In the event funding is needed for major improvements or repairs, a special assessment would be imposed, and each owner would be responsible for an equal portion of the project cost.
- Statements are sent to all owners on the 15th of each month for their common area fees. Payment is due by the 1st and late on the 15th of each month. Any payments received after the 15th will have a \$5.00 late charge per month the account is delinquent added to the next statement.
- Owners are encouraged to utilize electronic statements (e-statements). Owners can simply send an e-mail (using the primary e-mail account they want their statements to be sent to) to hoa@casadelmartx.com requesting to receive statements via e-mail. A reply e-mail will be sent confirming that statements will be sent via e-mail. Payments can also be set up for ACH withdraw by filling out the proper form with our accounting department. All other correspondence should be sent via US mail to 6102 Seawall, Galveston, TX 77551.
- The management company is Resort Group, Inc., which has managed the Association since January 1988.
- The Association must be notified in writing of any change in ownership. Said notice must be accompanied by legal documentation of proof of change.
- All owners and their guests must abide by the By-laws, Declarations and Rules and Regulations of the Association. A copy of the By-laws and Declarations is available on the Owner Info Icon of our Web-site. Rules and Regulations are noted below.
- No animals/pets are allowed at Casa del Mar as per the Association Declarations.
- The air conditioner condensing units for each condo are located on the roof. Roof access must be obtained by signing in at the front desk between 8am and 4pm - owners are responsible for charges related to non-compliance with roof access sign in protocols. The cost for repairs and replacement of private unit air conditioning units is the owner's responsibility. Contractors are responsible for properly disposing of old air conditioners off site and leaving their work areas and the common areas free of any trash or debris.

- Hawkins Pest Control Company currently services all units at Casa del Mar on a bi-monthly basis for basic pest control. Our maintenance personnel accompany the pest control technician into each unit for this service.
- There are two (2) master key systems on the property (private and rental). Every unit is required to be "keyed" to one system or the other. Any change in locks must be handled through the HOA Maintenance Department. See rules and regulations for lock and unit access policies.
- All vehicles on property must display a parking permit. Owners are allowed up to 2 permanent permits at no charge. If an owner has more than 2 vehicles or needs a temporary permit for a borrowed or family member's vehicle, etc. they must purchase a temporary permit. All visitors and guests must register and pay a \$20 Parking Registration fee. See rules and regulations for parking policies. Only 2 vehicles per unit are allowed on property at any given time.
- Private unit electricity and/or phone service is provided by the carrier of each owner's choice. The Rental Association provides both of these services for rental units.
- The annual Homeowners Association meeting is held in January each year. All owners are notified of the meeting.
- All perspective buyers should review our web-site for the Homeowners Association and Rental Association general information. www.casadelmartx.com The information can be found at the bottom of the home page by clicking on the "For Owners" icon. On that page, there is one section for "Prospective Buyers" which all buyers should read. The By-Laws, Declarations and Insurance information as well as previous correspondence / letters to the homeowners can be accessed through the icon titled "Current Owner Secure Login". This icon is password protected (all lower case): User name (casa) Password (owner)

If you have any questions, please call Theresa Elliott at (409) 572-1010.

Casa Del Mar Homeowners Association Rules and Regulations

In order to ensure that all of our owners and guests enjoy their time spent on the property, the following basic rules and regulations have been adopted by your Board of Directors and will be strictly enforced.

Maximum Occupancy per unit at any time is 4 adults and 2 children as per the Galveston Fire Code. This occupancy restriction also applies to use of the common areas and swimming pools. Children under the age of 18 must be accompanied by their parents at all times.

Effective January 1, 2020, the HOA will charge a \$20 + tax HOA Parking Registration Fee to any day visitor(s) and/or overnight guest(s). All visitor(s) and guest(s) are required to register at the front desk and purchase the Parking Registration Fee in order to obtain a temporary parking permit. (Only debit or credit cards are accepted, no cash.) Required registration information may include, but is not limited to, the guest(s)/visitor(s) name(s), telephone number(s), number of adults/children (under 12) to visit/occupy the property/condominium unit, vehicle information and the condominium unit number being visited/occupied.

Owners are issued up to 2 permanent parking permits that must be affixed to the lower driver side windshield of their vehicle. If an owner has more than 2 vehicles or needs a temporary permit for a borrowed or family member's vehicle, etc. they must purchase a temporary permit. A maximum of two permits/vehicles are allowed per unit on property at any given time. All vehicles must be parked in designated parking areas and must have the proper parking permit. There is no assigned parking. No boats, trailers, recreational or oversized vehicles, etc. are allowed to park on property. Only with the advance permission of Management can an exception be made.

