

THE RESIDENCE CLUB AT HOTEL MCCALL

RULES, REGULATIONS AND RESERVATION PROCEDURES

THESE RULES, REGULATIONS, AND RESERVATION PROCEDURES (these “Rules, Regulations, and Procedures”) are promulgated and effective as of the ____ day of _____, 2007 (the “Effective Date”).

These Rules, Regulations, and Procedures: (1) are made with respect to the The Residence Club At Hotel McCall (“TRC@HM”), which is located within Carey Subdivision, a development located in Valley County, Idaho (the “Carey Subdivision Project”); and, (2) are subject to The Supplemental Declaration To The Master Declaration For Carey Subdivision For The Residence Club At Hotel McCall (the “TRC@HM Supplement”), as well as the Master Declaration for Carey Subdivision (the “Master Declaration”) and any additional documents relative to each Residence Pool as specified in the TRC@HM Supplement; and (3) govern the reservation, use and occupancy of all Units within the Carey Subdivision Project that have been submitted to the “Plan of Residence Ownership” contained in the TRC@HM Supplement (each, a “Residence Unit”). They shall remain in effect until amended by the Board of Directors of The Residence Club At Hotel McCall Association, Inc. (the “Residence Association”), and shall apply to and be binding upon all Residence Owners and Occupants. Residence Owners and Occupants shall at all times comply with these Rules, Regulations, and Procedures and use their best efforts to ensure that such Rules, Regulations and Procedures are fully and faithfully observed by other Residence Owners and Occupants. In the event of any conflict between these Rules, Regulations, and Procedures and the TRC@HM Supplement, the TRC@HM Supplement shall control.

I. DEFINITIONS: Unless otherwise specifically defined in these Rules, Regulations, and Procedures, all terms used in these Rules, Regulations, and Procedures have the meanings given to them in the TRC@HM Supplement or the Master Declaration. For your convenience in reading and understanding these Rules, Regulations, and Procedures, certain key definitions contained in the TRC@HM Supplement and Master Declaration are also set forth below, together with some additional definitions:

A. “Group” means a group of Residence Owners used as a part of the Rotating Priority System to allocate Planned Weekly Vacations and Planned Short Stay Vacations. Each Group will be assigned a permanent letter designation “A” through “H” (corresponding to the eight Residence Interests available in each Residence Unit). Each Residence Interest sold will receive a Group Designation, which will place the Residence Owner of such Residence Interest within a Group. The Rotating Priority System chart attached hereto as Exhibit A establishes a Reservation Priority Number for each Group for the four Planned Weekly Vacations and the four Planned Short Stay Vacations available during each Residence Ownership Year. Each Residence Ownership Year the Groups rotate one position in priority thereby giving all Residence Owners (by Group) equitable priorities to each Use Period over an eight year cycle.

B. “Group Designation” means a Group letter and a number permanently assigned to each Residence Interest based on the order of purchase. The letter will be A through H (one letter for each 1/8th interest in each Residence Unit), and the number will be the Residence Unit number. For example, upon the initial release of Residence Pool #1, three Residence Units are available for occupancy (Units 201, 301 and 302 Hotel South Condominium). Residence

Interests sold in Residence Unit 201 will receive Group Designation “201-A,” the second “201-B,” the third “201-C,” followed by “201-D,” “201-E,” “201-F” and “201-H”. All eight of these Residence Interests will be sold in a single Residence Unit. When the ninth Residence Interest is sold, it will represent an undivided 1/8th interest in a different Residence Unit, and, assuming the second Residence Unit sold is Unit 301, the Group Designations will be numbered “301-A” through “301-H”; and, assuming the third Residence Unit sold is Unit 302, the seventeenth through twenty fourth Residence Interests will be numbered “302-A” through “302-H”. Additionally, only Residence Units in which at least one Residence Interest has been transferred by Declarant will be available for reservation pursuant to these Reservation Procedures. Following is an example of the progression of the assignment of Group Designations and use of Residence Units:

