

AMENDED AND RESTATED
RULES AND REGULATIONS
FOR VACATION OWNERSHIP USE
IN
CARLSBAD SEAPOINTE RESORT

PURPOSE

The following are the Rules and Regulations for the use and enjoyment of the Carlsbad Seapointe Resort facilities. The most important rules are unwritten: the Golden Rules.

1. Treat your resort and other Owners as you would want them to treat you.

Treating your neighboring owners and exchangers as you would want to be treated will both enhance the enjoyment of your vacation, and that of others. Making new friends is one of the benefits of vacation ownership. Treating others with care and consideration will also enhance this aspect of your Vacation Ownership.

2. You own this resort; the way you care for it will play an important part in protecting its value.

The Carlsbad Seapointe Resort is a blend of both beautiful and functional surroundings. No expense has been spared to create a resort that is and will continue to be a desirable vacation destination. Therefore, we are certain you will want to maintain and care for your resort, enabling you to enjoy your vacation to the fullest while protecting its value in the years to come.

Following these rules is the best assurance that your time at Carlsbad Seapointe Resort will always be something to look forward to.

DEFINITIONS

The terms used in these Rules and Regulations have the same meanings as set forth in the Declaration of Covenants, Conditions and Restrictions for Vacation Ownerships in Carlsbad Seapointe Resort (the "Declaration"). In the event of a conflict, the Declaration, and thereafter the Bylaws of Carlsbad Seapointe Resort Owners Association, Inc., shall control. To assist you in reading these Rules and Regulations, some of the definitions contained in the Declaration are repeated or paraphrased below. Definitions not contained in the Declaration may also be included.

1. "Association" means the Carlsbad Seapointe Resort Owners Association, Inc.

2. "Bonus Time/Rental Use" means the unreserved time in a Unit which the Association makes available for use by an Owner or other permitted user, subject to the reservation restrictions set forth herein and in the Declaration. Such Bonus Time/Rental Use shall be on a space-available basis, upon reservation and payment by an Owner or other permitted user of the applicable charge set by the Association.
3. "Check-in Time" is 4:00 p.m. and "Check-out Time" is 10:00 a.m.
4. "Common Area" means all of the real property other than the Units and any Support Areas.
5. "Common Furnishings" means all furniture, furnishings, appliances, fixtures, equipment, and all other personal property from time to time owned, leased, or held for use by the Association and located on the Common Area or within the Units.
6. "Day Use" means use by an Owner of the Common Areas during the day or evening, any time other than during an Owner's Use Week(s) or Bonus Time/Rental Use occupancies.
7. "Maintenance Week" (defined as "Service Period" in the Declaration) means, with respect to each Unit, a week during each Use Year reserved by the Association when needed repairs and maintenance are to be made.
8. "Permitted User" means any person who is permitted to occupy your Assigned Unit, Common Area and Common Furnishings during your Use Week(s) (See the Section on "Guests"). A Permitted User also includes exchangers who are visiting the resort as a result of an Owner banking his or her Use Week(s) with a vacation ownership exchange company. You may not allow the Unit to be solely occupied by minors (under age 18) without a supervising adult (age 18 or over) present.
9. "ResorTime" is similar to Bonus Time, but is unreserved time at another resort that is available to you on a nightly space available basis. Payment for ResorTime is made directly to the resort you reserve with. The intent of ResorTime is to use unused room nights and add revenue to the Association as well as offer a greater variety of vacation experiences to Carlsbad Seapointe Owners.
10. "Unit" means each of the 95 living areas designated on the Project Diagram attached to the Declaration.

11. "Use Week" means, except as provided below, the specific Use Week during each year, or, in the case of Biennial Owners, during each even-numbered year or each odd-numbered year as designated in an Owner's Original Deed, during which Use Week an Owner has the exclusive use and occupancy of a Unit in accordance with the provisions of the Declaration and these Rules and Regulations.

For Bonus "Time/Rental Use" shall refer to the time period(s) during which each Owner has reserved the use and occupancy of a Unit in accordance with the provisions of the Declaration and these Rules and Regulations.

