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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

WESTGATE PARK CITY RESORT & SPA, A TIMESHARE RESORT

This Declaration of Covenants, Conditions and Restrictions (the "Timesharing Plan" or "Plan") for Westgate Park City Resort & Spa, A TIMESHARE RESORT, is made this 21 day of March, 2002, by WESTGATE RESORTS, LTD., a Florida limited partnership ("Developer").

WHEREAS, Developer is the owner in fee simple of the real property described on Exhibit ~~XX~~ A-1 & A-2 attached hereto and made a part hereof (the "Resort Facility") and intends to develop thereon a timeshare resort community to be known as Westgate Park City Resort & Spa; and

WHEREAS, Developer has established a plan of development for the Resort Facility and desires to provide for the preservation of the values and amenities hereby established for the Resort Facility, and to this end does hereby subject the Resort Facility to the land use covenants, restrictions, reservations, regulations, burdens, liens and easements hereinafter set forth; and

WHEREAS, Developer has deemed it desirable for the efficient preservation of the values and amenities established as aforesaid to have the Resort Facility managed, maintained and administered by WESTGATE PARK CITY RESORT & SPA OWNERS ASSOCIATION, INC. (the "Association") to which there has been delegated and assigned certain powers and duties of operation, administration, maintenance and repair of the Resort Facility and other properties which are or may be managed by the Association, the enforcement of the covenants, restrictions and easements contained herein and the collection and disbursement of the assessments and charges hereinafter provided.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, Developer hereby declares that the Resort Facility shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the conditions, covenants, restrictions, easements, reservations, regulations and burdens hereinafter set forth, all of which shall run with the Resort Facility and which shall be binding on all parties having any right, title or interest in the property so committed, and their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

The following words and phrases when used in the Plan (unless the context should clearly reflect another meaning) shall have the following meanings:

1.1 "Annual Assessment" means the share of funds required for the payment of Common Expenses which is assessed annually against an Owner by the Managing Entity.

1.2 "Articles" means the Articles of Incorporation of the Association.

1.3 "Assigned Unit" means the Unit assigned to an Owner by Developer at the time of conveyance of a Timeshare Interest. Notwithstanding the Assigned Unit Week purchased by Owner, the actual Unit an Owner will occupy during the Owner's stay shall be assigned by the Managing Entity (hereinafter defined), in accordance with the Floating Use Plan or the Fixed Week Reservation System.

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1.4 "Assigned Unit Week" means the Unit Week assigned to an Owner by the Developer at the time of conveyance of a Timeshare Interest. Unless an Owner purchases a Fixed Unit Week, an Assigned Unit Week is for conveyance purpose only.

1.5 "Association" means WESTGATE PARK CITY RESORT & SPA OWNERS ASSOCIATION, INC., a Utah not-for-profit corporation.

1.6 "Biennial Timeshare Interest" means the ownership in fee simple of an undivided interest as a tenant in common with the other owners in a building in the Resort Facility, which is limited to either the Odd Numbered Years or the Even Numbered Years, one-half (1/2) of a Timeshare Interest being a fraction, the numerator of which is one (1) and the denominator of which is twice the denominator of the undivided interest for a Unit Week. Every reference in the Plan which states a number with regard to an Owner of a Timeshare Interest, including, but not limited to, voting rights, assessment amounts and undivided interest shall be deemed to be divided in half for Owners of Biennial Timeshare Interests.

1.7 "Board" means the Board of Directors of the Association.

1.8 "By-Laws" means the By-Laws of the Association.

1.9 "Commercial Units" means that portion of a building not designated as a Unit or Common Area. The use of the Commercial Unit is assigned exclusively to the Developer. Notwithstanding the fact that Owners own an undivided interest in the entire building (which includes the Units, Common Areas, and the Commercial Units) the Developer has the exclusive right to control access to and the use of the Commercial Units. An Owner's right to utilize the Commercial Units is in the Developer's sole discretion and subject to such rules and regulations and user fees as the Developer may promulgate from time to time.

1.10 "Commercial Unit Interest" means the ownership in fee simple of an undivided interest as a tenant in common with the other Owners in a particular building in the Resort Facility including the Owners of Timeshare Interests. The Commercial Unit Interest for a particular building is more particularly set forth in Article 2.2.

1.11 "Common Areas" means those portions of the Resort Facility which are specifically identified as Common Areas by Developer from time to time.

1.12 "Common Expenses" means costs incurred in the operation of the Resort Facility and includes those expenses properly incurred for the maintenance, operation and repair of the accommodations or facilities, or both, constituting the Timeshare Plan. Common Area expenses include the reimbursement of Developer for expenses incurred in connection with those portions of the Commercial Units and/or Developer Retained Property, for which the use and benefit is made available to Owners.

1.13 "Developer" means the creator of the Timeshare Plan, that is, WESTGATE RESORTS, LTD., a Florida limited partnership, its grantees, successors and assigns. An "Owner" (as hereinafter defined) shall not solely by reason of the purchase of a "Timeshare Interest" (as hereinafter defined) be deemed a grantee, successor or assign of Developer's rights or obligations under the Plan unless such Owner is specifically so designated as a successor or assign of Developer's rights or obligations in the respective instrument of conveyance or other instruments executed by Developer.

1.14 "Developer Retained Property" means those portions of the Resort Facility located outside of a building containing Units, which have not been identified as Common Areas. Without limitation, the Developer Retained Property includes the parking garage. Developer retains the fee simple interest in all Developer Retained Property.

1.15 "Division" as used herein shall be deemed to mean and refer to the Utah Division of Real Estate of the Department of Commerce.

1.16 "Even Numbered Years" means those years ending in the numbers 2, 4, 6, 8 and 0.

1.17 "Fixed Unit Week" means a Unit Week that is not committed to the Floating Use Plan.

1.18 "Floating Unit Week" means a Unit Week that is committed to the Floating Use Plan.

1.19 "Floating Use Plan" means the arrangement pursuant to which the right to use, possess, and occupy a specific Floating Unit Week in a specific Unit is released in consideration for receiving the right to request a reservation for any Floating Unit Week in accordance with the terms of the Declaration and the Floating Use Plan Rules and Regulations, as the same may be amended from time to time.

1.20 "Floating Use Plan Rules and Regulations" means the rules and regulations respecting the reservation of Floating Unit Weeks, which rules and regulations have been adopted and/or amended from time to time in accordance herewith. A copy of the initial Floating Use Plan Rules and Regulations is attached hereto as Exhibit "B".

1.21 "Managing Entity" means the person or entity responsible for operating and maintaining the Timeshare Plan.

1.22 "Odd Numbered Years" means those years ending in the numbers 1, 3, 5, 7 and 9.

1.23 "Owner" means a person to whom the Developer has conveyed of record a Timeshare Interest.

1.24 "Plan" or "Timesharing Plan" means this Declaration of Covenants, Conditions and Restrictions, as amended from time to time.

1.25 "Preferred Mortgagee" means a bank, a federal or state savings and loan association, an insurance company, a mortgage company, a real estate investment or business trust, a pension fund, an agency of the United States government, any other lender generally recognized as an institutional type lender owning and holding a mortgage and/or deed of trust (hereinafter, the term "mortgage" and "deed of trust" shall have the same meaning) encumbering a Timeshare Interest and also includes Developer or its assigns with respect to mortgages which it holds encumbering a Timeshare Interest.

1.26 "Resort Facility" means the land and the buildings containing Units now or hereafter constructed upon the property described on Exhibit "A-1" attached hereto, including all improvements thereon (including the Units, Commercial Units, Developer Retained Property, and the Common Areas and all furniture, furnishings and fixtures therein) and all easements and rights appurtenant thereto intended for use in connection therewith. Furniture, furnishings and fixtures located within Commercial Units and Developer Retained Property are not a part of the Resort Facility. Exhibit "A-1" may be amended from time to time to add additional property which may contain Additional Units, Commercial Units, Developer Retained Property and Common Areas.

1.27 "Rules and Regulations" means the Rules and Regulations of the Association.

1.28 "Service Period" means that period of time designated by the Association in its sole discretion, commencing at the end of each Unit Week and ending at the beginning of the next Unit Week to be used by the Association to clean, service and maintain a Unit and the Common Areas. The Service Period shall initially run for six (6) hours from 10:00 a.m. until 4:00 p.m. however it may be changed by the Association in its sole discretion provided however that the Service Period shall not be less than three (3) hours nor more than seven (7) hours.

1.29 "Special Assessment" means a share of funds required for the payment of Common Expenses which from time to time is assessed against an Owner in addition to the Annual Assessment.

1.30 "Timeshare Interest" means the Ownership in fee simple of an undivided interest as a tenant in common with the other Owners in a particular building in the Resort Facility, including the owner of the Commercial Units Interest. The Timeshare Interest for a building is more particularly set forth in Article 2.2. The Timeshare Interest conveyed shall be limited to an undivided interest only in the building in which the Assigned Unit and Assigned Unit Week is located, and specifically does not include any interest in the Developer Retained Property, or any other building.

1.31 "Unit" means a part of the Resort Facility which is subject to exclusive possession.

1.32 "Unit Week" means a period of use of a Unit which shall consist of not less than seven (7) days. Unit Weeks are computed as follows:

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For Unit Weeks commencing on Sunday, Unit Week No. 1 is the seven (7) days commencing on the first Sunday after the first Saturday in each year.

For Unit Weeks commencing on Friday, Unit Week No. 1 is the seven (7) days commencing on the first Friday before the first Saturday in each year.

For Unit Weeks commencing on Saturday, Unit Week No. 1 is the seven (7) days commencing on the first Saturday before the first Sunday in each year.

Unit Week No. 2 is the seven (7) days succeeding. Additional Unit Weeks, up to and including Unit Week No. 51, are computed in a like manner.

Unit Week No. 52 contains the seven (7) days succeeding the end of Unit Week No. 51, without regard to the month or year. Any excess days not otherwise assigned shall remain the property of the Developer. Unit Weeks run from 12:00 p.m. on the first day of the Unit Week to 12:00 p.m. on the last day of the Unit Week, subject to the service period as defined herein.

1.33 "Very Substantial Damage": means loss or damage whereby three-quarters (3/4) or more of the Resort Facility is rendered untenantable, or loss or damage whereby seventy-five (75%) percent or more of the total amount of insurance coverage on the Resort Facility becomes payable.

ARTICLE II

DESCRIPTION OF IMPROVEMENTS AND TIMESHARING PLAN

2.1 Description of Resort Facility.

The Resort Facility will be developed in phases, the initial phase will consist of two (2) buildings, also known as buildings No. 10 and 11, containing a total of One Hundred Seven (107) Timeshare Units, together with certain Commercial Units, Common Areas and Developer Retained Property. The actual location of the buildings are more particularly described on Exhibit "A-2" attached hereto and made a part hereof. The Units and Unit Types, Common Areas, and Commercial Units are identified on Exhibit "C" attached hereto. In no event shall the Developer be obligated to construct any additional phases, other than this first phase.

The property upon which the Resort Facility is located is described on Exhibit "A-1" attached to the Plan. The Resort Facility consists of the land and the buildings containing Units now or hereafter constructed upon the property, including all improvements thereon (including the Units and the Common Areas, Developer Retained Property, Commercial Units, and all furniture, furnishings and fixtures therein) and all easements and rights appurtenant thereto intended for use in connection therewith. Any and all furniture, fixtures, furnishings and equipment located within a Commercial Unit or Developer Retained Property shall be the sole exclusive property of the Developer and not a part of the Resort Facility. Exhibit "A-1" may be amended from time to time to add additional property upon which Additional Units, Common Areas, Commercial Units, and Developer Retained Property may be constructed. As part of the Commercial Units, Developer will construct an indoor/outdoor swimming pool with whirlpool spa, and an exercise room, the maintenance of which shall be a common expense of the Association. Developer may allow use of Common Areas, Commercial Units, and Developer Retained Property to individuals other than Owners. Furthermore, the Developer may, but is not obligated, to construct recreational facilities as part of the Developer Retained Property and/or Commercial Units, including without limitation a health club or spa. The use of the Developer Retained Property or Commercial Units may require a user fee for services provided or for the use thereof.

Those portions of the buildings not identified as a Unit or Common Area, are Commercial Units. The Developer may, at any time, expand the Commercial Units to include any portion of the Common Areas. The Developer may also, at any time, designate portions of the Commercial Units as part of the Common Areas. This expansion or contraction of the Commercial Units shall be accomplished by a Developer Amendment to the Declaration in accordance with Article XV thereof, which Amendment shall not be deemed to materially or adversely affect any Owner's property rights. The Developer shall have the right to use the Commercial Units for any and all lawful purposes as may be permitted by applicable governmental authority without the necessity for any consent by the Owners or the Association. No expansion or contraction of the Commercial Units shall result in any change in the undivided interest allocated to the Commercial Units or to the maintenance fee payable by the owner of the Commercial Units. The Developer shall have the right

to sell all or part of the Commercial Units, including the right to designate additional Common Areas as part of the Commercial Units. In connection with any such sale, the Developer shall, in its discretion, allocate a portion of the Commercial Unit Interest to the purchaser of a portion of the Commercial Units. There is no restriction on the Developer's right to use, including without limitation lease any portion of the Commercial Units.