Example: Residence Pool #1 is created in 2007 with Residence Units 201, 301 and 302. Seven Residence Interests are sold in 2007, with Group Designations 201-A through 201-G. Twelve more Residence Interests are sold in 2008, with Group Designations 201-H, 301-A through 301-H, and 302-A through 302-C. The remaining five Residence Interests are sold in 2009, with Group Designations 302-D through 302-H. In 2007, only Residence Unit 201 will be available for reservation pursuant to these Reservation Procedures, since Declarant owns all of the Residence Interests in Residence Units 301 and 302. Additionally, Declarant will have the right in 2007 to reserve Use Periods for its ownership of Residence Interest 201-H. In 2008 and 2009, all three of Units 201, 301 and 302 will be available for reservation pursuant to these Reservation Procedures, and Declarant will have the right to reserve Use Periods for Residence Interests it owns.

The following applies to the addition of Residence Units to the Residence Club:

Additional Residence Units may be added to the Residence Club, in which case they may be added to an existing Residence Pool or to a new Residence Pool. Residence Units added to an existing Residence Pool may be of a different Residence Type, which may have additional fees or restrictions associated with their use. Upon the addition of Residence Units to an existing Residence Pool, the number of Group Designations included within each Group may increase. Residence Units added to new Residence Pools will have their own Rotating Priority System and associated Group Designations, and will not affect an existing Rotating Priority System.

Example 1: Residence Pool #1 is created with three Residence Units which are each two bedroom units. Two additional one bedroom units are later added to Residence Pool #1. All five Residence Units would be included in the same Rotating Priority System, but owners of the first three Residence Units would have first right of use of the two bedroom units, and owners of the second two Residence Units might be required to pay an extra fee if they were to use the two bedroom units.

Example 2: Residence Pool #1 is created with three Residence Units which are each two bedroom units. Two additional one bedroom units are

later added to a new Residence Pool #2. The first three Residence Units would be included in the Rotating Priority System for Residence Pool #1, and the two one-bedroom Residence Units would be included in a separate Rotating Priority System for Residence Pool #2.

C. “Guest” means the guest of a Residence Owner occupying a Residence Unit, who is not an Occupant. The Managing Agent may limit the number of Guests permitted to use the Carey Subdivision Project’s non-lodging facilities during peak times, and may charge additional fees for use by Guests.

D. “Internal Group Rotation” means the rotation of the priority of Group Designations within each Group by one number each year, so that each Residence Owner has equitable priority within the Group for selection of Use Periods. For example, assuming the order of sale of the first three Residence Units is 201, 301 and then 302, then during the first year of the Rotating Priority System, within Group “A,” Group Designation 201-A will have the first priority, 301-A, the second, and so on. During the second year, Group Designation 201-A will drop to the last priority within Group “A,” Group Designation 301-A, will have the first priority, Group Designation 302-A, the second, and so on. The number of the last priority may vary depending upon the number of Residence Units available for occupancy in the Residence Pool. For example, during the first year, if 3 Residence Units are available for occupancy (201, 301 and 302, the last possible priority within Group “A” will be Group Designation 302-A. If 2 Residence Units were available for occupancy during that year (201 and 301), the last possible priority would be Group Designation 301-A. Internal Group Rotation primarily affects selection of Use Periods for the second Planned Weekly Vacation and second Planned Short Stay Vacation of either the Summer/Fall Season or the Winter/Spring Season.

E. “Management Agent” means the person, firm, corporation or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Residence Association. The Managing Agent for the TRC@HM is currently: The Depot Company, 1101 North Third, McCall, Idaho 83638.

F. “Occupant” means any member of a Residence Owner’s family or a Residence Owner’s guests, invitees, servants, tenants, employees, or licensees who occupy a Residence Unit for any period of time.

G. “Personal Charges” means those charges incurred by Residence Owners in addition to Residence Assessments, as further described in Section IV.C. below.

