

**FESTIVA RESORTS ADVENTURE CLUB
MEMBERS' ASSOCIATION, INC.**

RULES AND REGULATIONS

As of December 1, 2011

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FESTIVA RESORTS ADVENTURE CLUB MEMBERS ASSOCIATION, INC.

RULES AND REGULATIONS

THESE RULES AND REGULATIONS (the “**Regulations**”) have been adopted by the Board of Directors of Festiva Resorts Adventure Club Members Association, Inc., a non-stock, non-profit South Carolina corporation, to govern the operation of Festiva Resorts Adventure Club (the “**Club**”) and the reservation, use, and occupancy of Club Accommodations. These Regulations shall be in effect until modified by the Board and shall apply to and be binding upon all Members and Occupants. Members and Occupants shall at all times comply fully with these Regulations and exercise their best efforts to ensure that these Regulations are fully and faithfully observed by other Members and Occupants.

These Regulations are designed to ensure that all Members are treated fairly and equitably in their opportunities to obtain the right to use and occupy Club Accommodations. These Regulations may be modified from time to time by the Board, in its sole discretion, in whatever manner the Board considers to be in the collective best interests of all Members as a whole. All such modifications shall be immediately effective upon their adoption; provided, however, that no Member’s already confirmed reservation of a Use Period at a Component Site shall be adversely affected by any such modification.

ARTICLE 1

DEFINITIONS

The capitalized terms used in these Regulations are defined as follows, except as otherwise provided or unless the context otherwise requires; provided, however, that all capitalized terms used without definition herein shall have the meanings ascribed to them in the Declaration and/or the Public Offering Statement for the Club.

“**Accommodation**” means the physical space in an apartment, condominium, home, villa, or cooperative unit, cabin, lodge, hotel or motel room, campground, cruise ship cabin, houseboat, catamaran or other vessel, recreational or other motor vehicles, or any other private or commercial structure or facility, which is real or personal property and available for use or occupancy by one (1) or more individuals.

“**Active Resort Interest**” means a Resort Interest that is subject to all of the terms, conditions, covenants, easements, and restrictions of the Declaration, unless the Declarant declares in Exhibit “B” to the Trust Agreement or in an amendment to said Exhibit “B” that some of the Resort Interests described in said Exhibit “B” are to be “Inactive Resort Interests.” Points assigned to Active Resort Interests are available for use in the Club and available for sale.

“**Annual Allotment of Points**” means the number of Points set forth in a Member’s Purchase Agreement, which are allotted on an annual basis and may be redeemed by a Member in good standing to reserve the use and occupancy of a Club Accommodation in a Calendar Year in accordance with the terms, provisions, and conditions hereof. For example, if a Member acquires a Membership Term of forty (40) years, such Member will have an “Annual Allotment of Points” each Calendar Year for his or her forty (40) year Membership Term, which Points may be redeemed and used in accordance with the terms, provisions, and conditions hereof. For purposes of Biennial Members, the “Annual Allotment of Points” means the number of Points set forth in a Biennial Member’s Purchase Agreement, which are allotted on a biennial basis and

may be redeemed by a Member in good standing to reserve the use and occupancy of a Club Accommodation every odd or even Calendar Year in accordance with the terms, provisions, and conditions hereof.

“Appointee” means any Person or Persons that the Declarant from time to time appoints as an agent of the Declarant for purposes of selling Memberships to purchasers in accordance with the terms of the Declaration.

“Articles of Incorporation” means the Articles of Incorporation of the Association, as it may lawfully be amended from time to time.

“Assessment” means any amount which, from time to time, is levied by the Board of Directors upon one (1) or more Members, including but not limited to Standard Assessments and Special Assessments, but excluding Personal Charges.

“Assigned Club Accommodation” means any Club Accommodation, the use and occupancy of which has been assigned to a particular Member or Occupant by the Manager for one (1) or more Use Period(s) in accordance with the provisions of the Declaration and these Regulations.

“Assignment of Beneficial Use Rights” means that certain document by which an Existing Owner assigns to a Trustee the Beneficial Use Rights that appertain to his or her timeshare interest or interval in an Accommodation at a Component Site, pursuant to the Declaration, together with any subsequent assignment thereof. The term “Assignment of Beneficial Use Rights” shall include any document by which a Trustee, the Association, or the Declarant assigns Beneficial Use Rights that appertain to a particular timeshare interest or interval in an Accommodation at a Component Site to another Person.

“Association” means Festiva Resorts Adventure Club Members Association, Inc., a non-stock, non-profit South Carolina corporation, together with its successors and assigns.

“Base Standard Assessment” means that portion of the Standard Assessment that is charged on a per Member basis. The Base Standard Assessment levied with respect to a particular Member may vary, depending upon such Member’s Membership Level.

“Beneficial Use Rights” means any and all rights, benefits, and privileges that appertain to a timeshare interest or interval in an Accommodation at a Component Site, including but not limited to voting rights in the applicable Component Site Owners Association, but excluding legal title thereto, which are assigned to a Trustee by a Converting Member for use by Members of the related Accommodations.

“Biennial Member” means a Member who receives an allotment of Points as set forth in such Member’s Purchase Agreement that are allotted on a biennial basis, which Points may be redeemed by a Member in good standing to reserve the use and occupancy of a Club Accommodation every odd or even Calendar Year in accordance with the terms, provisions, and conditions hereof; such Biennial Member’s Membership Level as set forth in such Member’s Purchase Agreement is designated as “Biennial.”

“Board of Directors” or **“Board”** means the board of directors of the Association.

“By-Laws” means the By-Laws of the Association, as they may lawfully be amended from time to time, pursuant to the provisions thereof.

“Calendar Year” means each calendar year during which a Member has the right to reserve the use and occupancy of a Club Accommodation by redeeming his or her Annual Allotment of Points in accordance with the terms, provisions, and conditions hereof.

“Club” has the meaning ascribed to it in the introduction to these Regulations.

“Club Accommodation” means an Accommodation in which a Trustee owns one (1) or more Resort Interests or Beneficial Use Rights for the benefit of the Association and its Members.

“Club Costs” means and includes any cost incurred by the Association for and on behalf of the Members with respect to Active Resort Interests, as provided in Section 11.3 of the Declaration.

“Club Instruments” means the Declaration, the Articles of Incorporation, the By-Laws, the Trust Agreement(s), these Regulations, the Register of Members, and any other document or instrument that establishes or governs the Club, together with each Member’s Purchase Agreement, Assignment of Beneficial Use Rights (if applicable), and Points Certificate, as each may lawfully be amended or supplemented from time to time.

“Club Points” means Points attributable to Resort Interests that will cease to be available at the end of the term of the Club in accordance with the Club Instruments.

“Club Term” means the date upon which the Club is terminated in accordance with the Club Instruments.

“Component Site” means a resort or other location at which at least one (1) Resort Interest or Beneficial Use Right and Club Accommodation is located and which is designated as such by the Declarant in Exhibit “A,” attached hereto and incorporated herein by this reference, as amended or supplemented from time to time.

“Component Site Instruments” means any declaration, master deed, trust agreement, articles of incorporation, by-laws, rules and regulations, and all other documents and instruments, by whatever name denominated, pertaining to a particular Component Site, specifically excluding the Club Instruments and the Exchange Program Instruments.

