

WHISPERING WOODS II
OWNERS ASSOCIATION

RULES AND REGULATIONS

Revised 05/31/02

Table of Contents

1.	DEFINITIONS	1
1.	“Alternate Calendar Year”	1
2.	“Alternate year Timeshare Interest”	1
3.	“Annual Timeshare Interest”	1
4.	“Association”	1
5.	“Day Use”	1
6.	“Fixed Week”	1
7.	“Floating Week”	1
8.	“Furnishings”	2
9.	“Maintenance Weeks”	2
10.	“Summer Season”	2
11.	“Unit Type”	2
12.	“Unit Week”	2
13.	“Use Period”	2
14.	“Value Season”	2
15.	“Whole Unit”	2
2.	DESCRIPTION OF I.D. NUMBER	3
3.	RESERVATIONS SUMMARY	3
4.	RESERVATION RULES & REGULATIONS	4
5.	USE WEEK CALENDAR	5
6.	HOLIDAY RESERVATION WAITING LIST	5
7.	BONUS TIME DESCRIPTION	6
8.	CHECK-IN AND CHECK-OUT TIMES; SERVICE PERIOD	7
9.	CARE OF INTERIOR FURNISHINGS AND EQUIPMENT	7
10.	MAXIMUM OCCUPANCY	7
11.	GUESTS	7
12.	PARKING	8
13.	MAID SERVICE	8

14.	LAUNDRY FACILITIES	.	.	.	.	.	.	.	.	8
15.	USE OF EQUIPMENT	.	.	.	.	.	.	.	.	8
16.	PET POLICY	.	.	.	.	.	.	.	.	8
17.	DAY USE PROVISION	.	.	.	.	.	.	.	.	9
18.	COMMON AREAS	.	.	.	.	.	.	.	.	9
19.	PERSONAL ITEMS AND STORAGE	.	.	.	.	.	.	.	.	9
20.	PASS KEY	.	.	.	.	.	.	.	.	9
21.	SIGNS	.	.	.	.	.	.	.	.	9
22.	SECURITY	.	.	.	.	.	.	.	.	10
23.	DISTURBANCES	.	.	.	.	.	.	.	.	10
24.	BUILDING MODIFICATIONS	.	.	.	.	.	.	.	.	10
25.	FAILURE TO VACATE	.	.	.	.	.	.	.	.	10
26.	ENFORCEMENT OF THE POLICIES AND PROCEDURES	.	.	.	.	.	.	.	.	12
27.	AMENDMENTS	.	.	.	.	.	.	.	.	12

RULES AND REGULATIONS OF WHISPERINGWOODS II OWNERS ASSOCIATION

The following Rules and Regulations have been established and adopted pursuant to Section 6.5.8 of the Declaration of Covenants, Conditions, Restrictions and Easements for Whispering Woods II (the “Declaration”). These Rules and Regulations are subordinate to the Declaration and, in the event there is a conflict between the Declaration and the Rules and Regulations, the Declaration shall control.

1. DEFINITIONS

The terms used in these Rules and Regulations, which are defined terms in the Declaration, shall have the same meanings as set forth in the Declaration. To assist you in reading these Rules and Regulations, some of the definitions contained in the Declarations are repeated below.

1. “**Alternate Calendar Year**” means every other calendar year, being either even calendar years or odd calendar years.
2. “**Alternate year Timeshare Interest**” means a Timeshare Interest which includes the right to one Unit Week occupancy in Alternate Years only.
3. “**Annual Timeshare Interest**” means a Timeshare Interest which includes the right to one Unit Week of occupancy in each calendar year.
4. “**Association**” means the nonprofit corporation to be formed to serve as an Owner’s association as provided in the Declaration, and its successors and assigns.
5. “**Day Use**” means use of the Common Areas or any Joint Use Common Areas by an Owner or an Owner’s family or guests on a day other than during such Owner’s Use Period.
6. “**Fixed Week**” means a Unit Week that is fixed as to a specific Unit and as to a specific week of the Use Week Calendar.
7. “**Floating Week**” means a Unit Week that is not designated as to a particular Unit within a Unit Type or as to a particular week of the Use Week Calendar during a Season. The specific Unit and Use Period will be assigned pursuant to the reservation procedures specified in the Rules and Regulations.

