GRAND TIMBER LODGE OWNERS ASSOCIATION, INC.

RULES AND REGULATIONS

These Rules and Regulations (the "Rules and Regulations"), promulgated by the Board of Managers (the "Board") of the Grand Timber Lodge Owners Association, Inc. (the "Association") effective November 3, 2017, shall govern the use and occupancy of Units committed to Vacation Ownership and shall be deemed in effect until amended by the Board, its successors or assigns, as applicable, and shall apply to and be binding upon all Vacation Owners ("Owners"). The Board pursuant to Section 9.2(a) of the Condominium Declaration and Plan of Vacation Ownership adopts these Rules and Regulations for the Grand Timber Lodge (the "Declaration"). The Vacation Owners shall always, obey the Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees, and all other persons over whom they exercise influence and control and supervision. All of these Rules and Regulations are subordinate to and designed to further the purposes and intent of the Declaration and in the event, there is a conflict between these Rules and Regulations and the Declaration, the Declaration shall control. The Rules and Regulations shall apply to all Units of the Project and references to Vacation Units shall be deemed to include all other Units unless the content expressly requires otherwise.

A. DEFINITIONS

All capitalized terms in these Rules and Regulations, unless otherwise defined herein, shall have the same meaning given to them in the Declaration. The following words, when used in the Rules and Regulations, shall have the meanings designated below unless the context expressly requires otherwise:

1. "Vacation Week" means the Use Week a Vacation Owner is entitled to use by virtue of ownership of a Vacation Estate, Floating Vacation Estate, Fixed/Floating Vacation Estate, or Alternating Vacation Estate at the Project. There are four (4) types of Vacation Weeks available for use pursuant to the Reservation Procedures set forth in Paragraph B. of these Rules and Regulations:

a. "Fixed Vacation Week" means the use of the specified use week each calendar year as designated in the Vacation Estate Special Warranty Deed ("Deed").

b. "Fixed/Floating Vacation Week" means those Use Weeks assigned to Fixed/Floating Vacation Estates and which entitle a Vacation Owner to exclusive possession and occupancy of a comparable Vacation Unit during the Use Week in which holidays actually occur each year. Should the specified holiday fall on a Friday, Saturday, or Sunday that day will be designated as the check-out day.

c. The owner of a "Fixed/Floating New Year's Vacation Week" shall get the use of an additional winter floating season week by following the reservation procedures for a "Floating Vacation Week" or a "Biennial Floating Vacation Week" during the years there are 53 weeks in the calendar.

d. "Floating Vacation Week" means a Use Week appurtenant to a Floating Vacation Estate which can be reserved and used within any one of the designated seasons as follows:

Winter:	Use Weeks 1 through 15, 48, 49 and 50
Summer:	Use Weeks 21 through 39
Spring/Fall:	Use Weeks 16 through 20 and 40 through 47 (including 47 only when Thanksgiving Day is not part of 47)

e. "Biennial Floating Vacation Week" means a Use Week appurtenant to an Alternating Floating Vacation Estate that can be used by the Vacation Owner every other year during the designated season. An Owner whose Alternating Floating Vacation Estate is followed by the designation E is allowed to use the Vacation Unit in even number years and the Owner whose Alternating Floating Vacation Estate is followed by the designation O is allowed to use the Vacation Unit in odd number years. Owners of Biennial Floating Vacation Weeks are required to pay half of their Vacation Unit Assessments every year plus a pre-determined surcharge.

f. "Vacation Unit" is either the entire Vacation Estate Condominium or either portion of the lock-off Condominium. A two-bedroom lock-off may be used as a two-bedroom vacation unit or as a one-bedroom vacation unit and a studio vacation unit. A three-bedroom lock-off may be used as a three-bedroom vacation unit or as a one-bedroom vacation unit and a one-bedroom efficiency vacation unit or as a two-bedroom vacation unit and a studio vacation unit.

g. "Grand Timber Lodge Club Member" means a Vacation owner who is enrolled in the Grand Timber Lodge Club ("Club Member"). The terms and conditions for membership and the privileges and obligations available to members of the Grand Timber Lodge club, shall be determined solely by Grand Timber Development Company, its successors and assigns and may be amended from time to time.

h. "Connecting 2 Bedroom Unit" means Units 825 and 827 and Units 815 and 817, Building 8, which consist of two, 2 bedroom units with a lock-off door between the studio units, which in turn can be connected with each other. When the two, 2 bedroom adjacent Units are connected with each other so that they can be utilized as one contiguous connected Unit, they will constitute a "Connecting 2 Bedroom Unit."