“Component Site Owners Association” means the entity responsible for the operation, physical maintenance, and repair of a Component Site, pursuant to the applicable Component Site Instruments, together with its agents (if the Association is not the party so responsible).

“Component Site Standard Assessment” means that portion of the Standard Assessment that represents all amounts payable by a Converting Member to his or her Component Site Owners Association, pursuant to the applicable Component Site Instruments.

“Converting Member” means an Existing Owner who has elected, in his or her sole discretion, to acquire a Membership in the Club by signing and delivering to the Declaration a Purchase Agreement, an Assignment of Beneficial Use Rights, and all other required docu-

ments and instruments, which Membership may be terminated by Converting Member with proper written notice to Manager in accordance with the terms of his or her Purchase Agreement.

“Day Use” means use of recreational facilities and amenities at a Component Site on a daily basis without reservations for overnight lodging.

“Declarant” means the Declarant under the Declaration, Festiva Development Group, LLC, a Nevada limited liability company, together with its successors and assigns.

“Declarant’s Points” means the total of:

- a. the unsold Points for which no entry has been made in the Register of Members and the unsold Points that are deemed to have been issued to the Declarant pursuant to Section 13.1 of the Declaration or to an Appointee pursuant to Section 13.5 of the Declaration; and
- b. any Points that have been reacquired by the Declarant in any manner.

Any reference in the Declaration or in any of the other Club Instruments to “Developer’s Club Points,” “Developer’s Term Points,” “Developer’s Non-Specific Use Points,” or “Developer’s Specific Use Points” shall mean those Developer’s Points that are of that kind or type.

“Declaration” means the Amended and Restated Declaration for Festiva Resorts Adventure Club, together with all exhibits attached thereto, as they may lawfully be amended or supplemented from time to time, pursuant to the provisions thereof.

“Destination Resort” means a vacation resort, wherever located, owned and operated in whole or any part by the Declarant, an Affiliate thereof or any other Person, Accommodations at which are made available to Members pursuant to terms and arrangements agreed upon by the Club and the owner of the Destination Resort or Accommodations located at the Destination Resort; it is not contemplated that Resort Interests will be created with respect to the Accommodations at any Destination Resort.

“Director” means any individual appointed or elected to the Board of Directors of the Association pursuant to the By-Laws.

“Elite Member” means a Member whose Membership Level as set forth in such Member’s Purchase Agreement is designated as “Elite.”

“Exchange User” means any individual who occupies a Club Accommodation pursuant to an exchange through an Exchange Program.

“Existing Owner” means any Person who holds legal title to a timeshare interest or interval in an Accommodation at a Component Site.

“Exchange Program” means any reciprocal exchange membership program with which the Association and the Club are affiliated from time to time.

“Exchange Program Instruments” means the affiliation/membership agreements between the Association and an Exchange Program and any applicable documents regulating the

conduct of that Exchange Program or governing or describing the relationship between that Exchange Program and the Club, the Association, and/or its Members.

“Furnishings” means all furnishings, fixtures, and equipment in or appurtenant to a Club Accommodation and available for use by Members during a reserved or scheduled Use Period.

“Holdover Occupant” means any Member or Occupant who fails to vacate his or her Assigned Club Accommodation at the end of his or her reserved or scheduled Use Period(s), or at such earlier time as may be established by these Regulations, or otherwise uses or occupies a Club Accommodation during any period other than his or her reserved or scheduled Use Period(s), without written authorization from the Member entitled to use and occupy such Club Accommodation at that time, or who prevents another Member from using or occupying such Club Accommodation during such Member’s reserved or scheduled Use Period(s).

“Maintenance Period” means, with respect to each Club Accommodation, up to seven (7) days and nights, not necessarily consecutive, during each Calendar Year, that are reserved by the Association or the applicable Component Site Owners Association to perform maintenance of a Club Accommodation. If needed to maintain or upgrade the Club Accommodation and if the Club’s vacancy rate is high enough to permit it, the Association or the applicable Component Site Owners Association, as the case may be, may reserve more than seven (7) days and nights for maintenance of such Club Accommodation.

“Management Agreement” means the then-effective agreement between the Association and the Manager which provides for management and operation of the Club and the Association, as more particularly described in Section 10.2 of the Declaration.

“Manager” means the Person, its successors and assigns, engaged from time to time by the Association to undertake certain duties, responsibilities, and obligations of managing the Club and the Association, pursuant to the then-effective Management Agreement.

“Member” means any Person who executes a Purchase Agreement and closes on the purchase of a Membership, and thereby becomes a member of the Association and acquires Points in the Club, and whose name is entered in the Register of Members, together with such Member’s successors and permitted assigns. “Member” also includes the Declarant with respect to the Declarant’s Points.

“Membership” means all rights, title, and interest of a Member in the Club, including membership in the Association and the number of Points set forth in such Member’s Purchase Agreement and in the Register of Members.

“Membership Level” means the Membership Level set forth in a Member’s Purchase Agreement, determined primarily on the basis of the Annual Allotment of Points that appertain to such Membership; the initial Membership Levels shall be referred to as Elite, Preferred, Plus, Value Plus, and Biennial, subject to modification by the Declarant.

“Membership Term” means the designated finite term of a Member’s Membership as set forth in his or her Purchase Agreement.

“New Member” means any Member who is not a Converting Member.

“Occupant” means any individual occupying or permitted to occupy a Club Accommodation, including but not limited to any Member, members of the Member’s family, the Member’s guests, tenants, licensees, and invitees, and Exchange Users.

“Officer” means any person elected or appointed by the Board of Directors, pursuant to the By-Laws, to serve as an officer of the Association.

“Person” includes any individual, corporation, partnership, limited liability company, limited liability partnership, association, governmental body, society, mutual benefit corporation, or other legal entity.

“Personal Charge” means a charge levied by the Board upon a particular Member for one (1) or more of the reasons permitted under the Club Instruments.

“Plus Member” means a Member whose Membership Level as set forth in such Member’s Purchase Agreement is designated as “Plus.”

“Points” means the currency by which Members obtain the right to reserve the use and occupancy of Club Accommodations in accordance with the terms, provisions, and conditions of the Club Instruments.

“Points Certificate” means the certificate issued by the Association to a Member naming that Person as a Member and specifying the number and type of Points held by such Member.

“Points Standard Assessment” means that portion of the Standard Assessment that is charged on a per Point basis.

“Preferred Member” means a Member whose Membership Level as set forth in such Member’s Purchase Agreement is designated as “Preferred.”

“Primary Member” means, with respect to each Membership, the one (1) individual designated to be the principal contact for that Membership for all purposes, including but not limited to receiving notices, casting votes, making reservations for the use of Points, and exercising all other rights of Membership.

“Purchase Agreement” means any agreement between a Person and the Declarant or an Appointee, pursuant to which such Person acquires a Membership from the Declarant or an Appointee.

“Register of Members” means the definitive record of the Members of the Association, their personal contact details (including the name of the Primary Member), and the number of Points of each type ascribed to the Member’s Membership, whether such Register of Members is maintained in paper or electronic format.

“Regulations” means these Rules and Regulations of the Club, as they may be amended or supplemented from time to time by the Board, in its sole discretion.

“Reservation Rate” means the number of Points required to occupy any particular Club Accommodation during any particular Use Period. Reservation Rates are based upon such factors as the size and type of a Club Accommodation and the Component Site at which such Club

Accommodation is located, the time of year or season during which the applicable Use Period occurs, the day(s) of the week or holiday status of such Use Period, historical occupancy percentages, supply and demand, and various other relevant factors. Reservation Rate schedules will be distributed to Members from time to time.

