

**VILLAS OF CAVE CREEK
RULES & REGULATIONS
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VILLAS OF CAVE CREEK RULES AND REGULATIONS

The following Rules and Regulations have been established by your Board of Directors and were adopted by your Board of Directors on November 13, 2012, amended on September 19, 2016, and supersede any previously distributed Rules and Regulations. These Rules and Regulations do not change your obligations as an Owner under either the Lease or other Governing Instruments. The Board of Directors shall have the sole and exclusive authority to amend these Rules and Regulations. Failure to comply with the Rules and Regulations may result in the suspension of your rights and privileges as an Owner.

REGULAR USE RESERVATIONS

1.1 WHEN TO MAKE YOUR RESERVATION:

- Reservation of float time use-periods may be made by Owners up to twelve (12) months in advance and no less than thirty (30) days in advance of the first day of the interval sought to be reserved to the date of desired use, subject to availability on a first-come, first-served basis.
- If an Owner owns more than one (1) Interval Interest for which a use right then exists, the Owner may request consecutive intervals.

1.2 HOW TO MAKE A RESERVATION:

- Reservation requests must be directed to the Managing Agent at Trading Places International's Owner Services Department, 866-932-5200, ext. 1. Office hours are normally Monday through Friday 7:00 am to 6:00 pm Pacific Time, and Saturday 8:00 am to 4:30 pm Pacific Time.
- Reservation requests are not considered final until confirmed in writing by the Managing Agent.
- To place your reservation request by phone, make certain you are current in all of your financial obligations to the Association. Please be prepared to provide the following information:
 1. Your account name and address/contact information on the account
 2. Travel dates and alternative dates
 3. The number of people who will occupy the unit, and if applicable, the name(s) of your guests using your reservation
 4. Whether you will be exchanging the reservation with an exchange company such as Trading Places International, RCI, or II.
- Reservations are confirmed on a space-available, first-come, first-served basis.

1.3 LIMITATIONS ON RESERVATIONS:

- For each timeshare interval owned, you are entitled to reserve a maximum of seven (7) consecutive nights in your season and unit type in each calendar year.
- The calendar year is comprised of weeks commencing on Saturdays from week 1 through week 52.
- Week one (1) is the seven-day period commencing on the first Saturday of each year, week two (2) is the seven-day period commencing on the second Saturday of each year and so forth
- The Association will not consider any reservation request that is:
 1. Made more than twelve (12) months in advance to the arrival date
 2. Requested by an owner that is not current in their financial obligation to the Association
 3. Less than a full week

- Reservations are based on a first come, first serve basis.
- You will not be compensated, reimbursed/credited for inability to reserve your requested use period as a result of no availability due to time previously reserved for use by another owner.
- **If an owner has not checked in or made arrangements for a late check-in within forty-eight (48) hours after the first day of their reservation, their reserved time may be made available for use by other owners or guests.**
- Reservation requests will not be considered if the maintenance fees are not paid in full and current for the corresponding year and contract.

1.4 UNIT TYPE REQUESTED:

- There are minor variances in the size and configuration of the units, however there is only one type of Villa in the VILLAS OF CAVE CREEK for reservation and all other purposes.
- While a specific unit number can be requested when a reservation is made for an interval, no specific unit number can be guaranteed for occupancy.

1.5 CARRY-OVER:

- Unused use weeks will not be carried over or accrued to any subsequent year through the Association.
- You are able to deposit your week(s) with an exchange company for future use, subject to the exchange providers procedures and fees. Maintenance fees must be paid in full for the year you request to deposit.

1.6 FLOAT WEEK CANCELLATION:

- Float week owners may cancel a reserved use period up to forty five (45) days prior to check-in without penalty.
- The Association will make every effort but cannot guarantee that you will be able to reserve another use period in your current calendar year.
- If you fail to cancel your reservation at least forty five (45) days prior to check-in time, you shall be considered to have used the entire use period for which the reservation was made.
- If an owner has not checked in or made arrangements for a late check-in within forty-eight (48) hours after the first day of their reservation, their reserved time may be made available for use by other owners or guests

1.7 CONFIRMATION OF RESERVATION REQUESTS:

- Reservation requests must be confirmed by the Owner Services Department in writing before being valid.
- If reservation(s) requested by an Owner cannot be confirmed due to unavailability, such requesting Owner shall be so notified, and will be asked to contact the Owner Services Department, either by telephone, or in writing, for information concerning available use periods.
- Confirmations will be given by the Owner Services Department to Owners by mail, or when time is limited, by email, fax, or telephone.

