

TRANSIENT RENTAL RULES AND REGULATIONS

EXHIBIT "A"

Additions are underlined

Deletions are ~~stricken~~

16.9 Transient Rental Procedures. In addition to any other Rule or Regulation, any and all Transient Rentals of a Residential Unit must comply with the following.

- (a) Prior to the commencement of any Transient Rental, the Residential Unit Owner allowing the Transient Rental (the "Renting Owner") shall provide to the Shared Facilities Manager, the name and phone number of an individual that will be the designated contact for the renter (the "Guest") for any issues regarding his/her stay and written confirmation from the designated individual that they will be available 24 hours a day, seven days a week during the entire period of the Transient Rental.
- (b) The Renting Owner shall have an individual (whose name and phone number are first provided to the Shared Facilities Manager) personally greet the Guest at the time of check-in.
- (c) The Renting Owner must have on file with the Shared Facilities Manager, prior to commencement of the Transient Rental, the name and contact information, for a ~~housekeeping person, and~~ an engineer/service company that is bonded, background checked, insured and available on a 24 hour a day, seven day a week basis to respond to a Guest's requests (within 2 hours) ~~either for Unit service or housekeeping.~~ All such persons and/or companies shall provide the Shared Facilities Manager, prior to the Transient Rental, written confirmation of their retention by the Renting Owner and willingness and ability to comply with these requirements, and provide appropriate bonds and insurance certificates. All such background checks, bonding and insurance requirements must be established from time to time by the Shared Facilities Manager.
- (d) Each Guest, if they did not rent directly from the Hotel, must sign a letter at check-in: (i) acknowledging and agreeing that they did not rent through the Hotel, (ii) acknowledging and agreeing that the Hotel has no ability to provide service to the room, (iii) acknowledging and agreeing that the Hotel cannot confirm that the furnishing, linens, or condition of the Residential Unit are to Hotel standards, (iv) disclosing to the Guest the contact numbers for the parties discussed in items (a) through (c) above (e.g., designated contact, greeter, ~~housekeeping contact~~ maintenance service contact, etc.); (and (v) disclosing that the Hotel has no discretion to authorize an extension of a stay and/or a credit or refund of any sums paid by the Guest.
- (e) Prior to the commencement of any Transient Rental, the Renting Owner shall provide to the Shared Facilities Manager evidence of commercial liability insurance in the amount of five million dollars (\$5,000,000), which policy shall name the Shared Facilities Unit Owner as a named additional insured with a right of not less than ten (10) days' prior written notice of cancellation (or in such other amounts and meeting such other requirements established from time to time by the Shared Facilities manager). Such policy shall have a term of not less than one (1) year and each Renting Owner shall provide the Shared Facilities ~~Parcel~~ Unit Owner with evidence of renewal not less than fifteen (15) days prior to the expiration thereof for so long as such Owner is required to maintain such policy hereunder.

- (f) Prior to the commencement of any Transient Rental, the Renting Owner shall provide to the Shared Facilities Manager, the name, address, cell and email information for the Guest, including check-in and check-out dates.
- (g) No Transient Rental may be procured (or will be allowed if procured) through means including a violation of any intellectual property rights of the Hotel.
- (h) The Shared Facilities Unit Owner shall have the right to charge reasonable fees for use of the Shared Facilities by a Renting Owner's Guest and other fees associated with services rendered in connection with a Transient Rental.
- (i) Renting Owner must provide evidence to the Shared Facilities Manager that Renting Owner has secured and maintains any and all licenses required for the operation of Transient Rentals and that all requirements for operation of the unit as a public lodging have been met.
- (j) Renting Owner must provide evidence to the Shared Facilities Manager that Renting owner has timely paid to all City, County, State and Federal taxes (other than income taxes) relating to the Transient Rental of the Unit.,
- (k) No Transient Rental Shall be permitted if any of the foregoing are not timely complied with or if any Assessments and/or payment of Shared Costs are delinquent.
- (l) These Transient Rental Procedures shall include the Rules and Regulations on Transient Rentals. which are attached hereto as Exhibit "8". and which are hereby incorporated herein by reference and made a part of this Declaration.

Notwithstanding anything contained to the contrary herein, the provisions of this Section 16.9 may be amended by the affirmative vote of the Shared Facilities Unit Owner alone, without requiring the consent of the Association or any other Unit Owner or party whatsoever.

*Substantial rewording of declaration. See provision for present text.
This amendment originally creates this entire Exhibit "8".*

Costa Hollywood, a Condominium

Rules and Regulations on Transient Rentals

Preamble.

777 N. Ocean Drive 2, LLC ("777"), a Florida limited liability company operated by Madison Realty Capital and the owner of the Shared Facilities Unit at Costa Hollywood, a Condominium, hereby adopts and promulgates these rules and regulations pursuant to its authority under the Declaration of Costa Hollywood, a Condominium.