“Reservation System” means the methods, arrangements, or procedures adopted from time to time by the Board or the Manager by which Members reserve the use and occupancy of Club Accommodations pursuant to the terms, provisions, and conditions of the Club Instruments.

“Resort Interest” means a leasehold, fee simple, “right-to-use,” membership, or other interest in an Accommodation or a group of Accommodations in a Component Site or multiple Component Sites, including a timeshare interest or interval, an undivided interest, points, and any other type of legal or beneficial interest in real property (but specifically excluding Beneficial Use Rights) that is owned or leased by a Trustee or any other Person on behalf and for the benefit of the Association and its Members for the use of the Members and all rights, benefits, and privileges belonging or in any manner appertaining thereto, now or hereafter submitted to the Declaration, as amended or supplemented from time to time.

“Special Assessment” means an Assessment levied by the Board upon Members as provided in Section 11.7 of the Declaration.

“Split Use Period” means a portion of a Use Week consisting of four (4) consecutive nights starting on a Sunday or three (3) consecutive nights starting on a Thursday during which time a Member or Occupant is entitled to use and occupy an Assigned Club Accommodation, pursuant to the terms, provisions, and conditions of the Club Instruments and the applicable Component Site Instruments. In any given Calendar Year, a Member shall use both portions of a Split Use Period. The number of days which make up a Split Use Period as well as the commencement day of each such Split Use Period is subject to change in the discretion of the Manager or the Declarant.

“Standard Assessment” means the annual Assessment (or in the case of Biennial Members, the biennial Assessment) levied by the Board upon all Members for their respective proportionate shares of regular annual Club Costs in accordance with Section 11.4 of the Declaration and the By-Laws. For New Members, the Standard Assessment generally consists of the Base Standard Assessment and the Points Standard Assessment. For Converting Members, the Standard Assessment generally consists of the Base Standard Assessment and the Points Standard Assessment less the Component Site Standard Assessment.

“Term Points” means Points attributable to Resort Interests and Beneficial Use Rights that will be available for a designated finite term which has a shorter duration than the Club Term, as more particularly described in Section 8.3 of the Declaration.

“Total Points” means the total number of Points of all types that appertain to Memberships sold by the Declarant from time to time, together with the total number of the Declarant’s Points.

“Trust Agreement” means each of one or more agreements, including all exhibits thereto, entered into between the Declarant, the Association, and one or more Trustees pursuant to which a trust is organized for the purpose of holding title to the Resort Interests and Bene-

ficial Use Rights for the benefit of the Association and its Members in accordance with the Declaration.

“Trustee” means an institution independent of the Declarant and having trust powers, which has entered into a Trust Agreement for the purpose of holding title to the Resort Interests and Beneficial Use Rights for the benefit of the Association and its Members in accordance with the Declaration.

“Use Period” means any period of time during which a Member or Occupant is entitled to use and occupy an Assigned Club Accommodation, pursuant to the terms, provisions, and conditions of the Club Instruments and the applicable Component Site Instruments.

“Use Week” means a Use Period consisting of seven (7) consecutive days and nights during which a Member or Occupant is entitled to use and occupy an Assigned Club Accommodation, pursuant to the terms, provisions, and conditions of the Club Instruments and the applicable Component Site Instruments.

Use Week numerical designations shall be determined as follows:

Use Week number 1 is the seven (7) consecutive days and nights commencing on the first Friday, Saturday, or Sunday of each Calendar Year. Use Week number 2 is the seven (7) consecutive days and nights immediately succeeding Use Week number 1. The remaining Use Week numbers, up to and including Use Week number 52, may be determined in like manner. Use Week number 53 contains the seven (7) days and nights periodically (i.e., every five [5] or six [6] years) succeeding the end of Use Week number 52, and will exist only in those Calendar Years in which Use Week number 52 ends prior to December 31 of such Calendar Year.

“Value Plus Member” means a Member whose Membership Level as set forth in such Member’s Purchase Agreement is designated as “Value Plus.”

ARTICLE 2

SPECIFIC RULES AND REGULATIONS

2.1 General.

2.1.1 **Fair and Equitable.** The reservation policies and procedures set forth herein are intended to ensure that all Members are treated fairly and equitably in their opportunities to obtain the right to use and occupy the Club Accommodations.

2.1.2 **Annual Allotment of Points.** Each Member receives an Annual Allotment of Points which may be redeemed to make one or more reservations of Use Periods in the then-current Calendar Year or otherwise used in one of the manners described in Sections 2.2.9, 2.2.10 or 2.2.11 hereof. Unless a Member takes advantage of the acceleration or deferral features as set forth herein, such Annual Allotment of Points expires at midnight of the last day of such Calendar Year and may not be used to make reservations in succeeding Calendar Years. Unless a Member purchases or otherwise acquires additional Points, he or she will be allotted the same Annual Allotment of Points each Calendar Year or every other Calendar Year in the case of a Biennial Member for such Member’s Membership Term. All of a Member’s Annual Allotment of Points must be redeemed in accordance with the terms hereof by the last day of such Member’s Membership Term.

2.1.3 Possible Other Point Redemption Options. The Declarant and the Association, in their sole and absolute discretion, without any obligation whatsoever to do so, may from time to time permit Members to redeem their Points for products or services other than Use Periods in Club Accommodations.

2.1.4 Payment of Assessments and Personal Charges; Aggregation of Points. A Member's Annual Allotment of Points in a particular Calendar Year shall be available for use by that Member only upon the payment of all Assessments, Personal Charges, and other amounts due the Association for that Calendar Year. Specifically, Member will be responsible for the then applicable Declarant fee assessed in conjunction with the Trustee Registry Certification facilitating entry of the Member in the Registry of Members and as listed on their Points Certificate. The number of Points to which a Member is entitled annually (or biennially) shall be the aggregate of the Points acquired from time to time by the Member and recorded in the Register of Members for such Member's Membership Term.

2.1.5 Club Materials. The Association and the Manager may periodically issue a Club directory and publish various other brochures and membership materials and newsletters to provide information on various aspects of the Club.

The frequency and content of these publications and materials shall be determined by the Board or the Manager, in their sole discretion.

2.2 Reservation Procedures and Priorities.

2.2.1 First-Come, First-Served. Reservation requests for Use Periods in Club Accommodations will generally be fulfilled on a first-come, first-served, space-available basis. All reservation requests are subject to the reservation windows specified in these Regulations or in any related materials disseminated by the Association or the Manager, except as otherwise expressly provided herein. The confirmation of a reservation is dependent upon the availability of the desired Use Period. There is no guarantee that any particular reservation request can be fulfilled. A Member's reservation request must be confirmed in writing or by e-mail or facsimile before it is valid.

2.2.2 Use of Points in Single Calendar Year. Except as these Regulations may otherwise specifically provide in connection with acceleration or deferral, the use and occupancy of a Club Accommodation which a Member reserves with his or her Annual Allotment of Points must occur during the same Calendar Year as the Calendar Year for which such Points have been allotted.

2.2.3 Reservation Requests. All inquiries or requests for reservations must be made by a Member in writing, by telephone, or by such other method as the Manager may establish from time to time. The Manager will, in materials disseminated periodically, notify Members of addresses, telephone numbers, and other access information for the Manager appropriate to their place of domicile.

