

## **QUESTIONS AND ANSWERS ABOUT VALENTINE'S RESORT RENTAL PROGRAM AT HARBOUR ISLAND**

**Q: What is a Condo Hotel?**

A: It is a facility that is built and operated as a luxury hotel but utilizes the condominium form of ownership, and offers an on-site full service rental/hotel program to its unit owners and guests.

**Q: Is participation in the Rental Program mandatory?**

A: Participation is voluntary but the facility is designed and zoned for transient use as a luxury hotel facility with its many guest services. Almost all our villa owners participate.

**Q: Is there a tax advantage to the Rental Program?**

A: Yes. Owners who have their villas in the rental program receive a full waiver of their Bahamian real estate taxes for a period of at least seven years.

**Q: If I join the rental program, are there any limits to my personal use of the unit?**

A: No, there are no limits to owner usage. Of course, owner usage will reduce the number of days available for rental occupancy.

**Q: If my unit is unavailable for my personal use, may I stay in another villa at Valentine's?**

A: Yes, at a discounted owner's rate. This is necessary since the villas are individually owned condominiums, wherein all occupancies, expenses, and income relative to a specific Unit are separately accounted for.

**Q: May I furnish the unit myself?**

A: Yes, but it must meet minimum standards to participate in the rental rotation. The villas are sold fully furnished.

**Q: Can an Owner store personal belongings in their Unit?**

A: Yes, there is an Owner's closet with private lock in each villa.

**Q: Who is responsible for room damages, missing items, and repairs incurred by rental guests?**

A: There are certain risks of renting in terms of loss as well as damage. Although our prior guest history has been very good, losses do occasionally occur. If loss or damage does occur, management will attempt to recover those losses if the rental guest can be identified, but ultimately the Unit owner is responsible.

**Q: What does the Company charge for its Rental Services?**

A: There is no enrollment fee. Ongoing management fees are fifty percent (50%) of the daily Base Rental Income, less travel agent commissions and/or credit card /check fees.



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**Q: What services are provided for in the management fee?**

A: Services include but are not limited to: Hotel Administration staffing, office expense, front desk reception, check-ins and check-outs, concierge, accounting, reservations, PBX operation, housekeeping, laundry, and all important sales/marketing programs, brochures, website and collateral materials to offer Villas at Valentine's for transient rental to others.

**Q: Who pays for the daily and departure cleaning services for rental guests and owners?**

A: Valentine's provides housekeeping services to rental guests at its own expense. Valentine's provides daily cleaning and turn down services to owners for an additional fee.

**Q: Who is responsible for costs associated with maintaining the Unit (including all furnishings, appliances, heat/air conditioning, door locks, plumbing and electrical systems, etc...) in good clean and working condition?**

A: Valentine's coordinates all maintenance service within the unit at the owner's expense. However, we handle small repairs at no expense to the owner. An in-house maintenance staff is retained to minimize costs.

**Q: Can these costs be deducted from my rental income?**

A: Yes. Company shall deduct the costs from any amounts due and owing to Owner. In the absence of rental income, Company shall bill Owner directly.

**Q: Is there a limitation as to what the Company can expend on my behalf?**

A: Yes. If sum exceeds two hundred dollars (\$500.00), Company shall first notify Owner of such cost, if it is not an emergency. In the event of an emergency, Company is authorized to exceed two hundred dollars (\$500.00) without prior notification to Owner, in order to preserve the Unit or prevent further damage.

**Q: Are pets allowed in the Units?**

A: Of course Owners are allowed to bring pets, but we do not allow transient guest to do so.

**Q: When are rental income checks remitted?**

A: Valentine's will forward a detailed quarterly statement with net rental income (if applicable), on the twenty-fifth (25<sup>th</sup>) day of the following month in which occupancies occurred.

**Q: What details are provided with this statement?**

A: The "Owner Statement" identifies the nights the Unit was occupied, whether it was occupied by a Rental Guest or the Owner, the rate charged for said rental, any repair or replacement charges, and the monthly condominium fee.



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**Q: Can an Owner have such expenses as their mortgages, homeowner insurance, condominium maintenance fee, electric, real estate taxes, etc... deducted from rental proceeds?**

A: Owners are required to pay these costs on their own behalf. Valentines is only authorized to deduct for costs relative to rental and upkeep of Units, the condominium fees, and utilities, as provided for in the Rental Management Agreement.

**Q: Are Owners allowed to enter their Unit when occupied by a Guest?**

A: Under the laws of the Bahamas, Rental Guests have specific rights, which must be respected. If an Owner has a need to enter his/her Unit, please contact Management. We will be happy to contact the Rental Guest and request their permission for entry.

**Q: What services are provided by the Condominium Association?**

A: Services include, but are not limited to: maintenance and upkeep of the common walkways and stairs, lobby, elevators, building exterior, roof, driveway, swimming pool, exercise room, grounds, security services, concierge, valet parking, cable television, water, sewer, trash and pest control.

**Q: Who pays for the services provided?**

A: All Owners of the Association are required to pay a monthly maintenance fee, which is due and payable in quarterly installments.

**Q: What are the Harbour Island Villas Condominium Associations I and II?**

A: The Associations are not for-profit organizations under the laws of the Commonwealth of the Bahamas. The purpose of the Associations is to provide maintenance and management of the common areas, easements, grounds, and enforcement of the deed restrictions, rules and regulations. The Abaco and Andros Buildings are in HIVC I, while the Eleuthera and Exuma Buildings are in HIVC II.

**Q: Who runs or controls the Association?**

A: A Board of Directors, which is elected by the membership, handles all of the affairs of the Association. We have an annual meeting open to all villa owners.

**Q: What involvement do the Associations have on the on-site Rental Program?**

A: The Association is not involved with the rental operation, nor does it have any input or decision making power or authority over the Rental Program.

**Q: Whom has the Association contracted with for the Management of the Association and Condominium property?**

A: Valentine's Resort and Marina Ltd. is providing these services in addition to the separate services they provide for Owners who elect to join the Rental Program.