

**KAHANA FALLS RESORT
INTERVAL OWNERS
ASSOCIATION**

RULES & REGULATIONS

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**KAHANA FALLS
TIME INTERVAL OWNERSHIP PLAN
RULES AND REGULATIONS**

The following Rules and Regulations have been established by your Board of Directors per Article VII, of the Declaration of Covenants, Conditions and Restrictions for Time Interval Ownership at Kahana Falls (CC&Rs), and Article X of the Bylaws of the Kahana Falls Interval Owners Association and were adopted by your Board of Directors on May 2, 2008 and supersede any previously distributed Rules and Regulations. These Rules and Regulations supplement your Declaration and do not change your obligations as an Owner under either the Declaration 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.

FIXED INTERVALS USE RESERVATIONS

1.1 WHEN TO MAKE YOUR RESERVATION:

- Owners of fixed time intervals do not have to confirm their reservation. However, the Managing Agent may send out written confirmation to the Owners in order to confirm that the Owners will in fact be occupying their Time Period and Interval.
- From time to time the resort calendar will make provisions for a 53rd week.
 1. This additional week will first be offered to the owners of the 52nd weeks for the obligation of paying the maintenance fees.
 2. If by August 1st of the reservation year the use owner has not exercised his rights of usage of the 53rd week, then the 53rd week will be turned over to the Managing Agent for rental purposes.

FLOATING INTERVALS USE RESERVATIONS

2.1 WHEN TO MAKE YOUR RESERVATION:

- Reservation of use periods may be made by Owners of the Kahana Falls Resort Time Interval ownership up to eighteen (18) months in advance to the desired use year, subject to availability on a first-come, first-serve basis.

2.2 HOW TO MAKE A RESERVATION:

- Reservation requests must be directed to the Managing Agent at Trading Places International's Owner Services Department. 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.
- All reservation requests can be mailed, or emailed to the Managing Agent no earlier than July 1st of the second preceding year to the desired use year:

- Trading Places International
c/o Owner Services Department
25510 Commercentre Drive, Suite 100
Lake Forest, CA 92630
ownerservices@tradingplaces.com
- Reservation requests can be placed by phone no earlier than October 1st of the second preceding year to the desired use year, 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 apartment, 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 or Trading Places International, or RCI

2.3 LIMITATIONS ON RESERVATIONS:

- For each timeshare interval owned, you are entitled to reserve a maximum of seven (7) consecutive nights in your unit type in each calendar year in which you own.
- The calendar year is comprised of the weeks commencing on Thursdays, Fridays, Saturdays or Sundays from week 1 through week 52.
- The Association will not consider any reservation request that is:
 1. Postmarked or has an email date prior to July 1st of the second calendar year preceding the use year desired.
 2. Requested by an owner that is not current in their financial obligation to the Association
- From July 1st of the second preceding year through September 30th of the second preceding year all reservation requests must be made in writing and will be handled on a first-come, first-serve basis based on the postmark, or email date.
- From October 1st of the second preceding year through the year of use, in addition to a written request, an owner may request a reservation by phone by calling TPI Owner Services 866-889-9369 ext. 100
- If there are multiple reservations received with the same postmark or email date for the same Time Periods, the Managing Agent may develop an arbitrary lottery system to establish priority of the competing reservation request.
- You may be prevented from securing a confirmed reservation if a unit of the same type as yours is not available for use at the time sought because that time was previously reserved for regular use by another owner.

Example: To schedule your 2010 use week

Acceptable method to request a reservation	Time period
Remit Use Form provided to the owners Email to ownerservices@tradingplaces.com Written letters to the TPI address	July 1 st 2008 through September 30 th 2008 subject to availability
Remit Use Form provided to the owners Email to ownerservices@tradingplaces.com Written letters to the TPI address Phone call to TPI Owner Services 866-889-9369 ext. 100	October 1 st 2008 through 2010 subject to availability

- **Reservations will not automatically be assigned for you. It is each owner's responsibility to make reservations for their interval/s, subject to availability.**
- You will not be compensated, reimbursed/credited for the inability to reserve your requested use period as a result of no availability due to time previously reserved for use by another owner.

2.4 SPLIT YOUR UNIT:

- If you own a 1 or 2 bedroom lock-off unit you may “split” the use of your vacation interval at the Kahana Falls Resort.
- Both units (A & B) that comprise the lock-off of the interval must be reserved for the same exact dates.

2.5 UNIT TYPE REQUESTED:

- You will be assigned a unit of the same type that you own.
- Unit upgrades or downgrades may be requested at fourteen (14) days in advance or less, based on availability.
- Unit upgrades will be subject to Association upgrade fees (upgrade rate established by the Board of Directors).
- To upgrade your unit size further in advance you must deposit and exchange with the exchange company of your choice.
- All transactions with an exchange company are subject to their terms, conditions, and availability.
- There will be no discount in maintenance fees or other charges for a unit size confirmed for a lesser value than what you own.

2.6 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.

2.7 CANCELLATION:

- You may cancel your reserved use period up to ninety (90) days prior to check-in, but will be charged a cancellation fee (cancellation fee established by the Board of Directors).
- 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 ninety (90) days prior to check-in time, you shall be considered to have used the entire use period for which the reservation was made.