2.2.4 Manager's Discretion Not to Confirm Reservations. The Manager shall have complete discretion to refuse to confirm any specific reservation request if it believes that confirming such request would be contrary to the intent of these Regulations or to the collective best interests of the Members as a whole.

2.2.5 Reservation Windows. All reservation requests for a Use Week consisting of seven (7) consecutive days and nights or for a Split Use Period may be made a certain number of months or days prior to the first day of the desired Use Period based upon the reservation windows outlined in Chart 1. Chart 1 below details lead times and minimum stay requirements for all Members of the Club.

Chart 1

All Members

<u>Reservation Lead Time</u>	<u>Minimum Stay</u>
12 months	7 or more consecutive nights
45 days	4/3 Split Use Period

2.2.6 Aggregation. A Member who acquires Points on more than one occasion may aggregate them for purposes of making reservations hereunder.

2.2.7 Points Utilization. Subject to the terms and provisions hereof, a Member may make as many reservations in a particular Calendar Year as possible in light of the number of Points that he or she has available for redemption in such Calendar Year. A reservation will be confirmed only if the requesting Member has sufficient Points available for use (taking into account acceleration or deferral transactions, if applicable) in the Calendar Year in which the use and occupancy of the Club Accommodation requested will occur. If a reservation request pertains to the use and occupancy of a Club Accommodation during a Calendar Year other than one for which the Member has been allotted and still retains sufficient Points, then the Member must create the availability of Points in the desired Calendar Year by undertaking either an acceleration or deferral transaction pursuant to these Regulations or by renting additional Points, pursuant to Section 2.5.3 hereof.

2.2.8 Expiration of Points. Subject to the terms hereof, unused Points from a Member's Annual Allotment of Points will expire on the last day of the applicable Calendar Year. By means of acceleration or deferral transactions in accordance with the provisions hereof, a Member may change the Calendar Year with which certain Points are associated for reservation purposes.

2.2.9 Acceleration of Points Usage. Any Member may accelerate usage of his or her Annual Allotment of Points as follows:

(a) In any Calendar Year, or every other Calendar Year in the case of Biennial Members, any Member may redeem for use two (2) times his or her Annual Allotment of Points, consisting of (A) the current Calendar Year's Annual Allotment of Points and (B) an accelerated amount equal to the Annual Allotment of Points from the Members' future allotment of points from one (1) future Calendar Year for which any Member at the time of such requested acceleration retains his or her Annual Allotment of Points. Points so accelerated may be redeemed exclusively to reserve accelerated Use Periods in the Calendar Year to which such Points are accelerated, the first day of which commences no later than one hundred fifty (150) days following the day upon which such reservation is made.

(b) In order for any Member to complete an accelerated transaction, such Member shall pay all current Assessments due with respect to all accelerated Points at the time

the reservation redeeming such Points is made. So if a Member accelerates the equivalent of one (1) Annual Allotment of Points in a given Calendar Year, the Member must pay the equivalent of one (1) Assessment in full in that Calendar Year at the time the reservation redeeming such Points is made.

(c) The acceleration benefit set forth above is only available to a Member in good standing who is current with respect to any Assessments then due and owing. Once a Member has paid off any loan used to acquire his or her Membership in full, then such Member may, subject to availability of Use Periods for reservation, accelerate unlimited Annual Allotments of Points from future Calendar Years for which such Member retains his or her Annual Allotment of Points (but not in excess of the balance of Points attributable to such Member's Membership Term) for redemption in any Calendar Year, the first day of which commences no later than sixty (60) days following the day upon which such reservations are made.

(d) Once a Member has notified the Manager of his or her intention to accelerate his or her Annual Allotment of Points for a given Calendar Year, such instruction may not be canceled.

(e) Any accelerated Annual Allotment of Points will not expire if all of such accelerated Points are not redeemed to make a reservation in the Calendar Year for which the accelerated transaction occurred but may only be saved and carried forward for redemption in the next succeeding Calendar Year (or in the case of Biennial Members, the next odd or even Calendar Year, as applicable). If all of such accelerated Points are not redeemed and used in such next succeeding Calendar Year, any such remaining unredeemed Points shall expire on the last day of such next succeeding Calendar Year.

2.2.10 Deferral of Points Usage.

(a) A Member may defer usage of his or her Annual Allotment of Points as follows: In any Calendar Year, or every other Calendar Year in the case of Biennial Members, a Member may defer his or her Annual Allotment of Points for that Calendar Year to the next succeeding Calendar Year (or in the case of Biennial Members, the next odd or even Calendar Year, as applicable). Points so deferred may be redeemed exclusively to reserve a Use Period in such next succeeding Calendar Year, the first day of which commences no later than one hundred fifty (150) days following the day upon which such reservation is made.

(b) In order for the Member to complete a deferred transaction, such Member shall pay in full the current Assessments due and payable in the Calendar Year from which the Points are deferred even though the Member has deferred usage associated with such Points to a future Calendar Year.

(c) The deferral benefit as set forth herein is only available to a Member in good standing and is current with respect to any Assessments then due and owing.

(d) Subject to the terms hereof, a Member may defer his or her Annual Allotment of Points from any Calendar Year in which the Member then retains an Annual Allotment of Points. There is no assurance that a Use Period will be available in a future Calendar Year for Members who defer usage of Points to a future Calendar Year.

(e) Once a Member has notified the Manager of his or her intention to defer his or her Annual Allotment of Points, such instruction may not be canceled.

(f) Any deferred Annual Allotment of Points will expire if all of such deferred Points are not redeemed to make a reservation in the future Calendar Year to which the Annual Allotment of Points was deferred.

(g) Members must notify the club Manager no later than December 15th each usage year of their desire to defer points.

2.2.11 Temporary Suspension of Acceleration/Deferral. The Manager or Board reserves the right, in either of their sole discretion, and due to an inventory usage imbalance, to suspend the acceleration or deferral of Points if such action is deemed by the Board to be in the collective best interests of all Members as a whole. In addition, the Manager or the Board, in their sole discretion, may impose such further conditions and restrictions on the acceleration or deferral of Points for each class of Members as either of them deems appropriate or desirable from time to time.

2.2.12 Reservation Rate Discounts; Late Availability Space. To manage the inventory in the Club effectively, the Manager shall be entitled in its discretion to offer the following to Members:

(a) Use Periods reserved not more than thirty (30) days prior to the first day of such Use Period shall be designated "Late Availability Space." If a particular requested Late Availability Space is available, the Manager will confirm the reservation immediately via telephone, facsimile transmission, or e-mail. A Member may only use "Late Availability Space" for personal use and may not, for example, utilize it for rental purposes;

(b) Offer reservations at varying discounts to the normal Reservation Rates of specific Use Periods at certain Component Sites at any time if the Manager considers that inventory utilization may be increased and/or the Manager considers that such action is necessary or beneficial to the overall management of the Club;

(c) Reserve an available Use Period in Club Accommodations during the final twenty-nine (29) days preceding the first day of the Use Period under circumstances in which the Manager determines, in its reasonable good faith judgment, that the Members will or may not be making use thereof, for its own purposes or for those of the Declarant, including but not limited to inspection of the applicable Component Site, promotional use, rental, or any other purpose which the Manager determines. The Manager shall incur no cost for the occupancy of any Club Accommodations used under this provision; and

(d) Declarant may reserve any available Use Period in Club Accommodations during the final twenty-nine (29) days preceding the first day of the Use Period.