2.2 Timesharing Plan.

Developer shall convey to each Owner by Special Warranty Deed the ownership in fee simple of an undivided interest in a building in the Resort Facility as a tenant in common with other Owners which interest shall constitute said Owner's Timeshare Interest. One Timeshare Interest in building No. 10 shall be equal to a fraction, the numerator of which is one (1), and the denominator of which is 2475. One Timeshare Interest in building No. 11 shall be equal to a fraction, the numerator of which is one (1), and the denominator of which is 3600. Commercial Unit Interest in building No. 10 shall be equal to a fraction, the numerator of which is 343, and the denominator of which is 2475. Commercial Unit Interest in building No. 11 shall be equal to a fraction, the numerator of which is 568, and the denominator of which is 4000. Developer retains the fee simple interest in all Developer Retained Property. Notwithstanding the fact that each Timeshare Interest has an equal undivided interest in a building in the Resort Facility, the Owners do not necessarily pay an equal share of the operating expenses of the Association. As set forth in Article IV of the Declaration of Covenants, Conditions and Restrictions, the Board of Directors has the authority to allocate costs among the different types of Units. This includes the right to provide, if an Owner owns more than one (1) Timeshare Interest with the same Assigned Week and adjacent Units at the Resort Facility, such as a Standard One Bedroom Unit and Deluxe One Bedroom Unit, that the maintenance fee may be equal to less than the sum of the component Units. The allocation shall be set forth by the Board of Directors as a Note to the Estimated Operating Budget each year. An Owner may be the Owner of more than one (1) Timeshare Interest. The deed of conveyance by Developer of a Timeshare Interest shall designate a specific Assigned Unit, a specific Assigned Unit Week and a Unit Type. The Assigned Unit shall be for title purposes only and shall not give the Owner the right to occupy the Assigned Unit. The Owner shall be entitled to the possession of a Unit, of the type designated in the Deed, during the Assigned Unit Week in accordance with the Fixed Week Reservation System. The Owner shall be entitled to the exclusive use of a Unit during the Assigned Unit Week and to no other Unit and to the non-exclusive use of the Common Areas, Commercial Units and Developer Retained Property designated for Owner's non-exclusive use. An Owner shall not have the right to the use of a Unit except during such Owner's Assigned Unit Week, however, this shall not restrict the use by an Owner of the Common Areas at other times of the year, subject to rules and regulations, including any fees, adopted from time to time by the Association.

2.3 Floating Use Plan and Floating Use Plan Rules and Regulations.

2.3.1 Floating Use Plan.

a. Notwithstanding the specific Unit and Unit Week assigned to an Owner, it is the express intent of this Declaration, which intent is consented to by each Owner through acceptance of a conveyance of a Floating Unit Week hereunder, that certain Unit Weeks shall be part of the Floating Use Plan. Pursuant to the Floating Use Plan all Floating Unit Weeks shall be available for use by all Owners at all times on a "first come, first served" reservation basis in accordance with this Declaration and the Floating Use Plan Rules and Regulations, as they may be amended from time to time, an initial copy of which is attached hereto as Exhibit "B". The purpose of the Floating Use Plan is to enable Floating Unit Week Owners to take advantage of a greater selection of time periods in which to use and enjoy their Floating Unit Weeks by pooling the Floating Unit Weeks and making them available in accordance with this Declaration and the Floating Use Plan Rules and Regulations. Under the Floating Use Plan, the check in day shall be designated by the Association or Managing Entity, at the time the Owner makes a reservation. The Association shall be the entity responsible for the administration and operation of the Floating Use Plan; however, the Association shall have the power to delegate this responsibility to the Managing Entity. Any Unit Week not committed to the Floating Use Plan will not be available for use by Owners in the Floating Use Plan.

The owner of a Floating Unit Week shall be assigned a specific Assigned Unit Week in a specific Assigned Unit. However, owners of Floating Unit Weeks shall not be entitled to possession and use of the Assigned Unit or the Assigned Unit Week assigned, but instead, such possession and use rights are released in consideration for receiving the right to request a reservation annually (or biennially, for owners of Biennial Floating Unit Weeks) for a Floating Unit Week within the Floating Use Plan system and during which the Owner may occupy a Unit in accordance with the terms and conditions of the Floating Use Plan and the use restrictions set forth in or promulgated pursuant to the provisions of this Declaration.

The Developer, in its discretion, may deposit Unit Weeks into the Floating Use Plan for use by the Developer and other Owners. The Developer shall have the same rights to Unit Weeks in the Floating Use Plan as any other Owner.

b. Committing Unit Weeks to the Floating Use Plan. A Unit Week is committed to the Floating Use Plan upon the conveyance of the Unit Week as evidenced by the recording of a deed in the County Recorder of Summit County, Utah indicating that the Developer is conveying that Unit Week to the purchaser, unless the Unit Week is designated as a Fixed Unit Week. There are sixteen (16) classes of ownership as follows:

(1) Fixed Week Reservation System. Any Unit Week not designated a Fixed Week is automatically committed to the Floating Use Plan. Owners of Fixed Weeks shall be entitled to the exclusive use of a Unit of their assigned type during their Assigned Week. If designated in the Purchase and Sale Agreement, a Fixed Week shall also contain a specific check in day, which check in day cannot be changed without the mutual consent of the Owner and Association. The initial Fixed Weeks are defined as follows:

(i) Week 7 is designated as President Week and is intended to be the week during which the President Day Holiday falls.

(ii) Week 51 is designated as Christmas Week and, with the exception of the year in which Christmas day falls on a Saturday and there is a Friday check-in, is intended to be the week containing Christmas day. However, in the year when Christmas day falls on a Saturday and there is a Friday check-in, Christmas week ends on December 24th and shall not include Christmas day. In any year in which Christmas day falls on a Saturday for a Saturday check-in, Christmas week shall be deemed to end on Christmas day, which shall be the check-out day. For a Friday check-in, Christmas week begins the day before Christmas Week begins for a Saturday check-in. For a Sunday check-in, Christmas Week begins the day after Christmas Week begins for a Saturday check-in.

(iii) Week 52 is designated as New Year Week and follows Christmas Week.

Each Owner shall, at least thirty (30) days and not more than three hundred sixty (360) days prior to the commencement of the Owner's Assigned Unit Week, request from the Association or Managing Entity the reservation of a Unit during the Owner's Assigned Unit Week. The Association shall assign a Unit for the exclusive use by the Owner during the Owner's Assigned Unit Week.

The Association shall have the right, from time to time, to adopt rules and regulations necessary to implement the Fixed Week Reservation System outlined herein, including the adoption of appropriate forms, which shall be required to be used by an Owner in requesting a reservation.

Upon confirmation by the Association or Managing Entity of an Assigned Unit, the obligation of the Association or Managing Entity pursuant to the Fixed Week Reservation System and the Timeshare Plan shall be deemed to have been fully satisfied and completed and the Owner shall have no further rights to request a different Assigned Unit. In the event an Owner, following confirmation of an Assigned Unit, requests a change for a different Assigned Unit, the Association or Managing Entity may do so pursuant to rules and regulations which may be adopted from time to time and may charge a reasonable fee therefor.

It shall be incumbent upon each Owner to comply with the Fixed Week Reservation System in order to enjoy and use an Assigned Unit with respect to each Timeshare Interest owned. In the event an Owner fails to reserve an Assigned Unit in accordance with the Fixed Week Reservation System or, following confirmation of an Assigned Unit, an Owner fails to make use of same, same shall be deemed to be an absolute waiver of all of Owner's rights pursuant to the Fixed Week Reservation System during the then current calendar year. The failure of an Owner to reserve and/or make use of his Unit will not constitute a waiver of his responsibility to pay the annual assessments pursuant to the budget and taxes or any special assessments which may become due and owing on the Unit Week.

Owners of Fixed Weeks may also elect to participate in the Floating Use Plan in any given year by notifying the Management Company in writing or by fax of their intent. The Association may assess a fee for this election. This notification may occur no earlier than eleven (11) months prior to the commencement of the Unit Week requested, and may occur as late as thirty (30) days prior. A Fixed Week Owner must also relinquish his Fixed Week no less than one hundred eighty (180) days prior to the commencement date of the Fixed Week. Once a Fixed Week Owner has committed his week to the Floating Use Plan, he may request a Floating Unit Week and be given highest priority based upon availability.

- Weeks).
- (2) All Season Float Four Bedroom (year around, excluding Fixed Weeks).
 - (3) All Season Float Two Bedroom (year around excluding Fixed Weeks).
 - (4) All Season Float Deluxe One Bedroom (year around excluding Fixed Weeks).
 - (5) All Season Float Grand One Bedroom.
 - (6) All Season Float Standard One Bedroom.
 - (7) Peak Season Float Four Bedroom (Weeks 23-39).
 - (8) Peak Season Float Two Bedroom (Weeks 23-39).
 - (9) Peak Season Float Deluxe One Bedroom (Weeks 23-39).
 - (10) Peak Season Float Grand One Bedroom (Weeks 23-39).
 - (11) Peak Season Float Standard One Bedroom (Weeks 23-39).
 - (12) Value Season Float Four Bedroom (Weeks 16-22, 40-46).
 - (13) Value Season Float Two Bedroom (Weeks 16-22, 40-46).
 - (14) Value Season Float Deluxe One Bedroom (Weeks 16-22, 40-46).
 - (15) Value Season Float Grand One Bedroom (Weeks 16-22, 40-46).
 - (16) Value Season Float Standard One Bedroom (Weeks 16-22, 40-46).

2.3.2 Floating Use Plan Rules and Regulations. To implement the Floating Use Plan, the Developer is hereby granted the exclusive authority to determine and promulgate the initial Floating Use Plan Rules and Regulations relating to the use, exchange and rental of all Floating Unit Weeks and the administration of the Floating Use Plan.

Such Floating Use Plan Rules and Regulations shall provide for the following:

a. The manner in which an owner of a Floating Unit Week may request and receive a reservation of a Floating Unit Week for occupancy each calendar year.

b. Unless otherwise provided in the Floating Use Plan Rules and Regulations, reservations may only be made for any available Floating Unit Weeks in the same seasonal and the same unit type category as the reserving Owner's deeded Floating Unit Week or for any available Floating Unit Weeks in a lower category as follows, see Exhibit "B" attached hereto and made a part hereof.

In the event an Owner of a Floating Unit Week reserves a Floating Unit Week in a lower season or lower unit type category than the Owner's deeded Floating Unit Week, thus creating availability in a higher season or unit type category, Owners of deeded weeks in a lower season or unit type category may make reservations into the higher season or unit type category where the availability has been created. The Association has the right to charge a fee for a reservation in a higher type category (Season or Unit Type). Such a reservation can only be made within thirty (30) days of the commencement of the desired Unit Week.

c. An Owner of a Floating Unit Week must reserve the occupancy of a Floating Unit Week as provided in the Floating Use Plan Rules and Regulations prior to the commencement of occupancy of a Floating Unit Week each year. All reservations will be processed on a space available, "first-come, first-served" basis, provided that the reservation system may incorporate priorities for processing and confirming reservation requests, which priorities may include, but are not limited to, one or more of the following features:

- (1) A priority system for reservations which will give preference to those Owners who own more than one Floating Unit Week;
- (2) Different minimum and maximum time periods or dates for requesting a reservation request;

A breakage period where use of Floating Unit Weeks not reserved by Owners during the prescribed reservation time period may only be reserved if not previously reserved by the Association for maintenance purposes or by the Developer for rental purposes; and/or

Such other conditions, restrictions and limitations as the Developer or Association shall deem necessary under the circumstances to assure a manageable and fair system.

2.3.3 Reservation of Floating Unit Weeks for Maintenance Purposes. The Management Company shall have the right to reserve, at any time, any two (2) Floating Unit Weeks it chooses for each Unit each year (two weeks per Unit annually), in its sole discretion, for maintenance purposes. Additionally, the Association or the Management Company reserves the right to put Owners in other accommodations in case emergency maintenance is required. The cost of such alternate accommodations shall be a Common Expense of the Owners.

2.3.4 Reservation Required Prior to Occupancy. An Owner must reserve the occupancy of a desired Floating Unit Week as provided in the Floating Use Plan Rules and Regulations prior to the commencement of occupancy of his desired Floating Unit Week each year. In the event the desired occupancy is unavailable, the Owner may request an unreserved alternate Floating Unit Week, if any, subject to the Floating Use Plan Rules and Regulations. If the available Floating Unit Week is not convenient to the Owner's plan or schedule and the Owner is unable to utilize an available Floating Unit Week, the Owner may lose his use of a Floating Unit Week for that year if the Owner does not accept the Floating Unit Week that is available, if any.

2.3.5 Reservation Windows. The period of time prior to the beginning of each Floating Unit Week in which occupancy must be reserved may be changed by amendment to the Floating Use Plan Rules and Regulations.

2.3.6 Accrual and Carryover. Unless permitted under the Floating Use Plan Rules and Regulations, there will be no accrual or carryover of unused time from one year to subsequent years.

2.3.7 Biennial Restrictions. The Owner of a Biennial Unit Week that has been committed to the Floating Use Plan will not be entitled to request and will not be assigned a Biennial Unit Week that is different than the type of Biennial Unit Week purchased. That is, an Odd Year Biennial Unit Week Owner may request and will be assigned a Floating Unit Week only during calendar years ending in odd numbers, and an Even Year Biennial Unit Week Owner may request and will be assigned a Floating Unit Week only during calendar years ending in even numbers, unless permitted under the Floating Use Plan.