- Reservations are on a first come, first serve basis.
- **Your reservation request will not be confirmed, nor will occupancy of an assigned unit be permitted, if you are delinquent in payment of any amounts owed to the Association or if your use rights have been suspended by the Board of Directors.**

BONUS TIME RESERVATIONS

Subject to availability, you may be entitled to occupy a unit during one or more additional time periods as Bonus Time. Bonus Time may be available if time has not been otherwise reserved.

2.1 WHEN TO MAKE BONUS TIME RESERVATION:

- Reservation requests will be considered if received thirty (30) days or less in advance of the first night of the desired date.

2.2 HOW TO RESERVE BONUS TIME USE:

- Reservations for Bonus Time shall be on a first-come, first-served basis.
- You and your immediate family may reserve Bonus Time use for a minimum of two (2) nights, at a nightly rate established by your Board of Directors collected at the time the reservation is confirmed.
- Follow the same procedures for making reservations as described in 1.2 under Regular Use Reservations.

2.3 BONUS TIME USE CONFIRMATION:

- Bonus Time reservation requests are confirmed on a first-come, first-served basis.
- Bonus Time reservation requests will be confirmed by the Owner Services Department in writing, or by email, fax or telephone if time does not allow for mail to reach the owner.
- No Bonus Time reservation requests will be honored unless they have been confirmed by the Owner Services Department.
- **Your Bonus Time reservation will not be confirmed if you are delinquent in payment of any amounts owed to the Association, or if your use rights have been suspended by the Board of Directors.**

2.4 BONUS TIME USE LIMITS:

- An Owner may only have one confirmed Bonus Time reservation outstanding at any time during a Use Year.
- Bonus Time reservations will only be limited by space availability.
- Bonus Time reservations may not be made for less than two (2) consecutive nights if one of the nights consists of a Friday, Saturday, or Holiday.

- Bonus Time reservations may not be made for more than five (5) consecutive nights.
- VILLAS OF CAVE CREEK Bonus Time reservations must be completed within a Saturday-Saturday week.
- If the Owner checks out before the end of the reserved Bonus Time period, the Owner will be charged for the unused time.

2.5 EFFECTS OF BONUS TIME ON OTHER ENTITLEMENT:

- Bonus Time does not affect any other entitlement you may have to occupy a unit.

2.6 BONUS TIME REVENUE:

- The Association will deposit revenues generated from Bonus Time into its general account to help defray costs of the Association.

2.7 BONUS TIME CANCELLATION:

- Bonus Time reservations are final, non-cancellable, non-changeable, non-refundable.
- If an owner or guest has not checked in or made arrangements for a late check-in within forty-eight (48) hours after the first day of their reservation, their reserved Bonus Time may be made available for use by other owners or guests.

OTHER GENERAL RULES

The Timeshare Owner of a Timeshare Interest shall occupy and use the Assigned Unit as a single-family private accommodation for himself and the members of his family, his social guests, lessees, licensees and invitees, in accordance with the following:

3.1 CHECK IN PROCEDURES:

- At check-in, Owners will be asked for picture identification and a signature on the registration card.
- Owners or Permitted Users who wish to check out early should notify the front desk.

3.2 FAILURE TO VACATE:

- If an Owner or Permitted User fails to vacate a unit at the end of the interval, such failure to vacate will result in the severe consequences set forth in the Declaration and a penalty fee as described below.

3.3 BIENNIAL INTERVALS:

- The Declarant reserves the right to offer Biennial Interval Interests. If this is offered, Biennial Interval Owners will be permitted to use their Interval every other year, depending on whether an

“even” or “odd” Interval Interest was purchased. However, the then applicable Basic Assessment for Biennial Interval Ownership Interests, plus a \$20.00 bookkeeping charge (which amount is subject to change), will be assessed yearly in accordance with the annual assessment policy. Except for use every other year rather than every year and halved voting rights and assessment obligations, Biennial Interval Ownership Interests and Biennial Interval Owners are treated the same as Annual Interval Ownership Interests and Annual Interval Owners under these Rules and Regulations.