2.2.13 Changes in Reservation Rates. Notwithstanding any term or provision of these Regulations or the other Club Instruments to the contrary, the Board may, from time to time, for inventory demand and balancing purposes, change the number of Points allocable to a particular Use Period in a particular Club Accommodation size and type in a particular Component Site if such change is deemed by the Board, in its sole discretion, to be in the collective best interests of the Members as a whole. To clarify the preceding sentence, the total point value of a particular resort as a whole will not change, rather, the point values across specific weeks and/or seasons could change due to extreme fluctuations in demand and balancing that demand. Any such change shall be reflected in a revised Reservation Rate schedule that is disseminated to each Member promptly following its adoption by the Board but in no event shall

such reallocation increase or decrease a Reservation Rate by more than twenty percent (20%) during the Club Term.

2.2.14 Assigned Club Accommodations. Members will have no guaranteed right whatsoever to use and occupy any specific Club Accommodations. Rather, Club Accommodations will be designated by the Manager, either prior to or upon a Member's check-in at the applicable Component Site.

2.2.15 Priority Use of Accommodations. Any Existing Owner who acquires a Membership by transferring title to his or her deeded timeshare interest to a Trustee has priority reservation rights with respect to such deeded timeshare interest's Accommodation type at the related Component Site during such deeded timeshare interest's use week. Any such Existing Owner who makes a request to the Manager not less than twelve (12) months and not more than thirteen (13) months prior to the first day of his or her deeded timeshare interest's use week will be guaranteed the use of such deeded timeshare interest's Accommodation type at the related Component Site during such deeded timeshare interest's use week.

2.3 Cancellations, Alterations, and No-Shows.

2.3.1 Cancellation of Confirmed Reservations.

(a) If cancellations are made by a Member by notifying the Manager within twenty-four (24) hours of the time the reservation is confirmed, the Member will receive a full refund of Points redeemed to make such reservation and will not be charged a cancellation fee.

(b) If cancellations are made by a Member by notifying the Manager no later than forty-six (46) days prior to the first day of the reserved Use Period, the Member will receive a full refund of Points redeemed to make such reservation.

(c) If cancellations are made by a Member by notifying the Manager forty-five (45) days to thirty (30) days prior to the first day of the reserved Use Period, the Member will forfeit twenty-five percent (25%) of Points redeemed to make such reservation.

(d) If cancellations are made by a Member by notifying the Manager twenty-nine (29) days to fifteen (15) days prior to the first day of the reserved Use Period, the Member will forfeit fifty percent (50%) of Points redeemed to make such reservation.

(e) If cancellations are made by a Member by notifying the Manager fifteen (15) days or less prior to the confirmed check-in time or are an unscheduled late check-in, the Member will forfeit one hundred percent (100%) of the Points redeemed to make such reservation.

(f) The Member in (b), (c), (d) and (e) above may be assessed a cancellation fee as the Board or Manager establishes from time to time in their sole discretion. The Board or Manager may in its sole discretion reinstate Points for certain Members regardless of the provisions set forth in this Section 2.3.1.

2.3.2 Reservation Rate Discounts Unavailable. If a Member cancels a confirmed reservation, a similar reservation may not subsequently be re-booked as a Late Availability Space reservation at the applicable discount, if any, off the normal Reservation Rate for that Use Period in such Club Accommodation. For this purpose, a similar reservation for Club Accommoda-

tions will be a reservation which is in the same geographical region as that canceled by the Member and for which the Use Period reserved commences within fourteen (14) days of the commencement of the canceled Use Period. If a Member is identified as having violated this provision, an adjustment may be made retroactively by the Manager to the Member's Point account in the same Calendar Year, or for a subsequent Calendar Year, to charge the full Point cost of the reservation.

2.3.3 New Reservation Request. A Member may resubmit a reservation request after having canceled a confirmed reservation, but there can be no guarantee that any alternative reservation requested will be available to the Member.

2.3.4 Late Arrival. If a Member or Occupant who fails to arrive at a Component Site on the first day of his or her reserved or scheduled Use Period notifies the Manager of his or her anticipated late arrival in advance of the first day of his or her reserved Use Period, such Member may arrive late to the Member's reserved Use Period. If a Member or Occupant fails to notify Manager within seventy-two (72) hours of his or her anticipated late arrival in advance, then the Manager will be authorized to utilize the Member's held space and such Member shall, at the end of the reserved period, forfeit one hundred percent (100%) of the Points redeemed to make such reservation.

2.3.5 Manager's Discretion to Cancel Reservations. The Manager shall be entitled to cancel reservations in respect of any Club Accommodations which are deemed by the Manager, in its sole discretion, as unsuitable for Member use, for any reason whatsoever. In such an event, the Manager will give as much prior notice as possible to affected Members and will use its reasonable efforts to offer suitable alternative reservations.

(a) if any such cancellation by the Manager is made during the same Calendar Year as such canceled Club Accommodations were to be used, the affected Member shall have the Points attributable to such canceled reservation reinstated, and such Member may save the reinstated Points for use in the following Calendar Year, irrespective of the time of year in which the cancellation by the Manager occurred; and

(b) if the Manager has confirmed a reservation to a Member for Club Accommodations made uninhabitable or unavailable by disaster or act of God or other reason beyond the Club's reasonable control, such Member waives any and all claims against the Club and the Manager. However, the Manager will use its best efforts to replace the Member's reservation at another location. Additionally, should the Manager be unable to secure an alternative reservation, the Manager shall use reasonable efforts to confirm an alternate reservation during the same or the following Calendar Year. The Club Accommodations which may be available under such circumstances may be limited or restricted.

2.4 Payment of Assessments and Personal Charges.

2.4.1 Invoices. Members will be invoiced for their Assessments on an annual basis at such time and in such manner as the Board or the Manager determine from time to time, in their sole discretion.

2.4.2 Condition Precedent to Use and Occupancy. Members must have paid all Assessments, Personal Charges, and other amounts owed to the Association or any applicable Component Site Owners Association in full in order to be entitled to request a reservation or use and occupy a Club Accommodation. A Member's failure for any reason to properly request a

reservation of one (1) or more Use Periods during a particular Calendar Year shall under no circumstances excuse or exempt such Member from his or her obligation to pay any and all Assessments and other amounts levied by the Association or any applicable Component Site Owners Association against his or her Membership or the Resort Interest to which it relates.

2.4.3 Advance Payment of Assessments. In the event that a Member requests a reservation within an appropriate reservation window but the Use Period in question occurs in the immediately succeeding Calendar Year, the Manager shall request and receive payment of the estimated Assessment for such succeeding Calendar Year prior to issuing a confirmed reservation. The Manager shall determine the estimated Assessment for any subsequent Calendar Year in its sole discretion.

2.4.4 Adjustments. In the event that the estimated Assessment charged to a Member in accordance with Section 2.4.3 above is lower than the actual Assessment ultimately levied by the Association, the Member will be required to pay the amount of the difference within thirty (30) days of the due date of the

Assessment in order to remain a Member in good standing. In the event that the estimated Assessment charged to a Member in accordance with Section 2.4.3 above is higher than the actual Assessment ultimately levied by the Association, the Member's account will reflect a credit against future Calendar Years' Assessments, but neither the Association nor the Manager shall be obligated to refund such excess amount to the Member.