B. RESERVATION PROCEDURE

1. A Vacation Owner of a Fixed Vacation Week or a Fixed/Floating Vacation Week shall be entitled to use and occupy the Vacation Unit of the same type as designated in his Vacation Estate Special Warranty Deed ("Deed") during the specified Use Week each calendar year provided Vacation Owner is in good standing with their home resort. Fixed week reservations are automatically reserved for the Vacation Owner of a Fixed Vacation Week or a Fixed/Floating Vacation Week.

2. A Vacation Owner of a Floating Vacation Week shall have the right to use and occupy a Vacation Unit only in accordance with the following reservation procedures:

a. The Board of Directors will determine what type of booking system (described in Schedule 1 to these Rules & Regulations) will be used for the summer and winter booking season that will provide equal, fair, and the easiest access to Grand Timber Lodge for all two (2) bedroom and three (3) bedroom Owners.

b."Connecting 2 Bedroom Unit" Owners will utilize a first come, first served booking day system. Notification may be made by phone or email. Requests submitted via email will be handled after phone requests have been handled. Requests may be made no more than three hundred sixty-five (365) days in advance of the first day of the requested season. Reservation requests received in advance of the 365 days will be rejected. After the initial first come, first served booking day, notifications for reservations may also be completed online, if an online option is available, or by phone and email.

c.This booking system may change from time to time and all Owners will be kept informed of any changes to the booking system.

d. A Vacation Owner is entitled to reserve a Floating Vacation Week in his designated season of Spring/Fall in a comparable Vacation Unit to the Unit purchased (as set forth in his Deed) by notifying the Managing Agent. Notification may be made online, by phone or email. Requests submitted via email will be handled after online and phone requests have been handled. Owners will utilize a first come, first served booking day system. Requests may be made no more than three hundred sixty-five (365) days in advance of the first day of the requested season. Reservation requests received in advance of the 365 days will be rejected.

e. All reservations are subject to availability and will be honored on a first-come, first served basis, and will not be effective unless confirmed in writing by the Association or the Managing Agent.

f. A Vacation Owner shall be entitled to reserve and subsequently use no more than one Floating Vacation Week (for each Vacation Estate or Vacation Unit owned) each Calendar Year.

g. A Vacation Owner may only reserve a Vacation Unit comparable to the Vacation Unit designated in the Vacation Owner's Deed, with the exception of a two (2) bedroom owner, who may reserve the two (2) bedroom lock-off of a three (3) bedroom Vacation Unit based on availability inside of 60 days of the dates of stay. In addition to this, a three (3) bedroom owner may reserve a two (2) bedroom Vacation Unit based on availability inside of 60 days of the dates of stay. However, a Vacation Owner may lock-off his Vacation Unit and request two separate Vacation Weeks. A Vacation Owner of a two-bedroom Vacation Unit may request a

Vacation Week in a one-bedroom unit and a Vacation Week in a studio unit. A Vacation Owner of a three-bedroom Vacation Unit may request a Vacation Week in the one-bedroom unit with the full kitchen and fireplace and a Vacation Week in the one-bedroom unit that contains the kitchenette OR a Vacation Week in a two-bedroom unit and a Vacation Week in a studio unit. Reservations for both segments can be made at the same time, however only one of the weeks will be confirmed initially. The second locked off Vacation Week will only be confirmed if and when it can be scheduled in conjunction with an open segment of another locked off Vacation Week to complete a full Vacation Unit. However, within 30 days of desired check in any available time may be booked for the second locked off Vacation Week. If this second Vacation Week cannot be used during the current Calendar Year, it will be forfeited.

h. All two-bedroom units are interchangeable.

i. All three-bedroom units are interchangeable.