12. "Use Year" means each approximately one-year period commencing at Check-in Time on the first Saturday or Sunday in January of each calendar year.
13. "Vacation Ownership" means a time-share estate, here comprised of (i) an undivided 1/4845th fee interest in the real property (or, in the case of Biennial Owners, an undivided one-half of that interest), and (ii) the exclusive right to use and occupy an Assigned Unit and the Common Furnishings in such Unit, together with a non-exclusive right to use the Common Area, for Use Week(s).

RESERVATIONS

I. FLOATING WEEKS.

If you purchased a Floating Week, you have the ability to change your Use Week dates from year to year depending on your needs. Subject to all the terms and conditions contained in the Declaration and in these Rules and Regulations, you have the right FOR EACH FLOATING WEEK YOU OWN, during each Use Year, to use and occupy a Unit of the Unit Type you own for a Use Week (beginning on Saturday or Sunday - depending on what you bought) within each Use Year, with the exception of weeks 26-35, provided you have reserved such use and occupancy in accordance with the following:

1. Reservations may be made in person, by telephone, by fax or mail.
2. A reservation for a Use Week must be made prior to Check-in Time on the first day of the Use Week sought to be reserved, but not earlier than 12 months before the commencement of your desired Use Week.
3. For each Floating Week you own, you may have only seven nights or one week Use in the name, during any Use Year desired by the Owner.

4. Reservations for Floating Weeks will be confirmed on a first reserved, first served basis.
5. Your reservation request must be confirmed by the Association before it is valid. Confirmation of Reservations will be made by the Association in writing; provided, however, that reservation requests confirmed less than seven (7) days prior to the commencement date of the Use Week sought to be reserved may be confirmed by telephone.
6. You may cancel your reservation for a Floating Week, without penalty, by giving notice at least 72 hours prior to Check-in Time on the first day of the Use Week so reserved; provided, however, there can be no assurance that you will be able to secure another reservation during the Use Year if you cancel your reservation. In the event a reservation is canceled less than 72 hours prior to Check-in Time on the first day of the Use Week 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.
7. If any of your seven (7) nights is not used in any Use Year, there shall be no accrual or carryover of unused time.
8. No reservation request will be confirmed by the Association if, at the time such request is submitted, the Owner is delinquent in the payment of Assessments or any portion thereof.
9. Access to a unit will be denied if annual assessments and all applicable fees are not paid by 48 hours prior to check-in or 20 days prior to requested check-in if use rights have been suspended for two years or more.
10. No reservations for a Unit will be accepted for the Maintenance Week for each Unit.

II. FIXED WEEKS

If you purchased the same Use Week each and every Use Year, you have purchased a FIXED WEEK because the Use Week is fixed; i.e., week 37, you will always own week 37.

1. If for any reason you do not use your entire Use Week, there shall be no accrual or carryover of unused time.

2. No occupancy during your Use Week will be allowed by the Association if, you the Owner are delinquent in the payment of assessments or any portion thereof. If assessments are delinquent within 48 hours of check-in, your Use Week privileges are denied. Additionally, if you are two or more years delinquent on any assessment, fee or penalty, at the 20th day before your Use Week, privileges will be denied for that Use Year.

Please remember the following:

1. Check-in Time is 4:00 p.m. on Saturday or Sunday, depending on the Use Week you purchased; any nightly stay always commences with a 4:00 p.m. check-in followed by a 10:00 a.m. check-out.
2. An Owner must personally authorize the use of their use rights by any other person in writing, except as provided in the Blue Monday/Blue Tuesday Policy.
3. Unused Use Weeks will be charged against use rights. In other words, if you do not use your Fixed Week or reserved Floating Week, you are not automatically entitled to use any other period or to carryover your unused time.

In certain situations, it is important for you to let the Manager know of your plans. For instance:

1. You plan to vacation elsewhere through an exchange.
2. Friends, family members or renters will be using your Use Week.