2.4.5 Delinquent Assessments and Other Amounts. If a Member has not paid his or her Assessments, Personal Charges, and all other amounts owed to the Association and the Declarant within thirty (30) days after notice of delinquency from the Association or after the due date described in Section 2.4.4 above, the Member shall be deemed delinquent. All delinquent members will be subject to a late fee charge of forty five dollars (\$45.00) or as otherwise determined by the manager from time to time. The Member shall have the opportunity to bring their account up to day during this thirty (30) day period; however, at the end of this period his or her Membership rights may be suspended and subsequently terminated in accordance with the provisions of the Club Instruments. A delinquent Member will not be allowed to make reservation requests, receive reservation confirmations, or check into any Club Accommodation until all Assessments and other amounts owed have been paid in full. Furthermore, any previously confirmed reservation may be canceled by the Manager if the applicable Member becomes delinquent in the payment of any Assessments, Personal Charges, or other amounts owed to the Association or the Declarant following the date upon which such reservation was made.

2.4.6 Component Site Charges. The Manager will use its reasonable efforts to advise Members in advance of additional charges they may incur in visiting any particular Component Site, where such charges are not incurred as a consequence of the actions of the Member or at the Member's specific request (long distance telephone charges would be an example of an additional charge resulting from the actions of a Member for which the Manager would not advise the Member in advance).

2.5 Member Rentals.

2.5.1 Rentals of Use Periods. A Member is not prohibited from periodically renting to others any Club Accommodation during a Use Period reserved pursuant to these Regulations. However, the use of Points to reserve Club Accommodations for continuing commercial purposes or for any other purpose other than the personal use of the Member or the Member's family

or guests is prohibited. Neither Declarant nor Manager will assist the Member in any manner if Member desires to rent Club Accommodations to others during a properly reserved Use Period. The Declarant is specifically exempted from this restriction and is entitled to use reserved Club Accommodations for promotional, rental, or any other lawful commercial purposes.

2.5.2 Notification. No prior approval is required from the Manager for a Member to rent or allow another party to use a Club Accommodation during the Member's reserved or scheduled Use Period. However, such Member shall inform the Manager in writing of the names of such guests, family members, or renters prior to the day of check-in, and the Member will be responsible for the acts or omissions of such parties, including their failure to pay any charges incurred at the applicable Component Site.

2.5.3 Rentals of Points by Members. The Manager or Board, in their sole discretion, may from time to time permit Members to rent additional Points beyond their Annual Allotment of Points each Calendar Year. In addition, the Declarant, in its sole discretion, may rent any Declarant's Points.

(a) Any Points so rented may only be redeemed to (i) complete a reservation if the Member is short a nominal number of Points (not in excess of 25% of Member's Annual Allotment of Points) required to complete the subject reservation and (ii) to reserve a Use Period, the first day of which commences no later than one hundred twenty (120) days following the day upon which such reservation request is made.

(b) Before a Member may rent additional Points in a particular Calendar Year, he or she must first have redeemed the Member's Annual Allotment of Points with respect to the Calendar Year in which the reservation using such rented Points is sought.

(c) Points may be rented in accordance with this Section 2.5.3 at such cost per Point as the Board, in its sole discretion, establishes from time to time. Members will be notified in writing of any changes in such rental charges promptly following the adoption thereof.

(d) All rental charges related to the rental of Declarant's Points shall inure solely to the benefit of the Declarant or its assignee.

(e) The total amount due from a Member for the rental of Points shall be paid by such Member at the time that a reservation using the rented Points is made.

2.6 Exchange.

2.6.1 Declarant's Discretion. The Declarant reserves the right to approve one or more Exchange Programs to provide additional reciprocal exchange services to Members. The use of any Exchange Program without the approval of the Declarant is prohibited.

2.6.2 Enrollment. If applicable, each Member may be automatically enrolled as a member of an Exchange Program for each year of Membership that coincides with the term of the agreement with the Exchange Program.

2.6.3 Payment of Assessments and Other Amounts. The use of any Exchange Program is subject to the payment of all Assessments, Personal Charges, and any other amounts owed to the Association and any fees payable to or in respect of the Exchange Program.

2.6.4 Terms of Use. The use of any Exchange Program is subject to the relevant affiliation agreement between the Club and the Exchange Program, together with the operating policies and procedures agreed upon from time to time between the Manager and the Exchange Program.

2.7 Occupancy of Club Accommodations.

2.7.1 Compliance with Component Site Instruments and Applicable Laws. Each Occupant of a Club Accommodation shall comply at all times with the provisions of all applicable Component Site Instruments as well as all statutes, ordinances, rules, and regulations of the local, municipal, county, and state jurisdictions in which such Club Accommodation is located.

2.7.2 Compliance with Club Instruments. The use and occupancy of each Club Accommodation shall be strictly in accordance with the provisions of these Regulations and the other Club Instruments.

2.7.3 Club Accommodations. Each Club Accommodation shall be vacated by the Occupants thereof at the expiration of the reserved or scheduled Use Period, and all personal property belonging to the Occupants shall be removed. Club Accommodations shall be left in a good, clean, and sanitary condition. In the event that a Member or Occupant fails to vacate his or her Assigned Club Accommodation at the prescribed time, the Manager and/or the Component Site Owners Association shall take such prompt action as may be necessary to remove such Holdover Occupant, together with the personal belongings thereof, from the Club Accommodation wrongfully occupied. In addition, such Holdover Occupant will be responsible for whatever costs and expenses are incurred by the Manager, the applicable Component Site Owners Association, and/or the Association in connection with such wrongful occupancy. Neither the Association, the applicable Component Site Owners Association, nor the Manager shall be liable or responsible in any manner whatsoever for the value of any personal effects left in a Club Accommodation or elsewhere in or about a Component Site at the end of a reserved or scheduled Use Period. All such personal effects shall be considered abandoned and may be sold or otherwise disposed of by the Association, the applicable Component Site Owners Association, or the Manager.

2.7.4 Check-Out Procedures. Each Occupant shall comply with such procedures for reporting such Occupant's departure from any Club Accommodation and for discharging any expenses that may have been incurred during the occupancy as the Manager adopts from time to time.

2.7.5 Maid Service. In general, standard maid service will be provided to ensure that each Club Accommodation is clean and neat at the start of a Member's or Occupant's reserved or scheduled Use Period. There may also be a mid-week "trash and tidy" clean for Use Periods of seven (7) consecutive days and nights or longer. At the present time, there is no additional cleaning charge for a Split Use Period subject to change by Declarant or Manager based on demand and usage patterns. If a Member or Occupant desires additional maid service or causes additional cleaning or maid service to be required over and above that which would ordinarily be provided, then such Member or Occupant shall be assessed for the cost thereof at the rates established from time to time by the Board, the applicable Component Site Owners Association, or the Manager.

2.7.6 Guests. A Member must notify the Manager in writing of the names, addresses, and telephone numbers of any guests authorized to use such Member's Assigned Club Ac-

commodation during all or any portion of his or her reserved or scheduled Use Period. The guests of a Member in good standing may use and occupy an Assigned Club Accommodation during a properly reserved or scheduled Use Period, regardless of whether such Member is present, provided that any such guest is eighteen (18) years of age or older and is staying with another person who is twenty-one (21) years of age or older. A Member is responsible for paying any Personal Charges or other costs incurred by his or her guests to the extent that they fail to pay the same for any reason.