Swimming pool rules are posted in the pool areas. During certain seasons Casa del Mar wrist bands may be required to be worn to identify owners and registered guests on property.

No animals or pets of any kind are allowed in the units or on the common areas at any time.

Balconies must be kept free of clutter and are not to be used for storage of personal or household items. Please do not hang clothing, towels or decorations from the balconies. Wind chimes, flags and hanging plants are not allowed; potted plants should be kept to a minimum and maintained in a neat, healthy condition. Please do not feed birds from the balconies. No Items are allowed to be adhered to or penetrate the exterior of the building or balconies. Storm blinds must be approved by management prior to installation.

All Doors and windows are the owner's responsibility and must be maintained in good repair and be kept in unified visual consistency as per the HOA regulations. No signs, foil, cardboard, or any other item visible from the exterior, shall be displayed in the window of any unit. Only white backed drapes and white security bars or storm blinds are allowed on windows. Door mats or exterior decorations are not allowed in the common hallways.

Owners and guests may not make or permit loud, disturbing or objectionable noise. Stereos, TVs and radios must be played at a volume so as not to disturb other occupants of the building. Contractors and/or owners who are performing work on the property must not perform loud work which could disturb others before 9am, after 5pm or on weekends. Owners are responsible for detail clean-up of all contractor work performed.

Rules and Regulations Continued

Any common sidewalks, driveways or parking areas, may not be obstructed or used by any owner or guest as a play area, for use of bicycles, rollerblades or skateboards, or for any other purpose than ingress or egress. Bicycles must be kept either inside your unit or locked securely onto the bicycle racks provided on the ground level. Bicycles secured to the racks must be maintained in working condition. The common area water hoses are not to be used by non-employees.

Trash receptacles are located throughout the property; we appreciate everyone keeping the property clean by placing bagged household trash in the proper receptacles. The Dumpsters located at the rear of the property are to be used for household trash only. Owners are responsible for removal of any non-bagged or other large items from the property, i.e. discarded boxes, furniture, appliances, air-conditioning systems, etc. Luggage carts are for short term luggage transport only. Cleaning and construction crews must provide their own carts.

Barbecue grills, hibachis or smokers are never to be used or stored on the balconies, in the units or anywhere on the property except the designated Barbeque area as per the City of Galveston Fire Ordinance. Barbecue pits are located on the west side of the property for use by all owners and guests. The HOA Central Fire Alarm System includes bedroom smoke alarms that are not allowed to be tampered with by unauthorized personnel. Please see the maintenance department if painting or fumigating for proper alarm covers to avoid false alarms.

All owners and guests must wear appropriate attire for a family establishment when in common areas or limited common areas, specifically clothing which conceals the person in a manner suitable for a family atmosphere. Consumption of alcoholic beverages is not allowed in the common areas or swimming pools. Only proper swimwear is allowed in the pools, no street clothes or t-shirts may be worn while swimming.

There are two (2) master key systems on the property (private and rental). Every unit is required to be "keyed" to one system or the other. Any change in locks must be handled through the Homeowners Association. Access to units and lock outs are each owner's responsibility, however, during business hours, if an owner requests access to their unit, the HOA can arrange for a work order to be made and the owner will be billed at the hourly rate of \$60 per hour plus parts. Only an actual owner will be given access to a unit. After hour lock outs are not considered an emergency and owners are responsible for access to their units after hours. Outside locksmiths are not allowed to change locks. In the event of a lock out after hours, a locksmith may be called to open the door, but not change the lock.

Owners are responsible for the maintenance of the interiors of their units and may hire outside professional contractors to make necessary repairs. Access to units must be provided by the owner, keys to private units are not available at the office. In the event of an emergency or in order to prevent damage to units and based on available personnel, interior work may be performed by the Association's staff. Any emergency or other Association related service calls will be billed at a rate of a minimum of \$60 per hour plus parts during business hours, additional charges apply if an after-hour emergency call is necessary. Association personnel are available on property between 8am and 4pm. Roof access must be obtained by signing in at the front desk between 8am and 5pm – owners are responsible for charges related to non-compliance with roof access sign in protocols.

In the event Casa del Mar is your permanent residence, the front desk must be notified to hold your mail. No large parcels (maximum 12" x 12") can be accepted at the desk. Arrangements must be made to have parcels delivered directly to the unit and they must be accepted by the owner/guest.

Unit owners not in compliance with these Rules and Regulations or the HOA governing documents, will be subject to the Association's fine policy which is available at www.casadelmartx.com.

