

RULES AND REGULATIONS
PINE ACRES LODGE
HOMEOWNERS ASSOCIATION, INC.

The following are the Rules and Regulations for the use of your Ownership week at Pine Acres Lodge.

These Rules and Regulations have been established for the benefit of all owners and are subordinate to the Declaration of Covenants, Conditions and Restrictions (the "Declaration") and, in the event there is a conflict between the Declaration and these Rules and Regulations, the Declaration shall control.

The Pine Acres Lodge Homeowners Association, Inc. (Hereinafter referred to as the "Association") has the authority to amend the Rules and Regulations as circumstances may require. All homeowners are bound to abide by the Rules and Regulations and agree to cooperate with the Association in securing the compliance with the Rules and Regulations by their family and guests.

Your failure to abide by these rules and Regulations may result in suspension of your rights and privileges as a member of the Association including, but not limited to, non-acceptance of future reservations and, the denial of access to accommodations, voting privileges and the right to serve on Association committees.

DEFINITIONS

The terms used in these Rules and Regulations, which are defined terms in the Declaration, shall have the same meanings as set forth in the Declaration. To assist you in reading these Rules and Regulations, some of the definitions contained in the Declaration are repeated and paraphrased below. Several definitions not contained in the Declaration are also included.

1. "Association" means the Pine Acres Lodge Homeowners Associations, Inc.
2. "Bonus Use" means the use and occupancy of a Pine Acres Lodge unit by a Pine Acres Lodge owner during periods other than the owner's regular use week(s).
3. "Bonus User" means an Owner who requests a reservation for Bonus Use.
4. "Owner" means and includes (a) the grantee or grantees named in each Original Deed, and (b) the successor to each person described in clause (a).
5. "Owner's Unit" means the Time Share Unit Type designated in your Original Deed, and which you may use and occupy during your Use Period.
6. "Permitted User" means any person whom you permit to occupy your time-share Unit during your Use Period.
7. "Regular Use" means the use and occupancy of an Owner's Unit by an Owner or his permitted user for a Use Week.
8. "Use Period" as designated by the owner's written Regular Use Reservation Type Confirmation means:
 - A. For Regular Use ó Float: The Use Week during which an Owner has reserved the use and occupancy of a time-share unit in accordance with the provisions of the Declaration and these Rules and Regulations.
 - B. For Regular Use ó Fixed: The Use Week designated in the owner's Original Grant Deed which specifies the Use Week and Unit.
 - C. For Bonus Use: The time period(s) during which each Owner (Float and Fixed) has reserved the use and occupancy of a time-share unit in accordance with the Bonus Use provisions of these Rules and Regulations.
9. "Use Week" means one of the one-week periods commencing at Check-In Time on a Sunday and ending at Check-Out Time on the following Sunday designated in the Use Week Calendar.
10. "Use Year" means each approximately one-year period commencing at Check-In Time on the first Sunday in January of each calendar year.

USE WEEK RESERVATIONS

Subject to all the terms and conditions contained in the Declaration and in these Rules and Regulations, you have the right FOR EACH USE WEEK OWNED BY YOU during each Year, to use and occupy a Pine Acres Lodge Unit which is of the same Unit Type as your Owner's Unit Type for seven (7) nights provided you have reserved such use and occupancy in accordance with the following:

- a) Reservations for Float week owners and confirmations of intended use by Fixed week owners may be made in person, by telephone, facsimile, mail, or email.
- b) A reservation for a Use Period may be made at any time prior to 30 days before the first day of the Use Period sought to be reserved; but, not earlier than 52 weeks before the commencement of the Use Period sought to be reserved, or 104 weeks in advance if an amount equal to the following year's estimated assessments is paid in full. Use Week reservation requests made less than 30 days in advance will compete with Bonus Time reservation requests.
- c) For each use week owned, you may have only one reservation outstanding in your name during any Use Year.
- d) Reservations for Regular Use periods will be confirmed on a first-come, first-served basis (with respect solely to other reservation requests for Regular Use), provided that the period sought to be reserved is a full Use Week commencing no more than 52 weeks from the date of the request, or 104 weeks in advance if an amount equal to the estimated following year's assessments have been paid in full.
- e) Your reservation request and/or Fixed Week Use confirmation must be confirmed by the Association before it is valid. Confirmation of reservations will be made by the Association in writing. However, reservation requests confirmed less than seven (7) days prior to the commencement date of the Use Period sought to be reserved may be confirmed by telephone.
- f) You may cancel your reservation for a Use Period without penalty by giving notice at least 72 hours prior to Check-In Time on the first day of the Use Period so reserved. However, there can be no assurance that you will be able to secure another reservation during the remaining Use Year if you cancel your reservation. In the event a reservation is cancelled less than 72 hours prior to Check-In Time on the first day of the Use Period so reserved, or you fail to use and occupy your Owner's Unit for the full period reserved by you without cancellation of your reservation, you shall be considered to have used the entire reserved Use Week.
- g) If any of your seven (7) nights is not used in any Use Year, there shall be no accrual or carry-over of unused time.

- h) No reservation request will be confirmed by the Association if, at the time such request is submitted, the homeowner is delinquent in the payment of Assessments or any portion thereof.
- i) If an Owner is not current in the payment of any Assessments, the Owner will not be permitted to occupy the reserved unit until the Assessments are brought current.

OWNER RENTAL

An owner may choose to make his reserved Use Week available for rental to other owners or the general public. The Owner may make arrangements privately or contact the Office Staff for assistance. As a courtesy to the Owner, the Office Staff will obtain a signed rental agreement from the Unit Owner and offer the Use Week for rental to others. However, due to seasonal demand variances, the Office Staff cannot guarantee the Unit will rent, and it is not responsible for any promotion or marketing of the rental. The Unit Owner is allowed one free full cleaning. If additional cleanings are required due to a change of occupants during the Use Week, additional cleaning charges will be applied.

BONUS TIME

Subject to availability and all the terms and conditions contained in these Rules and Regulations, you have the right to use and occupy a Unit of any Type for time periods other than your basic entitlement of seven (7) nights per use week owned by you, provided you have reserved such use and occupancy (öBonus Useö) in accordance with the following procedures:

- a) If you reserve a Unit for Bonus Use, you shall pay a reasonable rental rate therefore, which rental rate shall be fixed from time to time by the Manager under direction of the Association. All rental revenues generated by Bonus Use of Time-Share units shall be deposited in the General Account of the Association.
- b) You may not make a reservation for Bonus Use more than 30 days prior to Check-In Time on the date, which is the first date for which such reservation is sought.
- c) Reservations made for Bonus Use shall be honored on a first-come, first-served basis and may be made in person, by telephone, telegram, facsimile, mail, or email.
- d) You will not be permitted to make a reservation for Bonus Use in any Use Year if there is another reservation pending for Bonus Use in your name; i.e., you may have only one Bonus Time reservation pending at a time for each week you own.

- e) A reservation for Bonus Time requires the following MINIMUM night stay:
 - (1) Sunday ó Thursday = One night
 - (2) Friday ó Saturday = Both nights
 - (3) Holiday Weekend = All three nights

- f) While it is permissible to reserve more than the minimum night stay, the maximum number of nights reserved at any given time may not exceed the total number of nights owned by you. You may use Bonus Time as many times during the year as you wish, however, the maximum length of each stay may not be greater than the length of the time owned.

- g) You may cancel a Bonus Use reservation up to 72 hours in advance of Check-In Time on the first day of the Use Period so reserved without penalty. In the event your Bonus Use reservation is cancelled 72 hours or less prior to Check-In on the first day of the Use Period so reserved, or you fail to use and occupy your unit for the full period reserved, you shall be charged for Bonus Use for the date(s) cancelled or abandoned.

- h) Bonus Use is limited to use by Owners and their guests. The Manager will not permit Bonus Use occupancy of an Owner's Unit by any person in the absence of the Owner in whose name the reservation was made.

- i) Reservation requests for Bonus Use will not be considered if you are delinquent in the payment of any Assessments levied by the Association.