3.4 PERMITTED USERS:

- An Owner may permit another person to occupy the Owner Assigned Villa during the interval without charge by the Association. The Owner may invite others to share occupancy of the Assigned Villa during the Owner’s interval, provided that the maximum allowable occupancy limit for the Villa is not exceeded. All of these people will be Permitted Users for which the Owner is responsible. The Managing Agent will not give access of any Villa without permission from the Owner in whose name there is a confirmed reservation. IF an Owner intends for a Permitted User (other than an Exchange User) to use the interval in lieu of the Owner or prior to the Owner’s occupancy, the Owner must inform the Managing Agent of the name(s) and address(es) of the Permitted User(s) seven (7) days prior to the first day of the interval. At check-in, permitted users will be asked for picture identification, a credit card for a security deposit authorization of \$100 USD, and a signature on the registration card.
- All children under 14 years old must be supervised by a parent, guardian, or other responsible adult while on property.

3.5 DAY USE:

- In consideration of the Owners and Permitted Users at the resort during their Use Time, the Managing Agent may limit Day Use in order to avoid overcrowding of the facilities. It is mandatory that those Owners call the resort beforehand **and** check-in at the front desk before making use of the facilities.

3.6 INVENTORY; CARE OF COMMON FURNISHINGS AND EQUIPMENT:

- An Inventory list of the Common Furnishings located in the Villa has been posted inside each Villa. The Owner and/or other Permitted User is responsible for any loss or damage, other than normal wear and tear, caused to the Villa and its Common Furnishings during the interval by the Owner or Permitted User. Within twenty-four (24) hours after checking-in, the Owner or Permitted User shall report any damage and/or discrepancies between the posted inventory list and the Common Furnishings in the Assigned Villa. If any damage to or loss of any Common Furnishings or any part of the Villa occurs during occupancy, the Owner or Permitted User shall report it as soon as possible. Any discrepancy not promptly reported at the Resort Desk may result in the Owner or Permitted User being charged for missing or damaged items. Nonpayment of such charge will be cause for suspension of the use privileges until such charge has been paid. The Owner is responsible for the charges resulting from a Permitted User’s actions (except

Exchange Users). No sunshade awnings or other similar devices may be used on any balcony or patio. Draping of any article, including towels and/or other swimsuits, etc., in the balcony or patio areas or Common Areas is not permitted.

- All Owners and their Permitted Users shall be responsible for removing their personal property from their Assigned Villa at check-out time. The Association, Declarant and Managing Agent are not responsible for lost or damaged personal property.

3.7 PROPERTY MODIFICATION:

- No changes, reorganization or removal of furniture, wall hangings, or floor coverings, or redecorating of any type within the Assigned Villas or other areas of the Property are permitted to be made by any Owner or Permitted User.

3.8 COMMON AREAS:

- The outdoor furniture and equipment of the Common Areas have been provided for the comfort and convenience of all Owners and Permitted Users. These items cannot be reserved. All items are available on a first-come, first-served basis. For example, towels shall not be placed on lounges to reserve them. These items shall not be altered or moved to other areas. Damage caused to said Common Areas, furnishings or equipment by Owner, Owner's family or other Permitted Users (other than an Exchange User for whom the Owner shall not be responsible) is the responsibility of the Owner.

3.9 HOUSEKEEPING SERVICES:

- Housekeeping Service is provided without additional charge to assure that Assigned Villa will be clean and neat at the commencement of an interval. Additional housekeeping service is also available for an additional charge and may be arranged by contacting the Resort Desk.
- Owners and Permitted Users are expected to maintain their Assigned Villas in a clean and sanitary condition. Villas requiring excessive cleaning at the end of a Use Period will be automatically charged an additional \$40.00 minimum as a Personal Expense to the Owner. Any items needing repair or replacement should be reported to the Resort Desk immediately.

3.10 SAFETY AND HEALTH RULES:

- Pets, limited to dogs under the weight of 85 pounds, will be allowed on property subject to a \$250 nonrefundable pet fee. All pets must be registered with the front desk upon check-in. Pet owner is responsible for the immediate cleanup / pick up of all waste. If waste is not immediately picked up, a fee of \$25 will be incurred by the pet owner in addition to the nonrefundable pet fee. Any damages caused by pet will be resolved at the expense of the pet owner and in addition to the \$250 nonrefundable pet fee. Pets must be leashed at all times while on property; pets are prohibited from the pool area. Management retains the right to access the villa without prior notice if, in their opinion, a reasonable cause exists with respect to the pet. This policy will apply to pets required pursuant to the Americans with Disabilities Act for which the Owner or Permitted User will be held responsible, including any special cleaning fees, but not including the \$250 nonrefundable pet fee.
- Use of all recreational facilities is at the user's risk.
- Dangerous and unlawful substances may not be stored, introduced, or used within the Property. All obnoxious or offensive activities are prohibited in all Villas and other areas of VILLAS OF CAVE CREEK.