8. “**Furnishings**” means furniture, appliances, housewares and furnishings for all Units, other than Whole Units, and all other personal property from time to time owned or held by the Association for use by Owners during their respective unit weeks.
9. “**Maintenance Weeks**” means the one Unit Week which shall be set aside for each Unit during the Value Season for maintenance and restoration of the Unit each year. The Association, acting through the Agent, shall have the exclusive right to occupy each Unit during its Maintenance Week for these purposes. The Association’s Board of Directors, in its sole discretion and in cooperation with the Agent, selects and reserves the Maintenance Week for each particular Unit for each calendar year. No assessments, charges, voting rights or other privileges and responsibilities shall be attributed to the Association or Agent in connection with the right to occupy a Unit during its Maintenance Week.
10. “**Summer Season**” means the following: Weeks 24 through 37 as shown on the Use Week Calendar.
11. “**Unit Type**” means any one of the types of Units in the Project. There are two types of Units in the Initial Property: a “Type One,” which is a one-bedroom Unit containing approximately 542 square feet with a Unit Assessment Factor of 4.5, and a “Type Two,” which is a two-bedroom Unit containing approximately 928 square feet, with a Unit assessment Factor of 5.5.
12. “**Unit Week**” consists of seven consecutive days of exclusive occupancy which includes one Monday, one Tuesday, one Wednesday, one Thursday, one Friday, one Saturday, and one Sunday.
13. “**Use Period**” means that portion of a Unit Week occurring in the Owner’s designated Season during which an Owner has reserved or is otherwise entitled to the exclusive use of a Unit in accordance with the Declaration, the Bylaws and the Rules and Regulations.
14. “**Value Season**” means the following: Weeks 1 through 23 and 38 through 52 as shown on the Use Week Calendar.
15. “**Whole Unit**” means a Unit in which all of the Use Weeks are owned by a common Owner or a Unit that is not divided into Timeshare Interests.

2. DESCRIPTION OF I.D. NUMBER

The owner identification number specifically identifies an Owner and the particular interest such Owner has purchased. A typical Owner Identification number would look as follows:

(1) (2) (3) (4) (5) (6)
1000 - B - 1 - 1BR - V1 - A

The six components of the identification number are as follows:

1. Owner number = This number is in sequence based upon when an Owner purchased his unit starting with 1000, i.e., the first Owner would be Owner No. 1000 and the tenth Owner to purchase would be 1009. If an existing Owner purchases additional interest(s), his original owner number will be used.

2. This identifies which building the Owner has an interest in. The developer contemplates that there will be nine buildings. The buildings will be identified as A through I.

3. This identifies a particular unit in the building. The developer contemplates eight units in each building. The units will be identified as 1 through 8.

4. This is the type of unit purchased. Currently there are two types: 1BR = One Bedroom and 2BR = Two Bedroom.

5. This is the Season and Week number. The Season would be either a "V" = Value float, "S" = Summer float or "SF" = Summer Fixed. The week number is tied to the Use Week Calendar. The Value Season (float) would be identified as V1 - V23 and V38 - V51. The Summer Season would be identified as S24 - S37 if float, or SF24 -SF37 if fixed.

6. There are three letters that define the type of ownership. A = Annual year purchase; O = Odd year/alternate year purchase; and E = Even year/alternate year purchase.

3. RESERVATIONS SUMMARY

Advance reservations are required for Floating Week Owners (Summer Season and Value Season), but are not required for Fixed Week Owners using their fixed weeks or for Whole Unit Owners. Reservation requests are confirmed on a first come, first served basis; therefore, the earlier you make your request, the greater the probability of your specific request being confirmed. Early planning helps not only you, but also your Association in serving your wishes.

When reservation requests are received they are date and time stamped. A printed confirmation of your reservation will be mailed to you within three weeks (21 days) of the request's receipt. If you do not receive your confirmation within four weeks (28 days) from the day your request was submitted, please contact the Reservation Department.