You may communicate your intentions to the Resort in one of two ways:

1. Phone 760-603-1700
2. Mail your plans to:
Carlsbad Seapointe Resort
6400 Surfside Lane
Carlsbad, CA 92009

III. FLOATING UNIT

As an owner of a Use Week at Carlsbad Seapointe Resort, you purchased a Vacation Ownership in a specific unit type:

UNIT

- A. TWO BEDROOM
- B. ONE BEDROOM
- C. ONE BEDROOM
- D. ONE BEDROOM

As you can see, there are four Unit Types in the Carlsbad Seapointe Resort. Individual Units within the same Unit Type may differ in certain particulars such as size or view. Your unit "FLOATS" within a Unit Type. This means you will always get use in the Type of Unit you purchased but your Unit location may change Use Year to Use Year; i.e., FLOAT. Assignments of Units are made at the sole discretion of the Resort Manager and are always subject to availability. However, the Manager will make every effort to accommodate any special request for a particular Unit. You may request a specific Unit approximately 90 days prior to commencement of your use Week by mailing in the provided Unit Request card prior to the date assigned on the Manager's Unit Assignment schedule.

Units will be assigned in accordance with the following:

1. Unit Request cards and Unit Assignment schedule will be sent in the Fall Association Newsletter.
2. Unit Request card is to be completed by listing unit choices.
3. A specific unit may only be requested once every (3) years.
4. The Association will file unit request cards when received.
5. Cards will be drawn lottery style as per the Manager's Unit Assignment schedule.
6. If all requested units are unavailable, the closest unit will be assigned.
7. No Unit Requests will be confirmed by the Association if, at the time such request is submitted, the Owner is delinquent in payment of assessments or any portion thereof.

IV. MULTIPLE WEEK OWNERS

(Fixed) or (Float) week owners of multiple (2 or more) consecutive Use weeks may request a specific Unit of all consecutive Use Weeks on the "Unit Request" date for their first Use week, with the exception that a specific unit may only be requested once every (3) years.

BONUS TIME/RENTAL USE

"Bonus Time/Rental Use", is subject to availability and all the terms and conditions contained in the Declaration and these Rules and Regulations. You, as an Owner, have the right to use and occupy any Unit for time periods other than the Use Week you own or reserve, provided you have reserved Bonus Time/Rental Use as follows:

1. If you reserve a Unit for Bonus Time/Rental Use, you shall pay a reasonable rental fee, which shall be fixed

from time to time by the Association. All rental revenues generated by Bonus Time/Rental Use of Units shall be deposited in the general account of the Association to defray the resort's operating expenses.

2. Reservations for Bonus Time/Rental Use can only be made 21 days or less prior to Check-in-Time on the date which such reservation is sought.
3. Reservations made for Bonus Time/Rental Use shall be honored on a first-come, first-served basis and may be made in person, by telephone, fax, email or mail.
4. You may only have one Bonus Time/Rental Use reservation pending at a time for each Use Week you own.
5. You may cancel a Bonus Time/Rental Use reservation up to 24 hours in advance of Check-in-Time on the first day of the Bonus Time/Rental Use Week so reserved without penalty. In the event your Bonus Time/Rental Use Week reservation is cancelled 24 hours or less prior to Check-in-Time on the first day of the Period reserved, you shall be charged for Bonus Time/Rental Use for the initial day, and your reservation will be cancelled.
6. Bonus Time/Rental Use is limited to use by deeded Owners and their guests. The Manager will not permit Bonus Time/Rental Use occupancy of a Unit by any person in the absence of the Owner in whose name the reservation was made.
7. Reservation requests for Bonus Time/Rental Use will not be considered if you are delinquent in the payment of any Assessments levied by the Association.
8. Your reservation request must be confirmed by the Association before it is valid. You will be given a confirmation number by telephone at the time your reservation is confirmed. Your reservation request will not be confirmed if you are delinquent in the payment of any Assessments levied by the Association.

Note: If you are taking advantage of "Bonus Time/Rental Use" you must have a confirmed reservation.

DAY-USE

Seapointe owners may use all of the resort amenities and common areas (except garage parking) on a Day Use basis all year long without charge, including: gym, lockers, pools, Jacuzzi, sauna, and clubhouse (unless otherwise utilized). Owners may also participate in all resort activities during the year on the same basis as owners/exchangers in residence.

1. Day Use is use of resort facilities/amenities during

the daytime not associated with an overnight stay.