The purpose of these rules and regulations is to safeguard and maintain Costa Hollywood as a resort. These rules and regulations only apply to Residential Unit Owners who do not participate in the Rental Management Agreement ("RMA") and establish the baseline requirements for self-directed rentals at Costa Hollywood.

The capitalized terms below are defined elsewhere in this document or in the Declaration. When these rules and regulations refer to 777, they are referring to one or more of the following, as appropriate: the Shared Facilities Unit Owner, the Shared Facilities Manager, and/or their respective Affiliates. These rules and regulations do not apply to 777, Residential Unit Owners who participate in the RMA, and Residential Units owned by any of the foregoing. References to Renting Owners also refers to agents, employees, contractors, and other representatives of such owner.

Should you have any questions regarding these rules and regulations or wish to submit any paperwork, documentation or forms, please contact Highgate and ASG, respectively the professional hospitality management company and property management company hired by 777 N. Ocean Drive 2, LLC, via e-mail at Edaline Aquino at EAquino@ASGFlorida.com or at any other point of contact or email address as may be designated by 777 from time to time following the recording of these Rules and Regulations on Transient Rentals.

Article 1. General Limitations Regarding Transient Rentals.

1. No Residential Unit Owner shall directly or indirectly enter into a Transient Rental or other leasing or rental arrangement with a Guest for an occupancy period of less than thirty (30) days, unless in such arrangement, the Renting Owner and Guest strictly comply with all of the terms and conditions set forth in the Declaration, including for example Sections 16.8 and 16.9, with all the rules and regulations, and with all applicable law. Transient Rental arrangements that meet all such requirements will be referred to as Authorized Transient Rentals. Units or portions thereof that are the subject of Authorized Transient Rentals will be referred to as the Rental Units.

2. No Residential Unit Owner shall directly or indirectly use any of the following in connection with the advertising or marketing of Rental Units: the name, any trade name, and any trademark or other intellectual property of 777, including for example images and other information available from the Resort website.

Exhibit "8"

3. No Residential Unit Owner shall directly or indirectly represent to the public, including any prospective or actual Guest, that such owner is an "official" agent for the Association, 777 or the Resort, or has any endorsement from any of them.

4. No Transient Rental shall be permitted if any of the Shared Costs or Condominium assessment are delinquent.

5. All paperwork, documentation or forms pursuant to the Rules and Regulations must be submitted to the Shared Facilities Manager no less than five (5) business days prior to the commencement of EACH transient rental.

6. Keys are issued at check-in for length of stay. Lost keys may be replaced up to three (3) times during the same stay. Each key thereafter will cost \$5 per replacement key.

7. No Transient Rental shall be permitted unless the Renting Owner has produced documentation of both: (i) a valid Vacation Rental License from the City of Hollywood; and (ii) a valid Vacation Rental - Condominium license from the Department of Business and Professional Regulation for the State of Florida.

8. No Transient Rental shall be permitted if the Renting Owner is delinquent in any monetary obligation to 777.

9. All charges levied pursuant to these Rules and Regulations may be charged to the Renting Owner in the same manner as Shared Costs pursuant to Section 12 of the Declaration of Costa Hollywood, a Condominium, including attendant lien rights pursuant to Section 12.3 thereof.

10. No Greeter, Property Manager or vacation rental host shall be permitted to represent more than five (5) units that have engaged in Transient Rentals in any one (1) year period.

11. Should the Renting Owner, any Guest, any vendor or party on behalf of the Renting Owner violate any provision of these Rules and Regulations or the Declaration of Costa Hollywood, a Condominium, 777 shall have the right to impose fines and suspensions, including but not limited to, suspending the right of the Renting Owner to enter into new Transient Rentals for a reasonable period of time.

Article 2. Obligations of Renting Owners Prior to Each Guest Occupancy.

1. Prior to each Guest occupancy, the Renting Owner must complete and deliver to 777 a signed *Transient Rental Guest Information Form* using the most recent

form available from Highgate. The form shall at a minimum require disclosure of the name and complete contact information for each of the following:

- a. The name, address, cell and email information for the Guest, as well as check-in and check-out dates of the Guest.
- b. The individual designated by the Renting Owner to be the Guest's emergency contact for any issues regarding his/her stay.
- c. The individual designated by the Renting Owner personally to greet the Guest at check-in.
- d. A provider of engineer/maintenance services whom are available on a 24 hour a day, seven day a week basis to respond to a Guest's request within 2 hours. Such providers, as to who all other requirements have been satisfied, will be referred to as the "Engineering Vendors."