3.11 PASS KEY:

- The Managing Agent is provided with a pass key to all units. In case of emergency, the Managing Agent may enter an Assigned Unit whether or not the Permitted User is present, and, in such case, shall notify the Permitted User thereof as soon as reasonably possible of the reason for such entry.

3.12 CONTROL OF CHILDREN:

- Owners and/or other Permitted Users with custody are responsible for the conduct of their children. Children shall not be permitted to play in parking areas, or any other portion of the Common Area restricted by the Association. Children's activities should be monitored so they do not disturb others' activities.

3.13 NOISE CONTROL:

- Owners, Permitted Users, and their guests shall not cause unnecessary noise in the Villas, around the buildings, or in the Common Areas. Owners and Permitted Users are reminded to show thoughtfulness and consideration when using radios. Please use headsets when outside in Common Areas or in the pool and spa areas. Loud or disturbing activities, which may include but are not limited to, the use of musical instruments, loud playing of radios, TVs or stereo equipment, late-evening entertaining, or other activity that may disturb the peaceful enjoyment by other Owners, Permitted Users, and guests, is prohibited. The Association may require Owners or Permitted Users to immediately stop any such activity and may prescribe other specific rules in connection therewith. Please be extremely considerate of noise control from 10:00 p.m. to 7:00 a.m.

3.14 ADULT POOL, GAME POOL AND SPA USE:

- Use of the pools and facilities and other areas designated as Common Areas by the Association shall be limited to the maximum number of people allowed to occupy the Villa which is occupied by the Owner or Permitted User during the interval, unless it is approved in advance by the Managing Agent.
- Use of the pools and spas are solely at the risk of the Owner, Permitted User, or guest. No lifeguard is provided. Owners or Permitted Users with custody of children **MUST** supervise their children at the game pool. **Due to safety and health purposes, children under twelve (12) years are not allowed in the spa even with adult supervision.** (This rule is for the protection of children.) Running and boisterous activities around the pool are dangerous and inconsiderate of other Owners and Permitted Users and are not permitted. Any person violating these basic rules will be refused use of these facilities. Common decency and courtesy requires a shower before the use of the pool facilities. Use the pools and spa safely and enjoy them. No glass containers are allowed in the pool area. Plastic ashtrays and tumblers are provided. Hours and rules are subject to change at the discretion of the Board of Directors. Any person violating any of these rules will be denied use of the facilities.

3.15 STORAGE:

- Neither the Managing Agent nor the Association shall be responsible for any loss or damage

to personal belongings which an Owner or Permitted User brings to the Property or for packages or merchandise delivered to the Villa and left in any Common Area or in the front of doorways, nor the damage or loss of personal property left in the Common Areas.

- Except in the areas which may be designated for such purpose by the Managing Agent, no Owner or Permitted User may keep personal property on the property other than within the Assigned Unit. No storage is permitted in the parking areas.
- Bikes, kayaks, and other large sporting goods may not be stored in the Villa; however, they may be placed in the patios of the Villa.

3.16 PARKING:

- Only one vehicle per Villa is allowed use of the parking facilities. Due to the constraints of space, no boats, trailers, mobile homes, recreational vehicles and the like will be allowed to park at the Villas of Cave Creek. In addition to the penalties outlined below for violation of Rules and Regulations, the Managing Agent reserves the right to have such property towed off the Project at the Owner or Permitted User's expense.

3.17 PERSONAL EXPENSES:

- All Personal Expenses incurred by Owners or Permitted Users must be paid upon check-out. At check-in, Permitted Users will be asked for a valid credit card to be authorized for \$100 USD and the registration card signed. If an Owner has made a reservation for a Permitted User, the Owner will be responsible for any Personal Expenses not paid by such Permitted User. Owners will be asked for a credit card at the time expenses are incurred. Should an Owner leave before a credit card is on file, an invoice will be mailed to the home address on file and noted to their Owner's file until the personal expense is paid in full. Further, non-payment of Personal Expenses will result in rejection of future reservation requests and/or in the suspension of the Owner's Association voting privileges as provided in the Declaration.