2.3.8 Assessment or Real Estate Tax Delinquency. An Owner who is delinquent in the payment of any assessment or real estate tax assessment imposed against that Owner's Floating Unit Week shall not be allowed to reserve a Floating Unit Week under the reservation program of the Floating Use Plan, and any previously confirmed Floating Unit Week reservation may be canceled. The Association shall also have the option of requiring the Owner to prepay the estimated assessment and real estate taxes for the year in which occupancy is to occur under the reservation. If an Owner does not make a reservation or is unable to make a satisfactory reservation, he is not relieved of the obligation to pay all assessments and taxes associated with the ownership of his Unit Weeks.

2.3.9 Split Weeks. An Owner of a Floating Unit Week may make a reservation for a Split Unit Week, which allows an Owner to split the usage of his/her Unit Week into two or more reservations, subject to the following rules:

(a) An Owner may divide the Owner's Unit Week into any combination of lengths of stay, so long as the sum of the combinations equals seven and the minimum stay is two (2) days. Holidays and other special events may have longer minimum stay requirements or prohibit Split Weeks, as designated by the Association.

(b) An Owner may only reserve a total of one Friday and Saturday night in all of his/her reservation combinations. Exceptions may apply to requests made less than thirty (30) days prior to arrival.

(c) An Owner may only divide the Owner's Assigned Unit type during the Owner's Assigned season. No usage credit will be given toward a larger unit or higher season if a smaller unit or lower season is owned.

(d) An Owner may not deposit a Split Week with any outside Exchange Company.

(e) An Owner who makes a reservation for a Split Week shall be required to pay additional fees, including, but not limited to, reservation and property services fees, as determined by the Association.

(f) An Owner must use the Split Week in the same calendar year of Owner's entitled usage.

(g) All Split Week usage is subject to availability.

(h) An Owner of a Fixed Unit Week may not make a reservation for a Split Week, unless Owner has elected to participate in the Floating Use Plan for year in which Owner desires to Split Week.

(i) Split Weeks may only be reserved more than one hundred twenty (120) days in advance of arrival date.

2.4 Additional Development.

It is the present intent of the Developer to add additional Units (the "Additional Units"), Commercial Units, Common Areas, Developer Retained Property and recreational facilities to the Timeshare Plan which are located either adjacent to or contiguous with the Resort Facility. The Additional Units, Commercial Units, Common Areas, Developer Retained Property and recreational facilities may be added to the Plan by an amendment executed by the Developer alone, and no consent of any Unit Owner, mortgagee or the Association shall be required. The amendment shall contain a legal description of the property to be added to the Resort Facility and shall identify the number of Units being added to the Resort Facility. The undivided interest attributable to each Unit Week and Commercial Unit Interest in an additional building shall be disclosed by the Developer in the amendment to the Plan. The Timeshare Interest conveyed shall be limited to an undivided interest only in the building in which the Assigned Unit and Assigned Unit Week is located. The maximum number of Units that will be contained in the Resort Facility cannot be determined at this time. There shall be no limit on the period of time for the Developer to add Additional Units.

ARTICLE III

ASSOCIATION

3.1 Organization.

The Association is a non-profit Utah corporation, which corporation shall be the governing body for the operation of the Resort Facility. Neither the officers nor the Directors of the Association shall be required to be members of the Association. The Board of Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the Articles and By-Laws, as the same may be amended from time to time. The initial Board shall consist of three (3) members, however, may be increased from time to time in accordance with the provisions of the Articles and By-Laws to include no more than fifteen (15) members. The Developer reserves the right to appoint members to the Board so long as the Developer is selling Timeshare Interests in the Resort Facility. During such period of time, Owners shall not have the right to elect members to the Board.

3.2 Membership.

3.2.1 Qualifications: Each Owner in the Resort Facility shall be a member of the Association. The Developer shall be a member with respect to Timeshare Interests owned by the Developer.

3.2.2 Transfer of Membership: The Association membership of each Owner (including the Developer) shall be appurtenant to the Timeshare Interests giving rise to such membership and shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon the transfer of title to said Timeshare Interests, and then only to the transferee of title to such Interests. Any attempt to make a prohibited transfer shall be void. Any transfer of title to such Timeshare Interests shall operate automatically to transfer the membership in the Association to the new Owner thereof.

3.3 Voting.

Subject to the provisions of the Articles and By-Laws of the Association applicable thereto, each Owner or Owners of a Timeshare Interest in the Resort Facility shall be entitled to one (1) vote in the Association with respect to matters on which a vote by the Owners is required or permitted to be taken pursuant to the Articles or By-Laws.

3.4 Expansion of Board of Association - Separate Election.

At such time as Owners (other than the Developer) are permitted to elect officers and directors of the Association, the Board shall consist of three (3) Directors to be designated by members of the Resort Facility. All voting, election of Directors and expansion of the Board shall be in accordance with the provisions of the Articles and the By-Laws.

3.5 Duties of the Association.

3.5.1 Maintenance and Management of Resort Facility: The Association shall be responsible for the maintenance, repair and replacement of all of the Resort Facility. The Association may enter into an agreement with such firms or companies as it may determine to provide certain services and/or maintenance for and on behalf of the Owners whereby the maintenance and services are provided on a regularly scheduled basis for any maintenance and service as the Association deems advisable and for such period of time and on such basis as it determines. Such agreement shall be entered into by the Association on behalf of all members of the Association. The fee for such services shall be deemed a Common Expense and included in the regular maintenance assessment.

3.5.2 Interior Color Scheme: The Association shall determine the interior color scheme, decor and furnishings of each Unit in the Resort Facility, as well as the proper time for redecorating and replacements thereof. In addition, the Association shall determine the color scheme of the building and all exteriors and the interior color scheme of the Common Areas and shall be responsible for the maintenance thereof. The Association shall maintain and keep all portions of the properties managed in a condition substantially similar to the architectural design or such change in design as the Developer may determine from time to time, unless the Developer consents in writing to structural changes or improvements.

3.5.3 Other Utilities: The Association shall acquire water, sewer, garbage disposal, electrical, telephone, gas and other necessary utility services for the Resort Facility.

3.5.4 Insurance: The Association shall obtain, maintain and enforce the policies of insurance as required herein.

3.5.5 Rules and Regulations: The Association shall make, establish, promulgate, amend and repeal Association rules as the Association may from time to time deem advisable, in its sole discretion.

3.5.6 Taxes and Assessments: The Association shall collect all taxes assessed against the Resort Facilities from its members as a Common Expense.

3.5.7 Enforcement of Restrictions and Rules: The Association shall perform such other acts, whether or not expressly authorized by the Plan, as may be reasonably necessary to enforce any of the provisions of the Plan, the Articles, By-Laws or Association rules and regulations.

3.5.8 Compliance with the Utah Timeshare and Camp Resort Act (the "Act"): The Association shall perform all duties of a managing entity as required by the Act. The Managing Entity shall act in the capacity of a fiduciary to the Owners. In addition to such other requirements as are set forth in the Act, the Association shall:

(a) Provide, each year, to all Owners an itemized Annual Budget which shall include all receipts and expenditures;

(b) Maintain all books and records concerning the Resort Facility. All such books and records shall be reasonably available for inspection by any Owner or the authorized agent of any Owner.

(c) Arrange for an annual independent audit to be conducted by a Certified Public Accountant of all books and records of the Resort Facility. A copy of the audit shall be forwarded to the Board members.

(d) Schedule the occupancy of Timeshare Units in the Resort Facility.

(e) Perform any and all other functions and duties which are necessary and proper to maintain the Resort Facility.

(f) All Association funds shall be maintained in an escrow account as set by the Board of Directors in an institution insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or federally insured agencies.

3.6 Powers and Authorities of the Association.

In addition to such other powers as may be set forth in the Plan, the Articles, or the By-Laws, the Association shall have all the powers of a non-profit corporation organized under the laws of the State of Utah, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, By-Laws or this Plan. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Plan, the Articles and the By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including, without limitation:

3.6.1 **Assessments:** To levy assessments on the Owners of Timeshare Interests and to enforce payments of such assessments.

3.6.2 **Right of Entry and Enforcement:** To enter upon any portion of the Resort Facility for the purpose of enforcing by peaceful means any other provisions of this Plan or for the purpose of maintaining or repairing any such area if, for any reason whatsoever, maintenance is required thereto.

3.6.3 **Easements and Rights-of-Way:** To grant and convey to the Developer or any third party easements and rights-of-way in, on, over or under any of the Common Areas for the purpose of constructing, erecting, operating or maintaining therein, thereon, or thereunder:

3.6.3.1 Overhead or underground lines, cables, wires, conduits or other devices for the transmission of electricity for lighting, heating, power, telephone or other purposes;

3.6.3.2 Public sewers, storm water drains, pipes, water systems, sprinkler systems, water, heating and gas lines or pipes; and, similar public or quasi-public improvements or facilities.

3.6.4 **Transfer, Dedication and Encumbrance:** To sell, transfer or encumber all or any portion of the Common Areas located in the Resort Facility, including the private streets, if any, and any other portion of the property owned by the Association, to a person, firm or entity, whether public or private, and the right of the Association to dedicate or transfer all or any portion of the property owned by the Association to any public agency, authority or Utility for the purposes and subject to such conditions as may be agreed to by the members of the Association. No such sale, transfer, encumbrance or dedication shall be effective unless an instrument signed by the members entitled to cast seventy five (75%) percent of the votes of the members of the Association has been recorded, agreeing to such sale, transfer, encumbrance or dedication, unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than sixty (60) days in advance. Notwithstanding anything contained herein to the contrary, until the Developer has transferred control of the Association, as provided elsewhere herein, the Association shall be permitted to sell, transfer, encumber or dedicate such portion of the Common Areas located on the Resort Facility as, in its sole discretion, it shall deem appropriate and in the best interests of the development without the consent or vote of the members of the Association.

3.6.5 **Employment of Agents:** To employ the services of any person or corporation as Manager, or other employees, to, as may be directed by the Board, manage, conduct and perform the business, obligations and duties of the Association, and to enter into contracts for such purpose. Such agent shall have the right to ingress and egress over such portions of the Common Areas as is necessary for the performance of such business, duties and obligations.

3.6.6 **Employment of Professional Advisors:** To employ professional council and advise such persons, firms or corporations such as, but not limited to, landscape architects, recreation experts, planners, lawyers and accountants.

3.6.7 **Create Classes of Service and Make Appropriate Charges:** To create, in its sole discretion, various classes of service and to make appropriate charges therefor for the users thereof, including, but not limited to, reasonable admission and other fees for the use of any recreational facilities situated in the Common Areas and to avail itself of any rights granted by law without being required to render such services to those of its members who do not assent to the said charges and to such other rules and regulations as the Board deems proper. In addition, the Board shall have the right to discontinue any service on nonpayment or to eliminate such services for which there is no demand therefor or adequate funds to maintain the same out of charges.

3.6.8 **Miscellaneous:** To sue and be sued; pay taxes; make and enter into contracts; and insure, enter into leases or concessions and to pass good and marketable title to the Common Areas; dedicate or transfer all or any part of the Common Areas to a public agency, authority or utility for such purposes and subject to such conditions as may be reasonable; make and execute any and all proper

Affidavits for various purposes; compromise any action without leave of Court; insure its own liability for claims against it and against its officers, directors, employees and contractors.

3.6.9 Three (3) Year Limitation: Notwithstanding anything to the contrary herein, the Developer and its agents are precluded from entering into any contract which binds the Association or its Board for a period in excess of three (3) years, unless reasonable cancellation provisions are included in any such contract.

3.6.10 Personal Liability: No member of the Board or any officer of the Association or the Developer or the Manager shall be personally liable to any Owner or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, the Manager or any other representative or employee of the Association, the Developer or any officer of the Association, provided that such person, firm or entity has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

ARTICLE IV

ASSESSMENTS FOR COMMON EXPENSES: ESTABLISHMENT OF LIENS

4.1 Affirmative Covenant to Pay Expenses.

In order to (1) fulfill the covenants herein contained in the Plan; (2) to preserve the Units and Common Areas for the recreation, safety, welfare and benefit of Owners, their licensees, invitees, guests, family members and lessees; and (3) to provide for improvement, maintenance and preservation of the Units and Common Areas and the services and amenities provided for herein, there is hereby imposed upon the Association and the Owners, the affirmative covenant and obligation to pay the Common Expenses as defined and more particularly set forth in Article VI of the Plan. The Association, by its Board, shall prepare and adopt in accordance with the By-Laws an annual Budget setting forth the Common Expenses for the operation and management of the Resort Facility. In order for each Owner to pay a fair share of the operating expenses of the Resort Facility, the Board of Directors will allocate the costs among the different types of Units, by assessing a different maintenance fee to the different types of Units and for the different seasons of the Assigned Unit Weeks, notwithstanding the fact that each Timeshare Interest has an equal share in the ownership in a building in the Resort Facility. The allocation shall be set forth by the Board of Directors as a Note to the Estimated Operating Budget each year.

