



AFTER RECORDING RETURN TO:
ROBERT D. BURTON, ESQ.
WINSTEAD PC
600 W. 5TH STREET, SUITE 900
AUSTIN, TEXAS 78701
EMAIL: RBURTON@WINSTEAD.COM

BUNGALOWS AT CAMP MARGARITAVILLE CRYSTAL BEACH SHORT TERM RENTAL POLICY

MVCB BUNGALOWS LLC, a Texas limited liability company ("Declarant"), has certain rights regarding the "Property" as further described in that certain Declaration of Covenants, Conditions and Restrictions for Bungalows at Camp Margaritaville Crystal Beach, recorded as Document No. 2025012948 in the Official Public Records of Galveston County, Texas (the "Declaration"). This Short Term Rental Policy is made and executed by Declarant.

[SIGNATURE PAGE FOLLOWS]

**BUNGALOWS AT CAMP MARGARITAVILLE CRYSTAL BEACH
SHORT TERM RENTAL POLICY**

This Short Term Rental Policy for Bungalows at Camp Margaritaville Crystal Beach (this "Policy"), is adopted by MVCB BUNGALOWS LLC, a Texas limited liability company ("Declarant"), and is as follows:

RECITALS

A. Declarant caused to be Recorded that certain Declaration of Covenants, Conditions and Restrictions for Bungalows at Camp Margaritaville Crystal Beach, recorded as Document No. [2025012948] in the Official Public Records of Galveston County, Texas (the "Declaration").

B. Pursuant to *Section 2.4* of the Declaration, Declarant may permit a Lot to be leased for a term of less than one hundred and eighty (180) days, and may permit renting or leasing of a Lot for transient or hotel purposes, and may adopt additional policies, rules and regulations related to such leases.

C. Declarant now desires to adopt the Short Term Rental Policy as set forth hereinbelow.

NOW, THEREFORE, Declarant hereby adopts the Policy attached hereto as Exhibit "A".

[SIGNATURE PAGE FOLLOWS]

SIGNED to be EFFECTIVE on March 14, 2025.

DECLARANT:

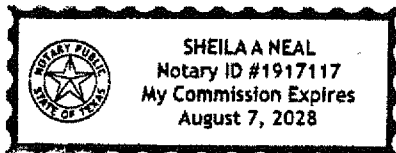
MVCB BUNGALOWS LLC,
a Texas limited liability company

By: [Signature]
Printed Name: Brad Ballard
Title: managing partner

THE STATE OF TEXAS §
 §
COUNTY OF Galveston §

This instrument was acknowledged before me on this 14th day of March, 2025, by Brad Ballard, Managing Partner of MVCB BUNGALOWS LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)



[Signature]
Notary Public Signature

EXHIBIT "A"

**BUNGALOWS AT CAMP MARGARITAVILLE CRYSTAL BEACH
SHORT TERM RENTAL POLICY**

In accordance with *Section 2.4* of the Declaration, no Lot may be rented for transient or hotel purposes or for a period less than one hundred and eighty (180) days. Notwithstanding the foregoing, Declarant may permit a Lot to be leased for a term of less than one hundred and eighty (180) days, may permit renting or leasing of a Lot for transient or hotel purposes, and may adopt additional policies, rules and regulations related to such leases.

The Declarant hereby adopts the following rules and regulations (the "**Short Term Rental Policy**") relating to the leasing of a Lot for a period of less than one hundred and eighty (180) days ("**Short Term Rentals**").

Section 1. Short Term Rental Policy.

- a. No Short Term Rentals are permitted unless Owner completes the Short Term Rental Election Agreement in the form attached hereto as Attachment 1 (the "**STR Election Agreement**") and remits the same to Declarant.
- b. A portion of the Property, shall be rented only in its entirety; separate rooms, floors or other areas may not be separately rented.
- c. All portions of the Lot, including the exterior and interior furnishings and décor of the residence on the Lot, must be maintained as originally delivered by Declarant.
- d. All Short Term Rentals must comply with the requirements set forth in the Declaration, this Short Term Rental Policy, and in the STR Election Agreement.
- e. The Owner shall promptly provide to the Declarant any information reasonably requested by the Declarant pertaining to leasing of the Lot.
- f. Owner is solely responsible for any damage to person or property caused by a tenant, any guests or invitees. The Owner shall provide a certificate of insurance naming the Declarant and the property owners' association(s) as additional insureds on Owner's insurance policy.
- g. If Owner or Owner's tenant violates any of the terms or provisions of the Declaration, this Short Term Rental Policy, or the STR Election Agreement, Owner may be subject to fines levied in accordance with the Declaration or that certain Bungalows at Camp Margaritaville Crystal Beach Community Manual, recorded as Document No. 2025012983 in the Official Public Records of Galveston County, Texas.
- h. Declarant may at any time, in its sole and absolute discretion, terminate any Short Term Rental for failure by any tenant or Owner to comply with any of the terms and conditions of the Declaration or this Short Term Rental Policy.