2. There is NO cross-use of Day Use facilities between affiliated resorts. Day Use at Seapointe is for Seapointe owners only.
3. All owners must sign in at the Front Desk or Activities Center before using the facilities on Day Use. At the time of sign in, owners must be prepared to show photo identification.
4. Biennial owners receive Day Use rights during both their Use Year (odd or even years) as well as their non-use year.
5. Day Use is a benefit limited to the Grant Deed Owner and immediate family, defined as spouse, children, grandchildren, and/or guests in the company of an adult owner.
6. Day use is not to exceed the number of people established (by resort documents) as maximum occupancy for the unit owned.
7. Underage (under 18) children of an owner must have adult supervision during Day Use.
8. Day Use privileges are available to Association Members in good standing only. All maintenance fees and personal charges must be current in order for an Owner to make use of Day Use amenities at the resort.

"BLUE MONDAY/BLUE TUESDAY"

Blue Monday/Blue Tuesday is a policy by which more Bonus Time/Rental Use is made available to Owners. Forty-eight (48) hours after an Owner's scheduled check-in date, if they haven't checked-in or made arrangements for late check-in, the balance of that Owner's Use Week is made available for Bonus Time/Rental Use, to other Owners. By doing this, the resort creates income which helps to offset costs and make full use of the available space.

CHECK-IN AND CHECK-OUT TIMES

Check-in-Time commences at 4:00 p.m. local time on the Saturday or Sunday your Use Week begins, and Check-out-Time is 10:00 a.m. on the Saturday or Sunday your Use Week ends. The six hour period from 10:00 a.m. (Check-out-Time) to 4:00 p.m. (Check-in-Time) between Use Weeks is necessary as a clean-up period for the cleaning, repair and maintenance of the Units. There is a \$50.00 penalty for late check-out. You will not be allowed to remain in the Unit after the established Check-out-Time, unless you have reserved or own consecutive Use Weeks. If you have reserved or own consecutive Use Weeks you need not vacate your Unit.

FAILURE TO VACATE

If you or your Permitted User fail to vacate a Unit at the end of your Use Week, such failure to vacate may result in additional severe consequences as set forth in the Declaration.

SAFETY AND HEALTH RULES

No dangerous or unlawful substances may be kept or used at the resort. Obnoxious, unlawful, or offensive activities are prohibited.

The Association reserves the right to establish specific rules governing such potentially loud or disturbing activities as use of musical instruments, record players, radios, TV, or late evening entertainment, if it determines that there is a need to do so in the best interests of all the guests of the resort. Good judgment and thoughtfulness for others should always be used, in consideration of the other Owners and guests on property. Remember the Golden Rule.

Neither the Manager, the Association, nor Declarant is responsible to you for any loss or damage to your personal belongings or to those of any individual Member or guest.

CONTROL OF CHILDREN

Members shall be responsible for the conduct of their children and the children of their guests, insuring that their behavior is neither offensive to any occupant of the resort nor damaging to any portion of the resort facilities. Children will not be permitted to play in parking areas or any other common areas designated by the Association.

GUESTS

You may permit another person to occupy your Unit during your Use Week without charge from the Association. You may not permit another person to occupy your Unit during a Use Week reserved for Bonus Time/Rental Use unless you are present during such Use Week.

You may invite guests to share occupancy of your Unit during your Use Week(s), provided that maximum allowable occupancy limits are not exceeded. The Manager will not give access to your Unit without your written permission. If you intend for a guest to use your Unit during your Use Week, you must inform the Manager in writing prior to the first day of your Use Week. Please indicate the name(s) and address(es) of the guest(s). Upon check-in, guests will be required to show proof of identification and sign a registration card.

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 stay. These personal charges are independent of and in addition to your Regular Annual Assessments (for maintenance and reserves) and must be paid at Check-out Time. Non-payment of such charges will result in suspension of use privileges.

OCCUPANCY LIMIT

The maximum overnight occupancy for a Unit is restricted to not more than four (4) persons in 1-bedroom Units, and 6 persons in 2-bedroom Units.

MAID SERVICE

Maid service is provided without additional charge to assure that your Unit will be clean and neat upon your arrival. A midweek "light" cleaning will also be provided. Additional maid service is also available to you for an additional charge. A charge shall also be made for maid service required by reason of you (or your Permitted User's) use and occupancy of a Unit which in any way violates the terms of the Declaration or these Rules and Regulations. Charges for maid service shall be payable upon departure.