Upon check-in at a Component Site, the guests of a Member shall present identification in a form acceptable to the Manager or the applicable Component Site Owners Association, together with written authorization to enter and use such Member's Assigned Club Accommodation during the Use Period(s) in question. The Manager or the applicable Component Site Owners Association, in its sole discretion, may decline access to such Assigned Club Accommodation in the event that such identification is not provided.

2.7.7 Day Use. Members have day use of recreational facilities and amenities at Component Sites which they plan to visit during the day without reservations for overnight lodging. Day Use is subject to availability and priority usage rights assigned to Members lodging at a particular Component Site. Members should contact the Manager prior to the intended day of use to assess availability of services and amenities. Members must check in daily with the Manager to register for Day Use. The Club has the right to limit Day Use by Members.

2.7.8 Keys. Each Member and Occupant shall return to the Manager or the applicable Component Site Owners Association upon check-out all keys to his or her Assigned Club Accommodation. Members and Occupants shall be responsible for all lost keys. No Member or Occupant shall alter any lock or install a new lock on the door of any Club Accommodation or other portion of a Component Site.

2.7.9 Emergencies. In case of an emergency originating in or threatening the condition of any Club Accommodation or other portion of a Component Site, or the health or safety of any person, the Association, through an authorized representative thereof, including but not limited to the Manager, shall have the right to enter any Club Accommodation or portion thereof for the purpose of remedying or abating such emergency. In order to facilitate such right of entry, the Manager may retain a pass key to each Club Accommodation.

2.7.10 Personal Property. Except in areas that may be designated for such purpose or temporarily assigned to a Member by the Association, the applicable Component Site Owners Association, or the Manager, the personal property of all Members and Occupants shall be stored within their Assigned Club Accommodations and during their reserved or scheduled Use Periods only. Neither the Association nor the Manager shall be responsible for any personal belongings left by a Member, members of his or her family, his or her guests, licensees, or invitees upon the expiration of a reserved or scheduled Use Period.

2.7.11 Obstruction of Common Areas. There shall be no obstruction of, nor shall anything be stored in, the common areas of any Component Site without the prior written consent of the Board, the Manager, or the applicable Component Site Owners Association. No garbage cans, supplies, or other articles of any kind shall be placed on the patios, decks, balconies, or entryways, nor shall any linens, cloths, clothing, curtains, rugs, mops, laundry, or other articles be shaken or hung from any windows, doors, patios, decks, balconies, or entryways, or be exposed in any part of a Component Site's common areas. Such common areas shall be kept free and clear of refuse, debris, and other unsightly material, and no fire exits shall be obstructed.

2.7.12 Exterior Surfaces of Buildings. No sign, advertisement, notice, other writing, awning, canopy, shutter, screen, radio or television antenna, or other object shall be displayed from, affixed to, or placed upon the exterior walls, windows (both exterior and interior), doors, or roofs of the Club Accommodations or from, to, or upon any of a Component Site's common areas without the prior written consent of the Board, the Manager, or the applicable Component Site Owners Association. Neither any Club Accommodation nor any other portion of a Component Site shall be painted, decorated, or in any manner modified without the prior written consent of the Board, the Manager, or the applicable Component Site Owners Association, which consent may be withheld on purely aesthetic grounds, in the Board's, the Manager's, or the applicable Component Site Owners Association's sole discretion.

2.7.13 Storage. No Member or Occupant shall place or store baby carriages, playpens, wagons, toys, ski equipment, or furniture on any part of a Component Site's common areas, except in those areas, if any, that may expressly be provided for such purpose. No Member or other person shall store or leave any boats, trailers, bicycles, motorcycles, mobile homes, or other recreational vehicles anywhere within a Component Site, except in such areas, if any, as may specifically be designated for such items and as expressly approved in advance by the Manager, the Board, or the applicable Component Site Owners Association.

2.7.14 Prohibited Activities.

(a) No industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, shall be conducted, maintained, or permitted within a Component Site, other than those conducted by the Declarant, the Association, the Manager, or the applicable Component Site Owners Association. Absolutely no solicitation shall be permitted at a Component Site, unless specifically authorized in writing by the Board, the Manager, or the applicable Component Site Owners Association, except for solicitations by or on behalf of the Declarant in connection with its marketing and sale of Memberships.

(b) No Member or Occupant shall allow anything whatsoever to fall from the windows, patios, decks, balconies, entryways, or doors of a Component Site, nor shall he or she sweep or throw from his or her Assigned Club Accommodation any dirt or other substances outside of his or her Assigned Club Accommodation or in the common areas of a Component Site.

(c) No Member or Occupant shall direct, supervise, or in any manner attempt to assert control over the employees or other agents of the Manager, the Association, or any Component Site Owners Association.

(d) No Member or Occupant shall make or permit any disturbing noises or offensive odors by himself, members of his or her family, his or her guests, licensees, or invitees, nor do or permit anything by such persons that will interfere with the rights, comfort, or convenience of the other Members and Occupants. No Member or Occupant shall play upon or suffer to be played upon any musical instrument or operate or suffer to be operated a stereo, television, radio, or sound amplifier in his or her Assigned Club Accommodation in such manner as to disturb or annoy other Members or Occupants. All Occupants shall lower the volume as to the foregoing items from 10:00 p.m. each night to 8:00 a.m. the next morning. The Association, the Manager, and each Component Site Owners Association shall have the right to abate all nuisances in or about a Component Site.

(e) No radio, television installation, or other wiring shall be made without the prior written consent of the Association, the Manager, or the applicable Component Site Owners Association.

(f) No barbecue grills of any type may be used on balconies, within Club Accommodations, or in a Component Site's common areas except in areas specifically designated for such use, if any.

(g) No flammable, combustible, explosive or otherwise dangerous fluid, chemical, or other substance shall be kept in any Club Accommodation, except such as are required for normal household use.

(h) Water shall not be left running for any unreasonable or unnecessary length of time.

(i) Any applicable smoking policy at a Component Site or Destination Resort is regulated by the rules set forth by each such site's Owners Association or local, state or federal regulations.

2.7.15 Disposal of Refuse. Refuse and bagged garbage shall be deposited only in such areas as are expressly provided therefore.

2.7.16 Conduct of Occupants. Members and Occupants shall be responsible for the conduct of members of their families, their guests, licensees, and invitees. Members and Occupants shall ensure that such persons' behavior is neither offensive to any Member or Occupant nor damaging to any Club Accommodation or other portion of a Component Site.

2.7.17 Complaints; Violations. Complaints regarding the operation and maintenance of the Club and violations of these Regulations should be made or reported, in writing, to the Manager.

2.7.18 No Pets. No pets or animals of any kind (except properly licensed and certified service animals for disabled persons) may be kept in any Club Accommodation or elsewhere within a Component Site, unless approved in writing by the Manager prior to arrival. Additional charges may apply if approved.

2.7.19 Parking. The parking areas at the Component Sites shall be used in accordance with such regulations pertaining thereto as shall be adopted from time to time by the Board, the Manager, or the applicable Component Site Owners Association. No vehicle of any type belonging to any Member, Occupant, or other Person shall be parked in any unauthorized area or in such manner as to impede or prevent access to another Member's or Occupant's parking space or any fire lane. Vehicles improperly parked are subject to being towed away at the applicable Member's or Occupant's sole expense. No repairs to vehicles shall occur within a Component Site. Parking charges may apply.