j. The Managing Agent will confirm a Unit type on the reservation confirmation; however, final Unit assignment will be made at check-in. A Vacation Owner may request a specific Unit at time of reservation request, but assignment is dependent upon factors such as time of check-in and unit status. A requested unit will be confirmed for the owner provided no emergencies occur to cause the unit to be unavailable.

k. A Vacation Owner may cancel a reservation by submitting notice of such cancellation that is received by the Managing Agent at least thirty (30) days prior to the commencement of the Vacation Week being requested. However, there is no guarantee that such Vacation Owner will be able to secure another reservation in that same Calendar Year. Rescheduled and/or cancelled reservations may also be subject to rescheduling and/or cancellation fees. If the Vacation Owner does not cancel his reservation and does not check-in for his reserved Vacation Week or if the Vacation Owner checks-in but leaves early, the Vacation Owner shall be deemed to have used the entire Vacation Week.

l. If a Vacation Owner fails to provide the Managing Agent with timely notice of a reservation request as specified above, the Managing Agent will use its best efforts, without obligation to do so, to provide the Vacation Owner with a Vacation Week during the Vacation Owner's designated season.

2.1 A Vacation Owner of a Connecting 2 Bedroom Unit shall have the right to occupy a Connecting 2 Bedroom Unit only in accordance with the following reservations procedures:

a. A Vacation Owner of a Connecting 2 Bedroom Unit is entitled to reserve a Connecting 2 Bedroom Unit in his designated Floating Season by submitting reservation requests to the Managing Agent. The Connecting 2 Bedroom Unit will be reserved for the exclusive use of the Vacation Owners of a Connecting 2 Bedroom Unit for a period of sixty (60) days after the first day of the booking period for the respective season. In the event any weeks are not reserved by a Vacation Owner of a Connecting 2 Bedroom Unit by the end of the sixty (60) day period, all remaining weeks will become available for the use of all Grand Timber Vacation Owners. In the event a Vacation Owner of a Connecting 2 Bedroom does not reserve a Connecting 2 Bedroom Unit, the owner shall have the right to place an alternative request for two separate Floating Vacation weeks in a two-bedroom Vacation Unit or any other combination thereof according to the same applicable reservations procedures for the two bedroom units as are set forth in Paragraph 2(a), (b), (c), (d), (e), (h), and (i).

b. The provisions of Paragraphs 3, 4, 5, 6 and 7 shall also apply to Connecting 2 Bedroom Units.

3. If a Vacation Owner does not use his Fixed Vacation Week, Fixed/Floating Vacation Week, or Floating Vacation Week in a Calendar Year, there shall be no accrual or carry-over of the unused time and the Vacation Owner forfeits his right of occupancy for such Calendar Year. Rescheduled and/or cancelled reservations may also be subject to rescheduling and/or cancellation fees.

4. Reservation for or occupancy of any Vacation Unit is subject to the prior payment by the Vacation Owner of all amounts due to the Association pursuant to the Declaration, the By-Laws, and these Rules and Regulations.

5. If a Vacation Owner of a Fixed, Fixed/Floating, or Floating Vacation Week wishes to exchange his Vacation Week pursuant to the procedures established by a reciprocal exchange program affiliated with the Project, such Vacation Owner must obtain a confirmed reservation in writing from the Managing Agent to be deposited for exchange.

6. No reservation request will be accepted or confirmed in a Vacation Unit during any Floating Vacation Weeks which have been designated by the Board of Directors as Maintenance Week(s) for that Vacation Unit.

In addition to use week(s) owned, Grand Timber Lodge Club Members may use additional time or "Bonus Time" at Grand Timber Lodge in accordance with the following procedures:

a. If space can be made available 30 days prior to arrival for discounted owner rental inventory from unsold developer space, space unused by owners, space unused by I.I. guests or early and late check-ins; and/or owner rental units that are not booked 30 days prior to check in for Sunday through Thursday nights or 14 days prior to check in for Friday and Saturday nights, Club Members will receive the following nightly bonus times rates:

GTL Bonus Time				
	Spr/Sum/Fall Weekday	Spr/Sum/Fall Weekend	Winter Weekday	Winter Weekend
Studio	$69.00	$79.00	$89.00	$109.00
Kitchenette	$79.00	$89.00	$99.00	$119.00
One Bedroom	$89.00	$99.00	$109.00	$129.00
Two Bedroom	$109.00	$119.00	$129.00	$149.00
Three Bedroom	$129.00	$149.00	$189.00	$229.00