All reservation requests for your regular Use Period must be made on a reservation request card which will be mailed to Owners annually prior to the Reservation Period, as further defined in Article 4. Reservation Rules and Regulations.

4. RESERVATION RULES & REGULATIONS

(A) Each calendar year the Association will designate a Reservation Period commencing on the first day of October and concluding on the last day of November during which Floating Week Owners (inclusive of Annual and Alternate Year Timeshare Interest Owners) may make a reservation request for a Use Period in the year following the next calendar year (Use Year). Example: Reservations for the year 2004 would be made during the Reservation Period October 1 – November 30, 2002. Floating Week Owners may reserve only a Use Period of the same Unit Type they purchased.

(B) Annually, on or about September 1, a Reservation Request Card will be mailed to all Owners for their use in submitting a reservation request for the respective Use Year. Reservation requests must be submitted on the approved Reservation Request Card. A Reservation Request Card may be delivered by hand, by mail or by fax. Reservation requests will not be accepted prior to the first day of the Reservation Period. If delivered by mail or fax, the Reservation Request Card may not be postmarked or dated earlier than 12:01 a.m., Pacific Time, on the first day of the Reservation Period.

(C) All reservations shall be confirmed on a first come, first served basis, in accordance with the procedure described above. Owners will be solely responsible for making sure that the Reservation Request Card and/or other written communications are received. Except as otherwise provided for by the rules and regulations of the Association, no Owner shall occupy a Use Period unless he or she has received written notice of confirmation. In any year, an Owner failing to request a reservation in a timely manner may lose his or her occupancy rights for that year.

(D) The Association may, but is not obligated to, accept reservation requests received after the last day of the Reservation Period (November 30) for the respective Use Year. All reservations must be confirmed by the Association before they are valid. Confirmation of reservations will be made by the Association in writing. Reservation requests submitted less than 14 days prior to the commencement date of the requested Use Period may be confirmed by telephone. Unreserved Unit Weeks in any Use Year will be made available for Bonus Time, Vacation Time, rental and other enhancement programs approved by the Association.

(E) Reservations for Use Periods shall be seven (7) consecutive nights commencing at Check-In Time on a specific date and ending at Check-Out Time on the following specific date. Current Use periods start at 5:00 PM on Monday and end at 11:00 AM on the following Monday.

(F) You may cancel your reserved Use Period one time per Use Year, without penalty, by giving notice to the Association at least fourteen (14) days prior to the Check-In Date. The Association cannot guarantee that you will be able to secure another reservation in such Use Year. A cancellation fee of \$20.00 will be charged for any more than one cancellation occurring in an anniversary year, or calendar year for alternate year owners.

(G) If your Use Period is not used in any Use Year, there will be no method for accrual or carryover of unused time into subsequent Use Years.

(H) The Association may reserve one week each Use Year as a maintenance week for each Unit for the purpose of refurbishing and repairing the Unit as necessary. The Association will determine the week to serve as the maintenance week for each Unit, which determination may be changed from time to time. No reservations for a Unit will be accepted during the maintenance week for such Unit.

(I) If you are a member of Resort Condominiums International ("RCI") and you intend to exchange your Use Period through RCI or if you choose to use other similar exchange services, you must confirm the reservation of a Use Period at Whispering Woods II Resort before contacting RCI or other exchange services to make an exchange request.

(J) You may be denied reservations if you have monies owing and unpaid to the Association, or if you have been suspended by the Association.

5. USE WEEK CALENDAR

A Use Week Calendar is attached to these Rules and Regulations for calendar years 1998-2007.

6. HOLIDAY RESERVATION WAITING LIST

During Holiday Periods, such as Christmas, demand for use may exceed the availability of units. A preference waiting list is employed for these holiday periods. Under this system, if you are unable to obtain a reservation for a particular holiday period, your name will be placed on a preference list in chronological order based on the date and time your request is received. You will then be offered your requested date if a

cancellation comes in to the reservations department. If you then do not choose to make a reservation, your name will be dropped from the list, and can only be placed on the list again by following waiting list procedures.