The Association shall assess each Owner in the Resort Facility its share of the Common Expenses, which share shall be assessed annually as an Annual Assessment, and the Association shall collect said sums. Annual Assessments shall be payable in advance of the year in which such Annual Assessments apply or upon such other date as may be from time to time determined by the Board. Notwithstanding the foregoing, each Owner shall be obligated to pay such Special Assessments as shall be levied in addition to the Annual Assessments by the Board against his or her Timeshare Interest, either as a result of (a) extraordinary items of expense; (b) nonrecurring capital expenditures; (c) the failure or refusal of other Owners to pay their Annual or Special Assessments; (d) any sums expended by the Association for the repair or replacement of a Unit or Common Areas damaged by an Owner or its family members or guests; (e) any sums expended by the Association for the removal of any addition or alteration to a Unit or Common Areas made by an Owner in violation of the provisions of the Plan, the Articles, By-Laws and/or Rules and Regulations of the Association; or (f) such other reason or basis determined by the Board in its sole discretion.

For those portions of the Commercial Units and Developer Retained Property which are maintained by the Association, from time to time, the Developer, in its sole and absolute discretion, shall determine a reasonable assessment to be assessed against the Commercial Unit(s) and the Developer Retained Property, which assessment may be expressed as a percentage of line item entries in the Budget. The Developer has the right, based upon the actual operating history of the Association attributed to the Commercial Units and/or Developer Retained Property to change these allocations on a yearly basis. Any changes in the Commercial Unit or Developer Retained Property assessment will not be retroactive. The Commercial Unit and Developer Retained Property allocation shall appear as a footnote to the Budget.

4.2 Lien.

The record Owner(s) of each Timeshare Interest in the Resort Facility shall be personally liable, jointly and severally to the Association for the payment of the Annual Assessments or any Special Assessment (hereinafter collectively referred to as "Assessments") levied by the Association against their Timeshare Interest and for all costs of collecting such Assessments, including interest, delinquent assessments and attorneys' fees at all trial and appellate levels. The Assessments, together with interest thereon, and the costs of collection, including reasonable attorneys' fees at all trial and appellate levels as

herein provided are hereby declared to be a charge upon the Timeshare Interest and shall be a continuing lien upon the Timeshare Interest. Each Assessment against a Timeshare Interest, together with such interest thereon at the highest rate allowed by law and the cost of collection thereon, including attorneys' fees through all appeals, shall be the personal obligation of the person, persons or entities owning the Timeshare Interest so assessed. Said lien shall be effective only from and after the date of recordation among the County Records of Summit County, Utah, of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a recordable satisfaction of the statement of lien. A purchaser, regardless of how his Timeshare Interest is obtained, including a purchaser at a judicial sale, is personally liable for all Assessments for Common Expenses which come due while he is the owner of such interest. A successor in interest is jointly and severally liable with his predecessor in interest for all unpaid assessments against such predecessor up to the time of transfer of the Timeshare Interest to such successor without prejudice to any right a successor in interest may have to recover from his predecessor in interest any amounts assessed against such predecessor and paid by such successor. Notwithstanding the foregoing, to the extent permitted by applicable law, a Preferred Mortgagee acquiring title to a Timeshare Interest as a result of foreclosure of such mortgage, deed of trust or deed in lieu of foreclosure shall not be liable for the share of Common Expenses or other expenses chargeable to the former Owner which became due prior to such acquisition of title unless secured by a claim of lien recorded prior to the recording of the foreclosed mortgage. The lien for payment of Assessments shall be subordinate to the deed of trust of any Preferred Mortgagee which was recorded prior to the recordation of a claim of lien for unpaid Assessments.

Notwithstanding anything contained herein to the contrary, any lien against a Timeshare Interest shall encumber only the Assigned Unit during the Assigned Unit Week associated with said Timeshare Interest and shall not encumber the property, real or personal of any other Owner.

4.3 Owners of Biennial Timeshare Interests shall be liable for the payment of the total annual assessment during the Owner's Assigned Years. The determination of the time that payment of an Annual Assessment is due shall be made by the Association. Special Assessments shall be levied against an Owner of a Biennial Timeshare Interest without regard to his Assigned Year.

ARTICLE V

REMEDIES OF ENFORCEMENT

5.1 Enforcement of Plan.

The covenants and restrictions herein contained may be enforced by Developer or the Association in any judicial proceeding seeking any relief recognizable at law or in equity, including damages, injunction, and other mandatory relief against any person, persons, firm or entity violating or attempting to violate any covenant or restriction or to enforce any lien created by the Developer pursuant hereto. An Owner shall be given notice and the opportunity to refute or explain the charges against him or her in person or in writing to the Board before a decision to impose discipline is rendered. The failure either by the Developer or the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The prevailing party in any such litigation shall be entitled to reasonable attorneys' fees and court costs, including costs and fees at all trial and appellate levels. All such costs incurred by Developer or Association shall be a continuing lien upon the Timeshare Interest of the defaulting Owner and such lien may be enforced in the manner set forth in Section 5.2 of this Declaration.

All rights, remedies or relief of whatsoever nature or kind provided herein in favor of Developer or the Association shall be cumulative and non-exclusive and none shall exclude, jointly or severally, any other right, remedy or relief permitted by law or otherwise available to Developer or the Association.

In addition to any other remedies which Developer or Association may have, in the event an Owner shall be in default of any of the provisions of the Plan, the Articles, the By-Laws or the Rules and Regulations, the Developer and the Association may levy a fine against such Owner which shall continue until such default shall be remedied by the defaulting Owner. Any such fine shall be a continuing lien on the Timeshare Interest of the defaulting Owner and may be enforced in the manner set forth in Section 5.2 of this Declaration.

5.2 Enforcement of Lien Rights and Other Remedies in the Event of Non-Payment of Assessments.

In the event an Owner shall fail to pay any Assessment, then the Association may file an action at law to collect the Assessment plus interest at the highest rate allowed by law, plus court costs and reasonable attorneys' fees and may also file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Association in like manner as a foreclosure of a mortgage or deed of trust on real property. The remedies provided herein shall be non-exclusive and cumulative and shall not exclude any other remedy available to the Association by this Plan, law or otherwise.

In addition to the foregoing remedies, the Board in its sole discretion may impose a late charge not to exceed Twenty Five (\$25.00) Dollars against an Owner in default.

If the Owner remains in possession of the Unit and a claim of lien is foreclosed, the Owner shall pay a reasonable rental fee for the Unit and the Association is entitled to the appointment of a receiver to collect the rent.

Notwithstanding anything in this Plan to the contrary, in the event any Owner shall fail to pay any Assessment after the same becomes due, then during such period of default, such Owner shall not be entitled to possession of its Assigned Unit or to make a reservation pursuant to the Floating Use Plan. The penalty imposed herein shall in no way operate as a waiver of other rights the Association may have in a court of law or equity to enforce the collection of such unpaid Assessments.

Any person who acquires an interest in a Timeshare Interest, except through foreclosure of a mortgage or deed of trust held by a Preferred Mortgagee or by acceptance of a deed in lieu of foreclosure as specifically provided herein, including but not limited to persons acquiring title by operation of law or purchasers at judicial sales, shall not be entitled to occupancy of the Timeshare Interest until such time as all unpaid Assessments due and owing by the former Owner have been paid.

5.3 Failure of Owner to Vacate.

In the event any Owner of a Timeshare Interest fails to vacate his Assigned Unit at the expiration of his Assigned Unit Week or at such earlier time as may be fixed by the Rules and Regulations adopted by the Association from time to time, he shall be deemed a "Holdover Owner". It shall be the responsibility of the Association to take such steps as may be necessary to remove such Holdover Owner from the Unit and to assist the Owner of a Timeshare Interest entitled to occupy a subsequent Assigned Unit Week who may be affected by the Holdover Owner's failure to vacate, to find alternative accommodations during such holdover period.

In addition to such other remedies as may be available to it, the Association shall secure, at its expense, alternate accommodations for any Owner who may not occupy its Assigned Unit during its Assigned Unit Week due to the failure to vacate of any Holdover Owner. Such accommodations shall be as near in value to the Owner's own Assigned Unit as possible. Such Owner shall be compensated by time share period or monetary compensation if a Unit for which there is a schedule or confirmed reservation cannot be made available. The Holdover Owner shall be charged for the loss of such alternative accommodations and any other costs incurred due to his failure to vacate and an administrative fee of Fifty (\$50.00) Dollars per day during his period of holding over. In the event it is necessary that the Association contract for a period greater than the actual period of holding over in order to secure alternative accommodations as set forth above, the entire period shall be the responsibility of the Holdover Owner, although the Fifty (\$50.00) Dollar per day administrative fee shall cease upon actual vacating by the Holdover Owner.

The Association shall submit a bill to the Holdover Owner in accordance with this paragraph. In the event the Holdover Owner fails to pay same within ten (10) days of the date of same, a lien shall be filed against said Holdover Owner's Timeshare Interest in accordance with the provisions hereof.

The foregoing provisions shall not abridge the Association's right to take such other action as is provided by law or equity.

ARTICLE VI

GUARANTY OF ASSESSMENTS

The Developer shall initially guaranty the Common Expenses of the Association. The Developer's guaranty shall remain in effect until such time as Developer notifies the Association, in writing, that the guaranty is no longer in effect, at which time the Developer shall be required to pay assessments in the same fashion as all other Owners. During any such period of guaranty, the Developer shall not be required to pay any assessments levied against Developer owned Unit Weeks, provided, however, during such period of the Developer's guaranty, Developer shall be obligated to pay for any amount required to pay the Common Expenses not receivable from Owners of Timeshare Interests other than Developer.

ARTICLE VII

COMMON EXPENSES

7.1 The following expenses are declared to be Common Expenses which the Owners are obligated to pay as provided herein.

7.1.1 Maintenance Fees. All expenses for the repair and upkeep of a Unit for normal wear and tear, repair and replacement of furniture, fixtures, appliances, carpeting and utilities.

7.1.2 Utility Charges. All charges levied for utilities providing services for any portion of the Resort Facility, whether they are supplied by a private or public firm. It is contemplated that this obligation will include all charges for water, gas, sprinkler systems, sprinkler pumps, telephone, sewer, sewage pumps and any other type of utility or any other type of service charge.

7.1.3 Liability Insurance. The premiums on the policy or policies of insurance as described in Article IX of this Plan.

7.1.4 Fire, Windstorm and Other Casualty Insurance. The premiums for insurance as described in Article X of this Plan.

7.1.5 Destruction of Buildings or Improvements. Any sums necessary to repair or replace, construct or reconstruct damages caused by the destruction of any portion of the Resort Facility by fire, windstorm or other casualty regardless of whether or not the same is covered in whole or in part by insurance. In the event insurance money shall be payable, such insurance money shall be paid in accordance with the provisions of Article X hereof.

7.1.6 Repair, Replacement and Maintenance. All expenses necessary to keep and maintain, repair and replace any portion of the Resort Facility, including, but not limited to those portions of the Commercial Units and Developer Retained Property designated for Owners' use, whether or not such use is exclusive, personal property, furniture, fixtures and equipment, in a manner consistent with the development of the Resort Facility and in accordance with the covenants and restrictions contained herein and in conformity with all orders, ordinances, rulings and regulations of any and all federal, state and city governments having jurisdiction there over, as well as the statutes and laws of the State of Utah and the United States.

7.1.7 Operational Expenses. The costs of administration and operation of the Association, including any employees and managing entity or entities necessary to carry on the obligations and covenants of the Association.

7.1.8 Indemnification. The Association covenants and agrees that it will indemnify and save harmless Developer from and against any and all claims, suits, actions, damages and/or causes of action arising from any personal injury, loss of life, and/or damage to property, sustained on the Resort Facility thereto from and against all costs, counsel fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense of any action or proceeding brought thereon and from and against any orders, judgments and/or decrees which may be entered thereon. Including in the foregoing provisions of indemnification are any expenses that Developer may be compelled to incur in bringing suit for the purpose of enforcing rights hereunder or for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in the Declaration to be kept and performed by the Association and its members.

7.1.9 Reserve Funds. The cost to establish an adequate reserve fund for replacement and/or capital refurbishment and/or capital improvements of all or any portion of the Resort Facility determined proper and sufficient by the Board. Each Owner acknowledges, understands and consents that such reserve funds, if any, are the exclusive property of the Association as a whole and that no Owner shall have any interest, claim or right to any such reserves.

7.1.10 Miscellaneous Expenses. The cost of all items of expenses pertaining to or for the benefit of the Resort Facility and any improvements now or hereafter located thereon or any part thereof not herein specifically enumerated.

7.1.11 Taxes. The Board shall include as Common Expenses, any and all taxes levied or assessed at any and all times by any and all taxing authorities, including all taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments in water drainage districts and in general all taxes and tax liens which may be assessed against the Resort Facility and against any and all personal property and improvements which are now or which may hereinafter be placed thereon, including any interest, penalties or other charges which may be included thereon. Under current law, the Association shall collect and remit the taxes and Special Assessments due on the Resort Facility. If the law is changed and the Association is not required to collect the taxes, then the Association shall not be obligated to include taxes as part of the Common Expenses and collect Assessments therefor. At the option of the Board of Directors, the Association may either include the taxes within the annual budget or separately assess the taxes to the Owners

7.2 All expenses necessary to keep and maintain, repair and replace the interior of Commercial Units and/or Developer Retained Property, which are not available to Owners' use, shall be the sole cost and expense of the Developer or the owner of the Commercial Unit Interest.