- i. The Owner of the leased Lot will provide any additional information that Declarant may reasonably require.
- j. Declarant reserves the right, in its sole and absolute discretion, to amend, restate, or supplement this Short Term Rental Policy, and to adopt additional rules and regulations related to Short Term Rentals from time to time. Pursuant to *Section 2.4* of the Declaration, this Short Term Rental Policy shall not be amended without the prior written consent of the Club Owner.

Section 2. Rental Agency or Management Company Managed Short Term Rentals. The Short Term Rental of a Lot for transient rental purposes is permitted if the Short Term Rental of the Lot is managed by the Declarant or the third party rental manager assigned Declarant's rights under *Section 2.4* of the Declaration (collectively, the "**STR Operator**"). The Short Term Rental of a Lot for transient rental purposes is also permitted if the Short Term Rental of the Lot is managed by a rental agency or management company selected by an Owner (the "**Third Party Manager**") that:

- a. Executes and submits a Short Term Rental Application to the STR Operator, the form of which is attached hereto as Attachment 2, which form may be required to be completed or updated annually, and shall be updated and provided to the STR Operator immediately upon any change in the information provided therein.
- b. Provides a Certificate of Fact issued by Texas Secretary of State to the STR Operator, evidencing the Third Party Manager is a duly formed entity in good standing and authorized to conduct business in the State of Texas.
- c. Provides a certificate of insurance certifying the Minimum Required Insurance (defined below) to the STR Operator. The "**Minimum Required Insurance**" means a broad form commercial general liability insurance policy written on an occurrence basis: (i) with coverage of at least one million and No/Dollars (\$1,000,000) combined single limit per occurrence and two million and No/Dollars (\$2,000,000) in the aggregate; (ii) that is a commercial general liability policy covers transient rental use of the Lot; and (iii) that either names "MVCB BUNGALOWS LLC" or "Bungalows at Camp Margaritaville Crystal Beach POA, Inc.", and the Owner of the Lot (collectively, the "**Insured Parties**") as additional insureds or that includes the Insured Parties within the definition of named insureds. The Minimum Required Insurance will be primary over other valid and collectible insurance for all occurrences and incidents that happen in or about the Lot. The STR Operator is authorized to provide copies of the insurance certificate or other insurance information to the Board and any other third-party. The STR Operator shall be notified immediately of any lapse in or change to the Minimum Required Insurance and the Short Term Rental of the Lot shall cease until such time as the Minimum Required Insurance is reinstated.
- d. Provides a representative that is available twenty-four (24) hours per day, seven (7) days a week, via phone or e-mail, and must maintain a publicly accessible website that includes such representatives contact information.
- e. Pays the Association a two-thousand five-hundred and No/Dollars (\$2,500.00) deposit per Lot (the "**Deposit**") managed by the Third Party Manager up to a maximum of twenty-five thousand and No/Dollars (\$25,000.00) (i.e., the Deposit will not exceed \$25,000.00 in the event the Third Party

