



CLUB LA COSTA
FRACTIONAL PROPERTY
OWNERS CLUB

PROJECT REGULATIONS

February 2014

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PROJECT REGULATIONS

1. DEFINITIONS

In these Regulations, capitalised words shall, unless the context otherwise requires, have the meaning ascribed to them in the Rules of the Club La Costa Fractional Property Owners Club ("**Project**").

The Owner is obliged by the Rules and the Management Agreement to pay **Management Charges** each year to the Manager of the Project.

2. EXCHANGE FACILITY, EXTERNAL EXCHANGES AND POINTS

2.1 EXCHANGE FACILITY

The Owner releases to the Manager the occupation and use privileges of his Fractional Rights in respect of an Allocated Property in return for receiving a predetermined number of holiday Points each year which the Owner may redeem for holidays and other Benefits in accordance with the Rules and the detailed provisions set out in these Project Regulations.

The Exchange Facility is provided to the Project by the Manager depositing the occupation and use privileges of the Fractional Rights within the exchange portfolio of, and managing cross utilisation arrangements with, the Club La Costa Vacation Club ("**CVC**") (overall referred to as "**Exchange Portfolio**").

Points are the internal "currency" mechanism used within the Project to allow Owners the flexibility to make reservations and enjoy certain Benefits within the Exchange Portfolio, subject to having sufficient Points to redeem according to the Points Tables.

The number of holiday Points an Owner is entitled to in relation to his Fractional Right is set out in the Purchase Agreement and in the Fractional Rights Certificate.

Points/Cession Points

For the purposes of these Project Regulations the term "**Points**" includes both the holiday Points arising from Fractional Rights deposited as well as any Cession Points which arise on Cession Weeks, all as described in more detail below in section 4.

The Manager will maintain a Points Register which will show the amount of Points each Owner is entitled to use together with details of how many have been used in each Year.

The number of Points required for any reservation within the Exchange Portfolio will be those set out in the Points Tables attached to these Project Regulations or as supplemented or updated by later CVC publications or on www.clcworld.com

Owners will be provided with a unique login to access their Owner area within www.clcworld.com

Holidays may be reserved on a first-come, first-served basis subject to availability and reservations may be made from 24 months in advance of the reservation period.

Transaction Fees

(a) **General**

Owners will be required to pay a Transaction Fee per reservation which is calculated on the number of points charged for the reservation multiplied by the Transaction Fee. Current Transaction Fee for 2014 is £0.15 per Point with a maximum charge of £300 per reservation.

A reservation is considered to be a weekly period or a split week reservation (mid-week or weekend).

The Transaction Fee will be calculated for each calendar year by the Manager and the previous year charge will be in force until the next year fee is advised. The Transaction Fee is charged on the date of making the reservation and is non-refundable (other than where the cancellation is the fault of the Manager).

(b) **Composite Management Charge**

Where the Manager has designated a particular Property as being one where a Composite Management Charge applies meaning that Transaction Fees are included in the total sum invoiced as the Management Charge, the Owner of Fractional Rights in that Property will not be required to pay any Transaction Fees.

Globe Resorts Reservation Fees – There is an additional reservation fee applicable for Globe Resorts bookings, please; refer to Central Reservations for the current fee. The current reservation fee for 2014 is £0.00.

Reservation Benefits

Saving – Any unused Points from the current year will automatically be saved for use in the following three years.

Borrowing – Owners may borrow Points from the future year, dependent on a provisional management charge for these being pre-paid at the point of reservation.

Late Breaks – Owners shall receive the following discount in respect of reservations with short notice periods. This Late Break discount policy may be varied by the Manager.

Reservations made within 0 - 14 days of arrival date:	50% Points discount
Reservations made within 15 - 30 days of arrival date:	25% Points discount
Reservations made within 31 - 45 days of arrival date:	10% Points discount

All Late Break reservations are subject to availability and no guarantee is given that accommodation will be available for the purposes of making reservations under the Late Break discount policy. Late Break discounts cannot be combined or used in conjunction with any other special offer.