The waiting list is presently used for these holidays:

- Christmas
- New Years
- President's Day weekend
- Memorial Day weekend
- Independence Day
- Labor Day weekend
- Thanksgiving

7. BONUS TIME DESCRIPTION

BONUS TIME is usage that is in addition to your entitled Use Period and is limited to space availability. BONUS TIME will be available ONLY IF all Whispering Woods II units have not been reserved by other owners entitled to reserve REGULAR USE. If all space has been booked for REGULAR OWNER USE, there WILL NOT be space available for BONUS TIME use.

BONUS TIME may only be reserved during regular reservation office hours. The reservation office is open Monday through Friday, 9:00 a.m. - 5:00 p.m. BONUS TIME will be confirmed for a minimum on one (1) night, and a maximum of four (4) nights per reservation. Weekend stays which include a Friday or Saturday require a two (2) night minimum reservation.

You may reserve BONUS TIME by calling not more than twenty one (21) calendar days in advance of the desired BONUS TIME check-in. If the 21 calendar days in advance falls on a weekend, you may place your call on the preceding business day. For example, if you desire a Saturday check-in reservation, you may call on Friday morning for the Saturday 22 days later.

If BONUS TIME is not available at the time you call for the date requested, your name may be placed on a waiting list for that requested date. In the event any cancellations are received by the reservations staff prior to the requested date, reservations staff will notify owners in the order in which their names appear on the waiting list. This waiting list does NOT carry forward to dates beyond the date originally requested.

The cost of BONUS TIME use will be set by your Association Board and is structured to cover housekeeping and administration costs. The cost will be set forth in a rate schedule provided to you by your Association.

Cancellations must be made 72 hours prior to the arrival date, or THE DAILY RATE FOR THE FIRST RESERVED NIGHT WILL BE CHARGED TO THE OWNER.

GUESTS (INCLUDING CHILDREN AND FAMILY MEMBERS) MUST BE ACCOMPANIED BY AN OWNER FOR ALL BONUS TIME USE.

8. CHECK-IN AND CHECK-OUT TIMES; SERVICE PERIOD

Check-In Time shall commence at 5:00 p.m. and Check-Out Time shall be by 11:00 a.m. The 6-hour period from 11:00 a.m. (Check-Out Time) to 5:00 p.m. (Check-In Time) between Use Periods is reserved exclusively as a service period for the cleaning, repair and maintenance of the Unit.

9. CARE OF INTERIOR FURNISHING AND EQUIPMENT

When you or your Permitted User use an assigned Unit, you, the Owner, are responsible for any damage, other than normal wear and tear, done to the Unit and its furnishings during your Use Period. Any unreimbursed charges for damage or loss will be added to your bill at check-out time or will be billed directly to you. Non-payment of such a charge will be cause for suspension of use privileges until such charge has been paid. You should report any damage or deterioration to your assigned Unit or its Unit Furnishings to the Managing Agent as soon as possible after checking in. All Owners and their Permitted Users shall be responsible for removing all their personal property from their assigned Unit at check-out time. This provision does not apply to Owners of Whole Units.

10. MAXIMUM OCCUPANCY

The maximum allowable occupancy for any Unit is six (6) persons in a 2 bedroom unit and four (4) persons in a 1 bedroom unit. This policy does not apply to Whole Units.

11. GUESTS

You may lend your Use period to others without charge and may invite guests to share occupancy of your assigned Unit during your Use Period(s), provided that the maximum allowable occupancy limit is not exceeded. The Managing Agent will not give access to any Unit without written permission from the Owner in whose name there is a confirmed reservation. If you intend for a guest to use your reserved Use Period, you must inform the Association in writing prior to the first day of the Use Period reserved.

Please indicate the name(s) and address(s) of the guest(s). Upon check-in, guests will be required to show proof of identification and sign a registration card.