Manager manages more than ten (10) Lots). The Deposit will be held by the Association. All or a portion of the Deposit may be used for the following purposes, without limitation: (i) reimbursement for repairing any damage to any portion of the Property caused by the Owner or its tenants, guests, or occupants, including any insurance deductible; (ii) paying for fines for violations of the Restrictions; (iii) paying other costs, fees, or expenses incurred by the Association, STR Operator, or the Lot's Owner, guests, tenants, or occupants. In the event any amount is deducted from the Deposit, the Third Party Manager is required to deposit such sums necessary to replenish the Deposit to its initial amount within ten (10) days after the Third Party Manager receives notice that any amount was deducted from the Deposit. If the STR Operator determines that all or a portion of the Deposit is payable in accordance with this *subsection (e)*, the STR Operator shall provide written notice to the Association with the amount payable and the basis for such request, and the Association will immediately remit such amount to the STR Operator. In the event the Third Party Manager is no longer managing any Lot, or the number of Lots the Third Party Manager is managing is reduced, the applicable Deposit will be refunded to the Third Party Manager upon written request therefor, e.g., if the Third Party Manager made an initial Deposit of \$25,000 for managing 10 Lots and the Third Party Manager is now managing 6 Lots, \$10,000 of the Deposit (plus interest earned thereon, if any) will be refunded.

- f. Pays BBCRV PARTNERS, LLC, a Texas limited liability company, a percentage of the gross revenue generated from the Short Term Rental of the Lots managed by the Third Party Manager, as outlined in the Club Documents.
- g. Establishes and complies with tenant registration and identification procedures which may be promulgated or approved by the STR Operator from time to time.
- h. Provides for housekeeping and linen service for the Lot after each rental stay, i.e., before the Lot is occupied by the next rental guest, and provides guest supplies including bath tissue, soap, paper towels, dishwashing detergent, and garbage bags for each rental stay.
- i. Inspects the Lot periodically to determine whether the Lot is suitable for Short Term Rental, and perform or arrange maintenance so that the Lot is maintained in a first-class condition consistent with first-class vacation rentals in Galveston County, Texas. To ensure compliance with this standard, the Lot may be inspected by the STR Operator or the Association from time to time, but no more than monthly, and upon such inspection, the STR Operator, the Club Owner, or the Association may recommend cleaning and maintenance of the Lot to be performed or arranged by the Third Party Manager or Owner. Failure to clean or maintain the Lot in accordance with the recommendations of the STR Operator or Association is a violation of this Short Term Rental Policy, which may be enforced in accordance with the Restrictions, which may include, without limitation, the levy of fines and a prohibition on the Short Term Rental of the Lot until the deficiencies are cured.
- j. Collects applicable hotel occupancy taxes, makes all applicable hotel occupancy tax payments on Owner's behalf, and as directed by the STR Operator or the Board, and keeps books and records documenting: (i) the total amount of the payments made for the Short Term Rental of the Lot during each month; (ii) the amount of the hotel occupancy tax collected for each month; and (iii) other information reasonably requested by the STR Operator or the Board, or required by

Applicable Law. All information pertaining to hotel occupancy taxes and Short Term Rental of the Lot shall be provided to the STR Operator or the Board upon request.

- k. Complies with the Restrictions, including without limitation this Short Term Rental Policy, and Applicable Law.

Section 3. Lot Owner Managed Short Term Rentals. The Short Term Rental of a Lot for transient rental purposes is permitted if the Short Term Rental of the Lot is managed by the Lot Owner, provided the Owner:

- a. Executes and submits a Short Term Rental Application to the STR Operator, the form of which is attached hereto as Attachment 2, which form may be required to be completed or updated annually, and shall be updated and provided to the STR Operator immediately upon any change in the information provided therein.
- b. Provides a certificate of insurance certifying the Minimum Required Insurance (defined below) to the STR Operator. The “**Minimum Required Insurance**” means a broad form commercial general liability insurance policy written on an occurrence basis: (i) with coverage of at least one million and No/Dollars (\$1,000,000) combined single limit per occurrence and two million and No/Dollars (\$2,000,000) in the aggregate; (ii) that is a commercial general liability policy covers transient rental use of the Lot; and (iii) that either names “MVCB BUNGALOWS LLC” or “Bungalows at Camp Margaritaville Crystal Beach POA, Inc.” (collectively, the “**Insured Parties**”) as additional insureds or that includes the Insured Parties within the definition of named insureds. The Minimum Required Insurance will be primary over other valid and collectible insurance for all occurrences and incidents that happen in or about the Lot. The STR Operator is authorized to provide copies of the insurance certificate or other insurance information to the Board and any other third-party. The STR Operator shall be notified immediately of any lapse in or change to the Minimum Required Insurance and the Short Term Rental of the Lot shall cease until such time as the Minimum Required Insurance is reinstated.
- c. Is available twenty-four (24) hours per day, seven (7) days a week, via phone or e-mail, and must maintain a publicly accessible website that includes the Owner’s contact information.
- d. Pays the Association a two-thousand five-hundred and No/Dollars (\$2,500.00) deposit per Lot (the “**Deposit**”) managed by the Owner up to a maximum of twenty-five thousand and No/Dollars (\$25,000.00) (i.e., the Deposit will not exceed \$25,000.00 in the event the Owner manages more than ten (10) Lots). The Deposit will be held by the Association. All or a portion of the Deposit may be used for the following purposes, without limitation: (i) reimbursement for repairing any damage to any portion of the Property caused by the Owner or its tenants, guests, or occupants, including any insurance deductible; (ii) paying for fines for violations of the Restrictions; (iii) paying other costs, fees, or expenses incurred by the Association, STR Operator, or the Lot’s Owner, guests, tenants, or occupants. In the event any amount is deducted from the Deposit, the Owner is required to deposit such sums necessary to replenish the Deposit to its initial amount within ten (10) days after the Owner receives notice that any amount was deducted from the Deposit. If the STR Operator determines that all or a portion of the Deposit is payable in accordance with this subsection (d), the STR Operator shall provide written notice to the Association with the amount

payable and the basis for such request, and the Association will immediately remit such amount to the STR Operator. In the event the Owner is no longer managing any Lot, or the number of Lots the Owner is managing is reduced, the applicable Deposit will be refunded to the Owner upon written request therefor, e.g., if the Owner made an initial Deposit of \$25,000 for managing 10 Lots and the Owner is now managing 6 Lots, \$10,000 of the Deposit (plus interest earned thereon, if any) will be refunded.

- e. Pays BBCRV PARTNERS, LLC, a Texas limited liability company, a percentage of the gross revenue generated from the Short Term Rental of the Lots managed by the Owner, as outlined in the Club Documents.
- f. Establishes and complies with tenant registration and identification procedures which may be promulgated or approved by the STR Operator from time to time.
- g. Provides for housekeeping and linen service for the Lot after each rental stay, i.e., before the Lot is occupied by the next rental guest, and provides guest supplies including bath tissue, soap, paper towels, dishwashing detergent, and garbage bags for each rental stay.
- h. Inspects the Lot periodically to determine whether the Lot is suitable for Short Term Rental, and perform or arrange maintenance so that the Lot is maintained in a first-class condition consistent with first-class vacation rentals in Galveston County, Texas. To ensure compliance with this standard, the Lot may be inspected by the STR Operator or the Association from time to time, but no more than monthly, and upon such inspection, the STR Operator, the Club Owner, or the Association may recommend cleaning and maintenance of the Lot to be performed or arranged by the Owner. Failure to clean or maintain the Lot in accordance with the recommendations of the STR Operator or Association is a violation of this Short Term Rental Policy, which may be enforced in accordance with the Restrictions, which may include, without limitation, the levy of fines and a prohibition on the Short Term Rental of the Lot until the deficiencies are cured.
- i. Collects applicable hotel occupancy taxes, makes all applicable hotel occupancy tax payments, and as directed by the STR Operator or the Board, and keeps books and records documenting: (i) the total amount of the payments made for the Short Term Rental of the Lot during each month; (ii) the amount of the hotel occupancy tax collected for each month; and (iii) other information reasonably requested by the STR Operator or the Board, or required by Applicable Law. All information pertaining to hotel occupancy taxes and Short Term Rental of the Lot shall be provided to the STR Operator or the Board upon request.
- j. Complies with the Restrictions, including without limitation this Short Term Rental Policy, and Applicable Law.

Section 4. Capitalized Terms. Capitalized terms used but not otherwise defined herein shall have the meanings as set forth in the Declaration.

ATTACHMENT 1

**BUNGALOWS AT CAMP MARGARITAVILLE CRYSTAL BEACH
SHORT TERM RENTAL ELECTION AGREEMENT**

This Short Term Rental Election Agreement is entered into by and between [_____] ("Declarant") and [_____] ("Owner") and is as follows:

1. Owner is the owner of that certain Lot No. [____], (the "Lot") as established by that certain Declaration of Covenants, Conditions and Restrictions for Bungalows at Camp Margaritaville Crystal Beach, recorded as Document No. [_____] in the Official Public Records of Galveston County, Texas (the "Declaration"). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Declaration.