Split Week – Split Week reservations are available at certain resorts at certain times of the year. The number of Points applicable to Split Week reservations shall be calculated as a percentage of the Points for the full week as reflected on the Points Tables and the current percentages are as follows:

Friday to Monday	75%
Monday to Friday	25%
Saturday to Wednesday	75%
Wednesday to Saturday	25%
Thursday to Sunday	75%
Sunday to Thursday	25%

Free Upgrades – Dependent on the week ownership within the Project by an Owner, one or two free upgrades per year are available to Owners. An upgrade is a reservation made into a unit type that is one category above the unit type requested and reserved into. Points deducted will be of the original unit reserved. Available in CLC World and Club Resorts.

One week	One Free Upgrade
Two weeks plus	Two Free Upgrades

2 for 1 Offers – These offers will typically be made available in selected seasons at selected resorts where there is greater availability or via a special promotion or offer. Contact Central Reservations or visit www.clcworld.com for details of current special offers.

World of Hotels – Owners will benefit from the ability to use Points from the Project towards the use of bookings made in the World of Hotels programme. All bookings are subject to the Terms & Conditions of the programme including payment and cancellation terms, and current versions are visible at www.clcworldtravel.co.uk

World of Cruising – Owners will benefit from the ability to use Points from the Project towards the use of bookings made in the CLC World Cruise programme. All bookings are subject to the Terms & Conditions of the programme including payment and cancellation terms, and current versions are visible at www.clcworldtravel.co.uk

2.2 EXTERNAL EXCHANGES

International Exchange Networks – through affiliation agreements between the Manager and third party International Exchange Organisations (IEO), Owners will have access to External Exchange reservations.

IEO operate independently of the Project and Fractional Rights and are subject to the individual IEO terms.

Exchange is entirely optional for the Owner.

External Exchange Reservation bookings are made via Central Reservations or directly to the IEO; please refer to Central Reservations for current procedures for the IEO.

Transaction Fees - Owners will be required to pay a Transaction Fee per reservation for IEO reservations, which is calculated on the number of points charged for the reservation multiplied by the Transaction Fee. Current Transaction Fee for 2014 is £0.00 per Point.

The Transaction Fee will be calculated for each calendar year by the Manager and the previous year charge will be in force until the next year fee is advised. The Transaction Fee is charged on the date of making the reservation and is non-refundable (other than where the cancellation is the fault of the Manager).

Cancellation Rules for an exchange reservation are dependent on the current affiliation agreement.

An Owner undertaking an exchange will be required to comply with the standard terms and conditions of the exchange programme and any exchange is supplied according to those terms.

II - Membership and Exchange Fees apply to these reservations exchanges; please refer to the website www.intervalworld.com for the latest rates.

Renewal of membership: after the expiry of the initial membership term or where an Owner has an existing membership that expires, to be eligible for services, Owners are required to pay a renewal fee. These fees are reviewed from time to time. The current renewal fee will be communicated at the time of payment and the Member can decide whether or not to proceed on that basis.

Points – the number of Points deducted for an exchange reservation is based on the International Exchange Points Chart as per the Fractional Property Owners Club Members Guide.

Cancellation rules follow affiliation agreement – please check at the time of booking.

Benefits – Certain benefits are offered by third party suppliers and therefore, although the Manager will make all reasonable efforts to secure compliance, the Manager is not responsible for any failure or default on the part of a supplier.

All benefits offered are subject to specific terms and conditions of each supplier and may be subject to change or substitution without notice. Restrictions may apply. All reasonable efforts have been made to ensure that published information concerning benefits is accurate at time of printing. Certain benefits may vary by country.

Other than where mentioned above regarding Cession Points, Points arising from Fractional Rights may not be combined with points, credits or any other form of “holiday currency” the Owner may have from other holiday products.

Methods of Reservations

Owners can make reservation requests by contacting Central Reservations either by telephone on the numbers provided by country of residence or by sending an e-mail.

Reservations can be made from 24 months to 2 days before the commencement of the reservation period.