H. “Planned Weekly Vacation” means a pre-reserved Use Week when a Residence Owner can use his or her Residence Unit(s), or send Unaccompanied Guests to use such Residence Unit(s), at no additional charge (except for any Personal Charges incurred). Residence Owners may reserve up to four Planned Weekly Vacations (28 vacation nights) each Residence Ownership Year, for a total of two full weeks (14 nights) in the Winter/Spring Season, and two full weeks (14 nights) in the Summer/Fall Season, divided as follows: (i) a “First” and “Second” Planned Weekly Vacation, each 7 nights in length, during the Winter/Spring Season; and, (ii) a “First” and “Second” Planned Weekly Vacation, each 7 nights in length, during the Summer/Fall Season. Winter/Spring Season Planned Weekly Vacations may be reserved only during the Weekly Vacation Reservation Period for the Winter/Spring Season, and Summer/Fall

Season Planned Weekly Vacations may be reserved only during the Weekly Vacation Reservation Period for the Summer/Fall Season.

I. “Planned Short Stay Vacation” means a pre-served Short Stay period when a Residence Owner can use his or her Residence Unit(s), or send Unaccompanied Guests to use such Residence Unit(s), at no additional charge (except for any Personal Charges incurred). In addition to four Planned Weekly Vacations each year, Residence Owners may reserve up to four Planned Short Stay Vacations (14 vacation nights) each Residence Ownership Year, for a total of seven nights in the Winter/Spring Season and seven nights in the Summer/Fall Season, divided as follows: (i) a “First” and “Second” Planned Short Stay Vacation, one being 3 nights in length and the other being 4 nights in length, during the Winter/ Spring Season; and, (ii) a “First” and “Second” Planned Short Stay Vacation, one being 3 nights in length and the other being 4 nights in length, during the Summer/Fall Season. Planned Short Stay Vacations will be requested and confirmed after all Planned Weekly Vacations have been scheduled in each season. Winter/Spring Season Planned Short Stay Vacations may be reserved only during the Short Stay Reservation Period for the Winter/Spring Season and Summer/Fall Season Planned Short Stay Vacations may be reserved only during the Short Stay Reservation Period for the Summer/Fall Seasons.

J. “Reservation Form” means the form or forms published by the Residence Association from time to time, and used by Residence Owners to request Planned Weekly and Planned Short Stay Vacation dates. The Reservation Form shall provide each Residence Owner with the ability to select at least three (3) alternative dates for each Planned Weekly and Planned Short Stay Vacation, so that if a Residence Owner does not receive his or her first choice of a Planned Weekly or Planned Short Stay Vacation, such Owner may then receive his or her second or third choice, without submitting another Reservation Form.

K. “Reservation Priority Number” is the number used by the Managing Agent (1 being the highest priority and 8 being the lowest) to allocate Planned Weekly Vacations and Planned Short Stay Vacations to each Group when the number of reservations requested for a Use Period exceed the number of Residence Units available during that Use Period.

L. “Residence Club” means the fractional ownership program set up pursuant to the TRC@HM Supplement.

M. “Residence Interest” means a one-eighth (1/8th) undivided interest as tenant-in-common in the present estate in fee simple in a Residence Unit together with an exclusive right to possession and occupancy of the Residence Unit during a specified number of nights reserved by the Residence Owner pursuant to the Reservation Procedures outlined in Section II, below. A Residence Interest shall be referred to by its Group Designation (example: 201-A, with regard to Residence Unit 201, Group A). Declarant has reserved the right, in the TRC@HM Supplement, to create Residence Interests in fractions other than 1/8th interests, but only in Residence Units in which no Residence Interest has been sold to a third party.

N. “Residence Owner” means the owner of a Residence Interest.

O. “Residence Ownership Year” means the twelve-month period beginning on the last Friday before Memorial Day in any given calendar year and ending on the last Thursday before Memorial Day of the following year.

