

# RULES AND REGULATIONS FOR ROYAL RESORT VACATION OWNERS ASSOCIATION

These Rules and Regulations for Royal Resort Vacation Owners Association (the "Project") shall be deemed in effect until amended by the Board of Directors of Royal Resort Vacation Owners Association Inc. ("Board") and shall apply to and be binding upon all Owners. "Authorized User(s)" shall mean for purposes herein a Owner or person with legal rights to the use of a Suite through a Owner. All other capitalized terms shall have the meanings given to them in the Bylaws of Royal Resort Vacation Owners Association Inc. (the "Bylaws") unless the context provides otherwise.

The Owners shall, at all times, obey the Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their family members, guests, invitees, employees, persons for whom they are responsible, persons over whom they exercise control and supervision, and any other Authorized Users. Violation of these Rules and Regulations may subject violator to any and all remedies available to the Board, other Owners and/or the Managing Agent, pursuant to the terms of the Bylaws and the Articles of Incorporation of Royal Vacations Suites Inc., the Management Agreement and applicable federal, state and local law. Violations may be remedied by the Board by injunction or other legal means, and the Board shall be entitled to recover in said actions, any and all court costs and fees incurred by it, together with reasonable attorneys' fees, against any person violating the Rules and Regulations or the Bylaws. The Board may, from time to time, adopt or amend these Rules and Regulations governing the details of the operation, use, maintenance, management and control of the Project and any facilities or services made available to Owners. Any waivers, consents or approvals given under these Rules and Regulations by the Board and/or the Managing Agent shall be revocable at any time and shall not be considered a waiver, consent or approval or an identical or similar situation unless notified in writing by the board. THE RULES AND REDULATIONS ARE AS FOLLOWS:

## A. GENERAL RULES AND REGULATIONS:

1. Violations of Rules and Regulations. Violations of these Rules and Regulations should be reported in writing to the Managing Agent or Board, if no separate Managing Agent has been appointed. Violations will immediately be called to the attention of the violating Owner by the Managing Agent or Board, and by the appropriate designated party if follow-up action is necessary.

Violations needing follow-up action will be presented to and judged by the Board or by the Managing Agent for appropriate action at its next regularly scheduled meeting or at a special meeting called for this purpose.

2. Relationship To Hotel. The Project is located within the Royal Resort Hotel (the "Hotel"), an operating hotel open to the public. Owners and their Authorized Users shall respect the rights of the patrons of the Hotel. Further, in the event there is a conflict between these Rules and Regulations and the rules and regulations for the Hotel, the rules and regulations for the Hotel shall control.

3. Facilities. The recreational and other facilities, if any, which are part of the Hotel in which the Project is located, are for the non-exclusive use of Owners, lessees, resident house guests, guests accompanied by a Owner and other Authorized Users. Any damage to the buildings, recreational facilities, equipment, furnishings and equipment or other Club or Hotel property caused by any of the foregoing Authorized Users shall be repaired at the expense of the Owner.

4. Noise. Should noise create a disturbance or a nuisance, the responsibility is with the Owner to abate the noise. In order to ensure the comfort of all Owners and Authorized Users, radios, stereo and television sets, and any and all other such audio equipment generating noise, should be turned down to minimum volume so as not to disturb other persons occupying the Project at all times. All other unnecessary noises should be avoided.

5. Pets. No bird, reptile, animal or pet of any kind shall be kept or harbored in any Suite or on the Property except for guide animals used for assisting persons with disability.

6. Obstructions. Sidewalks, entrances, driveways, passages, patios, courts, vestibules, stairways, elevators, corridors, halls and/or other areas intended for common use must be kept open and shall not be obstructed in any manner. Rugs or mats, except those either permitted or placed by the Board or Managing Agent, must not be placed outside of doors in corridors. No sign, notice or advertisements shall be inscribed or exposed on or at any window of a Suite or any part of the Project. All property of Owners, if any, shall be stored within the Suite during such Owners' Occupancy Period(s).

7. Children. Children are to play in areas either designated or clearly intended for play, and they are not to play in public halls, on stairways, in elevators, or other common areas which would cause a disruption or disturbance. Reasonable supervision by parents or guardians must be exercised at all times when children are playing at the Project. Children are not permitted in the Casino area of the Hotel.

### 8. Destruction of or Missing Property.

(a) Neither Owners, their dependents nor guests shall mark, mar, damage, destroy, deface, or engrave any part of the buildings or improvements of the Project and Owners shall be responsible for any such damage. The Authorized User(s) and/or the Owner shall not remove or damage the Furnishings contained within the Suite authorized for use and shall reimburse the Board for all costs and expenses to repair and/or replace such furnishings and equipment.