2. Pursuant to that certain Short Term Rental Policy adopted and entered into by MVCB BUNGALOWS LLC, a Texas limited liability company, as Declarant under the Declaration, during the Development Period (or until the Declarant adopts a different policy regarding Short Term Rentals), no Short Term Rentals are permitted unless Owner completes this Short Term Rental Election Agreement and remits the same to Declarant.

3. Owner agrees and acknowledges that Owner has received, read completely and fully understands the terms and conditions of the Short Term Rental Policy and that, upon execution hereof, such terms and conditions shall apply to the Lot.

4. This Short Term Rental Election Agreement is subject to Owner's compliance, at all times, with the conditions and requirements set forth in the Short Term Rental Policy and this Short Term Rental Election Agreement. Declarant may terminate this Short Term Rental Election Agreement if Owner fails to comply with the terms and provisions of the Short Term Rental Policy or this Short Term Rental Election Agreement.

Executed to be effective as of _____, ____ 20____ (the "Effective Date").

OWNER:

By: _____

Printed Name: _____

Date: _____

**DECLARANT: MVCB BUNGALOWS LLC,
a Texas limited liability company**

By: _____

Printed Name: _____

Date: _____

ATTACHMENT 2

**BUNGALOWS AT CAMP MARGARITAVILLE CRYSTAL BEACH
SHORT TERM RENTAL APPLICATION**

LOT # _____

OWNER: _____

OWNER TELEPHONE #: (CELLULAR): _____ (ALTERNATE): _____

OWNER E-MAIL ADDRESS: _____

OWNER ADDRESS: _____

MANAGEMENT COMPANY INFORMATION (IF OWNER IS NOT SELF-MANAGING):

MANAGEMENT COMPANY/STR MANAGER: _____

MANAGEMENT COMPANY WEBSITE: _____

MANAGER NAME: _____

MANAGER TELEPHONE #: (CELLULAR): _____ (ALTERNATE): _____

MANAGER E-MAIL ADDRESS: _____

MANAGER ADDRESS: _____

PLEASE ATTACH THE FOLLOWING DOCUMENTS AND COMPLETED FORMS TO THIS APPLICATION.

To be delivered to the STR Operator:

1. Certificate of Insurance certifying insurance with the requirements (set forth on Exhibit A) _____
2. Certificate of Fact issued by the Texas Secretary of State for the Third Party Manager (if any) _____
2. Indemnification, Release, and Acknowledgement of Short Term Rental Policy (attached as Exhibit A) _____

(executed by the Owner and Third Party Manager (if any))

To be delivered to the Association:

1. \$2,500 per Lot (up to a maximum of \$25,000)

I/We understand and acknowledge that submittal of the above items and approval of this application must be granted before the Lot may be used for transient rental purposes, i.e., short-term rentals for a term less than 6 months. In the event any of the information on this application changes, the Owner or Third Party Manager shall immediately provide an updated application to the STR Operator.

Owner Signature: _____ Date: _____

Management Company Signature: _____ Date: _____

APPLICATION APPROVED

APPLICATION DENIED

Application may be re-submitted after addressing the following reason(s) for denial: _____

EXHIBIT A

BUNGALOWS AT CAMP MARGARITAVILLE CRYSTAL BEACH INDEMNIFICATION, RELEASE, AND ACKNOWLEDGMENT OF STR RULES

LOT (NUMBER): _____

This Indemnification, Release, and Acknowledgment of Short Term Rental Policy (this "Indemnification and Acknowledgment") is executed by the undersigned Owner(s) of the Lot(s) set forth above, and the rental agency or management company (the "Third Party Manager"), if any, engaged by the Owner(s) to manage and administer the Short Term Rental of the Lot(s) for transient rental purposes, i.e., short-term rentals for a term less than 6 months.

RECITALS

A. MVCB BUNGALOWS LLC, a Texas limited liability company ("Declarant"), executed and recorded that certain Declaration of Covenants, Conditions and Restrictions for Bungalows at Camp Margaritaville Crystal Beach, recorded as Document No. [_____] in the Official Public Records of Galveston County, Texas (the "Declaration").