* A weekend is defined as any Friday night, Saturday night or holiday
**A weekday is defined as any Sunday through Thursday night

b. Bonus Time is only available to Grand Timber Lodge Club Members in good standing.

c. Reservations for Bonus Time can only be made thirty (30) days or less in advance of desired stay for Sunday through Thursday nights and fourteen (14) days or less in advance of desired stay for Friday and Saturday nights. Full payment must also be received at the time of reservation.

d. For all Bonus Time reservations, there will be no refund for any monies received. Rescheduled and/or cancelled reservations may also be subject to rescheduling and/or cancellation fees.

e. Only one Vacation Unit may be reserved or occupied at the Bonus Time rate concurrently.

f. This program is exclusively for Grand Timber Lodge Club Members and their immediate family defined as parents and children and is not available for relatives or friends unless the Club Member is present. A Vacation Estate owned by a business entity, or by multiple owners as joint tenants or tenants in common, shall be entitled to one Club membership pursuant to the Plan, and any use of the Club or Resort Privileges at any time shall be limited to one authorized individual acting as the Club Member.

7. Partial Week Stay usage is available on a limited basis. Under this system, a Vacation Week may be split into three (3) consecutive nights and four (4) consecutive nights based.

The Management Company will hold a number of units per week each year to match the supply of units needed to accommodate owners splitting their weeks. Owners splitting their week will call the Reservations Department during the booking time for a particular season to place their requests. The Reservations Department will match Partial Week Stay requests to the best of their ability. Once an Owner has booked their entire full week, they cannot split that week into four (4) and three (3) night stays until within 30 days of desired check at which time full weeks can be split into the four (4) and three (3) night split. If any portion of a split week cannot be used during the current Calendar Year, it will be forfeited. An administrative fee of One Hundred Dollars ($100.00) will be charged upon making their reservation for the second segment of the week. Fixed or Fixed/Floating Weeks may not be split. Owners will have the exact same opportunity to reserve their Partial Week Stay as an Owner reserving their whole week. Rescheduled and/or cancelled reservations may also be subject to rescheduling and/or cancellation fees.

8. The Management Company reserves the right to manage all inventory, including but not limited to, unsold developer space, space unused by owners, space unused by I.I. guests or early and late check-ins; and/or owner rental units in an effort to maximize resort

occupancy, increase owner income from rental revenue and create availability for certain types of reservations, including but not limited to, rentals, owner usage and discounted owner rentals.

C. CHECK-IN AND CHECK-OUT TIMES

Check-in time shall be 4:00 p.m. the scheduled check-in day. All Vacation Owners shall vacate their Vacation Units no later than 10 a.m. the scheduled check-out day. The six (6) hour period between check-out and check-in is reserved exclusively as a service period for routine cleaning, repair, and maintenance of the Vacation Units. However,
an Owner of consecutive Fixed Vacation Weeks or an Owner who has reserved, in accordance with the provisions
hereof, consecutive Floating Vacation Weeks, shall not be required to vacate his Vacation Unit during this time period. Any owner who does not vacate their unit at or before 10 a.m. on their designated check-out date may be responsible to pay a fee of no less than fifty dollars ($50).

D. CHECK-IN PROCEDURE

All Vacation Owners must register the names of all persons who will be occupying their Vacation Unit during their Vacation Week with the front desk of the Project upon arrival. At registration, the Managing Agent will require the completion of a registration card and a credit card imprint for personal charges.

The check in days will be different for various buildings at Grand Timber Lodge. For buildings 1 – 4, the check in day will be Saturday. For buildings 5 – 6, the check in day will be Sunday. For buildings 7 – 8, the check in day will be Friday. Week numbers will be determined by Saturday check in days. For example, the first Saturday in January begins week 1 of each year, for Friday and Sunday arrivals week 1 will always begin the day before and after the Saturday regardless of if the day is in December or January.

E. CHECK-OUT PROCEDURE

Upon check-out, any charges incurred must be paid by credit card, cash, or approved check. If the Owner is leaving before the front desk opens, arrangements should be completed the previous day or by utilizing express check-out.

