

## LODGES AT CANNON BEACH

---

### **Policies and Procedures for Use and Enjoyment of Fractional Ownership Units**

These Policies and Procedures are designed to promote an enjoyable and peaceful vacation experience for all Owners. The policies supplement, but do not change, the obligations of Owners and guests contained in the Declaration of Fractional Program for Lodges at Cannon Beach Fractional Ownership Program (the “**Declaration**”). They apply specifically to Owners and guests of Owners, as well as to members of their families. The Board of Directors has the responsibility to make such other policies from time to time or to amend these policies as may be deemed necessary. The Board of Directors and/or the Manager will have the full authority and responsibility for enforcing the Policies and Procedures. In the event there is a conflict between the Declaration and these Policies and Procedures, the Declaration will control.

The reference to “Manager” in these Policies refers to Hospitality First, LLC, an Oregon limited liability corporation contracted by the Board of Directors to provide management services to the Lodges at Cannon Beach Fractional Owners Association. A reference list of current telephone numbers and e-mail addresses for service departments will be provided from time to time for your use and reference.

#### **1. Residence Use Policies**

*a. Confirmation of Regular Use Periods.* Owners are requested to notify the Manager at least seven (7) days in advance of their Regular Use Period or Bonus Week to confirm their plans to use the Unit, or to authorize its use by another party (*Reservations Office 503 436 9085*). Please familiarize yourself with your Unit’s Occupancy Schedule to plan for use of your occupancy periods. Your assigned Fractional Interest Letter is used to identify the Owner’s Use Periods as shown on the Occupancy Schedule, a copy of which is attached to these Policies. For example, as owner of Fractional Interest xxx.xx-C-12, your Use Periods are designated on the Occupancy Schedule by the letter “C”.

*b. Bonus Week.* Each year on a rotating basis, an additional “Bonus Week” is assigned to two Owners. These Bonus Weeks are designated in the Occupancy Schedule as “BW” – followed by the Owner’s letter designation, eg. “BW-A” is a Bonus Week assigned to the “A” Owner. Owners assigned a Bonus Week have all the same use rights and responsibilities for the time period as for regular Use Periods. See the “Use Allocation Policies” attached as Exhibit A to the Declaration for more information.

*c. Check-In.* The Unit will become available for your use on the first day of your scheduled occupancy period as soon as housekeeping completes the cleaning and inspection, but no later than 5:00 P.M. Please have your ownership identification card

with you to facilitate the check-in process. Check-in takes place at the front desk of the adjacent Inn at Cannon Beach.

**d. Check-Out.** Check-out is at 11:00 A.M. or earlier the scheduled day ending your occupancy period. Please turn down all thermostats to 60 degrees, check around to assure that you have all personal items, and turn all lights off.

**e. Number of Occupants.** The maximum number of persons, including children, which may occupy a Unit is 6 for a two-bedroom Unit and 8 for a three-bedroom Unit.

**f. Smoking.** Smoking of cigarettes, cigars or pipes will not be permitted in the Unit or Common Element interiors.. The Manager will make every effort to enforce this policy on behalf of the Owners. Smoking is not permitted on the patio/deck and in outdoor common areas. If an owner or a guest of the owner should smoke in their Unit the owner will be required to pay a \$500 fee to compensate for cleaning and detailing of the unit.

**g. Telephones.** Local calls may be made from the Unit at no cost. Long-distance calls require the use of a credit card or calling card. The Owner shall be responsible for any long-distance charges incurred in the Unit during their Use Period.

**h. Animals.** *Unless permitted in a specific Annexation Declaration for a pet-friendly Unit*, no animal(s) may be brought into the Units, except for guide dogs or service animals. In that case, there will be an additional \$50.00 non-refundable cleaning fee for any Units occupied by service animals. *[Policy regarding pets in outdoor common areas?]* The Manager will make every effort to enforce this policy on behalf of the Owners, including the assessment of a fine in the event of policy violation.

**i. Care of Units.** When you or your guest(s) occupy a Unit, you are responsible for any damage to or loss of furnishings during such occupancy, other than normal wear and tear.

**j. Modification.** Reorganization or removal of furniture, wall hangings, floor coverings, or redecorating of any type within the Units or other areas of the property is not permitted. No structural changes are permitted, and none of the landscaping is to be removed, picked or transplanted by any Owners or guests.

**k. Inventory.** At check-in you may be given an inventory list for your review. You should report any missing items, damage or deterioration to your Unit to the Manager as soon as possible after your arrival. During the maintenance inspection after each period of occupancy, an inventory of the major furnishings and equipment in each Unit will be conducted. Any items that are missing or damaged following you or your guest's departure will be charged to you.

**l. Right of Entry.** The Manager has a passkey to all Units. In case of an emergency, the Manager's staff may enter your Unit and shall notify you, as soon as reasonably possible thereafter, of the reason for such entry.

*m. Signs.* No signs, advertisements, displays, notices or other lettering shall be exhibited, displayed, inscribed, painted or affixed to or on any part of the Unit or resort property without written permission from the Manager.

*n. Minors.* No one under the age of twenty-one (21) may occupy a Unit unless accompanied by a person twenty-one (21) years of age or older. Children 14 and under must be supervised at all times. A responsible adult of at least 18 years of age must be in attendance. Parents are responsible for the conduct of their children.

*o. Nuisances.* Any loud or disturbing activities, such as loud music or late night entertainment are prohibited. Hours of quiet for the Lodges at Cannon Beach are 10:00 p.m. – 8:00 a.m.

*p. Clothes Drying.* Towels, bathing suits and other items may not be left on patios/decks or railings so as to be visible from other Units or common areas.