12. PARKING

No motor vehicle, trailer or other vehicle shall be parked in such a manner as to impede or prevent ready access to the parking areas and driveways, or to violate any other traffic regulations promulgated and posted for the safety, comfort and convenience of the Owners and guests. No Owner or guest shall use, or permit his family, guests, tenants or invitees to use parking spaces, if any, assigned to other Owners. The Association reserves the right to remove or cause the removal of such vehicles at the expense of the Owners thereof. The association will only guarantee one (1) parking space for the occupants of a one bedroom unit and two (2) parking spaces for a two bedroom unit. Each two bedroom unit will be limited to a maximum of one carport parking stall. All spaces will be available on a first come, first served basis.

13. MAID SERVICE

One time maid service is provided without additional charge (except Whole Units) to assure that your assigned Unit will be clean and neat upon your arrival. A charge shall be made for special maid service requested by you or required by reason of your (or your Permitted User's) use and occupancy of a Unit. Charges for maid service shall be payable upon check-out.

14. LAUNDRY FACILITIES

Washers and dryers are located in the units.

15. USE OF EQUIPMENT

Whispering Woods II Association has made available, for a nominal fee, bicycles and tennis rackets. They are available on a first come, first served basis and are to be used at the risk of the user.

16. PET POLICY

No animals may be brought onto the premises.

17. DAY USE PROVISION

Day use facilities available for the use of Whispering Woods II owners include the clubhouse, exercise room, swimming pool, hot tub and sauna. The facilities of Rippling River Association can only be used by an Owner or their guest in residence.

18. COMMON AREAS

No halls, sidewalks, stairways, driveways or other similar areas of the Project shall be obstructed or used for any purpose other than entering or exiting the Units. No personal property may be stored in any of the Common Areas.

19. PERSONAL ITEMS AND STORAGE

You are responsible for your personal items at all times while at the resort. The Association insurance policy does not extend coverage to your personal items. If the resort staff finds any personal items left behind in the Unit or anywhere on the resort property, these items will be kept by the Housekeeping Department until claimed by the Owner. Items will not be held longer than thirty (30) days. Except in areas which may be designated for such purpose by the Managing Agent, neither you nor your Permitted User may keep personal property on the premises other than within the assigned Unit or its assigned storage area.

20. PASS KEY

The Managing Agent is provided with a pass key to all units. In case of emergency, the Managing Agent or his employee may enter your Unit, and, in such case, notify you as soon as reasonably possible of the reason for such entry.

21. SIGNS

No signs (including, without limitation, "For Sale" or "For Rent" signs), banners or flags of any kind shall be placed in the windows or on the doors or other exterior surfaces of the Unit without the prior written approval of the Association, which may revoke such approval at any time with or without cause.

22. SECURITY

You are requested to report any unusual activity to Guest Services or the Front Desk. Guest Services is here to help you have a relaxed, comfortable stay at Whispering Woods.

23. DISTURBANCES

No Owner or guest shall make or permit loud, boisterous and disturbing noises to be made in the Project by himself, his family, friends, guest, invitees or other individual over whom he has control, nor may they permit anything to be done by any such persons which would interfere with the rights, comforts or conveniences of other Owners or guests. Good judgement and thoughtfulness for others must be used when playing musical instruments, stereos, television sets, radios and the like, especially between the hours of 10:00 p.m. and 8:00 a.m. A violation of this provision may result in eviction and loss of right to use the Unit until the next Use Period.

24. BUILDING MODIFICATIONS

Owners are not permitted to make any structural changes, nor to reorganize or remove furniture, wall hangings, or floor coverings, nor to redecorate in any way within the assigned Unit or other areas of the Property.