F. USE RESTRICTIONS

1. Except in areas designated for such purpose by the Managing Agent, the personal property of all Vacation Owners shall be stored within their Vacation Units during their occupancy. The Managing Agent shall not be responsible either for any personal property losses incurred by Vacation Owners during their occupancy or for personal property left by a Vacation Owner after checkout.

2. No personal recreational equipment including, but not limited to ski equipment (particularly skis and poles), bicycles, sailboards, sleds, etc. is allowed in Units, on decks, in the Grand Room, or any other common area as the Board of Directors sees fit. Ski lockers and bicycle racks are available for each Unit upon check-in.

3. No garbage cans, supplies, milk bottles, or other articles shall be placed on the patios, decks, balconies, or entries, nor shall any linens, cloths, clothing, curtains, rugs, mops, or laundry of any kind, or other articles be shaken or hung from any of the windows, doors, patios, decks, balconies, or entries, or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of refuse, debris, and other unsightly material.

4. No Vacation Owner or Vacation Unit occupant shall allow anything whatsoever to fall from the windows, patios, decks, balconies of the premises, nor shall he sweep outside his Vacation Unit or throw from his Vacation Unit dirt or other substances onto the Common Elements.

5. Refuse and bagged garbage shall only be deposited in containers in the areas provided, therefore.

6. Vacation Owners may only have vehicles on the property that fit in the garage and have a proper parking permit displayed. When staying on property, Vacation Owners can have 1 vehicle per studio or 1-bedroom unit and 2 vehicles per 2-bedroom or 3-bedroom. No Vacation Owner shall store or leave boats, trailers, mobile homes, recreational vehicles and the like on the Project. In addition to the penalties outlined below for violation of rules and regulations, the Managing Agent reserves the right to have such property towed off the Project at the Owner's expense.

7. No Vacation Owner or Vacation Unit occupant shall make or permit any disturbing noises by himself or occupants of his Vacation Unit nor do or permit anything by such persons that will interfere with the rights, comforts, or convenience of the other Vacation Owners or occupants of the Project. No Vacation Owner or Vacation Unit occupant shall play any musical instruments, or operate, a stereo, television, radio, or sound amplifier in his Vacation Unit, in such manner as to disturb or annoy other occupants of the Vacation Units in the Project. All Unit occupants shall lower the volume of such equipment from 10:00 p.m. to 8:00 a.m. each day.

8. No structural changes, reorganization, or removal of furniture or wall hangings, or redecoration of any type within the Vacation Units or of the Common Elements and its Furnishings shall be permitted.

9. Normal housekeeping service is provided for each Vacation Unit prior to check-in. This service, the cost of which is covered by the Vacation Unit Assessment, is the responsibility of the Managing Agent and his staff. Other housekeeping services are available to occupants for a fee. A complimentary towel exchange is available halfway through the Vacation week.

10. A Vacation Owner may rent or allow others to use his Vacation Week and may invite guests to share occupancy of his Vacation Unit provided that the following legal occupancy limits are not exceeded:

Three-Bedroom	10 occupants
Two-Bedroom	8 occupants
One-Bedroom	4 occupants
One-Bedroom Efficiency	6 occupants
Studio	4 occupants

For purposes of determining occupancy limits, all children regardless of age must be counted.

Vacation Owners are responsible for the conduct of their guests and for all financial obligations incurred by their guests at the Project. The Managing Agent will not give access to any Vacation Unit without written permission from the Vacation Owner otherwise entitled to use the Vacation Unit during the Vacation Week involved.

11. The Managing Agent will not permit family members or guests under twenty-one (21) years of age to check-in or occupy Units without the ongoing presence of the Owner.