3.18 MAXIMUM OCCUPANCY:

- The maximum overnight occupancy is restricted to six (6) persons in any Unit. NOTE: THE NUMBER OF PERSONS ALLOWED PER UNIT INCLUDES CHILDREN REGARDLESS OF THEIR AGE.

3.19 NON-SMOKING POLICY:

- Smoking in areas designated as non-smoking is prohibited. Non-smoking areas are subject to change at any time.

3.20 PROJECT PERSONNEL:

- The Association and/or Managing Agent has employed personnel ("team members") who are responsible for maintenance of the Property and Villas and all duties necessary to make a stay at the Property pleasant and comfortable. Team members of VILLAS OF CAVE CREEK are under the sole direction of the Managing Agent. Please do not ask these team members to perform personal services. If special assistance is needed, please contact the Resort Desk which will attempt to accommodate a particular need. Compliments and concerns regarding Team Members should be made through the Managing Agent.

MISCELLANEOUS

- There will be no commercial soliciting anywhere in the Property at any time by any Owner or Permitted User or other person.
- Roller-skating, skateboarding, in-line skating, and bicycle riding are PROHIBITED on the Property.
- Use of fireworks is PROHIBITED on the Property.

4.1 SECURITY:

- Lock all vehicles and all unit doors and windows. THE ASSOCIATION, MANAGING AGENT, AND THE DECLARANT WILL NOT BE RESPONSIBLE FOR LOST, STOLEN, OR DAMAGED ARTICLES.
- Close blinds, drapes, and shutters when away.
- Report anything suspicious to the Resort Desk immediately. After hours, call 911 or other designated emergency numbers.
- Make sure you have your key with you when you leave the Villa and know where your keys are. The easiest way for anyone to get at your belongings is with a lost key. There will be a \$10.00 charge for lost keys. Please report a lost key immediately.

4.2 AMENDMENT

- The Association may amend these Rules and Regulations from time to time by a majority vote of the Board of Directors.

4.3 VIOLATIONS AND PENALTY POLICIES

- The Board of Directors expects all Owners and Permitted Users to adhere to the requirements set forth in the Rules and Regulations and other Project Documents. An Owner's use and other rights and privileges may be suspended and/or monetary penalties may be imposed if an Owner or the Permitted Users of that Owner's interval (but not including Exchange Users) fail to abide by these Rules and Regulations or other Project Documents. An Owner is fully liable for the conduct, damage and other actions of Permitted Users utilizing the Owner's interval (and an Assigned Villa obtained pursuant to the interval) except for Exchange Users. An Owner or Permitted User who fails to abide by the requirements of the Project Documents may be prohibited from occupying a unit or coming upon the Property and subject to civil liability for damage caused by such violations.
- To assist the Board of Directors in the enforcement of the provisions of the Project Documents, the Board has delegated enforcement authority to the Managing Agent which is currently Trading Places International.
- Any Owner or Permitted User who has been advised by the Managing Agent that he or she is in violation of the Rules and Regulations or other Project Documents will immediately cease that activity.
- The Board of Directors has adopted the following Penalty Policies for violation of the Project Documents by an Owner of that Owner's Permitted User(s) (but excluding Exchange Users for whom the Owner is not liable). As provided in the Bylaws, the Owner is entitled to request a hearing and/or otherwise respond to allegations of violations of the Project Documents.

1. First Offence – Verbal Warning from the Managing Agent along with a written incident

- report. The incident report will be placed in the Owner's file and copies will be forwarded to the Board and the Owner.
2. Second Offense – A penalty of \$75.00 and a written warning notice from the Managing Agent. The incident report will be placed in the Owner's file and copies will be forwarded to the Board and the Owner.
 3. Third Offense – A penalty of \$100.00 and a written warning notice from the Managing Agent. The Owner will be required to appear before the Board of Directors at a special meeting to explain why the Owner or the Permitted User's action/behavior should not result in a suspension of use or other privileges. (The Owner will not be allowed to make reservations until the Board of Directors gives its approval.)
- These penalties are in addition to full liability for any damage or injury resulting from the violation. Principal areas where a fine or penalty may be appropriate for the first offence are:
 1. Over occupancy;
 2. Failure to vacate at check-out;
 3. Unruly behavior.