(b) Any Property of the Club shall not be loaned or removed from the premises or put to any other use than that for which they were intended without written approval of the Board or the Managing Agent.

(c) The Board or the Managing Agent will not, under any circumstances, be responsible for the personal property of Owners, guests, visitors, or other persons.

9. Exterior Appearance. The exterior of the Project shall not be painted, decorated or modified by an Owner in any manner. No awnings, window guards, light reflective materials, hurricane or storm shutters, ventilator, fans or other similar shall be used in or about the Project.

10. Cleanliness. All garbage and refuse from the Project shall be deposited with care in garbage containers or collectors intended for such purposes only at such times and in such manner as the Board or Managing Agent will direct.

11. Cooking. No open flame cooking is permitted within any Suite or on any balcony.

12. Balconies. Plants, pots, receptacles and other movable objects must not be kept, placed or maintained on ledges or balconies. No objects shall be hung from windows, doors or balconies. No cloth, towels, clothing, rugs, or mops shall be hung up or shaken from windows, doors, or balconies. Owners shall not allow anything to be thrown or to fall from windows, doors, balconies or into the interior of the building from the hall doors.

13. Hallways. Bicycles, garbage cans, laundry, dry cleaning, supplies or other articles shall not be placed in the halls or on staircase landings. No Owner shall allow doors to the corridor to remain open for any purpose other than for immediate ingress and egress.

14. Entry for Emergencies. In case of emergency originating in or threatening any Suite, regardless of whether or not the Owner or other Authorized user of a Suite is present at the time of such emergency, the Board, the Managing Agent, any other person authorized by them or any emergency personnel, including security, fire and medical, shall have the right to enter such Suite for the purpose of remedying or abating the cause of such emergency, and such right of the entry shall be immediate. To facilitate entry in the even of any such emergency the Board and the Managing Agent shall be immediate. To facilitate entry in the even of any such emergency the Board and the Managing Agent shall be allowed to retain a key for each Suite.

15. Roof. Owners are not permitted on the roof of any building within the Project for any purpose.

16. Plumbing. Plumbing shall not be used for any other purpose than that for which it was constructed, and no sweepings, rubbish, rags, or other foreign substances shall be deposited into plumbing. The cost of any damage resulting from misuse shall be borne by the Owner.

17. Solicitation. There shall be no solicitation by any person anywhere on the Project for any cause, charity or purpose whatsoever, except that the Developer or its agent(s) in the marketing of Ownerships or other similar timeshare products involving the Royal Resort Hotel or affiliated properties or in hotel promotions related to food, beverage and casino gaming activities.

18. Parking. The parking is available for non-exclusive use by Owners during their Occupancy Period(s). No vehicle shall be parked in any unauthorized area or in such manner as to impede or prevent access to another parking space or any fire lane. The Owners, their employees, agents, visitors, licensees, the Owner's family and other Authorized Users of a Suite will obey all posted parking regulations and all other regulations concerning parking. Vehicles parked in any unauthorized areas or impeding another parking space or any fire lane are subject to being towed away at the Owner's or Authorized User's sole expense. No repair of vehicles shall be made within the Project. No Owner shall store or leave boats, trailers, mobile homes, recreational vehicles and the like on the Project, except in areas, if any, designated for the same. No trucks (other than pick-ups) or buses may be parked anywhere on the Project, except for those of the Developer or the Managing Agent. Parking spaces are not assigned to particular Owners or Suites. As such, each space may be used by any Owner, family member, lessee, guest or other Authorized User of a Suite. Drivers may not park vehicles in spaces designated for handicapped persons, unless they fall within this category of individuals, and the Board or Managing Agent shall have the right to notify local authorities of any such violations. Vehicles should be parked within the painted lines.

19. Guests. Owners are required to notify the Managing Agent in advance by written notice of the arrival and departure dates of guests or other Authorized Users who have permission to occupy the Suite in their absence. Owners should have such guests check in at the front desk upon arrival. Owners will be responsible for compliance by guests or other Authorized Users with these Rules and Regulations.

20. Transfer Of Ownerships. Immediately upon transfer of any Ownership, an Owner shall give written notice of such transfer to the Managing Agent.

The foregoing written notice shall state the name and address of the transferee and shall be accompanied by a non-refundable administrative fee as set forth on the Transaction Fee Schedule payable to the Managing Agent to cover administrative expenses, which fee is subject to being increased without notice.