- j) The Association must confirm your reservation request before it is valid. The Association will make confirmation of reservations in writing. Reservations requests that cannot be confirmed more than seven (7) days prior to the commencement date of the Use Period sought to be reserved may be confirmed by telephone. Your reservation request will not be confirmed if you are delinquent in the payment of any Assessments levied by the Association.

- k) If you are not current in the payment of any Assessments, you will not be permitted to occupy your bonus Unit until your Assessments are brought current.

BLUE MONDAY RULE

If an Owner or Permitted User has not occupied a reserved unit by the second day of the assigned Use Period and has not made arrangements for late check-in prior to Check-In Time on the first day of the assigned Use Period, the assigned Use Period may be used for Bonus Time by association members or rented to the public. However, if any Owner has requested in writing that his Use Period not be given up for such alternate use, the owner shall not have his Use Period given over for Bonus Time or Rental use.

CHECK-IN/CHECK-OUT TIMES: SERVICE PERIOD

Check-in time commences at 4:00 p.m. local time on the day beginning and Check-out time is 11:00 a.m. local time on the day ending the Use Period. The five-hour period from 11:00 a.m. (check-out time) to 4:00 p.m. (check-in time) between Use Weeks is reserved exclusively as a service period for the cleaning, repair and maintenance of the Dedicated Accommodation. You will not be allowed to remain in the unit after the established check-out time (11:00 a.m.) unless you own consecutive Use Weeks and have reserved them as such.

TELEPHONE USAGE

There is a surcharge per local call. Standard fees are charged for long distance calls. There is no charge for toll-free calls or calling card/charge card calls. Long distance charges will apply to all calls not within the Monterey area. Be aware that many numbers within the Pacific Grove area code are long distance. When accessing the Internet via dial-up, remember to dial 09,ö PRIOR TO THE ACCESS NUMBER. The surcharge may change periodically and will be quoted at check in.

FAILURE TO VACATE

If you or your Permitted User fail to vacate a Unit at the end of your Use Week or leave the Unit in such a condition which makes it uninhabitable for the subsequent guest, such actions may result in the severe consequences set forth in the Declaration.

CARE OF INTERIOR FURNISHING AND EQUIPMENT

When you or your Permitted User use an assigned Unit, you are responsible for any damage done to the Unit and its furnishing other than normal wear.

Any personal charges incurred from damage or loss will be assessed in compliance with the Pine Acres Lodge Declaration of Vacation Plan (CC&R~~s~~) and Bylaws. You should report any damage or deterioration to your assigned Unit or its Common Furnishings to the Manager as soon as possible after checking in.

All Homeowners and their Permitted Users shall be responsible for removing all their personal property from their assigned Unit at Check-Out Time. Pine Acres Lodge will not be held responsible for lost items.

Pine Acres has adopted a voluntary non-smoking policy. If you must smoke, please do so outside. Receptacles are provided on unit porches for your convenience.

BUILDING AND UNIT MODIFICATIONS

No structural changes, reorganization or removal of furniture, wall hangings or floor coverings or redecorating of any type within the assigned Units or other areas of the property are permitted to be made by any Homeowner or Permitted User.

MAID SERVICE

Maid service is provided without additional charge to assure that your Owner's Unit will be clean and neat at the commencement of your reserved Use Period. Linen service is provided on Wednesday. Additional maid service is available for an additional charge. You may arrange for such additional maid service by contacting the Manager. In the event you or your Permitted User's occupancy of a Unit shall cause additional maid service to be required over and above that which would normally be needed to prepare such Unit for the next occupant, a charge shall also be made for such additional maid service. Charges for additional maid service shall be payable upon departure.

INVENTORY OF INTERIOR FURNISHINGS AND EQUIPMENT

During the service period between each Use Period, a complete inventory of the furnishings and equipment allocated to each Unit will be conducted. At Check-In, you will be given an inventory list for approval. Any items missing or damaged following your departure, or the departure of your Permitted User, will be charged to you. Thus, you should take care to complete and return the inventory list provided to protect yourself from unwarranted charges. Please report any damage to or loss of any Common Furnishing to the Manager as soon as possible during your occupancy.