B. Pursuant to Declarant's authority under the Declaration, Declarant executed and recorded that certain Bungalows at Camp Margaritaville Crystal Beach Community Manual, recorded in the Official Public Records of Galveston County, Texas (the "Community Manual") and that certain Short Term Rental Policy, recorded in the Official Public Records of Galveston County, Texas (the "Short Term Rental Policy").

C. The Short Term Rental Policy requires, among other things, that a fully executed copy of this Indemnification and Acknowledgment be delivered to the STR Operator prior to the Short Term Rental of the Lot for transient rental purposes ("Short Term Rentals") if the Owner or Third Party Manager will administer the Short Term Rentals.

Now, therefore, in consideration for being permitted the benefit of offering Short Term Rentals for the Lot, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned specifically agree to the following:

INDEMNIFICATION, RELEASE, AND ACKNOWLEDGMENT

1. Short Term Rental Rules and Policies. The undersigned Owner(s) and Third Party Manager (if any), acknowledges that it has received a copy of the Declaration, Community Manual, and Short Term Rental Policy, and has read and understands the Declaration, Community Manual, and Short Term Rental Policy, and the terms and provisions pertaining to Short Term Rentals in particular, which include, without limitation, the following:

- (i) Execution and submission of a Short Term Rental Application to the STR Operator, the form of which is attached to the Short Term Rental Policy, which

form may be required to be completed annually, and shall be updated and provided to the STR Operator immediately upon any change in the information provided in the Short Term Rental Application.

- (ii) The Third Party Manager (or Owner if the Owner is self-managing the Short Term Rental) must maintain all portions of the Lot, including the exterior and interior furnishings and décor of the residence on the Lot as originally delivered by Declarant.
- (iii) The Third Party Manager (or Owner if the Owner is self-managing the Short Term Rental) must provide a certificate of insurance certifying the Minimum Required Insurance (defined below) to the STR Operator. The **"Minimum Required Insurance"** means a broad form commercial general liability insurance policy written on an occurrence basis: (i) with coverage of at least one million and No/Dollars (\$1,000,000) combined single limit per occurrence and two million and No/Dollars (\$2,000,000) in the aggregate; (ii) that is a commercial general liability policy covers transient rental use of the Lot; and (iii) that either names "MVCB BUNGALOWS LLC" or "Bungalows at Camp Margaritaville Crystal Beach POA, Inc.", and the Owner of the Lot, if such Lot is managed by a Third Party Manager, (collectively, the **"Insured Parties"**) as additional insureds or that includes the Insured Parties within the definition of named insureds. The Minimum Required Insurance will be primary over other valid and collectible insurance for all occurrences and incidents that happen in or about the Lot. The STR Operator is authorized to provide copies of the insurance certificate or other insurance information to the Board and any other third-party. The STR Operator shall be notified immediately of any lapse in or change to the Minimum Required Insurance and the Short Term Rental of the Lot shall cease until such time as the Minimum Required Insurance is reinstated.
- (iv) The Third Party Manager (or Owner if the Owner is self-managing Short Term Rentals) must provide a representative that is available twenty-four (24) hours per day, seven (7) days a week, via phone or e-mail, and must maintain a publicly accessible website that includes such representatives contact information.
- (v) The Third Party Manager (or Owner if the Owner is self-managing Short Term Rentals) must pay to the Association a two-thousand five-hundred and No/Dollars (\$2,500.00) deposit per Lot (the **"Deposit"**) managed by the Third Party Manager (or Owner) up to a maximum of twenty-five thousand and No/Dollars (\$25,000.00) (i.e., the Deposit will not exceed \$25,000.00 in the event the Third Party Manager (or Owner) manages more than 10 Lots). The Deposit will be held by the Association. All or a portion of the Deposit may be used for the following purposes, without limitation: (i) reimbursement for repairing any damage to any portion of the Property caused by the Owner or its tenants, guests, or occupants, including any insurance deductible; (ii)