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ARTICLE VIII

MANAGEMENT OF RESORT FACILITY

The Association may, however, shall not be obligated to, enter into a management agreement with a separate management firm and/or a Manager (including Developer or its affiliate(s)) as the Board may determine in its sole discretion whereby it contracts for management services which are required to discharge its duties under this Plan and for the management, operation and maintenance of the Resort Facility. Further, the Association may, in the sole discretion, employ a Manager. All costs associated with such management shall be assessed as a Common Expense against the Owners.

ARTICLE IX

LIABILITY INSURANCE

The Board shall obtain liability insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing liability insurance coverage for the Resort Facility. Premiums for such insurance shall be part of the Common Expenses. Such insurance shall also include public liability, workmen's compensation and hired automobile coverage. All liability insurance shall contain a cross liability endorsement to cover liabilities of the Owners as a group to each Owner.

ARTICLE X

CASUALTY INSURANCE AND DESTRUCTION OF IMPROVEMENTS

10.1 The Association shall obtain casualty insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing casualty insurance coverage for the Resort Facility, including fire and extended coverage insurance, vandalism and malicious mischief insurance and flood insurance sponsored by the federal government, all of which insurance shall insure all of the insurable improvements on and within the Resort Facility, including personal property owned by the Association, in and for the interest of the Association, all Owners and Preferred Mortgagees, as their interest may appear, in a company acceptable to the standards set by the Board in an amount equal to the maximum insurable replacement value as determined annually by the Board. The premiums for such coverage and other expenses in connection with such insurance shall be paid by the Association and charged to Owners as part of the Common Expenses. The company or companies with which the Association shall place its insurance coverage, as provided in this Plan, and the insurance agent or agents placing such insurance must be authorized to do business in the State of Utah with a place of business in Summit County, Utah. The Preferred Mortgagee holding the highest dollar indebtedness encumbering Timeshare Interest shall have the right, for so long as it holds such highest dollar indebtedness, to approve: the form of such insurance policies, the amounts thereof, the company or companies who shall be the insurers under such policies and the insurance agent or agents, and the designation of an "Insurance Trustee" (as hereinafter defined) and a successor "Insurance Trustee", which consent will not be unreasonably delayed or withheld. The Association shall have the right to designate an insurance trustee (the "Insurance Trustee") to act as an insurance trustee in the manner provided in this Plan, which Insurance Trustee shall be a commercial bank or trust company which is authorized to do business in the State of Utah, and thereafter, at any time and from time to time, the Association shall have the right to change the Insurance Trustee to another such bank or trust company.

10.2 All policies of insurance purchased by the Association shall be deposited with the Insurance Trustee upon its written acknowledgment that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, and the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for its services as Insurance Trustee. The Board is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Association in which Owners have or may have an interest. The Insurance Trustee shall not be liable in any manner for the payment of any premiums on policies, the renewal of policies, the sufficiency of the coverage of any such policies or any failure to collect any insurance proceeds under any policies.

10.3 In the event of any damage to the Resort Facility, no Preferred Mortgagee shall have any right to participate in the determination of whether the Resort Facility is to be rebuilt; nor shall any Preferred Mortgagee have the right to apply insurance proceeds received by the Insurance Trustee to the repayment of its loan, unless such proceeds are distributed to Owners and/or their respective Preferred Mortgagees.

10.4 The duty of the Insurance Trustee shall be to receive any and all proceeds from the insurance policies held by it as such Insurance Trustee and to hold such proceeds in trust for the Association, Owners and Preferred Mortgagees under the following terms:

10.4.1 Loss Less Than "Very Substantial": Where a loss or damage occurs to any Unit or Units or to the Common Areas, but said loss is less than "Very Substantial" (as hereinafter defined), it shall be obligatory upon the Association to repair or restore the damage caused by said loss. Where such loss or damage is less than "very substantial":

10.4.1.1 The Board shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

10.4.1.2 If the damage or loss is limited to the Common Areas with no or inconsequential damage or loss to any individual Unit, and if such damage or loss to the Common Areas is less than \$3,000.00, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Association, and the Association shall promptly contract for the repair and restoration of the damage.

10.4.1.3 Subject to the provisions of subparagraph (f) hereinafter, if the damage or loss involves any individual Unit as well as the Common Areas, or if the damage is limited to the Common Areas alone, but is in excess of \$3,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written direction and approval of the Association; provided, however, that upon the request of the Preferred Mortgagee, having the highest dollar indebtedness on Units in the Resort Facility, the written approval shall also be required of such Preferred Mortgagee. Should written approval be required as aforesaid, it shall be said Preferred Mortgagee's duty to give written notice thereof to the Insurance Trustee. The Insurance Trustee may rely upon the certificate of the Association and the aforesaid Preferred Mortgagee, if said Preferred Mortgagee's written approval is required, as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee, and execute any affidavit required by law or by the Association, the aforesaid Preferred Mortgagee, or the Insurance Trustee, and deliver same to the Insurance Trustee. In addition to the foregoing, the Preferred Mortgagee whose approval may be required, as aforesaid, shall have the right to require the Association to obtain a completion, performance, and payment bond in an amount and with a bonding company authorized to do business in the State of Utah which is acceptable to said Preferred Mortgagee.

10.4.1.4 Subject to the foregoing, the Board shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

10.4.1.5 If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair to any Unit or Units or to the Common Areas (or for the actual cost thereof, if the work has actually been done), the Association shall promptly, upon determination of the deficiency, levy a uniform Special Assessment against all Owners for the deficiency. The Special Assessment shall be delivered by the Association to the Insurance Trustee and added, by said Trustee, to the proceeds available for the repair and restoration of the Resort Facility.

10.4.1.6 In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient but additional funds are raised by Special Assessment within one hundred twenty (120) days after the casualty, so that sufficient funds are on hand to fully pay for such restoration and repair, then no Mortgagees shall have the right to require the application of insurance proceeds as to the payment of its loan; provided, however, this provision may be waived by the Board in favor of any Preferred Mortgagee upon request therefor at any time. To the extent that any insurance proceeds are required to be paid over to such Preferred Mortgagee, the Owner shall be obliged to replenish the funds so paid over, and said Owner and his Timeshare Interest shall be subject to Special Assessment for such sum.

10.4.2 "Very Substantial Damage": As used in this Plan, the term "very substantial" damage shall mean loss or damage whereby three-quarters (3/4) or more of the Resort Facility is rendered untenantable, or loss or damage whereby seventy-five (75%) percent or more of the total amount of insurance coverage on the Resort Facility becomes payable. Should such "very substantial" damage occur, then:

10.4.2.1 The Board shall obtain detailed estimates or bids for the cost of rebuilding and reconstruction of such damaged property for the purpose of determining whether such insurance proceeds are sufficient to pay for the same.

10.4.2.2 In the event the insurance proceeds are sufficient to rebuild and reconstruct all of such damaged improvements or if the insurance proceeds together with the funds described in subparagraph 3(c) below are sufficient for such purpose, then such damaged improvements shall be completely repaired and restored. The Board shall negotiate for the repair and restoration of such damaged improvements, and the Association shall negotiate and enter into a construction contract with a contractor to do the work on a fixed price basis or on any other reasonable terms acceptable to the Board, which contractor shall post a performance and payment bond with respect to such work. The Insurance Trustee shall disburse the insurance proceeds and other applicable funds held in trust in accordance with provision for progress payments to be contained in such construction contract; provided, however, prior to any payment of such funds, the payees of such funds shall deliver to the Insurance Trustee any paid bills, waivers of liens under any lien laws and executed affidavits required by law, the Association or any respective Preferred Mortgagees.

10.4.2.3 In the event the insurance proceeds are insufficient to repair and replace all of the damaged improvements within the Common Areas and any Unit or Units, the Board shall hold a special meeting to determine a Special Assessment against all of the Owners to obtain any necessary funds to repair and to restore such damaged improvements. Such Special Assessment shall be uniform as to all

Timeshare Interests. Upon the determination by the Board of the amount of such Special Assessment, the Board shall immediately levy such Special Assessment against an Owner's Timeshare Interest, setting forth the date or dates of payment of the same, and any and all funds received from the Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in subparagraph 3(b) immediately preceding. In the event three-fourths (3/4) of the Owners advise the Board in writing on or before the date for the first payment thereof that they are opposed to a Special Assessment, then the Insurance Trustee shall divide the net insurance proceeds equally and shall promptly pay each share of such proceeds to the Owners and Preferred Mortgagees of record as their interests may appear (an "Insurance Proceeds Distribution"). In making such distribution to the Owners and the Preferred Mortgagees, the Insurance Trustee may rely upon a certificate of an abstract company as to the names of the then Owners and their respective Preferred Mortgagees.

10.4.3 In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such a finding made by the Board shall be binding upon all Owners.

10.4.4 The Insurance Trustee may rely upon a certificate of the Association, certifying as to whether or not the damaged property is to be repaired and/or restored. Upon request of the Insurance Trustee, the Association shall deliver such certificate.

10.4.5 In the event that after the completion of and payment for the repair and reconstruction of the damage to the Resort Facility, and after the payment of the Insurance Trustee's fee with respect thereto, any excess insurance proceeds remain in the hands of the Insurance Trustee, then such excess shall be disbursed in the manner of the Insurance Proceeds Distribution. However, in the event such repairs and replacements were paid for by any Special Assessment as well as by the insurance proceeds, then it shall be presumed that the monies disbursed in payment of any repair, replacement or reconstruction were first disbursed from insurance proceeds and any remaining funds held by the Insurance Trustee shall be distributed to the Owners in proportion to their contributions by way of Special Assessment.

10.4.6 In the event the Insurance Trustee has on hand, within ninety (90) days after any casualty or loss, insurance proceeds and, if necessary, funds from any Special Assessment sufficient to pay fully for any required restoration and repair with respect to such casualty or loss, then no Preferred Mortgagee shall have the right to require the application of any insurance proceeds or Special Assessment to the payment of its loan. Any provision contained herein for the benefit of any Preferred Mortgagee may be enforced by a Preferred Mortgagee.

10.4.7 Any repair, rebuilding or reconstruction of damaged property shall be substantially in accordance with the architectural plans and specifications for (a) the originally constructed Resort Facility, (b) reconstructed Resort Facility, or (c) new plans and specifications approved by the Board; provided, however, any material or substantial change in new plans and specifications approved by the Board from the plans and specifications of previously constructed property shall require approval by the Preferred Mortgagee holding the highest dollar indebtedness encumbering Units in the Resort Facility.

10.5 Notwithstanding anything contained herein to the contrary, in the event a loss occurs which is determined to have been attributable to a particular Owner of a Timeshare Interest and such loss causes damage to the Common Areas and/or other Units within the Resort Facility, then the Owner of the Timeshare Interest to which the loss is attributable shall be assessed the entire expense of the insured's policy deductible, if any. In the event a loss occurs to the Common Areas and/or more than one Unit within the Resort Facility and such loss cannot be determined to have emanated from any particular Owner, then all Owners within the Resort Facility, shall equally bear the expense of the insured's policy deductible, if any.

ARTICLE XI

CONDEMNATION

11.1 Deposit of Awards with Insurance Trustee.

The taking of the Resort Facility by condemnation shall be deemed to be a casualty and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though awards may be payable to Owners, in the event of failure to do so, in the discretion of the Board, a Special Assessment shall be made against a defaulting Owner in the amount of his award, or the amount of that award shall be set off against the sums hereafter made payable to that Owner.

11.2 Determination Whether to Continue Resort Facility.

Whether the Resort Facility will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by condemnation shall be deemed to be a casualty.

11.3 Disbursement of Funds.

If the Resort Facility is terminated after condemnation, the proceeds of the awards and Special Assessments will be deemed to be common property of the Owners and shall be owned and distributed in the manner of the Insurance Proceeds Distributions. If the Resort Facility is not terminated after condemnation, the size of the Resort Facility will be reduced, the Owners of condemned Units will be made whole and the property damaged by the taking will be made useable in the manner provided below. The proceeds of the awards and Special Assessments shall be used for these purposes and shall be disbursed in the manner of the Insurance Proceeds Distribution.

11.4 Unit Reduced But Tenantable.

If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the award for taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Resort Facility.

11.4.1 Restoration of Unit. The Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against Owners of the Unit Weeks in the Unit.

11.4.2 Distribution of Surplus. The balance of the award, if any, shall be distributed to the Owners of Unit Weeks in the Unit and to each mortgagees of Unit Weeks in the Unit, the remittance being made payable jointly to the Owners and mortgagees.

11.5 Unit Made Untenantable.

If the taking is of the entire Unit or so reduces the size of a Unit that it cannot be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Resort Facility.

11.5.1 Payment of Award. The award shall be paid first to all Preferred Mortgagees in an amount sufficient to pay off their mortgages due from those Units which are not tenantable; and then jointly to the Owners and mortgagees of Unit Weeks in the Units not tenantable in an amount equal to the market value of the Unit immediately prior to the taking and with credit being given for payments previously reserved for Preferred Mortgagees; and the balance, if any, to repairing and replacing the Common Areas.

11.5.2 Addition to Common Areas. The remaining portion of the Unit, if any, shall become part of the Common Area and shall be placed in condition for use by all of Unit Owners in the manner approved by the Board provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required for further improvements of the Common Areas.

11.5.3 Adjustment of Timeshare Interest. The Timeshare Interest of each Owner in the Units and Common Areas that continue as part of the Resort Facility shall be adjusted to equally distribute the Timeshare Interests among the reduced number of Owners.