12. Day Use of the project property and its amenities is available only to Grand Timber Lodge Club Members and their immediate family as defined as children and parents. The Grand Timber Lodge Club Member, or the immediate family of the Grand Timber Lodge Club Member, must be at least 18 years or older in order to check-in for Day Use. This additional privilege is limited based on availability. Club Members wishing to take advantage of parking must reserve a parking space no more than seven (7) days prior to arrival. Upon arrival, Grand Timber Lodge Club Members must register with the front desk and be issued a parking pass, one parking pass per owner, if on-site parking is available. Day Use privileges will be limited based on availability and is also limited to groups of 8 or less people, per deeded unit, per given day, including the owners in the total count. The only exception to the maximum number of persons allowed is for overnight stays where the owner has reserved Day Use for the day of check out, in which the Day Use group size should not exceed the maximum occupancy for the unit size the owner had reserved. In order to be eligible for this program, the Grand Timber Lodge Club Member must be current on all charges to the Association and the Agent. A Vacation Estate owned by a business entity, or by multiple owners as joint tenants or tenants in common, shall be entitled to one Club membership pursuant to the Plan, and any use of the Club or Day Use privileges at any time shall be limited to one authorized individual acting as the Club Member.

13. Rules governing the use of the swimming pool are posted. Children 14 years of age or under shall not be permitted in the pool area unless accompanied by an adult. The pools, hot tubs, and club will close at 10:00 p.m., except for the Building 5 aquatics, which will remain open until 11:00 p.m. Regardless of closing times, quiet hours should be observed from 10:00 p.m. to 8:00 a.m., per Section F, Paragraph 7 of these Rules and Regulations. Pool hours and rules are subject to change at the discretion of the Managing Agent. All Owners and guests must have a room key with them while using the swimming pool and hot tubs or have checked-in with the front desk if using day privileges. The Association does not provide a lifeguard for the swimming pools. All users of the swimming pools and hot tubs shall swim or otherwise use it at their own risk. The Association is not responsible for any injuries to any person which may occur while using the swimming pools or hot tubs. Diving or jumping into the swimming pools and hot tubs is strictly prohibited.

14. No sign, advertisement, notice, or other lettering shall be exhibited, displayed, inscribed, painted or affixed, in or upon any part of the Vacation Units, the Common Elements or their Furnishings, or other property in the Project by any Vacation Owner or Vacation Unit occupant without the prior written permission of the Board of Directors.

15. No flammable, combustible, explosive, or otherwise dangerous fluid, chemical, or substance shall be kept in any Vacation Unit.

16. No animals or pets of any kind, excluding service animals, may be kept in any Vacation Unit or elsewhere within the Project. In addition to the penalties listed below for violation of these Rules and Regulations, violation of this Rule will result in an immediate fine of Five Hundred and no/100 Dollars ($500.00) or more for the first occurrence with eviction thereafter.

17. Use of the parking facilities shall be limited to two vehicles, both of which should fit in the garage, except when the unit is locked-off, in which case only one vehicle per side is permitted. For Owners requiring more parking spaces, please contact the Front Desk. The parking facilities shall be used in accordance with such Regulations pertaining thereto as shall be adopted from time to time by the Board.

18. The Board of Managers, its agents, or the Managing Agent, if any, retain a passkey to all Vacation Units. Managing Agent may need access to unit from time to time for maintenance purposes or to show units to clients. In the event managing agent needs access to the unit, managing agent shall contact occupants to arrange convenient time. No Vacation Owner shall alter any lock or install a new lock on any door of a Vacation Unit.

19. Use of the exercise facility shall be at the risk of each Owner and guest. Each Owner and guest should know his/her own exercise limitations. The Association is not responsible for any injuries to any person which may occur while using the exercise facility.

20. The Board of Managers reserves the right to promulgate additional Rules and Regulations as may be required from time to time without the consent of the Association and its members. Such additional Rules and Regulations shall be binding upon all Vacation Owners.

21. No owners or guests shall be permitted to bring and/or consume their own beer, wine, and/or liquor in any common areas of the property in accordance with the State of Colorado Liquor Licensing Agency.

22. The entire Project is a smoke-free campus, except for clearly designated smoking areas, in which only tobacco smoking is allowed. The use of marijuana and/or vapor devices is prohibited.

23. No remotely operated motorized aerial toys, drones and/or equipment may be used on or over any of the Project without the express written permission from the Managing Agent.
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24. No hover boards or similar-wheeled devices may be used at the Project. In addition, the charging of such devices is only permitted for devices that meet the current UL Standards.

25. No food consumption is permitted in the pools or hot tubs.

26. In the interest of health and safety, and to maintain compliance with Federal, State, and Local regulations, the Management Agent may modify and/or supplement these Rules and Regulations as deemed necessary.