P. “Residence Pool” means pools or groups of Residence Units that are designated by Declarant to be part of a single Rotating Priority System.

Q. “Residence Type” means different types of Residence Units within a single Residence Pool, as designated by Declarant at the time the Residence Units are added to a Residence Pool.

R. “Residence Unit” means any Unit which has been platted within Carey Subdivision and is defined in the TRC@HM Supplement as a Residence Unit.

S. “Rotating Priority System” means the system of rotating Groups, Group Designations, and Reservation Priority Numbers used to establish priorities for allocating Planned Weekly Vacations and Planned Short Stay Vacations when the number of reservation requests exceeds the number Residence Units available for any Use Period. The operation of the Rotating Priority System for each Group is illustrated on Exhibit A attached hereto.

T. “Short Stay” means three or four, consecutive nights of exclusive possession and occupancy of a Residence Unit, reserved pursuant to the Reservation Procedures described in Section II, below. There shall be one 3-night Short Stay and one 4-night Short Stay during the Summer/Fall Season and during the Winter/Spring Season.

U. “Short Stay Reservation Period” means the period just prior to the Winter/Spring Season or the Summer/Fall Season, as applicable, after all Planned Weekly Vacations have been scheduled and confirmed by the Managing Agent and before Space Available Vacations may be reserved, during which Residence Owners can reserve their Planned Short Stay Vacations. The Short Stay Reservation Period for the Winter/Spring Season is the period from September 1st to October 1st of each calendar year. The Short Stay Reservation Period for the Summer/Fall Season is the period from March 1st to April 1st of each year.

V. “Sleeping Capacity” means the number of persons permitted to lodge in a Residence Unit. The Sleeping Capacity of a Residence Unit shall be set and published by the Board of Directors, in its reasonable discretion, from time to time. The Sleeping Capacity for Units 201, 301 and 302 is six people.

W. “Space Available Vacations” means the unlimited access to and usage of a Residence Unit, in addition to Planned Weekly and Planned Short Stay Vacations, that each Residence Owner has on a space-available basis. Residence Owners can lodge in a Residence Unit, or on one side of a Residence Unit if it contains a lock-off, during any Space Available Vacation for up to 7 nights. The following additional provisions apply to Space Available Vacations:

1. Each Residence Owner can have only one (1) Space Available Vacation Reservation on the TRC@HM reservation books at that time (i.e., once a Space Available Vacation has been reserved, no other Space Available Vacation may be requested until the reserved vacation has been cancelled or fulfilled through the use of a Residence Unit); provided, that each Residence Owner can request one (1) additional Space Available Vacation without canceling a pre-existing Space Available Vacation reservation if the Arrival Date of either the existing Space Available Vacation reservation or the one being requested is within 5 days of the date of the request. This provision applies to each Residence Interest, therefore a Residence Owner with multiple Residence Interests may

have as many Space Available reservations outstanding as the number of Residence Interests owned.

2. Space Available Vacation reservations must be occupied by the Reservation Owner and/or their immediate family. Space Available Vacation reservations may not be rented, nor may they be occupied by non-family members such as friends or clients.

3. After November 1st of each calendar year, Residence Owners may reserve Space Available Vacations during the remainder of the Winter/Spring Seasons. After May 1st of each calendar year, Residence Owners may reserve Space Available Vacation during the remainder of the Summer/fall Season. All Space Available Vacation requests will be processed on a first-come first-serve basis.

4. Residence Owners may be charged Personal Charges for reservation and other services provided in connection with Space Available Vacations, including but not limited to a Space Available Reservation Fee. Currently the Space Available Reservation fee is \$115, which fee is subject to change. This fee shall apply to any "stand-alone" Space Available Vacation reservation. In addition, if a Space Available Vacation reservation is booked "back-to-back" with either a Planned Week or Short Stay Reservation, the Space Available Reservation Fee will apply if the total length of the combined reservations exceeds ten (10) nights.