Rental Association Information

- 70 of the 276 owners at Casa del Mar are members of the Rental Association.
- The Rental Association is a turnkey rental management option for the owner who wants to be able to enjoy their unit when their schedule allows, and not have any worries when they are away. The Rental Association pays for the maintenance of all interiors, furnishings and appliances for units in the Rental Program. The funding for these ongoing maintenance expenses is derived from the Rental Association's Reserve fund. They also pay for your monthly electric and telephone services and handle all housekeeping and 24/7 front desk needs as well as hotel taxes, professional services and marketing for all rental units.
- The Rental Association has its annual meeting in January of each year and all members are notified of the meeting.
- The Rental Association of Casa del Mar was established in 1988 (as a non-profit corporation) and is managed by Resort Group, Inc.
- There is a \$100 subscription fee required to join the Rental Association which is non-refundable and non-transferable.
- If you purchase a unit which was previously in the Rental Association, the unit will be considered to be up to "rental standards" and you will not have to upgrade your unit. If you purchase a private (non-rental) unit, you will most likely have to purchase new carpet, sofa and chair, bedspreads and drapes, upgrade the kitchen and bath, as well as various other improvements in order to bring the unit up to rental standards. These items have been replaced/updated in all rental units as part of the on-going refurbishing projects of the Rental Association. The costs to upgrade a private unit to rental standards may be obtained by having a manager inventory the unit and give an estimate of the costs involved.
- The Rental Association maintains all unit interiors, furnishings and appliances. The funding for these ongoing maintenance expenses is derived from the Rental Association's Reserve fund. We also pay for your monthly electric and telephone services and handle all housekeeping and front desk needs as well as hotel taxes, professional services and marketing for all rental units.
- Each month, all of the revenue (rental income) is put into one "pot" and all of the expenses (maintenance, cleaning, office supplies, utilities, employee wages, etc.) are put into another "pot". The expenses are deducted from the revenues to arrive at the profit. The profit is divided equally among the owners in the Rental Association and checks are issued accordingly. Front units are paid at a higher percentage of the profits which is calculated on the rate differentiation between front and angle view units. You will receive a profit and loss statement each month from the Rental Association.
- The Rental Association is completely separate from the Homeowners Association and Homeowner Association dues are not deducted from Rental proceeds. Homeowner Association dues, property taxes, interior liability and content insurance are payable separately by each owner.
- The amount of your rental check will fluctuate from month to month. During the busy summer season, you can expect large check amounts and during the slower fall and winter seasons the check amounts will, in most cases, decrease considerably.
- The Rental Association maintains and oversees replacement of all appliances and equipment (including air conditioning systems) for all rental units which have been in the Rental Association for three or more years. There is no risk to owners in the rental program when their units are out of service as they remain in the "pool" for revenue distribution.

- The Rental Association has an extensive marketing and sales program to promote the hotel. We advertise in newspapers, trade magazines, on the internet and we participate in many special events, promotions and package plans.
- You may use your unit upon request by simply calling our toll free reservations line and making reservations. If your unit is occupied, we will assign another unit for your use. You should make reservations as far in advance as possible to ensure that we have your unit available. Owners are encouraged to use their units during non peak times whenever possible.
- Holidays, Special Events and summer weekends are peak occupancy times and owner use should be limited when possible during these periods. Owners may occupy their units a maximum of 14 days March - Labor Day and a maximum of three months September - February. In the event you occupy your unit for a period of three or more consecutive weeks, the owner will be responsible for paying \$15 for phone service, \$50 (+tax) for check-out housekeeping service and the electricity bill for the period of time the unit was unavailable for rental. A 30 day notice is required to remove a unit from the rental program.
- There is no charge for you to use your unit, however, you will not receive revenue for the days your unit is unavailable for rent due to owner usage. You will see a deduction in revenue for owner occupied days on your monthly statement based on the pro-rata earnings per day for the month. There is a charge for the maid service to clean your unit after you occupy it which is currently \$25 (+tax) and that charge can be billed to your statement or paid upon check-out.
- If you wish to let a friend or relative use your unit free of charge, the above stated policy applies. Please note that we will only take reservations from actual owners, not their relatives or friends. You should always indicate whether the guest will be responsible for the maid service charges or if you wish to be billed for them.
- A copy of the Rental contract will further explain the details of the Rental Association.