PASS KEY

The Manager is provided with a pass key to all Units. In case of emergency, the Manager or his/her employees may enter your Unit and, in such case, shall notify you, as soon as reasonably possible, of the reason for such entry.

PETS

Pets are not permitted at the resort or in any unit or common area. Emotional support or comfort animals are considered pets, and are not permitted on resort property. A fee of two hundred fifty dollars (\$250.00) may be charged by the resort for each night in violation of this policy. Failure to comply may also result in the owner, renter, or guest being required to vacate the resort with no refund. Please inquire at the front desk for local pet boarding options. Exclusion of pets does not prohibit service animals, which are trained to respond to the individual's needs and perform work or a task directly related to the individual's disability. Service animals must be maintained under control at all times.

USE RIGHTS

During your Use Week, you may treat your Unit as you would your own home; that is, you may use it, let your friends or family use it or rent it. However, there are two important exceptions: (1) You may not allow the Unit to be occupied by minors (persons under the age of 18) without a supervising adult (a person over the age of 18) present. (2) In addition, you may not remodel, replace, or remove furniture or otherwise make any physical

changes to your Unit without the prior written approval of the Association.

RESPONSIBILITIES

Whether you or your friends or your renters use your Unit, you, the Owner, are responsible for any damage done to the

property other than normal wear and tear during such occupancy. "Property" includes your Unit and its Common Furnishings and any of the common recreation facilities and equipment that you may use. Any charges for damage or loss will be billed to you at Check-out-Time, or at a later time. Nonpayment of such charges will be cause for suspension of use privileges until such charges have been paid.

APPLIANCES

A copy of the manufacturer's instructions for using appliances may be found in each Unit. Appliances should be used according to these instructions. Installation of electric appliances other than those provided is not permitted (electric razors and hairdryers, however, are permitted).

No sunshade awnings or similar devices may be used on any patio or balcony. Draping of any articles (including towels, swim suits, etc.) on railing or window ledges is not permitted.

Cigarette butts, trash or other material must not be thrown from any patio, balcony or window. The Association reserves the right to remove anything which it determines creates an unsightly appearance or hazard. No barbecuing is permitted on any balcony.

ENERGY AND WATER USAGE

We feel it is everyone's duty to conserve our natural resources.

Electricity: All units are designed to enable them to heat or cool quickly. Please do NOT leave your Unit with the heating or cooling systems on when you are not in the Unit.

Each Unit is also equipped with a master electric shutoff switch by the front door. Upon leaving please turn off this switch, which turns off everything but the refrigerator and the clock radio.

Water: While in your room, you can help by following these steps:

1. Keep showers short and the tub level low.
2. Flush toilets only when necessary.
3. Turn off the tap as soon as possible.

NOISE

Quiet Time at the resort begins at 10:00 p.m., and runs until 8:00 a.m. For the consideration and comfort of our guests, there will be no amenities or activities in operation during these hours, and your support of this Quiet Time policy is greatly appreciated.

Loud noises or any other objectionable behavior by any Owner or guest cannot be permitted at any time. Good judgment and thoughtfulness for others must be used when playing musical instruments, stereos, radios, television, and in all other

activities.

EMPLOYEE RELATIONS

Your Association has employed a professional Manager who is responsible for operation of the resort including front desk, maintenance, housekeeping, activities and all duties necessary to make your stay at Carlsbad Seapointe Resort pleasant and comfortable. It is important for you to report any problems which might arise directly to the Manager. The Manager will make every effort to assure your personal comfort and safety. A member of management will be available by telephone 24 hours a day. Please call the front desk for assistance.

CHECKING-OUT

To help keep costs down and to assist the housekeeping staff, make sure your Unit is ready to vacate by:

1. Turning off all lights, appliances, televisions, radios, etc.
2. Make sure you have packed all your belongings. If, by chance, you leave any items behind, check with lost and found at the front desk.
3. Lock the door behind you.
4. Check out at the front desk by 10:00 a.m. and leave your key there upon departure.
5. Any charges incurred during your stay should be paid at the time of check out.