5. The Association reserves the right to restrict Space Available reservations to one side of any Residence Unit that contains a lock-off, based on the number of occupants, in order to allow additional flexibility for Space Available use by other Residence Owners.

X. "Special Request" means the request of a Residence Owner to occupy a specific Residence Unit during any Use Period reserved by such Owner. Special Requests will be accommodated based on availability and a Residence Owner's Reservation Priority Number (i.e. if the requested Residence Unit is available at the time that the Residence Owner's Reservation Priority Number allows selection/assignment of a Residence Unit, the Special Request will be granted).

Y. "Summer/Fall Season" means the period of time beginning on the last Friday before Memorial Day in any given calendar year and ending on the last Thursday before Thanksgiving in the same calendar year. The Board of Directors will determine and publish annually the exact opening and closing dates for each Summer/Fall Season. In no event shall the Summer/Fall Season be shorter than the number of weeks required to provide each Residence Owner with their Planned Weekly and Planned Short Stay Vacations for such season.

Z. "Unaccompanied Guest" means any guest who lodges in a Residence Unit without a Residence Owner during a Residence Owner's Planned Weekly Vacation or Planned Short Stay Vacation at the request of such Residence Owner. A Residence Owner requesting lodging for an Unaccompanied Guest (a "Sponsoring Owner") must provide the Managing Agent with written notice of the Unaccompanied Guest's name, address and telephone number at least 14 days prior to such guest's arrival so that the Managing Agent can send a notice to that Unaccompanied Guest, confirming the terms of their stay at the TRC@HM. Unaccompanied Guests are required to pay all Personal Charges upon checkout unless payment has been arranged

in advance by the Sponsoring Owner. The Sponsoring Owner is responsible for any damages to Carey Subdivision Project facilities caused by their Unaccompanied Guests. The number of persons lodged with an Unaccompanied Guest in a Residence Unit cannot exceed the Sleeping Capacity of that Residence Unit. Unaccompanied Guests may not occupy Space Available Reservations.

AA. “Use Period” means a Use Week or a Short Stay.

BB. “Use Week” means a period of exclusive possession and occupancy of a Residence Unit reserved pursuant to the Reservation Procedures outlined in Section II, below. Use Weeks for each Residence Unit are established each year for the dates set forth in the Residence Calendar. Use weeks will consist of seven (7) consecutive days, usually beginning on Friday. All Use Weeks (or portions thereof) in a Residence Unit shall be computed on the same basis and shall commence and end at the same time, on the same day of the week, according to this section.

CC. “Weekly Vacation Reservation Periods” means: (i) the period from July 1st to August 1st of each year, during which Residence Owners can reserve their Planned Weekly Vacations for the upcoming Winter/Spring Season; and (ii) the period from January 1st to February 1st of each year, during which Residence Owners can reserve their Planned Weekly Vacations for the upcoming Summer/Fall Season. These time periods are described below and are further depicted on Exhibit B attached hereto

DD. “Winter/Spring Season” means the period of time beginning on the last Friday before Thanksgiving in any calendar year and ending on the last Thursday before Memorial Day in the next succeeding calendar year. The Board of Directors will determine and publish annually the exact opening and closing dates of each Winter/Spring Seasons. In no event shall the Winter/Spring Season be shorter than the number of weeks required to provide each Residence Owner with their Planned Weekly and Planned Short Stay Vacations for such seasons.