Any assignment of the use rights of the Ownership or a Suite shall contain a covenant stating that assignee shall comply with all present and future Rules and Regulations of the Board and/or the Managing Agent.

Persons entitled to use of a Suite pursuant to an approved exchange program or through some other means must comply with these Rules and Regulations, as amended from time to time.

21. Storage of Dangerous Items. No inflammable, combustible, or explosive fluid, chemical or substance, shall be kept in any Suite or within any part of the Project.

22. Occupancy. No Studio Suite shall be occupied by more than four (4) persons at one time and without the written approval of the Board or Managing Agent. No Ambassador Suite shall be occupied by more than six (6) persons at one time without written approval of the Board or Managing Agent. The foregoing is subject to the requirements of all state and local fire, safety and/or health codes.

23. Employees/Agents Control and Entry of Suites for Maintenance. Employees and/or agents of the Association or managing Agent and employees and/or agents of the Developer during on-going sales programs, shall not be directed or ordered off the Project by any Owner or Authorized

User of a Suite at anytime for any purpose. Employees or agents of the Developer, the Managing Agent of the Board shall be permitted to enter Suites for maintenance and repairs during reasonable hours.

24. Complaints. Complaints regarding the Project or services shall be made in writing to the Managing Agent or the Board.

25. Payment of Assessments, Special Charges and Fines. Payment of Assessments, special charges, and fines shall be made at the office of the Managing Agent. Payments made in the form of checks shall be made as to the order of such party as the Managing Agent shall designate. Owners, guests, or any other Authorized User of a Suite may be denied the use of the Suite, utility and/or other services during their Occupancy Period, at the discretion of the Managing Agent or Board where there are outstanding Assessments (to include interest and, late charges, and/or attorney/s fees), special charges, assessment of fines.

26. Check-in/Check-out. All Owners or their Authorized Users shall vacate Suites no later than 11:00 a.m. on the last day of their Occupancy Period. In the sole discretion of the Board or Managing agent, failure to so vacate will subject the Owner and/or Authorized User to a late check-out charge of \$50.00, which amount is subject to change without notice. Possession of a Suite shall not begin before 5:00 p.m. on the day on which the Occupancy Period commences, unless permitted by the Board or Managing Agent in their sole discretion, or unless a Suite is being used for consecutive Occupancy Periods where there is no intervening maintenance period to period. As set forth in the Bylaws, the Managing Agent may modify the check-in/check-out time and the first day of Occupancy Period for the Suites each year, and the Managing Agent shall notify Owners of these specific matters as part of the reservations process each year pursuant to the Reservation Rules set forth herein.

27. Amendments to Rules. The Board reserves the right to amend any of the foregoing General Rules and Regulations set forth in Part B, and to make additional Rules and Regulations as may be required from time to time without consent of its Owners. Such amended and additional Rules and Regulations shall be binding as all the Rules and Regulations previously adopted.

## **B. RESERVATION RULES:**

1. Management of Reservation System. Pursuant to the provisions of the Bylaws and Management Agreement between the Club, Developer and the Managing Agent, Managing Agent is responsible for the management and operation of the Ownership program, including the reservation system, although it may subcontract actual operations to third parties. Pursuant to the Bylaws, in the event the Managing Agent ceases to perform services pursuant to the Management Agreement, the Club (being the Board) shall assume such responsibilities and obligations.

2. Designation of Principal Contact. If an Ownership is owned by more than one owner, the owners of that Ownership shall designate a "Principal Contact" from time to time by notifying the Managing Agent of the same through a writing executed by all owners of the Ownership. If a Ownership is owned by a corporation, trust or other entity, an authorized agent of such entity shall be responsible for notifying the Managing Agent of the Principal Contact. The Managing Agent shall deal with the Principal Contact in connection with any reservations, sending confirmations and providing other services. Owners may be charged an administrative fee as set forth on the Transaction Fee Schedule each time there is a request to change a Principal Contact designation.

3. Reservation Requests. All reservations shall be based on a calendar year, with each Owner being entitled to make reservations within each calendar year for their use.