27. Electric vehicle (EV) and plug in hybrid vehicle charging is only permitted in designated EV charging spaces.

G. PENALTIES FOR VIOLATION OF RULES AND REGULATIONS

1. The Board of Managers, the Managing Agent, or their designees shall have the right to issue warnings, to assess fines per infraction and to evict Vacation Owners and their guests for violation of these Rules and Regulations. In addition, Vacation Owners

and their guests will be responsible for all damages to the Vacation Unit, Common Elements, and their furnishings, or to other areas of the Project as a result of their actions.

2. The Association shall be entitled to recover reasonable costs and attorneys' fees in the event it prevails in an action brought against a Vacation Owner to enforce these Rules and Regulations.

H. PAYMENT OF VACATION UNIT ASSESSMENT

1. The Vacation Unit Assessment shall be due annually on February 1st each year. The Association shall bill each Vacation Owner annually; however, a Vacation Owner's failure to receive a bill shall not excuse payment of an installment. Failure to pay an installment within thirty (30) days of its due date shall result in the addition of a late fee in the amount of up to five percent (5%) of the unpaid fee. All unpaid installments and late fees shall bear interest at the rate of eighteen percent (18%) per annum (1.5% per month) until the unpaid installment(s), late fees and accrued and unpaid interests are paid. All costs of collection, not to exceed 35% of the amount to be collected, will be added on to all accounts sent to collections and these fees along with any associated legal fees will be the responsibility of the owner.

2. In the event of a conveyance or transfer of a Vacation Estate, a transferee who obtains title by means other than foreclosure or deed in lieu of foreclosure shall be obligated to pay or cause the seller to pay any delinquent Vacation Unit Assessments and late penalties.

3. The Association will not allow an Owner to make a reservation or to occupy a Vacation Unit if the Vacation Owner is more than thirty (30) days delinquent on payment of the Vacation Unit Assessment. If a reservation had been made for purposes of an exchange through a reciprocal exchange company, the exchange company will be notified of the delinquency and occupancy of the exchanged Vacation Unit may be denied.

4. The Association may also, upon not less than fifteen (15) days prior written notice, cancel any reservations and/or exchanges for Vacation Owners who are more than sixty (60) days delinquent on Vacation Unit Assessment payments. Payment of all delinquent Vacation Unit Assessment, Interest, and Late Charges will reinstate the right of the Vacation Owner to make a reservation; however, the unit/week or exchange originally reserved may no longer be available.

5. Some Owners may not be required to make reservations. If their Vacation Unit Assessments are delinquent sixty (60) or more days, ninety (90) days or less before occupancy is scheduled to commence, the Association has the right at its sole discretion to rent the Unit and apply the proceeds as follows: 1) forty (40%) of the net to advertising fees; 2) the balance to the Association for delinquent Vacation Unit Assessments, Interest, and Late or Collection Charges; 3) the remainder, if any, will be paid to the Vacation Owner. If Vacation Owner becomes current with their Vacation Unit Assessment and wants to use Vacation Unit that was put up for rent or re-schedule the week, it is at the discretion of the Managing Agent.

I. CONVEYANCE AND TRANSFER OF VACATION ESTATES

All transferees of Vacation Estates shall provide the specified transfer information and shall pay a transfer fee to the Managing Agent in accordance with the following procedures:

1. All transferees of Vacation Estates shall provide the Transfer Information (as hereinafter defined) and pay a Transfer Fee (as hereinafter defined) upon obtaining title to their Vacation Estate. For purposes of the Declaration and these Rules and Regulations, the date a transferee obtains title and becomes a Vacation Owner responsible for payment of the Vacation Unit Assessment shall be determined as follows:

a. In the event of a conveyance or transfer by foreclosure, the date a transferee obtains title shall be deemed to be the earlier of (i) thirty (30) days after the expiration of all applicable redemption periods; or (ii) the date the transferee pays the Transfer Fee and provides the Transfer Information to the Managing Agent. If for any reason the transferee is not able to provide complete Transfer Information to the Managing Agent, but pays the Transfer Fee and provides other evidence of the conveyance or transfer reasonably acceptable to the Managing Agent, the transferee shall be deemed to have obtained title as of the date of the receipt of the Transfer Fee and other reasonable evidence of the conveyance or transfer.

b. In the event of a conveyance or transfer by deed in lieu of foreclosure, a transferee shall be deemed to have obtained title upon execution and delivery of the deed or other instruments conveying or transferring the Vacation Estate.

c. In the event of conveyance or transfer by deed, a transferee shall be deemed to have obtained title upon execution and delivery of the deed or other instrument conveying or transferring title.

d. Vacation Owners are responsible for canceling their exchange company membership.