II. RESERVATION PROCEDURES: The TRC@HM Reservation Procedures have been designed to insure that all Residence Owners have equal access to the Residence Units, and have been carefully formulated in an attempt to be fair and equitable to all Residence Owners. Each Residence Owner is allowed to use the Residence Units in the same Residence Pool for: (a) two Planned Weekly Vacations during the Winter/Spring Season; (b) two Planned Weekly Vacations during the Summer/Fall Season; (c) two Planned Short Stay Vacations during the Winter/Spring Seasons (one 3-night Short Stay and one 4-night Short Stay); (d) two Planned Short Stay Vacations during the Summer/Fall Season (one 3-night Short Stay and one 4-night Short Stay); and (e) such Space Available Vacations as may be reserved in accordance with Section I(W) above and rules for making such reservations set forth below. Residence Owners may request that their two Planned Weekly Vacations, and two Planned Short Stay Vacations occur on consecutive dates each season, but reservations will nevertheless be confirmed separately, based on Rotating Priority System.

The time periods for requesting reservations are described below and are further depicted on Exhibit B attached hereto. Each Planned Weekly Vacation will be for a Use Week of a maximum of seven (7) nights with arrivals and departures planned between or on a Friday, i.e. each seven (7) night period begins and ends on Friday. Each Planned Short Stay Vacation will be for a Short Stay of three (3) or four (4) nights, as applicable, with arrivals and departures on

the night of the Residence Owner's choice, based on availability. Exceptions to arrival and departure times may be made at any time by Managing Agent.

These Reservation Procedures will be performed separately for each Residence Pool. So, for example, these Reservation Procedures will be followed for Residence Units 201, 301 and 302 in the Hotel South Condominium. Additionally, only Residence Units in which at least one Residence Interest has been transferred by Declarant will be available for reservation pursuant to these Reservation Procedures. If Declarant has sold at least one Residence Interest in 2 of the 3 Residence Units, all 16 of the Interests in those 2 Residence Units (8 Interests per Unit) will participate in these Reservation Procedures. The remaining Residence Unit will not be subject to these Reservation Procedures until such time as Declarant sells at least one Residence Interest in it; and, until such time, Declarant will have full right to rent or otherwise utilize that Residence Unit in any manner that Declarant may choose.

As permitted in the TRC@HM Supplement and Bylaws of the Residence Association, the Board of Directors of the Residence Association reserves the right to alter these Reservation Procedures from time to time as conditions warrant.

Although the deed to each Residence Interest will show a specific Residence Unit number, and Residence Owners may make a Special Request to occupy a particular Residence Unit, Residence Owners are purchasing the right to use any Residence Unit in their Residence Pool that is available during their reserve Use Period, and may or may not stay in the specific Residence Unit listed on the deed or requested by the Residence Owner during such Use Period.

A. Winter/Spring Season:

1. Winter/Spring Season Planned Weekly Vacations:

a. **Reservation Forms.** **On or before July 1st** of each year, the Managing Agent will mail to all Residence Owners, a Planned Weekly Vacation Reservation Form, requesting that Residence Unit Owners select First and Second Planned Weekly Vacation dates for the following Winter/Spring Seasons. The Reservation Priority Number corresponding to the Residence Interest's Group will be noted on that form by the Managing Agent. **If the Planned Weekly Vacation Reservation Form for the Winter/Spring Season is not received by the Residence Owner by July 14th, the Residence Owner should immediately notify the Managing Agent.**

On or Before August 1st of each year, Residence Owners must return the completed Planned Weekly Vacation Reservation Forms for the Winter/Spring Season to the Managing Agent. It is the Residence Owner's responsibility to complete and return the Planned Weekly Reservation Form by August 1st to preserve priority rights for the upcoming Winter/Spring Season. Planned Weekly Vacation Reservation Forms received after August 1st will be considered on a first-come, first-serve basis after all Planned Weekly Vacation Reservation Forms received in a timely manner have been processed.

b. **Priority Assignment of Use Weeks.** **After August 15th,** the Managing Agent allocates the Planned Weekly Vacations for the Winter/Spring Season as follows:

First Planned Weekly Vacation – Residence Owners are confirmed for a maximum of 7 nights based on their requests and their Reservation Priority Numbers. When demand for certain dates exceed lodging supply, the Residence Owner with the highest Reservation Priority Number for the First Planned Weekly Vacation for the Winter/Spring Season, as established by the Rotating Priority System depicted on Exhibit A attached hereto (and, if demand within such priority exceeds supply, the highest Group Designation, based, on Internal Group Rotation), will be confirmed.