(a) Ownerships with Floating Time Period Occupancy Rights. Owners of Ownerships with rights to use Floating Time Periods will be permitted to reserve the use and occupancy of a Suite of the same Suite type associated with their Ownership (Studio or Ambassador) for a Full Week Period (seven consecutive nights), a Weekday Period (Monday through Thursday or any other four consecutive-day period selected by Managing Agent or the Board) a Weekend Period (Friday, Saturday, Sunday or any other three consecutive-day period selected by Managing Agent or the Board) each year (or every other year for biennial occupancy Ownerships), on a first come, first served basis, subject to the terms, priorities, conditions and restrictions set forth in the Bylaws, the Management Agreement and these Reservation Rules.

(i) Full Week Periods (or greater). Owners of the Ownerships with rights to use Floating Time Periods who wish to reserve use of a Suite for seven (7) consecutive nights (or Owners who own more than one Ownership Interest and wish to reserve more than seven (7) consecutive nights) may submit their reservation requests to the Managing Agent at any time between the date which is twelve (12) calendar months, but not later than seven (7) days, preceding the requested check-in date.

(ii) Weekday Periods Or Weekend Periods. Owners of Ownerships with rights to use Floating Time Periods who wish to reserve use of a Suite for a Weekday Period or a Weekend Period may submit their reservation requests to the managing Agent at any time between the day which is twelve (12) calendar months, but not later than seven (7) days, preceding the earlier of the requested check-in dates. Weekday and Weekend Period reservations are subject to the Managing Agent's right to reserve up to 25% of all available use time for Full Week Period reservation requests.

(iii) Submitting a Reservation Request. An Owner of an Ownership with rights to use a Floating Time Period may submit a reservation request to the Managing Agent in writing. Upon receipt of the reservation request, the Managing Agent shall issue the Owner a Confirmation to use a Suite of the same Suite configuration associated with their Ownerships if the Time Period requested is available.

(b) Ownerships With Fixed Time Period Occupancy Rights. Notwithstanding anything contained herein to the contrary, owners of Ownerships with rights to Fixed Time Periods are not currently required to make reservations prior to check-in in order to occupy Suite during their prescribed Fixed Time Period. The Managing Agent and the Board reserve the right, in their sole discretion, to amend these Reservation Rules to require owners of Ownerships with rights to use Fixed Time Periods to confirm in advance with the Managing Agent each year their intent to use the occupancy rights associated with their Ownerships. Notwithstanding the foregoing, Owners who own Ownerships with Fixed Time Periods must request and receive a Confirmation in order to exchange their Occupancy Rights.

- (d) Use of Exchange Programs. A non-delinquent Owner may give up their confirmed Occupancy Period in exchange for another Owner's confirmed Occupancy Period. This may be accomplished through the Managing Agent or the Exchange Program for a fee.

4. Confirmations: Suite Assignments. Written Confirmations for requested reservations will be mailed or faxed to each Owner (or Principal Contact) with Floating Time Period rights (or Fixed Time Period rights if requested) by the Managing Agent to document all confirmed reservations. Any Owner with Floating Time Period rights or Fixed Time Period rights wishing to use or exchange occupancy increments in a Suite must first request and receive a written reservation Confirmation. For owners of all types of Ownerships (Floating Time Period rights as well as Fixed Time Period rights), the Managing Agent will assign a specific Suite at that time of check-in which is of the Suite type associated with such owner's Ownership. Requests for specific Suites or floors will not be accepted, except to accommodate persons with special needs in accordance with applicable law.

5. Failure to Make Timely Reservations of Use Ownership. In the event an Owner fails to reserve or use all seven nights of his/her permitted nights of occupancy during any given calendar year, his/her right to utilize such unreserved or unused nights will expire. There is no accrual or carryover of unused reservation or use rights from one calendar year to the next. Owners unable to make full use of their Ownerships in any given calendar year are not relieved of the obligation to pay all Assessments, taxes and other costs associated with their ownership of such Ownerships.

6. Priority Reservation Rights of Managing Agent. Owners' ability to obtain Confirmations for their Floating Time Periods shall be subject to the following priority reservation rights of the Managing Agent:

(a) Maintenance. As required for the proper maintenance of the Project, the managing Agent shall have the priority right to reserve and Time Periods it deems necessary and appropriate in its sole discretion for the purpose of performing normal maintenance on the Suites or their appurtenances.

(b) Allocation of Inventory for Full Week Periods. The Managing Agent shall have the right, but not the obligation, to hold up to twenty-five percent (25%) of available Floating Time Period inventory at any one time solely for the use of Owners wishing to reserve Full Week Periods.