*q. Failure to Vacate.* If you or your guest(s) fail to vacate the Unit by checkout of the last day of your assigned Use Period, you will be subject to a late check-out fee as determined by the Board of Directors from time to time. You may also be subject to the repayment of all costs incurred by the Manager and the person whose Fractional Interest Use Period you have infringed upon if the late check-out fee is inadequate to cover such costs.

*r. Extra Services.* Your Fractional Interest dues include one complete housekeeping service per each assigned Use Period. Additional housekeeping or linen services are available more frequently by contacting the Front Desk at the Inn at Cannon Beach 24 hours in advance of service delivery. Rates for such additional services are determined by the Board of Directors and may be changed from time to time. Payment for selected services will be due upon check-out at the end of your Use Period.

*s. Taxes.* You are responsible for payment of all local, state and federal taxes, if any, related to the usage of your Fractional Interest.

*t. Vehicles and Parking.* Parking is allowed only in designated driveway areas or inside enclosed garages. Parking on landscaped areas, or blocking of vehicles, garage enclosures, fire hydrants or driveway access is prohibited. Parking for recreational vehicles is not allowed at any time at Lodges at Cannon Beach.

*u. Fire Extinguishers/Early Warning Devices.* Each Unit is equipped with several smoke detectors for early warning in case of fire and excessive smoke. Every Unit is also equipped with a fire extinguisher for your protection. It is suggested that all members of your party be familiar with location of all these devices.

## **2. Additional Use Policies**

*a. Multiple Ownership.* When an ownership interest is owned by more than one “family” (defined as two adults residing at the same residence address), one family shall be

appointed as the designated representative for the ownership interest for the purposes of making guest arrangements with the Manager, for internal exchange arrangements, for external exchange requests with the outside exchange company (currently Resort Condominiums International), voting on association matters, for billing purposes, and any other privileges associated with the ownership other than the use rights to the Unit. This designated representative may be changed annually by sending written notification signed by all the owners of the interest to the Manager.

*b. Added Maintenance Period.* In certain calendar years, there are 53 one-week use periods beginning with the check-in day of Friday, rather than the standard 52 weeks. During these calendar years, the additional week is assigned as a "Maintenance Week" as denoted by a "MW" on the Occupancy Schedule.

*c. Exchanges.* If you are interested in exchanging one or more of your assigned Use Periods with another Owner in your Unit or in other Fractional Units at the Lodges, please refer to the Occupancy Schedule for Fractional Units to identify the Use Periods you wish to exchange into, then contact the Manager to confirm ownership status (*Reservations Office 503 436 9085*) at least 30 days prior to arrival. The Manager will serve as the clearing house for all internal exchanges and will confirm the ownership of the Use Periods you wish to exchange into, and will make every effort to contact other owners to confirm availability. If an internal exchange is available notice will be given in writing to both owners. All policies and procedures will apply as usual. Owners requesting domestic or international exchanges through an outside exchange company (currently Resort Condominiums International) will need to contact the external exchange company directly to facilitate the exchange and notify the Manager regarding the specifics of the exchange process.

*d. Loss or Destruction of Property.* Each Owner, as a condition of ownership of an interest in a Unit and each Guest, as a condition of invitation to the Lodges at Cannon Beach Fractional Units, assumes sole responsibility for his or her property. The Manager and/or the Board of Directors shall not be responsible for any loss or damage to any property used or stored at the Unit. You and/or your guests are responsible for removing your personal property from your Unit prior to check-out.

*e. Delinquency.* An owner's access to the Fractional Units may be denied by Manager for nonpayment of owner assessments required by the association governing documents. A "defaulting Owner", defined as an owner who is more than 90 days delinquent in the payment of any assessment, will lose use rights to occupy the Unit, rent it to others or to utilize any exchange rights associated with the Unit. ***IF PAYMENT IS STILL DELINQUENT AT 30 DAYS PRIOR TO COMMENCEMENT OF A DEFAULTING OWNER'S USE PERIOD, THE MANAGER MAY RENT THE UNIT DURING THAT USE PERIOD AND APPLY NET RENTAL PROCEEDS TO THE AMOUNTS OWED BY THE DEFAULTING OWNER. PAYMENT OF THE DELINQUENT AMOUNT WITHIN THIS 30 DAY PERIOD WILL NOT RESTORE THE DEFAULTING OWNER'S RIGHT TO USE THE USE PERIOD IF IT HAS ALREADY BEEN RENTED.*** In addition, late fees and interest are assessed on delinquent assessments as provided in the Declaration and as set by the Board of Directors.

### 3. Guest Use Policies

*a. Guests.* During your assigned Use Period you may allow others to use your Unit subject to all policies and procedures. The Manager will not give access to your Unit during your designated period of occupancy without your permission. ***IF YOU INTEND FOR A GUEST TO USE YOUR ASSIGNED USE PERIOD, YOU MUST CONTACT THE MANAGER (Reservations Office xxx-xxx-xxxx) NO LESS THAN SEVEN (7) DAYS PRIOR TO THE FIRST DAY OF YOUR ASSIGNED OCCUPANCY.*** Please indicate the name(s) and address of the guest(s). Guests will be required to show proof of identification and sign a registration card at check-in. A guest is anyone who is not a “Buyer” on your purchase agreement.

*b. Security Deposits.* Anyone other than an Owner who uses your Unit will be required to provide a credit card imprint at check-in. This will help ensure that any damage fees or extra charges that are incurred may be collected. **The Owner is ultimately responsible for damage to the Unit while it is being rented or used by Owner’s guests or invitees.**

### 4. The Lodges at Cannon Beach Association Administration.

*a. Transfer Fee.* The Manager must be notified of any transfer of a Fractional Interest and may charge a transfer fee to accomplish all required record changes. The current fee is \$150.00.