paying for fines for violations of the Restrictions; (iii) paying other costs, fees, or expenses incurred by the Association, STR Operator, or the Lot's Owner, guests, tenants, or occupants. In the event any amount is deducted from the Deposit, the Third Party Manager (or Owner) is required to deposit such sums necessary to replenish the Deposit to its initial amount within ten (10) days after the Third Party Manager (or Owner) receives notice that any amount was deducted from the Deposit. If the STR Operator determines that all or a portion of the Deposit is payable to the STR Operator, the STR Operator shall provide written notice to the Association with the amount payable and the basis for such request, and the Association will immediately remit such amount to the STR Operator. In the event the Third Party Manager (or Owner) is no longer managing any Lot, or the number of Lots the Third Party Manager (or Owner) is managing is reduced, the applicable Deposit will be refunded to the Third Party Manager (or Owner) upon written request therefor, e.g., if the Third Party Manager (or Owner) made an initial Deposit of \$25,000 for managing 10 Lots and the Third Party Manager (or Owner) is now managing 6 Lots, \$10,000 of the Deposit (plus interest earned thereon, if any) will be refunded.

- (vi) The Third Party Manager (or Owner if the Owner is self-managing Short Term Rentals) must pay BBCRV PARTNERS, LLC, a Texas limited liability company, a percentage of the gross revenue generated from the Short Term Rental of the Lots managed by the Third Party Manager (or Owner if the Owner is self-managing Short Term Rentals), as outlined in the Club Documents.
- (vii) The Third Party Manager (if any) and Owner must comply with tenant registration and identification procedures which may be promulgated or approved by the STR Operator from time to time.
- (viii) The Third Party Manager (or Owner if the Owner is self-managing Short Term Rentals) must provide for housekeeping and linen service for Lot after each rental stay, i.e., before the Lot is occupied by the next rental guest, and provides guest supplies including bath tissue, soap, paper towels, dishwashing detergent, and garbage bags for each rental stay.
- (ix) The Third Party Manager (or Owner if the Owner is self-managing Short Term Rentals) must inspect the Lot(s) periodically to determine whether the Lot(s) is suitable for Short Term Rental, and perform or arrange maintenance so that the Lot(s) is maintained in a first-class condition consistent with first-class vacation rentals in Galveston County, Texas. To ensure compliance with this standard, the Lot(s) may be inspected by the STR Operator, the Club Owner, or the Association from time to time, but no more than monthly, and upon such inspection, the STR Operator or the Association may recommend cleaning and maintenance of the Lot(s) to be performed or arranged by the Third Party Manager or Owner. Failure to clean or maintain the Lot(s) in

accordance with the recommendations of the STR Operator or Association is a violation of the Short Term Rental Policy, which may be enforced in accordance with the Restrictions.

- (x) The Third Party Manager (or Owner if the Owner is self-managing Short Term Rentals) must collect applicable hotel occupancy taxes, make all applicable hotel occupancy tax payments for the Short Term Rentals, and as directed by the STR Operator or the Board, and keep books and records documenting: (i) the total amount of the payments made for the Short Term Rentals during each month; (ii) the amount of the hotel occupancy tax collected for each month; and (iii) other information reasonably requested by the STR Operator or the Board, or required by Applicable Law. All information pertaining to hotel occupancy taxes and Short Term Rentals shall be provided to the STR Operator or the Board upon request.
- (xi) The Third Party Manager (if any) and the Owner must comply with the Restrictions, including without limitation this Short Term Rental Policy, and Applicable Law.
- (xii) In addition to any requirements of Applicable Law, each Owner or Third Party Manager (if any) shall provide the Board or the STR Operator with any information or reports pertaining to the Short Term Rental of such Owner's Lot. Without limiting the foregoing, the Owner or Third Party Manager (if any) that rents Lot(s) for a period of less than thirty (30) days or that is otherwise required by Applicable Law to pay hotel occupancy taxes for the Short Term Rental the Lot(s) is required to keep copies of all reports and information pertaining to collection and payment of hotel occupancy taxes that are required by Applicable Law or submitted to the Galveston Park Board of Trustees, the Texas Comptroller's Office, and/or any other governmental authority, and shall provide all such reports and information to the Board and/or the STR Operator upon request therefor.
- (xiii) The Third Party Manager (or Owner if the Owner is self-managing Short Term Rentals) that rents Lot(s) for a term of less than thirty (30) days, or such Owner's agent, is required to pay hotel occupancy taxes and file monthly and/or quarterly reports with: (i) the Galveston Park Board of Trustees in accordance with the Code of the City of Galveston; and (ii) the Texas Comptroller in accordance with Section 156.001 *et seq.* of the Texas Tax Code. A summary of the payment and reporting requirements is set forth in the Short Term Rental Policy, and is not a complete recitation of Applicable Law. Additionally, Applicable Law is subject to change from time to time. The Owner and Third Party Manager (if any) is advised to review, understand, and consult with counsel regarding any requirements pertaining to Short Term Rentals and payment of hotel occupancy taxes under Applicable Law.