7. Cancellation and No-Shows. At least seven (7) days prior to the scheduled check-in date, a Owner with rights to a Floating time Period may cancel a confirmed reservation without penalty. Owners who cancel confirmed reservations less than seven (7) days prior to the scheduled check-in date will be charged a cancellation fee as set forth in Section 8 below. In addition, Owners who cancel confirmed reservations less than seventy-two (72) hours prior to the scheduled check-in date will be limited to making new reservations no more than seventy-two (72) hours prior to the new requested check-in date. Reservations may only be canceled in their entirety; Owners will not be permitted to partially cancel a reservation. There is no right of cancellation for Owners with rights to Fixed Time Periods. Owners who fail to arrive on the scheduled check-in date must notify the Managing Agent when they will be arriving or risk losing their reservation and/or occupancy rights.

8. Transaction and Other Fees. In addition to all Assessments, taxes, purchase price payments and other charges associated with each Ownership, each Owner shall be responsible for paying any transaction fees which may be established by the Managing Agent from time to time. Transaction fees may include, but not be limited to, change of reservations, address changes, multiple reservation fees, cancellation fees, exchange fees and guest certificate fees. At least annually, Managing Agent shall provide Owners with a list of the current transaction fees. A copy of the current Transaction Fee Schedule, subject to change, is attached hereto.

9. Banking and Borrowing. The Managing Agent shall have the ability, but not the obligation, to institute a program of "banking" and "borrowing" on a few basis. As used herein, "banking" shall refer to the ability of a Owner with rights to a Floating Time Period to defer the right to make a reservation from one year to the next year. "Borrowing" shall refer to the ability of a Owner with rights to a Floating Time Period to make a reservation in the current year by utilizing reservation rights attributable to a succeeding year. Procedures governing the "banking" and "borrowing" shall be determined by the Managing Agent in its sole discretion.

10. Priority Request Lists and Wait Lists. The Managing Agent shall have the ability, but not the obligation, to establish wait lists for Time Periods not available for the reservation by Owners with rights to Floating Time Period because such Time Periods have already been reserved by other Owners. Procedures governing the establishment and maintenance of request and wait lists shall be determined by the Managing Agent in its sole discretion.

11. Delinquencies. No Owner shall be issued a Confirmation or permitted to use or exchange a Suite unless he is current in payment of all Assessments, taxes, personal charges and other fees owed to the Board or the Managing Agent, and affiliates or assigns, if applicable.

12. Conflicts. These Reservation Rules are subordinate to and designed to supplement the Bylaws, and in the event of conflict therewith, the Bylaws shall control.

### **C. ROYAL RESORT SHARED AMENITIES:**

1. Use of Swimming Pool and Other Recreational Facilities. Owners and Authorized Users of any swimming pool or other exercise or recreational facilities made available to them do so at their own risk. All users shall obey the posted rules and comply with local and state ordinances then in effect. Children under sixteen (16) years of age using any swimming pool or other available recreational facilities must be accompanied and supervised by a responsible adult. Unattended children and any persons violating any of the rules relating to the rules of the swimming pool, whirlpool or other facilities may be asked to leave the premises.

Swimming in the pool is permitted only during the posted hours of operation. No life guard will be in attendance at the pool. Persons using the facility do so at their own risk. Persons using recreational facilities must be appropriately attired. The following are the basic rules for persons using the swimming pool:

(1) Shouting, running, "horseplay", ball playing or throwing objects is not permitted in the general pool area.

(2) Beverages may not be consumed within the pool areas, but extreme care must be taken that absolutely NO GLASS bottles or other GLASS containers be allowed within the pool area. Anyone who hosts or participates in serving or consuming beverages will be held strictly responsible for cleaning up after such refreshments have been consumed and will further be held strictly liable for any injury resulting from broken glass.

(3) If suntan oils, creams or lotions are used, a towel or other forms of protection must be placed on pool furniture to protect the attire of others who use the furniture.

(4) No Children in diapers will be allowed in the pool or whirlpool.

Owners and Authorized Users shall observe all posted Rules and Regulations governing the use of the above and all other available recreational facilities. Violators may be asked to leave the premises for non-compliance with any of the forgoing.

**ROYAL RESORT VACATION OWNERS ASSOCIATION**  
**Transaction Fee Schedule**  
**2004**

Pursuant to Article 6.4 of the Bylaws of ROYAL RESORT VACATION OWNERS ASSOCIATION, INC., following are the transaction fees in effect :

	<u>Amount</u>
1. Request to change a principal contact designation	\$25.00
2. Transfer of Ownership	125.00
3. Reservation change	25.00
4. Cancellation	50.00
5. Late fee	50.00