2. Prior to each Guest occupancy, in addition to completion of *the Transient Rental Guest Information Form*, the Renting Owner must submit to 777 along with such form documents, the following:

- a. Evidence that the Renting Owner has in force with respect to the Rental Unit a primary commercial liability insurance with the same policy limits as the commercial liability insurance purchased by the Shared Facilities Unit, which policy shall name the Shared Facilities Unit Owner as a named additional insured with a right of not less than ten (10) days' prior written notice of cancellation or modification of said insurance coverage (or in such other amounts and meeting such other requirements established from time to time by the Shared Facilities Manager). Such policy shall have a term of not less than one (1) year and the Renting Owner shall provide the Shared Facilities Unit Owner with evidence of renewal not less than fifteen (15) days prior to the expiration thereof for so long as such Renting Owner is required to maintain such policy under the Declaration.
- b. Evidence that the Renting Owner has secured and maintains any and all licenses required for the operation of Transient Rentals and that all requirements for operation of the Rental Unit as public lodging have been met, specifically including the registration with Broward County for proper issuance of a current Residential Rental Property Certificate of Use.
- c. A security deposit in the amount of five thousand dollars (\$5,000). The security deposit may be maintained by 777, or upon the request of the Renting Owner, an escrow agent appointed by 777, in a non-interest

bearing account. 777 N. Ocean Drive 2, LLC may make a claim against the security deposit for any loss as to which it is not compensated by insurance, or otherwise, within fifteen (15) days of the related loss.

- d. Written confirmation from the Renting Owner's emergency contact that she/he will be available 24 hours a day, seven days a week during the entire period of the Authorized Transient Rental.
- e. With respect to Engineering Vendors:
 - i. Written confirmation from each provider that the provider will be available 24 hours a day, seven days a week during the entire period of the Authorized Transient Rental and is willing and able to be available to the Guest on a 24 hour a day, seven day a week basis to respond to a Guest's request within 2 hours.
 - ii. Evidence that the Renting Owner has completed a reasonable background check on each provider, and a copy of the results.
 - iii. Evidence that each provider has satisfied the bonding requirements, which bond(s) shall specifically provide twenty-five thousand dollars (\$25,000.00) of coverage for engineering vendors.
 - iv. Evidence that the provider has in force one-million dollars (\$1,000,000.00) per occurrence in commercial general liability, which policy names 777 N. Ocean Drive 2, LLC as a named additional insured with a right of not less than ten (10) days' prior written notice of cancellation or modification of said insurance coverage (or in such other amounts and meeting such other requirements established from time to time by the Shared Facilities Manager), and which policy shall have a term of not less than one (1) year.
 - v. Evidence that the provider has all required governmental licenses, specifically including the Broward County occupational license/tax receipt, the City of Hollywood occupational license/tax receipt, and proof of the individual acting as the primary qualifying agent, as may be required by the Florida Department of Business and Professional Regulation, as applicable.
 - vi. To the extent that the Renting Owner does not confirm an Engineering Vendor for any particular Authorized Transient Rental, then the Renting Owner shall be obligated to pay for such services at an additional charge of \$35.00 per hour, as applicable.

- f. Written affirmation from the Guest, through the Guest's signature on the *Transient Rental Guest Information Form*, of the following:
- i. This Rental Unit has not been rented through the Resort;
 - ii. The Resort does not provide services to the room;
 - iii. The Resort cannot confirm that the furnishings, linens, or condition of the Rental Unit are to resort standards; housekeeping is **not** included unless the Guest pays an additional fee of \$25.00 per day;
 - iv. That the Guest has been informed of the various names and contact information provided by the Renting Owner through the Transient Rental Guest Information Form;
 - v. The Resort has no discretion to authorize an extension of a stay and/or credit or refund of any sums paid by Guest;
 - vi. That the Guest is subject to the Declaration and the rules and regulations; and
 - vii. That the Guest is responsible for paying 777 a daily resort fee in the amount of \$25.00 per day as a condition of being able to use any of the Shared Facilities other than to access a Rental Unit.
 - viii. That the Guest is responsible for paying a registration fee of \$35 per Authorized Transient Rental.

3. The Renting Owner shall have an individual (whose name and phone number are first provided to Shared Facilities Unit Manager) who must greet the Guest in person in the lobby area prior to check-in. To the extent the greeter is not the Renting Owner, said greeter shall be treated as a Third-Party Vendor and required to complete the *Transient Rental Third-Party Vendor Information Form* for vendors other than the Engineering Vendors. To the extent that neither the Renting Owner nor the Greeter is available to greet the Guest in person in the lobby area, the Guest shall be responsible to pay an additional greeter fee of \$15.00 per Authorized Transient Rental.

Article 3. Vendor-Related Matters.