11.5.4 Special Assessments. If the amount of the award for the taking is not sufficient to pay the market value of the condemned Unit to the Owner and to condition the remaining portion of the Unit for use as a part of the Common Areas, the additional funds required for those purposes shall be raised by Special Assessments against all of the Owners who will continue as Owners of Units after the changes in the Resort Facility affected by the taking. The Special Assessments shall be made in proportion to the Timeshare Interest of those Owners in the Resort Facility after the changes affected by the taking.

11.5.5 Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Owner and mortgagees of Unit Weeks in the Unit and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the existing rules of the American Arbitration Association, except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed equally against all Owners of Unit Weeks in the affected Units.

11.6 Taking of Common Areas.

Awards for the taking of Common Areas shall be used to make the remaining portion of the Common Areas useable in the manner approved by the Board; provided, that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for further improvement of the Common Areas. The balance of the awards for the taking of Common Areas, if any, shall be distributed equally to the Owners. If there is a mortgage of a Unit, the distribution shall be paid jointly to the Owner and the mortgagees of the Unit.

11.7 Amendment of Plan.

The changes in Units, in the Common Areas and in the Timeshare Interest of each Owner shall be evidenced by an amendment of this Plan that need be approved by fifty-one (51%) percent of the total membership vote or Units whose Owner's Timeshare Interest are affected by such condemnation.

ARTICLE XII

GRANT OF EASEMENTS AND RESERVATION OF EASEMENTS AND RIGHTS

12.1 Perpetual Non-Exclusive Easement to Public Ways.

The driveways, walks and other rights-of-way in the Developer Retained Property which are designated by Developer from time to time for such purposes, shall be and the same are hereby declared reserved to be subject to a perpetual non-exclusive easement over and across same for ingress and egress to and from the Resort Facility and publicly dedicated ways in favor of Developer, the Association, the Managing Entity, the Owners and all of their family members, guests, licensees, lessees and invitees.

12.2 Easements and Cross-Easements on Resort Facility.

12.2.1 Developer hereby grants an easement or easements on, upon, across, through and under the Resort Facility in those areas designated by Developer from time to time (which easement may include reasonable rights of access for persons and equipment necessary to accomplish such purposes) to provide utility services, including, without limitation, power, electric, light, telephone, cable television, gas, water, sewer and drainage and any other utility or service upon or for the benefit of any part of the resort and facility, and to provide for the repair and maintenance of the equipment required to provide such utility services; provided, however, no such easement will be granted with respect to any portion of the Resort Facility whereupon a building or an improvement exists.

12.2.2 Developer reserves the right to grant such easements over and upon the Common Areas in favor of Developer, the Association, the Managing Entity, and the Owners and all of their family members, guests, lessees, licensees and invitees and appropriate utility and other service corporations or companies and governmental entities for ingress and egress and to provide power, electric, sewer and sewage pumps, water, sprinkler system, sprinkler pumps and other utility services and lighting facilities, irrigation, drainage, television transmission facilities, security service and facilities in connection therewith and access to walks and publicly dedicated streets and the like and to provide for the repair and maintenance of the equipment necessary to provide such services and access to streets and roadways serving the Resort Facility which are beyond the boundaries thereof and the like as it deems to be in the best interests and necessary and proper for the Resort Facility.

12.3 Easement for Encroachments.

All of the Resort Facility shall be subject to easements for encroachments, which now or hereafter exist, caused by settlement or movement of any improvements upon the Resort Facility or improvements contiguous thereto or caused by minor inaccuracies in building or rebuilding of such improvements. The above easements shall continue until such encroachments no longer exist.

12.4 Reservation of Easement by Developer.

Developer reserves and shall have the right to enter into and transact in the Resort Facility, including the common areas and recreational facilities, if any, for any business necessary to consummate the sale or lease of Units or real property or the construction or repair, maintenance or reconstruction of improvements in the Resort Facility, including the right to maintain models and a sales office, place signs, employ sales personnel, including the right to carry on construction or maintenance activities. The Developer shall also have the right to transact any business necessary to consummate the sale or lease of other properties, whether real or personal, and whether or not affiliated with the Resort Facility in any fashion. The Developer further reserves the right to conduct an exclusive on-site resale program for Owners of Timeshare Interests in the Resort Facility. The provisions hereof may not be suspended, superseded or modified in any manner and any amendment to the Declaration in writing by the Developer. The rights of use and transaction of business set forth herein and any other rights reserved in the Declaration may be assigned in writing by the Developer in whole or in part. All rights reserved hereunder by the Developer shall be exclusive to the Developer and its assigns.

12.5 Easement Over Retained Land.

The Developer hereby grants to each Owner of a Timeshare Interest in the Resort Facility a non-exclusive easement for ingress and egress over retained lands of the Developer which are located either adjacent to or contiguous with the Resort Facility which are designated from time to time for the purpose of vehicular and pedestrian ingress and egress over and from the Resort Facility. This easement shall run

in favor of each Owner, their guests, licensees, and invitees, and the Developer, its successors or assigns. Such easement shall apply only with respect to unimproved portions of the retained land, or Developer Retained Property, and shall not apply with respect to any improved portions of the retained land which are not included either as part of the Resort Facility. Developer may in its sole and absolute discretion restrict Owners' access to portions of the Developer Retained Property so long as Owners are provided with access to and from their Unit and the Common Areas.

12.6 Easement Over Commercial Units.

The Developer hereby grants to each Owner, their guests, licensees and invitees, a nonexclusive easement for ingress and egress purposes, over those portions of the Commercial Units designated by the Developer from time to time, for the purpose of ingress and egress to and from the Units and Common Areas. Developer may in its sole and absolute discretion restrict Owners access, to portions of the Commercial Units, so long as Owners are provided with access to and from their Unit, the Common Areas and the public right-of-way.

ARTICLE XIII

LAND USE COVENANTS

In consideration of the benefits hereinafter contained and the payment of the Common Expenses referred to herein, Developer does hereby declare that the Units and the Common Areas shall be used, transferred, demised, sold, conveyed and occupied subject to the terms of the Plan as follows:

13.1 Occupancy and Use Restrictions:

13.1.1 No Owner may occupy his Fixed Week or Reserved Week or permit another to occupy it unless he has provided notice to the Association at least fourteen (14) days in advance of the commencement of the Unit Week of his intention to occupy the Unit or to allow occupancy of his Unit by another person.

13.1.2 The Units shall be for transient resort occupancy only. No trade, business, profession or other type of commercial activity may be conducted in any Unit except for any Units which are used by Developer for models, sales offices, construction offices, storage or related uses. Each Owner shall have the exclusive right to use and occupy his Assigned Unit during the Assigned Unit Week assigned to such Owner subject to the provisions of the Plan, including, but not limited to, the Floating Use Plan. Without limiting the generality of the foregoing, no Owner or any other person or entity (other than the Developer or its designees) may advertise in any way in the Resort Facility or in any right-of-way adjacent to the Resort Facility. Included within the term "advertising" shall be for sale signs, displays of any kind, picketing and verbal communication regarding the sale or resale of Units or any commercial activity. The provisions of this paragraph may be enforced by either the Developer or the Association by a suit for damages or injunctive relief and, in addition, the Developer shall be entitled to a penalty of One Thousand (\$1,000.00) Dollars per day for violation of this paragraph, it being expressly agreed that the damages associated with a violation of this paragraph cannot be accurately determined.

13.1.3 An Owner shall not keep a pet in his Unit unless specifically permitted by the Rules and Regulations which may be promulgated by the Association from time to time, nor shall an Owner keep any other animals, livestock or poultry in his Unit, nor may any of the same be raised, bred or kept upon the Common Areas or any portion of the Resort Facility.

13.1.4 An Owner shall not permit or suffer anything to be done or kept in its Unit which will increase the insurance rates on its Unit or the Common Areas which will obstruct or interfere with the rights of other Owners or the Association or the Managing Entity.

13.1.5 No Owner shall annoy other Owners by unreasonable noises or otherwise and no Owner shall commit or permit to be committed any nuisance or immoral or illegal act in its Unit or on the Common Areas.

13.1.6 In the event of damage to or destruction of any Unit, the furnishings in any Unit or the Common Areas caused by an Owner or the family members, guests, invitees, lessees or licensees of an Owner, such Owner shall be liable for the cost of necessary repairs and reconstruction to restore the Unit, furnishings and/or Common Areas to its original condition. The Association may bring an action against the Owner to recover the costs of the damage or destruction, but shall not have a lien right against the Owner.

13.1.7 No Owner (with the exception of Developer, for so long as Developer is an Owner) shall display any sign, advertisement or notice of any type on the exterior of its Unit, the Common Areas or at any window or other part of its Unit or on any personal property located therein; no Owner shall erect any exterior antennae or aerials upon its Unit or the Common Areas; and no Owner shall cause anything to project out of any window, door, porch or balcony except as may be approved in writing by the Association (except

as installed as of the date the Plan is recorded or except as thereafter installed by Developer). See paragraph 1 above for additional information regarding commercial activities.

13.1.8 An Owner (excluding Developer, for so long as Developer is an Owner) shall not be permitted to keep any boat, trailer, truck, camper, van in excess of twenty (20) feet long, recreational vehicle or other vehicle which is not a private passenger car on any portion of the Resort Facility and any such vehicle shall be removed at the expense of the Owner responsible therefor. The use of parking spaces may be further regulated and limited by the Rules and Regulations promulgated by the Association.

13.1.9 No clothesline or other similar device shall be allowed on any portion of the Resort Facility and no clothes, sheets, blankets, laundry, rugs or any kind of article shall be dried, aired, beaten or dusted by extending same from the windows, doors, porches or balconies of a Unit.

13.1.10 Each Owner shall keep its Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom or from the doors, windows, porch or balcony thereof any dirt or other substances.

13.1.11 Waterclosets and other water apparatus on the Resort Facility shall not be used for any purposes other than those for which they were constructed. An Owner shall pay for any damage to a Unit, its contents and/or the Common Areas because of the misuse of waterclosets or other apparatus in its Unit. Liability for any damage to a Unit caused by the moving or carrying of any article on the Resort Facility shall be borne by the Owner responsible for the presence of such article. An Owner shall be liable for the expense of any maintenance, repair or replacement of any real or personal property rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents, licensees, or lessees. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or the Common Areas and shall also include the cost of repairing broken windows. An Owner shall also be liable for any personal injuries caused by his negligent acts or those of any member of his family, or his or their guests, employees, agents, licensees or lessees. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

13.1.12 No Owner shall use or permit to be brought into any Unit, porch or balcony any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine or other explosives or articles deemed extra hazardous to life, limb or property.

13.1.13 The Association will retain a passkey to each Unit. No Owner shall alter any lock or install a new lock on any door leading into its Unit without the prior written consent of the Association. If such consent is given, the Owner shall provide the Association with a key for the use of the Association. In the event the Association is not provided with a key to the Unit, the Owner shall pay the cost incurred by the Association in gaining entrance to its Unit.

13.1.14 No Owner shall cook or barbecue on any porch or balcony. Only lawn furniture is permitted on porches and balconies. the hanging of articles of any type on the porch or balcony railings is not permitted.

13.1.15 An Owner may not make or cause to be made any structural modifications to its Unit (except those modifications which exist as of the date the Plan is recorded or as made by Developer) without the Association's prior written consent, which consent may be unreasonably withheld.

13.2 Private Use: The Units and the Common Areas are not for the use and enjoyment of the public, but are expressly reserved for the private use and enjoyment of the Developer, the Association, the Managing Entity, the Owners, guests, invitees and lessees in accordance with the Plan.

13.3 Rules and Regulations: The Association shall impose rules and regulations regulating the use and enjoyment of the Units and the Common Areas. The rules and regulations so promulgated shall in all respects be consistent with the use covenants set forth in the Declaration and with the architectural and beautification concept presently existing. The Association may modify, alter, amend and rescind such rules and regulations, provided such modifications, alterations, amendments and rescissions are consistent with the use covenants set forth herein.

ARTICLE XIV

PROVISIONS FOR ALTERATIONS OF UNITS BY DEVELOPER

14.1 Developer reserves the right to alter the interior design and arrangement of all Units (which alterations made by Developer to Units it owns are hereinafter referred to as the "Alterations").

14.2 An amendment of the Plan to evidence such Alterations shall be filed by Developer in accordance with the provisions of this paragraph B. Such amendment ("Developer's Amendment") need be signed and acknowledged only by Developer and shall not require approval of the Association, other Owners

or lienors or mortgagees of the amendment of the Plan. This amendment shall adjust the Timeshare Interest and the voting rights attributable to the Timeshare Interest being affected by the Alterations and may be made as a Developer's Amendment as long as Developer owns the Timeshare Interests attributable to the Units being adjusted.

ARTICLE XV

AMENDMENTS TO THE PLAN

15.1 So long as the Developer has a right to appoint all officers and directors of the Board, as provided for herein, any Amendments may be made by the Developer alone, which Amendment shall be signed by the Developer and need not be joined in by any other party, provided, however, that such Amendment shall not materially and adversely affect any Owner's property rights.