Cancellations - Owners who cancel confirmed reservations will forfeit a percentage of the Points in respect of the reservation being cancelled on the following basis:

<u>Cancellation within</u>	<u>Percentage Forfeiture</u>
0 - 30 days	100%
31 - 60 days	75%
61 - 90 days	50%
91 - 120 days	25%
121 days or more	10%

Cancellation rules will apply to any Owner-cancelled reservation, not including any reservation cancelled by the Manager, irrespective of the reason for cancellation.

Owners will have to pay a premium for certain peak periods. For example, a 25% premium is currently charged for the Easter period. Owners must check at the time of making their reservation request.

Owners must advise the resort concerned should they wish to check in later than the check in date specified on the confirmation letter.

The Manager shall be entitled to cancel an Owner's reservation in the event that the Accommodation reserved becomes unavailable for whatever reason. The Manager will give the Owner as much prior notice as possible and will endeavour to offer alternative Accommodation to the Owner. However, neither the Vendor nor the Manager nor the Trustee shall have any obligation or liability to the Owner other than to credit the Owner's Points Holding account with the number of Points deducted for the said reservation. The Owner waives any and all claims against the Vendor and/or the Manager and/or the Trustee in respect of such cancelled reservation.

It is the traveller's responsibility to ensure that all passengers have valid passports (e.g. passports need to have minimum 6 months left to run) and correct travel documentation for travel to their destination, including adequate travel insurance to include all planned activities.

Owners should note that accommodation during school holidays should be booked as far in advance as possible.

All bookings are subject to availability and are handled on a first-come, first-served basis.

Payment for the Transaction Fee should be made as instructed at the point of making the reservation.

All credit card transactions are subject to an administration charge.

Confirmation shall be issued by CLC in writing and until such confirmation is made no entitlement to use any resort is granted. Once a booking is confirmed the published cancellation rules will apply.

Failure of the Owner to book into the resort on the first day upon which the resort has been reserved may result in the Owner losing any right or entitlement to use that resort for the period booked, without refund or compensation.

3. POINTS TABLES

Points hold a similar conversion value to Club La Costa Vacation Club Points for use in the Exchange Portfolio, with a one to one ratio.

The Points Tables shown in the Vacation Club Directory of resorts indicate the number of Points required for each holiday choice. All resorts and unit types will be assigned a Points value for use within the exchange portfolio.

Points will be issued to an Owner's account on an annual basis and will automatically be credited each year on 1st January.

Points Gradings within the Exchange Portfolio are governed by the Articles, Rules and Regulations of the Vacation Club, which require any amend not to affect overall total values for the benefit of all Members.

Resorts and Points Tables displayed in the Directory and available for reservation use may be changed from time to time, to reflect supply, demand and seasonal pressures. There is no guarantee that any resort featured will remain so for the duration of the Project.

4. CESSIONS

Owners that wish to introduce any Timeshare week they own into the Exchange Facility can cede the usage and occupancy rights of such a week to the Manager, subject to acceptance of the week by the Manager, by signing a Cession Agreement and through compliance with these Regulations ("Cession Week").

Cession Weeks will be assigned Cession Points for the term of the Cession Agreement based on the points tables provided by CVC and used in the Exchange Facility.

Cession Points shall cease once ownership of Fractional Rights ceases, or if grant rights over the Cession Weeks are sold, transferred or otherwise, or if the Cession Weeks are no longer in good and usable condition, or if access is refused, whichever happens sooner.

Cession Points are personal and cannot be sold or transferred.

Cession Points may be used in conjunction with holiday Points assigned for Fractional Rights but can not be combined with points, credits or any other form of "holiday currency" the Owner may have from other holiday products.

Cession Weeks must be free and clear of all liabilities when ceded to the Project/Manager.

Proof of payment of annual management fees on the Cession Weeks is the responsibility of the Owner, who must also advise the Manager each year.

Cession Weeks can be withdrawn according to the terms of the Cession Agreement; these stipulate a 12 month notice period and are dependent also on any future reservation use of the Cession Week.