The rules and regulations below apply with respect to any service provider or other vendor that is not 777, has not been arranged by 777, or does not operate or work from a Commercial Unit or the Shared Facilities Unit. Service providers include, for example, providers of resort-related services such as housekeeping, maintenance, and personal

services such as massage, personal training, and dry cleaning; and those delivering food, beverages, and/or other items. Those affected service providers and other vendors will be referred to as "Third-Party Vendors." They include, among others, each compensated agent or other representative of Renting Owners.

1. Third-Party Housekeeping vendors are not permitted.
2. No Third-Party Vendor other than the Engineering Vendors may use the Shared Facilities Unit to access a Rental Unit unless:
 - a. Prior to such use, the Renting Owner completes and delivers to 777 a signed *Transient Rental Third-Party Vendor Information Form* using the most recent form available from 777. Through the form, the Renting Owner must provide among other things the vendor's name and complete contact information. When delivering the completed form, the Renting Owner also must deliver the following:
 1. Evidence that the Renting Owner has completed a reasonable background check on each provider, and a copy of the results.
 11. Evidence that the Third-Party Vendor has in force one-million dollars (\$1,000,000.00) per occurrence in commercial general liability, which policy names 777 N. Ocean Drive 2, LLC as a named additional insured with a right of not less than ten (10) days' prior written notice of cancellation or modification of said insurance coverage (or in such other amounts and meeting such other requirements established from time to time by the Shared Facilities Manager), and which policy shall have a term of not less than one (1) year.
 111. Evidence that the provider has all required governmental licenses, specifically including the Broward County occupational license/tax receipt, the City of Hollywood occupational license/tax receipt, and proof of the individual acting as the primary qualifying agent, as required by the Florida Department of Business and Professional Regulation, as applicable.
 - b. The information contained in the completed Vendor Information Form and supporting documents are accurate and effective at the time of each such access.
3. No Third-Party Vendor, including any Engineering Vendors, may use the Shared Facilities Unit to access a Rental Unit when:

- a. The Third-Party Vendor is not servicing the Rental Unit. All service hours shall be Monday through Friday 8:00 AM through 5:00 PM, unless an emergency exists. Any work performed outside the hours will require the consent of the Shared Facilities Unit Manager.
- b. The Third-Party Vendor does not have and display photo identification reflecting the name of the individual and company.
- c. The Third-Party Vendor does not have all necessary licenses and permits.
- d. The Third-Party Vendor does not have in effect the insurance required by these rules and regulations.
- e. The Third-Party Vendor has left or kept any carts, supplies or materials on the Shared Facilities Unit.
- f. The Third-Party Vendor has demonstrated unprofessional or undignified conduct.
- g. The Third-Party Vendor does not comply with applicable law.

Article 4. Additional Obligations.

- 1. Each Renting Owner must update the information and materials provided to 777 pursuant to these rules and regulations within twenty-four hours of each change to their accuracy, completeness or applicability. Such changes include, for example, any expiration, lapse, termination, modification, renewal, or replacement of any disclosed insurance coverages.
- 2. During Guest occupancy, each Renting Owner, directly and indirectly:
 - a. Must ensure that the Guest's designated emergency contact and the Engineering Vendors are available on a 24 hour a day, seven day a week basis to respond to a Guest's requests within 2 hours.
 - b. Must ensure that the Guest complies with all obligations imposed by these rules and regulations, and by the Declaration, including but not limited to the requirements that the Guest:
 - i. Not directly or indirectly arrange for a Third-Party Vendor to use the Shared Facilities Unit to access the Rental Unit unless all requirements relative to such vendor have been satisfied.

- ii. Not consume food or beverages on the Shared Components unless such food and beverage was provided by an operator of one of the Commercial Units or from the Shared Facilities Unit.

3. The Renting Owner shall provide evidence that all City, County, State and Federal taxes (other than income taxes) relating to the Authorized Rental have been timely paid and that all tax reporting forms have been timely filed. The Renting Owner shall provide evidence within (15) days of the filing date each tax reporting form, or other form required to be filed with the foregoing governmental agencies.

4. Each Renting Owner shall provide a placard/information card prominently displayed within the Unit setting forth emergency contact information, including contact person and emergency telephone numbers, along with the information and telephone numbers for engineering services.

Article 5. Violations.

777 reserves all of its rights and remedies arising from any violations of these rules and regulations or the Declaration, including but limited to imposing fines; prohibiting, restricting, or conditioning use of the Shared Facilities Unit to access a Rental Unit and/or any other purpose. By way of example, 777 specifically has the right to exclude any Guest or Third-Party Vendor on account of whom the Renting Owner has not provided 777 with all disclosures and materials required by these rules and regulations, or where such Guest or Third-Party Vendor has otherwise violated the Declaration of Costa Hollywood, a Condominium, or these Rules and Regulations.