15.2 Except for a Developer's Amendment, as provided for herein, the Plan may be amended only by the consent of a majority of all Owners of the Resort Facility. Except for an Amendment made by the Developer, pursuant to the terms hereof, no Amendment of the Plan shall change the configuration or size of any Unit in any material fashion or materially alter or modify the appurtenances to such Unit, unless all of the record Owners of the Timeshare Interest effecting such Unit and all of the Preferred Mortgagees of record holding Mortgages on said Timeshare Interest shall consent in writing thereto. Any such amendment shall be voted on at a special meeting of the affected Owners and their consent thereto shall be evidenced by a certificate joined in and executed by such Owners and all affected Preferred Mortgagees and recorded in the same manner as an amendment provided in paragraph A of this Article XV.

ARTICLE XVI

TRANSFER OF ASSOCIATION CONTROL

The Developer reserves the right to appoint all members of the Board of Directors until such time as the Developer is no longer offering Timeshare Interests for sale in the Resort Facility as existing or hereafter amended. At that time, Owners, other than the Developer, shall be entitled to elect a majority of the Board. Notwithstanding anything contained herein to the contrary, the Developer may, in its sole discretion, relinquish control of the Association to Owners, other than the Developer, prior to the required turnover date.

ARTICLE XVII

TERMINATION

17.1 This Plan may be terminated by the affirmative written consent of eighty (80%) percent of the Owners and the written consent of all Preferred Mortgagees encumbering Timeshare Interests in the Resort Facility; provided, however, that the Board consents to such termination by a vote of three-fourths (3/4) of the entire Board taken at a special meeting called for that purpose.

17.2 In the event of the termination of this Timesharing Plan, the Resort Facility shall be deemed removed from the provisions of the Act and shall be owned in common by the Owners pro rata in accordance with their Timeshare Interest as provided in this Plan. Any and all lien rights provided for in this Timesharing Plan or elsewhere shall continue to run with the real property designated herein as the Resort Facility and shall encumber the respective undivided shares of the Owners thereof as tenants in common. Each Owner shall continue to be responsible for his pro rata share of Common Expenses.

ARTICLE XVIII

PARTITION

No Owner or any other person or entity acquiring any right, title or interest in a Timeshare Interest shall seek or obtain through any legal procedures, judicial partition of the Resort Facility or sale of the Resort Facility in lieu of partition.

ARTICLE XIX

RIGHTS RESERVED UNTO PREFERRED MORTGAGEES

19.1 So long as any Preferred Mortgagee shall hold any mortgage upon any Timeshare Interest or shall be the Owner of any Timeshare Interest, such Preferred Mortgagee shall have the following rights:

19.1.1 To be entitled to be furnished with at least one (1) copy of the Annual Financial Statement and Report of the Association, prepared by a Certified Public Accountant designated by the Association, including a detailed statement of annual carrying charges or income collected and operating expenses; such Financial Statements and Report to be furnished, upon written demand, within ninety (90) days following the end of each calendar year.

19.1.2 To be given notice by the Association of the calling of any meeting of the membership to be held for the purpose of considering any proposed amendment to this Plan, the Articles or the By-Laws, which notice shall state the nature of the amendment being proposed.

19.1.3 To be given notice of default by any Owner of a Timeshare Interest encumbered by a mortgage held by any Preferred Mortgagee, such notice to be given in writing and sent to the principal office of such Preferred Mortgagee or to the place which it may designate in writing to the Association.

19.2 Whenever any Preferred Mortgagee desires to be subject to the provisions of this Article, such Preferred Mortgagee shall serve written notice of such fact upon the Association by registered or certified mail, addressed to the Association and sent to its address stated herein, with a copy by registered or certified mail addressed to the Preferred Mortgagee having the highest dollar indebtedness on Timeshare Interests in the Resort Facility, which written notices shall identify the Timeshare Interest upon which any such Preferred Mortgagee holds any mortgage or mortgages or otherwise sufficiently identifies the Timeshare Interest and the mortgage or mortgages held by such Preferred Mortgagee, and such notice shall designate the place to which notices are to be given by the Association to such Preferred Mortgagee.

19.3 Should the Association fail to pay any premium for insurance required to be placed on the Resort Facility, or should the Association fail to comply with other insurance requirements imposed by the Preferred Mortgagee owning and holding the highest dollar indebtedness against Timeshare Interests in the Resort Facility, then said Preferred Mortgagee shall have the right, at its option, to order and advance such sums as are required to maintain or procure such insurance and to the extent of the monies so advanced, plus interest thereon, at the highest rate allowed by law, said Preferred Mortgagee shall be subrogated to the lien rights of the Association against individual Timeshare Interests for the payment of such items of Common Expense.

19.4 If two (2) or more Preferred Mortgagees hold any mortgage upon a Timeshare Interest, the exercise of the rights above described or the manner of exercising such rights shall vest in the Preferred Mortgagee holding the highest dollar indebtedness against the Timeshare Interest in the Resort Facility and the decision of such Preferred Mortgagee shall be controlling.

19.5 The rights of any Preferred Mortgagee as set forth herein shall apply only with respect to the Assigned Unit during the Assigned Unit Week of the Timeshare Interest encumbered by such mortgage and shall not affect any other Assigned Unit or Assigned Unit Week notwithstanding anything contained herein to the contrary.

19.6 Any rights reserved hereunder shall be in addition to any rights of a Preferred Mortgagee created in the mortgage transaction entered into between an Owner and a Preferred Mortgagee.

ARTICLE XX

RESALES

Each Owner hereby grants to the licensed real estate broker designated by the Developer ("Broker") the exclusive right, but not the obligation, to act as Owner's exclusive sales agent in the event Owner desires to resell his Timeshare Interest. If Broker has not waived its right in writing to act as exclusive sales agent for Owner, then Broker shall be entitled to a brokerage commission equal to the then prevailing rate for broker's commissions for timeshare resales in Summit County, Utah, as determined by Broker from time to time. In the event of a resale of the Timeshare Interest, Developer or Broker shall have the right to enforce this provision by injunctive proceedings in addition to any other remedies available to it, it being expressly agreed to by the parties that Developer or Broker has no adequate remedy at law for a breach of this provision. Notwithstanding anything contained herein to the contrary, Developer or Broker shall have no obligation to act as Owner's exclusive sales agent, and Developer and Broker shall have the right to exercise its rights hereunder in its sole and absolute discretion. Nothing contained herein shall be deemed to be a warranty or representation by either the Developer or Broker that Developer or Broker currently operates a program pursuant to which it conducts resales or will conduct such a program in the future. Further, there is no assurance that Owner will be able to resell his Unit on terms acceptable to Owner whether or not Broker is acting as Owner's sales agent. This provision may not be amended without the consent of the Developer. Without limiting the generality of the Developer's right to amend as contained in Article IX hereof, the Developer specifically reserves the right to amend this paragraph in order to set forth such additional terms and conditions as may be necessary to carry out the purposes hereof.

ARTICLE XXI

RIGHT OF FIRST REFUSAL

In the event any Owner wishes to sell or transfer his Timeshare Interest, the Developer or its assignee shall have the option to purchase said Timeshare Interest, upon the same conditions as are offered by the Owner to a third person. Any attempt to sell said Timeshare Interest without waiver of the right of first refusal

by the Developer shall be wholly null and void, and shall confer no title or interest whatsoever upon any purchaser; provided however, any deed may be validated by subsequent approval by the Developer in the event of a sale without prior approval as herein provided.

Should an Owner wish to sell or transfer his Timeshare Interest, he shall deliver to the Developer a written notice containing a copy of the executed purchase agreement between buyer and seller, which agreement shall be executed subject to the Developer's waiver of its right of first refusal and consent to the sale or transfer. The Owner shall also submit to the Developer, within five (5) days from receipt of any request by the Developer, any supplemental information as may be required by the Developer.

The Developer, within ten (10) days after receiving such notice and such supplemental information as is required by the Developer, shall either consent to the transaction specified in said notice, or by written notice to be delivered to the Owner's last known address (or mailed to the place designated by the Owner in his notice), designate the Developer, or one or more persons, who are willing to purchase upon the same terms as those specified in the Owner's notice.

The Developer or his stated designee shall have fourteen (14) days from the date of the notice sent by the Developer within which to make a binding offer to purchase upon the same terms and conditions specified in the Owner's notice, and the Owner shall close the transaction in accordance with the contract. Failure of the Developer to designate such person(s) or failure of such person(s) to make such binding offer within the said fourteen (14) day period, shall be deemed consent by the Developer to the transaction specified in the Owner's notice, and the Owner shall be free to make or accept the offer specified in his notice, and sell said interest pursuant thereto to the prospective purchaser named therein in accordance with the agreement submitted to the Developer.

In the event the sale or transfer to a third party is approved by the Developer but is not ultimately consummated, the Owner may not sell or transfer his Timeshare Interest without further complying with the terms and conditions of this section.

The consent of the Developer shall be in proper recordable form and shall be delivered to the Owner. Should the Developer fail to act, as herein set forth, and within the time provided herein, the Developer shall, nevertheless, thereafter prepare and deliver its written approval in proper recordable form, as aforesaid, and no conveyance of title or interest whatsoever shall be deemed valid without the consent of the Developer as herein set forth.

This provision may not be amended without the consent of the Developer. Without limiting the generality of the Developer's right to amend as contained in Article IX hereof, the Developer specifically reserves the right to amend this paragraph in order to set forth such additional terms and conditions as may be necessary to carry out the purposes hereof.

ARTICLE XXII

GENERAL PROVISIONS

22.1 Duration. All of the covenants, agreements and restrictions covering the Resort Facility, including the land use covenants and affirmative covenants to pay Common Expenses shall run with and bind the Land encumbered hereby and shall inure to the benefit of and be binding upon Developer, the Association and its members, their respective legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date the Plan is recorded, after which time said covenant shall be automatically extended for successive periods of ten (10) years unless after said thirty (30) year term an instrument signed by two-thirds (2/3) of the Owners is recorded agreeing to terminate said covenants and restrictions. No such instrument shall be effective, however, unless made and recorded among the Public Records of Summit County, Utah, one (1) year in advance of the effective date of such termination.

22.2 Plan of Ownership. Developer, the Association and the Owners and their grantees, successors or assigns by acceptance of their instrument of conveyance of a Timeshare Interest all acknowledge that the Resort Facility has been developed under a common plan as set forth in Article II herein. Such parties further acknowledge that the easement rights, use covenants and obligations to pay Common Expenses are an integral part of the common plan of development and are required to provide access to and from the various portions of the Resort Facility and publicly dedicated rights-of-way as well as the operation and maintenance of the Resort Facility.

22.3 Compliance with Regulations of Public Bodies. The Association shall, as a Common Expense, perform such acts and do such things as shall be lawfully required by any public body having jurisdiction over the same in order to comply with sanitary requirements, fire hazard requirements, zoning requirements, set-back requirements, drainage requirements and other similar requirements designed to protect the public.

22.4 Lawful Use of Land. The Association covenants and agrees that it will conform to and observe all ordinances, rules, laws and regulations of Summit County, State of Utah, and the United States

of America and all public authorities and boards of officers relating to the Common Areas or improvements upon the same or use thereof and will not during such time permit the same to be used for any illegal or immoral purpose, business or occupation.

22.5 Fiduciary Obligation of Association. The officers and directors of the Association have a fiduciary relationship to the Owners and are obligated to fulfill the duties and functions set forth herein and to pursue with due diligence the remedies provided pursuant to the Plan and to enforce the covenants and restrictions herein contained.


22.6 Severability. Invalidation of any one of these covenants or restrictions or any of the terms and conditions herein contained or the reduction in time by reason of any rule against perpetuity shall in no way affect any other provision which shall remain in full force and effect for such period of time as may be permitted by law.

IN WITNESS WHEREOF, this Plan has been executed by Developer, this 21st day of March, 2002.

Tax ID # WGC-1

WESTGATE RESORTS, LTD., a Florida limited partnership
7450 Sandlake Commons Boulevard
Orlando, Florida 32819


BY: WESTGATE RESORTS, INC. a Florida corporation,
General Partner

BY: 
DAVID A. SIEGEL, President
(Corporate Seal)

STATE OF FLORIDA }
COUNTY OF OSCEOLA } SS.

The foregoing instrument was acknowledged before me this 21st day of March, 2002, by DAVID A. SIEGEL, as President of WESTGATE RESORTS, INC., a Florida corporation, as General Partner of WESTGATE RESORTS, LTD., a Florida limited partnership, on behalf of the partnership. (He is personally known to me or has produced _____ as a type of identification.)

My commission expires:


Print Name: _____
Notary Public, State of: _____
Serial Number, if any: _____
Residing at: _____



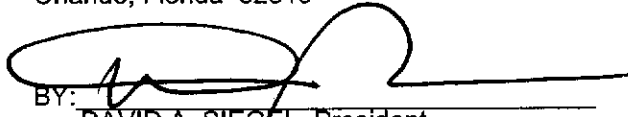
Norma J. MacNeal
MY COMMISSION # DD020916 EXPIRES
May 31, 2005
BONDED THRU TROY FAIR INSURANCE, INC.

00614781 Bk01442 Pg00026

The WESTGATE PARK CITY RESORT & SPA OWNERS ASSOCIATION, INC., hereby consents to the terms and provisions contained in the Plan.

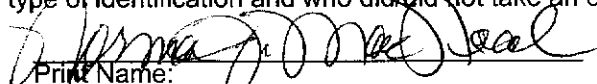
Tax ID #WGC-1

WESTGATE PARK CITY RESORT & SPA OWNERS
ASSOCIATION, INC.
7450 Sandlake Commons Boulevard
Orlando, Florida 32819

BY: 
DAVID A. SIEGEL, President
(Corporate Seal)

STATE OF FLORIDA }
COUNTY OF OSCEOLA } SS.