Owners will be required to complete a Cession Authorisation Letter and to sign a Cession Agreement for Exchange Facility for each Cession Week.

5. LICENCES GRANTED BY OWNERS AND GUEST CERTIFICATES

An Owner may let or cede the Points which relate to his Fractional Rights Certificate, subject to the provisions of the Rules and these Project Regulations.

- (a) Any requisite consent from the relevant local authorities being previously obtained (and the Trustee in no way warrants that any such consent shall be forthcoming); PROVIDED THAT the Owner will in any event during the period of such let be primarily responsible for all the obligations incumbent on the holder of the Fractional Rights Certificate. Moreover if the Property is let for money or money's worth then the Owner shall remain personally liable for any taxes which may be levied thereon and the Owner shall fully indemnify the Management Vendor and the Project against any costs, claims or demands in connection therewith.
- (b) In the event of the Owner having personally arranged the let with the proposed occupier, the Owner must advise the Manager, no less than 21 days prior to the commencement date of the occupation, of full details including names and addresses of the intended occupiers. The intended occupiers will then be contacted and asked to confirm their details and their acknowledgement in writing of reservation dates. Furthermore the Owner must provide the intended occupiers with a Guest Certificate, no less than 21 days prior to the occupation date, giving them permission to occupy. The Guest Certificate must bear the original signature of the Owner and be presented to reception on check-in, together with identification.
- (c) In the event of an occupier being procured by or through a third party, which could be a letting agency or a corporate body as part of its business, the Owner must submit in writing to the Manager, no less than 21 days prior to the commencement date of the occupation, the name and address of the letting agency/third party. The letting agency/third party will then be contacted for full names and addresses of the occupiers. The intended occupiers will then be contacted and asked to confirm their details and their acknowledgement in writing of the reservation dates. Furthermore the Owner must request a Guest Certificate, no less than 21 days prior to the commencement date of the occupation, giving the intended occupier permission to occupy. The Guest Certificate must bear the original signature of the Owner and be presented by the intended occupier to reception on check-in, together with identification. The fee for the issuance of such Certificate must be paid in advance. For the avoidance of doubt, and subject to any specific Project Regulations, this clause shall in no way alter the procedure under which any Owner may deposit weeks with an International Exchange Organisation previously approved by the Manager and in such an event no such Guest Certificate will be required.
- (d) Owners are fully responsible for their guests and everyone travelling with a guest who has been issued with a Guest Certificate. Owners are responsible for ensuring compliance with the provisions of Rule 4. This means that Owners accept liability for all the acts, omissions, neglects and/or defaults of guests and everyone travelling with a guest who has been issued with a Guest Certificate, for any damage caused by them or expenses unpaid by them, for any charges relating to the booking or its cancellation, for occupation of the accommodation by more than its maximum number and for replacing any items missing from the accommodation on departure.
- (e) Notwithstanding any such permission as aforesaid, the holder of the Fractional Rights Certificate shall remain liable under the provisions of these Rules for Management Charges and in all other respects.

6. OWNERS' GUIDE

The Vendor, or as delegated to the Manager, may publish an Owners' Guide (either in one publication or in separate pieces) setting out in detail certain operational aspects of Ownership. Such a Guide may incorporate the information set out in these Regulations, but it may be separate as the Vendor shall decide. The latest published version of the Owners' Guide (as may be updated from time to time) is incorporated into these Regulations and shall apply to all Owners. Owners should check for the latest applicable version of the Guide at the time of requesting a reservation.

7. OWNERS' OBLIGATIONS

In the following sections "Contents" means the usual fittings and furnishings contained within the accommodation unit and "Common Facilities" means such commonly shared leisure and other services (roads etc) available to all units on the resort in which the Accommodation is situated.