2.8 CONFIRMATION OF RESERVATION REQUESTS:

- Reservation requests must be confirmed by the Owner Services Department in writing before being valid.
- If reservation(s) requested by a Member can not be confirmed due to unavailability, such requesting Member 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 telephone or fax.
- You may be prevented from securing a confirmed reservation if a unit of the same type as yours is not available for use at the time sought because that time was previously reserved for regular use by another Owner.
- **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.**
- 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.

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 LATE ARRIVAL AND NO SHOWS:

- An Owner who has a reserved and confirmed reservation for a floating time Interval, and who will not arrive by 9:00 a.m. on the second day of the confirmed Time Period, must notify Owner Services or the Front Desk within the 24 hour period preceding the check-in time of the scheduled arrival day.
- To notify the reservation office during the 24 hour period may result in the Owner's loss of use for that interval/s for that year.

- All Owners must pay their common expenses, regardless of whether their use period is used.

3.2 ADDITIONAL TIME WITHIN THE PROJECT:

- Each Owner on a space available basis will be allowed to extend their stay by payment of such rental charges as set by the Managing Agent, subject to availability.

3.3 COMMON EXPENSES:

- The common expenses are to be paid on such periodic installments and amounts as are specified by the Managing Agent, and/or the Board of Directors of the Intervals Owners Association.

3.4 DAMAGE:

- Any loss, breakage, or damage beyond normal wear and tear of the Apartment, its furniture, equipment, and furnishings, and to the common or limited common elements of the Project will be charged to the Owner.
- If the damage or charges cannot be determined as of the check-out time of an Owner, the penalties and charges will be charged to the Owner in whose name the reservation was made, which shall be payable upon billing of the charges.

3.5 SUSPENSION OF PRIVILEGES:

- Any owner who breaches the Condominium Declaration, By Laws, House Rules, Time Intervals Declaration, Articles and Bylaws of the Time Interval Owners Association, and these Rules and Regulations shall be suspended immediately from occupying his Time Period (See Article V, Sec 4 of the Time Interval Declaration for further enforcement provisions).

3.6 VACATING THE UNIT:

- If an Owner fails to vacate at the end of his use period, they shall be evicted summarily.
- If an Owner prevents another person from occupying the succeeding use period, he or she agrees to pay an amount equivalent to 300% of the daily rental per day (of a comparable apartment in the same area where the Project is situated), to obtain temporary accommodations for the persons entitled to use the Apartment as determined by the Manager.

BUILDING AND APARTMENT RULES

The Owners agree to be bound by the Condominium Declaration, Bylaws, House Rules, Time Interval Declaration, and the Articles and Bylaws of the Time Interval Owners Association, and the Rules and Regulations the most stringent of which shall control and be enforced. Owners shall adhere to the following rules:

4.1 REPORTING DAMAGES:

- Any violation of these Rules and Regulations, or damages to the Apartment or Project common areas shall be reported promptly to the Manager.

4.2 NUISANCE:

- The occupants of Apartments shall not make any noise in the buildings which will annoy neighbors.
- Particular effort must be exercised to ensure a minimum of noise between 10:00pm and 8:00 a.m. Sunday through Thursday, and between midnight and 8:00 a.m. Fridays and Saturdays.
- This applies to, among other things, social gatherings, television sets, radios, stereos, and musical instruments.

4.3 COOKING:

- No outdoor cooking shall be conducted on lanais.
- Outdoor cooking shall be permitted only in the common areas designated by the Manager, or as permitted by the Condominium Association.
- Fires, other than outdoor cooking in grills designed for such purposes, are not permitted.

4.4 PARKING AREA:

- Owners are to park only in designated areas as directed by the Managing Agent.

4.5 PETS:

- Owners are not allowed to keep pets in an Apartment.

4.6 STORAGE:

- Owners are not allowed to store any items of personal property, including vehicles and sports equipment, in an Apartment.
- Only personal belongings are allowed when the Owners are using the Apartment during a confirmed use period.
- The Manager and Association will not be responsible for any personal effects left by an Owner within an Apartment.

4.7 REMOVAL OF FURNITURE AND FURNISHINGS:

- Owners are not allowed to remove fixtures, furniture, towels, glasses, utensils, or any other items of personal property placed in the Apartment for the use and enjoyment of other Owners.

4.8 HAZARDS:

- The parking areas, or other common areas, shall not be used for recreational activities of any kind, unless designated for the specific use employed.
- Parents or legal guardians are responsible for the appropriate supervision of minors at all times.

4.9 ILLUMINATION:

- Owners or guests shall not use any illumination in any Apartment, or the buildings, other than electric light bulbs or a small number of candles.
- Flammable oils or fluids may not be used in any Apartment or the buildings.

4.10 APPEARANCE:

- No items of personal property may be stored or displayed where such items are visible from outside the Apartments.
- Clothes, towels, or any other items shall not be hung on Apartment lanais or lanai railings.

4.11 BUILDING AND MAINTENANCE:

- Every owner is expected to do their part toward keeping the Apartments and the common areas clean and neat to the fullest practicable extent.

4.12 SWIMMING POOL:

- The swimming pool hours shall be posted from time to time at the pool area.
- Owners will be liable and responsible for the conduct and safety of their guests.
- Non-swimmers shall at all times be accompanied by persons who are able to swim.
- No drinking glasses, bottles, or jars are permitted at poolside, and no food is permitted within ten (10) feet of the pool.
- There is no lifeguard on duty at any time.
- There shall not be diving or jumping into the pool, nor shall running around the pool be permitted.
- Use of the swimming pool shall be further restricted by any rules posted at the pool area.