2. A Transfer Fee of twenty-five and no/100 Dollars ($25.00) shall be due and payable within thirty (30) days after the transferee obtains title to the Vacation Estate.

3. The Transfer Information shall be provided to the Managing Agent within thirty (30) days after the transferee obtains title to the Vacation Estate. The Transfer Information shall consist of (i) a true and correct copy of the recorded instrument conveying or transferring the Vacation Estate or such other evidence of the conveyance or transfer as is reasonably acceptable to the Managing Agent; (ii) the transferee's name, home and business telephone numbers, and home address; (iii) the specific fixed Vacation Week or the Designated Season in which the Vacation Owner's Floating Vacation occurs, (the legal description would be a good source for this information,); and (iv) the person or entity from which the Unit had been transferred, including the name, home and business telephone numbers, and home address. In addition, the Managing Agent may request such other or additional information as the Managing Agent determines is necessary or desirable in connection with obtaining and maintaining the Transfer Information.

4. A transferee's obligation to pay the Vacation Unit Assessment and right to use a Vacation Week shall commence upon the date the transferee obtains title to the Vacation Estate.

5. The failure of a transferee to provide the Transfer Information and pay the Transfer Fee in accordance with the foregoing procedures shall result in denial of the right to reserve a unit, access to the Project, and a continuing fine of Fifty and no/100 Dollars ($50.00) per month, or part thereof, for each Vacation Estate for which the Transfer Information has not been provided until the transferee provides the Transfer Information to the Managing Agent and pays the Transfer Fee and the fines accrued to date for each such conveyance or transfer.

6. The Managing Agent shall have the authority to enter into such other and further agreements with transferees and transferring owners as the Managing Agent deems necessary or desirable to insure receipt of the Transfer Information and the payment of the Transfer Fees upon each conveyance or transfer of a Vacation Estate.

J. DEATH, DIVORCE, AND BANKRUPTCY

1. Upon the death of an Owner who held a Vacation Estate as a tenant-in-common with one or more other Owners, the surviving Owner(s) shall within thirty (30) days of the death of an Owner provide written notice to the Association of the death, and the name and address of the personal representative of the estate of the deceased Owner. If the deceased Owner held the Vacation Estate as a joint tenant with a right of survivorship, the surviving joint tenant shall within thirty (30) days of the death of the Owner provide notice of the death to the Association and a copy of the death certificate. The Association may record the death certificate and an affidavit stating that the deceased was a joint tenant with right of survivorship in the Vacation Interest.

2. In the event of a dissolution of marriage or of a legal separation of Owners of a Vacation Estate, the Owner shall within thirty (30) days of the date the dissolution of marriage or legal separation is final, provide written notice to the Association that a dissolution of marriage or legal separation has occurred. The written notice shall also contain an explanation of the provisions in the final separation agreement dealing with the disposition of the Vacation Estate. The Association will take no responsibility for the disposition of reservations or exchanges entered into prior to receipt of the final separation agreement.

3. Any owner who voluntarily or involuntarily files for bankruptcy shall provide written notice to the Association of the bankruptcy in accordance with the applicable rules of the Bankruptcy Court.

4. If an Owner fails to provide notice of any of the events for which notice is required by this Paragraph, the Association shall assess a fine of Fifty and no/100 Dollars ($50.00) per month for each Vacation Estate for which such information was not provided. Such fine, if not timely paid, shall accrue default interest at the rate set forth from time to time in the Rules and Regulations for nonpayment of Vacation Unit Assessments.

5. The Managing Agent shall have the authority to waive the fine of Fifty and no/100 Dollars ($50.00) per month if in the Managing Agent's discretion, the circumstances warrant the waiver.