Second Planned Weekly Vacation – After the First Planned Weekly Vacations are confirmed for Residence Owners, reservations are confirmed for up to 7 additional nights. When demand for certain dates exceeds lodging supply, the Residence Owner with the highest Reservation Priority Number for the Second Planned Weekly Vacation for the Winter/Spring Season, as established by Rotating Priority System depicted on Exhibit A attached hereto (and, if demand within such priority exceed supply, the highest Group Designation, based, on Internal Group Rotation), will be confirmed.

c. **Written Confirmation.** After **September 1st**, The Managing Agent sends written confirmation of the Planned Weekly Vacations for the Winter/Spring Season to each Residence Owner, along with a Planned Short Stay Vacation Reservation Form for the first and second Planned Short Stay Vacations of the Winter/Spring Season. Additionally, a reservation calendar will be sent indicating which dates have been reserved by Residence Owners and which are available for Planned Short Stay Vacation reservations.

2. Winter/ Spring Season Planned Short Stay Vacations:

a. **Reservation Forms.** On or before **October 1st** of each year Residence Owners must return the completed Planned Short Stay Vacation Reservation Forms for the Winter/Spring Season (received with such Owner's Planned Weekly Vacation confirmation for the Winter/Spring Season, or upon request of a Residence Owner made after such confirmations have been sent) to the Managing Agent. It is the Residence Owner's responsibility to complete and return the Planned Short Stay Vacation Reservation Forms by October 1st to preserve priority for the upcoming Winter/Spring Season. Planned Short Stay Vacation Reservation Forms received after October 1st will be considered on a first-come, first-serve basis after all Planned Short Stay Vacation Reservation Forms received in a timely manner have been processed.

b. **Priority Assignment of Short Stays.** After **October 15th**, the Managing Agent allocates the Planned Short Stay Vacations for the Winter/Spring Season as follows:

First Planned Short Stay Vacation – Residence Owners are confirmed for a maximum of 3 or 4 nights, as applicable, based on their requests and their Reservation Priority Numbers. When demand for certain dates exceeds lodging supply, the Residence Owner with the highest Reservation Priority Number for the First Planned Short Stay Vacation for

the Winter/Spring Season, as established by the Rotating Priority System depicted on Exhibit A attached hereto (and, if demand within such priority exceeds supply, the highest Group Designation, based on Internal Group Rotation), will be confirmed.

Second Planned Short Stay Vacation – After the First Planned Short Stay Vacations are confirmed for Residence Owners, reservations are confirmed for up to 3 or 4 additional nights, as applicable. When demands for certain dates exceeds lodging supply, the Residence Owner with the highest Reservation Priority Number for the second Planned Short Stay Vacation for the Winter/Spring Season, as established by the Rotating Priority System depicted on Exhibit A attached hereto (and, if demand within such priority exceeds supply, the highest Group Designation, based, on Internal Group Rotation), will be confirmed.

c. **Written Confirmation.** **By November 1st**, The Managing Agent will send written confirmation of each Planned Short Stay Vacation for, the Winter/Spring Season to each Residence Owner that timely submitted a Planned Short Stay Vacation Reservation form.

3. Winter/Spring Season Space Available Vacations: **Starting On November 1st**, Residence Owners may reserve Space Available Vacations at any time during the remainder of the Winter/Spring Season. All Space Available Vacation requests will be processed on a first-come, first-serve basis. The Managing Agent will randomly process Space Available Vacation requests received on the same day via first class mail.