- (xiv) The Third Party Manager (if any) and Owner acknowledge and agree that "Margaritaville" and any Margaritaville Formative Term (defined below) (collectively, the "Trademarks") are trademarks owned by a third-party, and the Third Party Manager and Owner hold no right, title, or interest in or to the Trademarks. The Third Party Manager and Owner are prohibited from using the Trademarks in any promotional materials, domain names, or advertising using any medium, and any use of the Trademarks by the Third Party Manager or Owner is a violation of the Restrictions. "Margaritaville Formative Term" means all trademarks, trade names, and domain names owned or used by Margaritaville Holdings LLC that contain the term "Margaritaville", either alone or in combination with other words or elements.

2. **Release.** The Owner and Third Party Manager (if any) (jointly and severally) hereby release, acquit and forever discharge the Insured Parties from any and all claims, damages, causes of action, costs and/or expenses relating to operation, maintenance and administration of the Short Term Rental of the Lot(s). This release shall release the Insured Parties from all claims and causes of action, whether statutory or under the common law, known or unknown, patent or latent, now accrued, or that arise in the future, related to operation, maintenance and administration of the Short Term Rental of the Lot(s).

3. **INDEMNITY.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE OWNER AND THIRD PARTY MANAGER (IF ANY) (JOINTLY AND SEVERALLY) HEREBY AGREE TO INDEMNIFY AND HOLD HARMLESS THE INSURED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, DAMAGES, LOSSES, DEBTS, COSTS, EXPENSES, ACTUAL ATTORNEYS' FEES, COURT COSTS, AWARD, PENALTIES AND/OR JUDGMENTS (COLLECTIVELY "CLAIMS") RESULTING FROM OR ARISING OUT OF OPERATION, MAINTENANCE AND ADMINISTRATION OF THE SHORT TERM RENTAL OF THE LOT(S). THIS INDEMNIFICATION SHALL EXTEND TO ALL CLAIMS AND DAMAGES, INCLUDING CONSEQUENTIAL DAMAGES, LOSSES AND EXPENSES ATTRIBUTABLE TO BODILY INJURY, DEATH, AND TO DAMAGES, THEFT OR INJURY TO AND DESTRUCTION OF REAL OR PERSONAL PROPERTY INCLUDING LOSS OF USE RESULTING THEREFORE ARISING OUT OF OR RESULTING FROM OPERATION, MAINTENANCE AND ADMINISTRATION OF LEASING OF THE LOT(S).

4. **Defined Terms.** Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Declaration, Community Manual, or Short Term Rental Policy as applicable.

IN WITNESS WHEREOF, the undersigned have executed this Indemnification and Acknowledgment effective as of the day and year the last party executes this Indemnification and Acknowledgment, as set forth below.

[SIGNATURE PAGE FOLLOWS]

LOT OWNER(S):

Printed Name: _____

Signature: _____

Date of Execution: _____

Printed Name: _____

Signature: _____

Date of Execution: _____

THIRD PARTY MANAGER:

_____/

a _____

Printed Name: _____

Signature Name: _____

Title: _____

Date of Execution: _____

FILED AND RECORDED

Instrument Number: 2025013033

Recording Fee: 85.00

Number Of Pages: 17

Filing and Recording Date: 03/20/2025 4:25PM

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Galveston County, Texas.



A handwritten signature in black ink, reading "Dwight D. Sullivan". The signature is fluid and cursive, with a horizontal line drawn underneath it.

Dwight D. Sullivan, County Clerk
Galveston County, Texas

NOTICE: It is a crime to intentionally or knowingly file a fraudulent court record or instrument with the clerk.

DO NOT DESTROY - *Warning, this document is part of the Official Public Record.*