25. FAILURE TO VACATE

If any Owner, or any person occupying a unit under permission of an Owner (the "Permitted User"), fails to vacate the Unit at the end of his or her Use Period, or otherwise uses or occupies a Unit during a period other than his or her Use Period, or prevents another Owner or Permitted User (collectively, the "Detained User") from using or occupying a Unit during such other Owner's Use Period, such Owner and Permitted User (jointly and severally, the "Detaining User") shall be subject to any or all of the following remedies at the sole discretion of the Association in addition to other remedies set forth in the Declaration:

(a) be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied;

(b) be deemed to have waived any notice required by law with respect to any legal proceedings regarding removal, eviction or ejection (to the extent that such notices may be waived under Oregon law);

(c) reimburse the Association and the Detained User for all costs and expenses incurred as a result of such conduct, including but not limited to costs of alternate accommodations, meals, travel costs, court costs and reasonable attorneys' fees incurred in connection with removing, evicting or ejecting the Detaining User from such Unit, and costs (including reasonable attorneys' fees) incurred in collecting such reimbursement(s), all of which costs may be assessed against the Detaining User as a charge with all attendant attributes under the Declaration, including the imposition of liens; and

(d) pay to the Detained User entitled to use the Unit during such wrongful occupancy, as liquidated damages (in addition to the costs and expenses set forth in subsection (c), above), a sum equal to 200 percent of the fair rental value per day of the Unit for each day or portion thereof, including the day of surrender, during which the Detaining User prevents occupancy of the Unit.

The Agent may file a Notice of Lien on behalf of a Detained User for payment of the sums described in (d) above, and such Notice of Lien shall have the same effect as a lien under Section 8.3 of the Declaration, except that collection shall be on behalf of the Detained User.

The Association shall be responsible for determining the "fair rental value" of the Unit. "Fair rental value" for the Unit shall be based upon the costs of renting comparable accommodations located within the vicinity of the Project. By accepting any conveyance of a Timeshare Interest or Whole Unit, each Owner agrees that, in the event of a failure to vacate by him or his Permitted User, damages would be impracticable or extremely difficult to ascertain and that the measure of liquidated damages provided for herein constitutes fair compensation to those who are deprived of occupancy. The Association shall use reasonable efforts to attempt to remove such Detaining User from the Unit, to assist the Detained User in finding alternate accommodations during such holdover period and to secure, at the expense of the Association, alternate accommodation for any Detained User which alternate accommodations shall be as near in value to the Detained User's particular Unit Type as possible. The Association may, in its sole discretion, deem it necessary to contract for a period greater than the actual period for which the use is prevented in order to secure alternate accommodations as set forth above. If an Owner or his Permitted User, by intentional or negligent act, renders a Unit uninhabitable for the successive Use Period(s), such Owner or Permitted User shall be deemed a Detaining User, the foregoing provisions shall apply and such Owner and/or Permitted User shall be liable to the Owner(s) and/or Permitted User(s) of successive Use Period(s) just as if such Owner or Permitted User had refused to vacate the Unit at the end of his Use Period. For the purposes of these provisions, an act of negligence by a Permitted User shall be deemed to be the act of the Owner, provided, however, that such Owner shall be responsible for the payment of amounts on account of such acts by a Permitted User only to the extent the same are not reimbursed by insurance.

26. ENFORCEMENT OF THE POLICIES AND PROCEDURES

The Board expects all Owners and their guests to adhere to the requirements set forth in the Association Rules and Regulations and the Declaration. To assist the Board of Directors in the enforcement of the provisions of these two documents, the Board has delegated enforcement authority to the Resort Manager. Any Owner or guest who has been advised by the Resort Manager that they are in violation of the Association Policies and Procedures or the Declaration is asked to immediately cease and desist that activity.

If any Owner or his guest, after being notified by the Resort Manager that they are in violation of the Rules, fails to comply with the Resort Manager's direction, the matter will be handled at the Resort Manager's discretion. Depending upon the severity of the violation, the Resort Manager may require the Owner or guest to immediately vacate the Unit or the Project. The decisions made by the Resort Manager are final. The Owner has the right to appeal the Resort Manager's actions at a later date. To do so, such Owner must notify the Board in writing, and the Board will review the matter at its next regularly scheduled meeting.

27. AMENDMENTS

The Board of Directors of the Association reserves the right to amend these Rules and to make such other rules and regulations from time to time as it deems necessary or appropriate for the operation, safety, care or cleanliness of the Unit and Project or any part thereof, and to insure the comfort, convenience and security of the Owners and guests.

ADOPTED: May 31, 2002.