Rental Association Interior Remodeling & Maintenance Overview

The Interior Furnishing Remodeling

All rental unit interior furnishings are required to be up to Rental Association standards to participate in the rental program. If your unit is currently in the rental program, your interior is already maintained and there is no need to do anything further. If your unit is not currently in the rental program, we will inspect the unit and provide a list of items and associated costs that will be needed for the unit to become rental ready. We will handle the purchase and installation of all items and these items will be maintained by the Rental Association once they are installed, as long as the unit remains in the rental program.

Other Maintenance and Expenses

If your unit is already in the rental program, the major appliances and Air Conditioning systems are already being maintained by the Rental Association. For new units coming into the rental program, because we are not replacing the Air Conditioning system as part of the typical upgrade agreement, the maintenance and replacement costs associated with this system will remain your responsibility until your unit has been in the rental pool for 3

years. After that time, the Rental Association will take over maintenance responsibility of that system as well.

Buying & Selling

In the event the buyer wants to keep the unit in the rental program, there is no fee and they would simply need to sign rental contracts. Below is the information for removing a unit from the rental program.

A 30 day notice is required to remove a unit from the Rental Program. Owner use upon the 30 day notice is subject to approval based on potential sell out availability.

Our standard procedure is to change the locks on the unit to the private master system and provide the new owner with two keys for pick up at the front desk. (Only an owner is able to sign for the keys.) If additional keys are requested, please let us know and we will provide those at \$5 extra per key. As a reminder, all locks at Casa del Mar are required to remain on the HOA master system so please contact our maintenance department for information on changing locks.

The new owner should arrange to have the power and telephone service changed into their name as of the date the unit is being removed from the rental program. We also remove all hotel telephones, amenities, paperwork, linens, pillows, bedspread sets, skirts, shams, scarf sets, towels and blankets, so the buyer should arrange to provide those for the unit as well.

If an owner wants to bring their unit back into the program at a later date, they will be required to pay for the most recent updates to FF&E (furniture, carpets, artwork, appliances etc.) in order to bring the unit back up to current rental standards.

A copy of the buyer's settlement statement should be presented when the new owner comes to pick up their keys and either a check for the outstanding loan amount or proof of payment on the settlement statement showing this amount was collected at closing will be required.

Owners who rent their units are required to register with the City and pay hotel taxes as required by City and State hotel tax laws. Information on State tax requirements can be found at: www.state.tx.us And information on City tax requirements can be found at: www.galvestonparkboard.org However, the Rental Association handles all hotel taxes and registrations for owners in the rental program.

If you have additional questions, please call Theresa Elliott at (409) 572-1010.

Rental Association Owner Rental Checks

Below is a list of the yearly total of the rental checks for the past several years which were issued to owners with units in the rental pool. These checks are after all management fees, housekeeping and maintenance costs, advertising and marketing fees, electricity & phone

expenses, etc. In addition to the owner's checks, the Rental Association also provides approximately \$5,000 per year, per unit, in services such as interior remodeling and furniture upgrades as well as appliance and equipment replacements. *Property under major construction during these years.

Year	Front Unit	View Unit
2008	6,153	5,238
*2009	4,968	4,225
2010	4,313	3,666
2011	4,697	4,041
2012	6,422	5,595
*2013	5,745	5,037
*2014	5,486	4,812
2015	7,339	6,440
2016	7,155	6,288
2017	9,041	7,887
2018	7,929	7,025
2019	6,581	5,810
2020	8,449	7,417

History of the 2014 Capital Improvement Project

In 2014, the Rental Association completed a substantial remodeling project in all rental units with the following upgrades: Completely new bathroom including new floor tile, granite counters, bathtub, sink, fixtures, mirror and paint. The kitchen remodel included new floor tile, granite countertops, new appliances, sink, fixtures and refurbished cabinets. Each unit was completely re-painted and new lighting fixtures were installed throughout in addition to the installation of a new front door. There was no cash outlay for owners in the Rental Program; the only requirement for participation in this improvement project was a commitment for each rental unit to remain in the rental program for 5 years. This Capital Improvement project was funded through a bank loan to the Rental Association in the amount of \$8,500 per unit that each unit paid back through rental proceeds over the 5 year period. The bank loan that was paid off early in 2019 therefore there are no longer owner obligations toward the project. Prior to the loan being retired, had an owner sold their unit, the agreement was transferable to the buyer. In the event the unit left the rental program prior to the loan being paid off, the prorated share of the remainder of the loan amount for the unit was due. The amount due decreased by 20% each year the unit was in the rental program, for example, if the unit is removed from the program after 3 years, only 40% of the cost was due; after 4 years, only 20% was due, etc. Again, as of 2019 all remodeling obligations are satisfied, this information is strictly provided as an example of how one of the Rental Association's capital improvement projects was funded.