The foregoing instrument was acknowledged before me this 21st day of March 2000, by DAVID A. SIEGEL, as President of WESTGATE PARK CITY RESORT & SPA OWNERS ASSOCIATION, INC., a Utah corporation not-for-profit, on behalf of the corporation. He is personally known to me or has produced _____ as a type of identification and who did/did not take an oath.


Print Name: _____
Notary Public, State of: _____
Serial Number, if any: _____
Residing at: _____

My commission expires:



Norma J. MacNeal
MY COMMISSION # DD020916 EXPIRES
May 31, 2005
BONDED THRU TROY FARM INSURANCE, INC.

00614781 Bk01442 Pg00027

EXHIBIT "A"

LEGAL DESCRIPTION OF RESORT FACILITY

00614781 Bx01442 Pg00028

EXHIBIT A-1

LEGAL DESCRIPTION OF RESORT FACILITY

PARCEL 1, WESTGATE AT THE CANYONS FINAL SUBDIVISION PLAT,
according to the Official Plat thereof, on file and of record as Entry No. 569867 in
the Office of the Summit County Recorder.

Tax ID # WGC - 1

00614781 Bk01442 Pg00029

EXHIBIT A-2**WESTGATE RESORTS, BUILDING NUMBER 10 FOOTPRINT
LEGAL DESCRIPTION**

Commencing at the southeast corner of Section 36, Township 1 South, Range 3 East, Salt Lake Base & Meridian, a found brass cap, (basis of bearing being North 89°59'43" West 2667.10 feet between the said southeast corner of Section 36 and the south quarter corner of said Section 36, a found brass cap); thence along the south line of said Section 36, N.89°59'43"W., a distance of 1,691.55 feet; thence leaving said section line North, a distance of 390.48 feet to the POINT OF BEGINNING; thence N.29°30'00"W., a distance of 238.67 feet; thence N.60°30'00"E., a distance of 77.67 feet; thence S.29°30'00"E., a distance of 123.33 feet; thence N.60°30'00"E., a distance of 7.67 feet; thence S.29°30'00"E., a distance of 40.00 feet; thence S.60°30'00"W., a distance of 7.67 feet; thence S.29°30'00"E., a distance of 75.33 feet; thence S.60°30'00"W., a distance of 77.67 feet to the POINT OF BEGINNING.

Containing 18,843.52 square feet or 0.4326 acres, more or less.

Tax ID # WGC-1

00614781 Bk01442 Pg00030

EXHIBIT "B"

FLOATING USE PLAN RULES AND REGULATIONS FOR Westgate Park City Resort & Spa

These Floating Use Plan Rules and Regulations (the "Rules and Regulations") are promulgated pursuant to the Declaration of Covenants, Conditions and Restrictions ("Declaration") and shall govern the manner for making reservations for Floating Unit Weeks committed to the Floating Use Plan. These Rules and Regulations shall be binding upon all Owners, their guests, invitees, lessees, licensees and designees.

1. Definitions. All terms used in these Rules and Regulations shall have the same meaning given to them in the Declaration.

2. Classes of Ownership. As described in the Declaration, there are sixteen (16) classes of ownership: (a) Fixed Weeks; (b) All Season Float Four Bedroom (year around, excluding Fixed Weeks); (c) All Season Float Standard Two Bedroom (year around excluding Fixed Weeks); (d) All Season Float Deluxe One Bedroom (Unit Type C) (year around excluding Fixed Weeks); (e) All Season Float Grand One Bedroom; (f) All Season Float Standard One Bedroom (Unit Type D); (g) Peak Season Float Four Bedroom (Weeks 23-39); (h) Peak Season Float Two Bedroom (Weeks 23-39); (i) Peak Season Float Deluxe One Bedroom (Weeks 23-39); (j) Peak Season Float Grand One Bedroom (Weeks 23-39); (k) Peak Season Float Standard One Bedroom (Weeks 23-39); (l) Value Season Float Four Bedroom (Weeks 16-22, 40-46); (m) Value Season Float Two Bedroom (Weeks 16-22, 40-46); (n) Value Season Float Deluxe One Bedroom (Unit Type C) (Weeks 16-22, 40-46); (o) Value Season Float Grand One Bedroom (Weeks 16-22, 40-46); and (p) Value Season Float Standard One Bedroom (Unit Type D) (Weeks 16-22, 40-46).

3. Managing Entity. Pursuant to the Declaration, the Association has the responsibility for the management and operation of the Floating Use Plan. Pursuant to the Management Contract with CFI Resorts Management, Inc., a Florida corporation (the "Management Company"), the Association has delegated its responsibilities to the Management Company.

4. Designation of Principal Contact. For Floating Unit Weeks that are owned by more than one owner, the owners shall designate a "Principal Contact" from time to time by notifying the Management Company of same through a writing executed by all the Owners or by an authorized representative of the business entity. The Principal Contact shall be the designated individual with whom the Management Company shall deal with respect to making reservations, sending confirmations, and providing other services. Owners may be charged an administrative fee not to exceed \$25.00 each time there is a request to change a Principal Contact designation.

5. Reservation Requests.

1. First Come, First Served. Reservation requests for a particular Floating Unit Week will be taken on a first-come, first served basis within each calendar year within the appropriate scheduling window. Reservations may only be made for any available Floating Unit Weeks in the same seasonal and the same unit type category as the reserving Owner's deeded Floating Unit Week or for any available Floating Unit Weeks in a lower category. See Schedule A attached hereto for a breakdown of the scheduling windows.

In the event an Owner of a Floating Unit Week reserves a Floating Unit Week in a lower season or lower unit type category than the Owner's deeded Floating Unit Week, thus creating availability in a higher season or unit type category, Owners of deeded weeks in a lower season or unit type category may make reservations into the higher season or unit type category where the availability has been created. The Association has the right to charge a fee for a reservation in a higher type category (Season or Unit Type). Such a reservation can only be made within thirty (30) days of the commencement of the desired Unit Week.

2. Submitting a Reservation Request. To reserve a given Floating Unit Week on a space-available basis, Owners who own more than one Unit Week must mail or fax a request that is received by the Management Company no earlier than eleven (11) months in advance of the first day (the "Check-in Day") of the Floating Unit Week that the Floating Unit Week Owner wants to reserve. Owners who own only one Floating Unit Week must mail or fax a request that is received by the Management Company no earlier than ten (10) months in advance of the Check-in Day of the Floating Unit Week that the owner wants to reserve. The Management Company, upon receipt of the reservation request, shall assign the Owner the use of a designated Floating Unit Week if the time period requested is available. The last date for making reservations is thirty (30) days prior to the commencement of the Unit Week requested. When making a reservation, an Owner must indicate whether the reservation is for an exchange or for the Owner's own use. If an Owner decides to change the confirmed reservation, Owner must make a new reservation and receive a new confirmation number.

During the last thirty (30) days prior to the commencement of the Unit Week, available space may be made available to Owners pursuant to rules and regulations to be adopted by the Association.

3. Reservation Priorities. Reservation requests are subject to the following priorities:

(1) The Management Company shall have the right to reserve, at any time, any two (2) weeks it chooses for each Unit each year (two (2) weeks per Unit annually), in its sole discretion, for maintenance purposes.

(2) For the benefit of Floating Unit Week Owners who are members of an affiliated Exchange Company, the Management Company shall have the right to reserve a portion of the Floating Unit Weeks for bulk deposit into the Exchange Company. This may be done as early as twenty-four (24) months prior to the commencement of any given week, providing Owners the maximum selection priority through the Exchange Company. This advanced reservation of space will provide peak season access into other resorts through the Exchange Company. Any Floating Unit Week Owner who is a member in good standing of the Exchange Company may request an exchange only **AFTER** having obtained an authorization from the Management Company.

(3) If a reservation request is not received by the Management Company by the beginning of the thirty (30) day period preceding the Check-in Day of a given Floating Unit Week (the "Breakage Period"), the Management Company's ability to confirm an owner's reservation request for that Floating Unit Week within the Breakage Period will be severely limited by the Developers priority to use any Breakage Period Unit Weeks for its own purposes, including for exchange, promotional use, rental or any other purposes as the Developer determines in its sole discretion. All net rental proceeds, if any, received for such rentals shall be the property of the Developer. Floating Unit Week Owners are encouraged to submit requests as far in advance as possible in order to ensure that they receive a reservation and obtain the best choice of available Floating Unit Weeks.

4. Failure to Make a Timely Reservation. In the event that a Floating Unit Week Owner does not timely reserve a Floating Unit Week, such owner may lose the right to utilize a Floating Unit Week for that year. There is no accrual or carryover of unused time from one year to subsequent years. A Floating Unit Week Owner unable to utilize any available Floating Unit Week is not relieved of the obligation to pay all assessments and taxes associated with his ownership of a Floating Unit Week. The Management Company cannot guarantee that any Management Company requested week or any authorization number for an exchange week through the International Exchange will be available for Floating Unit Week Owners who fail to make a timely reservation.

5. Reservation Required for Rental or Exchange. Before a Floating Unit Week Owner may rent or exchange a Floating Unit Week in the Floating Use Plan, the Floating Unit Week Owner must first receive a confirmed reservation from the Management Company for a particular Floating Unit Week, in accordance with the provisions hereof.

6. Confirmations; Unit Preferences. Written confirmations for a particular accommodation type will be mailed to each Floating Unit Week Owner or Principal Contact by the Management Company to document all confirmed reservations. Designated Units for occupancy will be assigned by the Management Company at the time of arrival.

7. Changes, Cancellations and No-Shows. A Floating Unit Week Owner may change or cancel a confirmed reservation for a fee to be determined by the Association for each change or cancellation; provided, however, there shall be no cancellation fee for the first cancellation provided such cancellation is made prior to sixty (60) days before the Check-in Day for the canceled Floating Unit Week. Any change is considered to be a cancellation and a new reservation. The Management Company shall have the right to increase or decrease this charge in its sole discretion. If the Floating Unit Week Owner changes or cancels his reservation prior to the Breakage Period for his reserved Floating Unit Week, he may thereafter make a new reservation for a new Floating Unit Week within the same calendar year on a space available basis. If the Owner changes or cancels his reservation within the Breakage Period, he may thereafter only make a new reservation for a new Floating Unit Week during that calendar year within the Breakage Period prior to the desired new Floating Unit Week on a space available basis, subject to all priorities set forth in these Rules and Regulations from time to time. Floating Unit Week Owners who fail to arrive on the Check-in Day of the reserved Floating Unit Week must notify the Management Company that they will be arriving subsequent to such Check-in Day or risk losing the reservation. The Association may establish a fee for the transfer of a confirmed reservation to a guest.

8. Maintenance Fee or Real Estate Tax Delinquency. To use a confirmed reservation, a Floating Unit Week Owner must pay all maintenance fees and real estate tax assessments imposed against that Owner's Floating Unit Week by the collection due date each calendar year or by thirty (30) days prior to check-in, whichever occurs earlier. Any reservations confirmed prior to the assessment due date will be subject to

cancellation if the Floating Unit Week Owner does not pay the fees and assessments imposed against his Floating Unit Week by the due date each year. A Floating Unit Week owner who is delinquent in the payment of any maintenance fee or real estate tax assessment imposed against that Owner's Floating Unit Week shall not be allowed to reserve a Unit Week under the reservation program of the Floating Use Plan, and any previously confirmed Floating Unit Week reservation may be canceled.

9. Amendments to the Rules and Regulations. Except as specifically prohibited in the Declaration, these Rules and Regulations may be amended from time to time pursuant to the Declaration. Notice of any amendments to these Rules and Regulations shall be given in writing to all Floating Unit Week Owners at their last known mailing address prior to the amendments taking effect. In the event of a conflict between these Rules and Regulations and the Declaration, the Declaration shall control.

10. Service Fee for Split Weeks. As the annual maintenance fee paid by an Owner covers only one cleaning of the Unit and one check-in/check-out, for Split Week usage, a service fee will be charged to cover cleaning and check-in/check-out for the second and subsequent reservations as follows:

| | |
|---------------|---------|
| One Bedroom: | \$50.00 |
| Two Bedroom: | \$60.00 |
| Four Bedroom: | \$80.00 |

The Split Week reservation fee is Fifteen (\$15.00) Dollars.

* Current fees subject to change.

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EXHIBIT "C"

IDENTIFICATION OF UNITS AND UNIT TYPES

The initial Common Areas in building No. 10 are the following:

1. Ski Services area;
2. Hallway and stairwells; and
3. Any other area which may be designated as Common Area by the Developer from time to time.

The initial Common Areas in building No. 11 are the following:

1. Storage area;
2. Elevator;
3. Mechanical Room;
4. Receiving area;
5. Hallways and stairwells; and
6. Any other areas which may be designated as a Common Area by the Developer from time to time.

The initial Commercial Units in building No. 10 are the following:

1. Club facilities;
2. Spa Area;
3. Retail area;
4. Fitness Center;
5. Restaurant; and
6. All other areas not specifically identified as a Common Area or a Unit.

The initial Commercial Units in building No. 11 are the following:

1. Snack Room and Game Room;
2. Administration and Staff Offices; and
3. All other areas not specifically identified as a Common Area or a Unit.

Tax ID # WGC-1