PASS KEY

The manager is provided with a passkey to all rooms. In case of emergency, the Manager or an authorized representative may enter your Unit and, in such case, shall notify you of the reason for such entry as soon as reasonably possible.

SAFETY AND HEALTH RULES

1. No dangerous or unlawful substance may be kept or used on the premises.
2. Obnoxious, unlawful or offensive activities are prohibited.
3. The Association reserves the right to establish specific rules governing such potentially loud or disturbing activities as the use of musical instruments, record/CD

players, radios, television or late-evening entertaining if it determines that there is a need to do so in the best interest of all the Members. Good judgment and thoughtfulness for others should always be used when engaging in such activities.

4. No animals or pets of any kind may be brought onto the premises.
5. Neither the Manager, nor the Association is responsible to Owners for any loss or damage to personal belongings or belongings of any individual Member or guest.

CHILDREN

Members shall be responsible for the conduct of their children and of children of their guests, ensuring that their behavior is neither offensive to any occupant of the resort nor damaging to any portion of the resort facilities. In the interest of safety, children should be supervised at all times by a responsible adult when playing in the common areas designated by the Association.

SPA FACILITIES

Hours and rules are posted at the spa. Use of the facilities is solely at the risk of the owner or the owner's Permitted User. No lifeguard will be on duty. Children are not permitted in the spa area unless accompanied by an adult. Hours and rules are subject to change at the discretion of the Manager. Any person violating any of the rules will be refused use of the facilities.

MAXIMUM OCCUPANCY

The maximum allowable occupancy regardless of age is based on the sleeping accommodations available and is as follows:

- Studio ó two (2) persons
- Cottage ó four (4) persons
- Townhouse and Villa ó six (6) persons

GUESTS

You may permit another person to occupy your Owner's Unit during the Use Week reserved by you for Regular Use without charge from the Association. You may not permit another person to occupy your Unit during a Use Period reserved for Bonus Use unless you are present during such Use Period. You may invite guests to share occupancy of your Unit during your Use Period(s), however, the maximum allowable occupancy limits are not to be exceeded. If you intend for a guest to use your Unit during your Use Week, you must inform the Association in writing prior to the first day of your Use Period. Please indicate the name(s) and address(es) of the guest(s). The Manager will not give access to your Unit to anyone other than you without

your written permission. Upon Check-In guests will be required to show proof of identification and sign a registration card.

Persons under 21 years of age who are not Owners shall not be permitted to use or occupy the Property unless accompanied by the Homeowner or a Permitted User over 21 years of age.

EMPLOYEE RELATIONS

The Association has employed personnel who are responsible for maintenance of the Property and Units and all duties necessary to make your stay at Pine Acres Lodge pleasant and comfortable. All employees at the resort are under the sole direction of the Manager and, during working hours shall not be diverted to the employment of any Members. Complaints regarding employees and request by Members for assistance by employees should be made through the Manager or his/her designated assistant.

PERSONAL CHARGES

You shall be responsible for the prompt payment of charges, which may be incurred by you, your family and guests from time to time during your Use Week. These personal charges are independent of and in addition to your Annual Maintenance Fee and ordinarily must be paid at Check-Out time. Non-payment of such charges will result in suspension of use privileges.

OFFICE AND FRONT DESK HOURS

The front desk will be open Friday through Sunday from 9:00 a.m. to 8:00 p.m. and Monday through Thursday from 9:00 a.m. to 5:00 p.m. Incoming phone calls may be received 24 hours a day. Late arrivals and/or Check-Ins (after office hours) must contact the Manager or his/her agent prior to the hour of closing on the day of Check-In to arrange for late Check-In. The phone number of the office is (831) 372-6651. The facsimile number is (831) 372-7863. The E-mail address is palmanager@yahoo.com

CORRESPONDENCE

All correspondence with the Association, whether by mail, facsimile, or E-mail should be directed to the Manager, Pine Acres Lodge at 1150 Jewell Avenue, Pacific Grove, CA 93950. The phone number for the office is (831) 372-6651. The facsimile number is (831) 372-7863. The E-mail address is palmanager@yahoo.com.