RECREATION FACILITIES

1. Pool and Spa: Use of the pool and spa is solely at the Owner's and user's risk. Children under age 12 are not allowed in the spa at any time. This rule is for the protection of your children.

2. Other Amenities: Use of all other amenities is solely at the Owner's and user's risk.

PARKING

One car per Unit may be parked on-site. No on-site parking will be provided for day users. This is so that we have sufficient parking on-site for Owners and exchangers who are using their week.

REPLACEMENT OF HOUSEWARES

When you check-in, you will be given an inventory list of Common Furnishings in your Unit to be occupied, for your approval. Items missing at check-out other than from normal wear and tear will be charged to your account.

In the event dishes, silverware, glasses, cooking utensils or other Common Furnishings within your Unit become damaged, unusable

or are missing from such Unit, please report any such occurrence immediately to the Manager so that we may replace such items. If you are expecting guests for a dinner party or gathering and do not have sufficient glasses, dishes, etc., contact the Front Desk and these will be provided on a temporary basis.

AMENDMENT OF RULES AND REGULATIONS

The Association's Board of Directors has the authority to amend these Rules and Regulations as circumstances may require. All Owners are bound to abide by these Rules and Regulations as amended, and agree to cooperate with the Association in securing the compliance with the Rules and Regulations by their family, guests and tenants.

VIOLATIONS OF RULES AND REGULATIONS

Your failure to abide by the Rules and Regulations may result in fines and/or suspension of your rights and privileges as a Member of the Association including, but not limited to, non-acceptance of future reservations.

EMERGENCIES

If you have an emergency please contact the front desk. The front desk is open 24 hours per day; however, do not hesitate to call 911 any time should you feel your emergency requires immediate response or is life threatening to anyone. The Resort address is 6400 Surfside Lane, Carlsbad, California, 92009.

CONDUCT

The Association regards resort staff as one of its greatest assets. To that end, abusive language and/or conduct towards staff is never acceptable. Staff members, as well as other Owners and exchangers, should always be treated as you would want others to treat you. All criticism or complaints regarding resort staff should be directed to the Resort Manager.

RESPECT AND COMMON SENSE

The foregoing Rules and Regulations are simply a compilation of common sense ideas that reflect sensitivity and respect for your fellow Owners and exchange users.

Following them will serve to enhance your own vacation experience and ensure your ownership investment will continue to be a valuable one by creating an environment that is fun for everyone.

NON SMOKING POLICY

This is a smoke free resort. No smoking is permitted in the units, lobby, on the patios, pool areas, barbeque areas, underground garage and all other common areas. Smoking will be permitted only in areas designated by Management.

DRONE USAGE POLICY

Operation and use of drones, radio controlled aircraft, or unmanned aerial systems ("Drones") are prohibited within the boundaries of the resort, unless pre-registered and authorized for specified event purposes. Unauthorized operators may not operate Drones for take-off or landing on resort property, and may not fly Drones over the immediate airspace above the resort. This prohibition is intended to apply to general commercial filming as well as any recreational users or hobbyists at the timeshare resort and not the adjoining or adjacent hotel event spaces, which may from time to time allow filming special events at the hotel. Special events at the timeshare resort may utilize Drones to film the event activity at the resort provided the resort management is notified in advance and approves the filming location and hours. Drone operators must comply at all times with the regulations under the Federal Aviation Administration, and state and local laws for Drone operations. The Association respects and honors the safety and privacy of all owners, guests, and staff. Violators are liable for any damages, including but not limited to physical personal injury, property damage, damages for violation of privacy, regulatory fines, and legal fees.

ADDENDUM

AMENDMENTS TO THE RULES AND REGULATIONS
CARLSBAD SEAPOINTE RESORT OWNERS ASSOCIATION, INC.

- *Owner Conduct - approved 9/01
- *Multiple Week Owners - approved 12/05
- *Non-smoking Policy - approved 9/06
- *Addition to Day Use Policy - approved 6/14/11
- *Change to Floating Unit requests - approved 9/10/13
- *Update minimum age requirement from 21 to 18 - approved 9/12/17
- *Drone Usage Policy - approved 12/2/21