2.7.20 Recreational Facilities. Specific rules governing the use of a Component Site's recreational facilities may be adopted from time to time by the Board, the Manager, or the applicable Component Site Owners Association.

2.8 Transfers of Memberships.

All transfers of Memberships shall be governed by the terms, conditions, and restrictions contained in the Declaration and a Member's Purchase Agreement. Immediately upon any transfer of a Membership as permitted by the Declaration and such Purchase Agreement, a Member shall give written notice thereof to the Manager. The foregoing written notice shall state the name, address, and telephone number of the transferee and shall be accompanied by a nonrefundable transfer fee of Three Hundred Fifty Dollars (\$350.00) or such other amount as the Board or the Manager, in its sole discretion, elects to charge from time to time.

2.9 Miscellaneous.

2.9.1 Action Pursuant to Regulations. Any action of the Board or the Manager pursuant to the terms of these Regulations or any other Club Instruments may be taken unilaterally and in its sole discretion.

2.9.2 Fines. In addition to all other rights and remedies available to them, pursuant to the Club Instruments, the Board and the Manager may impose reasonable fines not to exceed \$1,000 for violations of these Regulations by Members. Any such fines shall inure exclusively to the benefit of the Association.

2.9.3 Waiver; Suspension. The Board or the Manager may waive or suspend any of these Regulations from time to time to the extent determined reasonably necessary or appropriate by the Manager for the collective benefit of all Members as a whole.

2.9.4 Non-Applicability. One or more of these Regulations may not apply to Members owning certain types of Points, as more particularly described in the relevant part(s) of the Club Instruments.

2.9.5 Conflicts. These Regulations are subordinate to and intended to supplement the Declaration and each Member's Purchase Agreement, and in the event of any conflict between these Regulations and the Declaration or such Purchase Agreement, the terms and provisions of the Declaration and such Purchase Agreement shall control.

2.9.6 Transaction Fees. The Board or Manager reserves the right to assess transaction or Club fees or change fees as required. For example, the Club may charge transaction fees for (i) making multiple reservations, (ii) for accelerating or deferring Points, (iii) for canceling or changing reservations, (iv) for renting points, or (v) to obtain other benefits, including Club benefits. Transfer fees will not be increased by more than ten percent (10%) in any given year. Members will be advised of any fee changes on the Festiva website or via electronic mail at the option of the Board or Manager. Member consents to receive electronic mail from the Club or Manager.

2.9.7 Renewal Rights. Member shall have the option to renew and extend the Membership Term in ten (10) year increments, in perpetuity, if Member notifies the Club in writing on a date at least twelve (12) months, but no more than twenty-four (24) months prior to the expiration of Member's Membership Term or previous renewal. This renewal option is only available to Member or a member of Member's immediate family. Unless otherwise authorized by the Club, the cost to renew and extend will be equal to the Standard Assessment payable by Member as of the time Member renews or a comparable amount determined by the Club at such

time. Members who upgrade from a deeded Festiva Resorts property will not be required to pay the renewal fee.

2.9.8. Removal of Resort Interests or Beneficial Use Rights. The Trustee shall, pursuant to its duties set forth in the Amended and Restated Trust Agreement, convey Resort Interests or Beneficial Use Rights when and if the Trustee, Manager or Board deem that: 1) the Club is over-collateralized with such inventory or Beneficial Use Rights; 2) any Component Site has sub-standard accommodations; 3) such inventory is no longer utilized in a manner that is financially viable for the Club or 4) any other reason determined by the Trustee, Board or Manager in the exercise of their fiduciary duties. The Trustee shall convey Resort Interests or Beneficial Use Rights when so advised by the Manager, provided however that if more than 15% of the Active Resort Interests and/or Beneficial Use Rights are to be removed from the Club, such removal has to be approved by majority vote of the Board.

EXHIBIT "A"

List of Component Sites

Atrium Resort
PO Box 1115
Simpson Bay
Netherlands Antilles

Blue Ridge Village - I
Route 1, Highway 184
Banner Elk, North Carolina 28604

Blue Ridge Village - II
Route 1, Highway 184
Banner Elk, North Carolina 28604

The Cabins At Green Mountain
3864 Green Mountain Drive
Branson, Missouri 65616

The Church Street Inn
177 Church Street
Charleston, South Carolina 29401

Ellington At Wachesaw Plantation East
911 Riverwood Road
Murrell's Inlet, South Carolina 29576

Ellington At Wachesaw Plantation East - II
911 Riverwood Road
Murrell's Inlet, South Carolina 29576

Frenchmen Orleans
519 Frenchmen Street
New Orleans, LA 70116

Laurel Point
805 Ski Mountain Road
Gatlinburg, Tennessee 37738

Lodges @ Maple Creek
3864 Green Mountain Drive
Branson, Missouri 65616

Mirror Lake
E. 10035 Xanadu Road
Wisconsin Dells, Wisconsin 53965

Mirror Lake 2
E. 10035 Xanadu Road
Wisconsin Dells, Wisconsin 53965

Ocean Gate
150 Ocean Hibiscus Dr
St. Augustine, FL 32080

Outer Banks Beach Club - I
Mile Post 9 Virginia Dare Trail
Kill Devil Hills, North Carolina 27948

Outer Banks Beach Club - II
Mile Post 9 Virginia Dare Trail
Kill Devil Hills, North Carolina 27948

Paradise Harbour Club and Marina
Paradise Island Drive
Paradise Island
Nassau, Bahamas

Peppertree Atlantic Beach
715 W. Fort Macon Road
Atlantic Beach, North Carolina 28512

Peppertree by the Sea
305 South Ocean Blvd.
N. Myrtle Beach, South Carolina 29582

Peppertree Maggie Valley
Moody Farm Road
Maggie Valley, North Carolina 28751

Peppertree Ocean Club
1908 North Ocean Blvd.
N. Myrtle Beach, South Carolina 29582

Rangeley Lake Resort
2222 Main Street
Rangeley, ME 04970

Sandcastle Resort
Route 6A
Provincetown, MA 02657

Sandpebble Beach Club
1011 S. Ocean Blvd.
Surfside Beach, South Carolina 29575

Sands
300 S. Ocean Blvd.
N. Myrtle Beach, South Carolina 29582

Sea Mystique
410 N. Waccamaw Drive
Garden City, South Carolina 29576

Southcape Resort and Club
950 Falmouth Rd
Mashpee, MA 02649

Stormy Point Village
132 Cape Cod Drive
Branson, Missouri 65616

Tamarack
E. 10035 Xanadu Road
Wisconsin Dells, Wisconsin 53965

Thousand Hills
2800 Green Mountain Drive
Branson, Missouri 65616

Wild Wing Resort
525 Wild Wing Blvd., Unit A-108
Conway, South Carolina 29256

List of Destination Resorts

Destination Resorts are not part of the Club, and they are not Component Sites. Members have no guaranteed right to use and occupy Accommodations at any Destination Resort.

Blue Heron Beach Resort
13428 Blue Heron Beach Drive
Orlando, Florida 32821

Celebration World Resort
7503 Atlantis Way
Kissimmee, Florida 34747

Coconut Malorie
200 59th Street
Ocean City, MD 21842
The Cruise Club
One Vance Gap Road
Asheville, North Carolina 28805

Main Street Inn
2200 Main Street
Hilton Head Island, South Carolina 29926