7.1 In addition to any other obligations, Owners:

- 7.1.1 shall not use nor permit the use of any Accommodation in any manner or for any purpose which might adversely affect the reputation of any Resort or of the Project;
- 7.1.2 shall not contravene or permit contravention of any law, by-law, ordinance, proclamation, statutory regulation or condition of any licence relating to occupation of any building in which the Accommodation is situated;
- 7.1.3 shall not make any alterations to any Accommodation;
- 7.1.4 shall not do anything which may aesthetically detract from or alter any Accommodation;
- 7.1.5 shall permit authorised persons access to any Accommodation including for the purpose of conducting inspections, carrying out maintenance, executing repairs or making alterations;
- 7.1.6 shall at no time permit occupation of any Accommodation by unauthorised persons, or by more persons than any maximum prescribed number;
- 7.1.7 shall not in any way alter or remove or tamper with any Contents contained in or outside of any Accommodation, or tamper or interfere with the Common Facilities;
- 7.1.8 shall not keep in or about any Resort any substances of a flammable nature or do or omit doing anything which may cause a fire hazard or may vitiate any fire insurance or constitute any other form of public hazard at any time;
- 7.1.9 shall inform a representative of the Management Company and the relevant Resort of any breakages which occur or become apparent during their period of use;
- 7.1.10 shall keep the Accommodation and all fixtures and fittings and other Contents in the same good condition as at the start of their stay;
- 7.1.11 shall not keep any animals at the Accommodation unless permitted by the relevant Resort;
- 7.1.12 shall ensure that all furniture, equipment, effects and other Contents shall be left in the rooms or places in which they were at the commencement of the period of occupation by the Owner;
- 7.1.13 shall at no time carry on or permit to be carried on from the Accommodation any profession, trade or business whatsoever;
- 7.1.14 shall not do or allow to be done any act or thing which may be a nuisance or annoyance to the occupiers of adjoining Accommodation or other premises in the vicinity, including and in particular and without prejudice to the foregoing not use or play any electrical or musical instruments of any kind or practice any singing in the Accommodation between the hours of 11 pm and 9 am;
- 7.1.15 shall not affix or permit or suffer to be affixed or exhibited on or from the Accommodation so as to be visible outside the Accommodation any aerial or transmitter, flag, placard, sign or poster of any description.

7.2 Owners shall additionally comply with such rules as may be in force in respect of and governing specific Resorts and the occupancy of Accommodation and use of Common Facilities in such Resorts.

7.3 Owners shall, while in occupation of Accommodation, be responsible for damage to such Accommodation and Contents.

7.4 The use of Accommodation, Common Facilities, Contents and services at Resorts shall be at the sole risk of the Owners using the same and the Manager shall not (insofar as this does not relate to death or personal injury caused as a result of the negligence of employees or agents of the Project) be in any way responsible for any damage or loss of whatever nature sustained by any person whomsoever and whether consequent upon or caused by human or animal agency, natural phenomena or otherwise.

8. INDEMNITY

Each and every Owner individually shall indemnify and hold harmless the Vendor, Manager and the Trustee against any and all claims of whatsoever nature and which may be brought against the Vendor, Manager or the Trustee by an Owner, member of his family or other person in respect of damage including all consequential damage and losses of whatsoever nature and howsoever arising, consequent upon the use of the Accommodation or the Common Facilities.

9. BENEFITS

Where certain benefits are offered by third party suppliers outside the ownership or control of the Vendor or Manager, neither the Vendor or Manager is responsible for any failure or default on the part of that supplier. All benefits offered are subject to availability and to the specific terms and conditions of each independent supplier and may be subject to change or substitution without notice. Restrictions may apply.

10. AMENDMENT

These Regulations may be altered by the Vendor or Manager of the Project from time to time in accordance with the Rules at its sole discretion, if it deems such alterations to be for the principal purpose of improving upon the quality and operation of the Project and furthering the collective enjoyment and use of the Project by present and future Owners taken as a whole.

11. ACCURACY

All reasonable efforts have been made to ensure that published information concerning benefits is accurate at the time of printing but on occasions it may be necessary to make changes for operational reasons without notice. Certain benefits may vary by country. The Vendor and/or Manager cannot guarantee that all resorts or facilities featured will be available or remain unchanged during the duration of the Project.



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