B. Summer/Fall Season:

1. Summer/Fall Season Planned Weekly Vacations:

a. **Reservation Forms.** **On or before January 1st** of each year the Managing Agent will mail to all Residence Owners, a Planned Weekly Vacation Reservation Form, requesting that Residence Owners select First and Second Planned Weekly Vacation dates for the following Summer/Fall Season. The Residence Interest's Group retains the Reservation Priority Number assigned in the previous September, during reservation of Winter/Spring Season Planned Weekly Vacations. **If the Planned Weekly Vacation Reservation Form is not received by the Residence Owner by January 14th, the Residence Owner should immediately notify the TRC@HM's Managing Agent.**

On or before February 1st of each year Residence Owners must return the completed Planned Weekly Vacation Reservation Forms for the Summer/Fall Season to the Managing Agent; It is the Residence Owner's responsibility to complete and return the Planned Weekly Vacation Reservation Form by February 1st to preserve priority rights for the upcoming Summer/Fall Season. Planned Weekly Vacation Reservation Forms after February 1st will be considered on a first come, first-serve basis after Planned Weekly Vacation Reservation Forms received in a timely manner have been processed.

b. **Priority Assignment of Use Weeks.** **After February 15th**, the Managing Agent allocates the Planned Weekly Vacations for the Summer/Fall Season as follows:

First Planned Weekly Vacation – Residence Owners are confirmed for a maximum of 7 nights based on their requests and their Reservation Priority Numbers. When demand for certain dates exceeds lodging supply, the Residence Owner with the highest Reservation Priority Number for the First Planned Weekly Vacation for the Summer/Fall Season, as established by the Rotating Priority System depicted on Exhibit A attached hereto (and, if demand within such priority exceeds supply, the highest Group Designation, based, on Internal Group Rotation), will be confirmed.

Second Planned Weekly Vacation – After the First Planned Weekly Vacation is confirmed for Residence Owners, reservations are confirmed for up to 7 additional nights. When demand for certain dates exceeds lodging supply, the Residence Owner with the highest Reservation Priority Number for the Second Planned Weekly Vacation for the Summer/Fall Season, as established by the Rotating Priority System depicted on Exhibit A attached hereto (and if demand within such priority exceeds supply, the highest Group Designation, based, on Internal Group Rotation), will be confirmed.

c. **Written Confirmation.** **After March 1st**, the Managing Agent sends written confirmation of the Planned Weekly Vacations for the Summer/Fall Season to each Residence Owner, along with a Planned Short Stay Vacation Reservation Form for the first and second Planned Short Stay Vacations of the Summer/Fall Season. Additionally, a reservation calendar will be sent indicating which dates have been reserved by which Residence Owners and which periods are available for Planned Short Stay Vacation reservations.

2. Summer/Fall Season Planned Short Stay Vacations:

a. **Reservation Forms.** **On or before April 1st** of each year Residence Owners must return the completed Planned Short Stay Vacation Reservation Forms for the Summer/Fall Season (received with such Owner's Planned Weekly Vacation confirmation for the Summer/Fall Season, or upon request of a Residence Owner made after such confirmations have been sent) to the Managing Agent. It is the Residence Owner's responsibility to complete and return the Planned Short Stay Vacation Reservation Form by April 1st to preserve priority rights for the upcoming Summer/Fall Season. Planned Short Stay Vacation Reservation Forms received after April 1st will be considered on a first-come, first-serve basis after all Planned Short Stay Reservation Vacation Forms received for the Summer/Fall Season in a timely manner have been processed.

b. **Priority Assignment of Short Stays.** **After April 15th**, the Managing Agent allocates the Planned Short Stay Vacations for the Summer/Fall Season as follows:

First Planned Short Stay Vacation – Residence Owners are confirmed for a maximum of 3 or 4 nights, as applicable, based on their requests and their Reservation Priority Numbers. When demand for certain dates exceeds lodging supply, the Residence Owner with the highest Reservation Priority Number for the First Planned Short Stay Vacation for the Summer/Fall Season, as established by the Rotating Priority System depicted on Exhibit A attached hereto (and, if demand within such priority exceeds supply, the highest Group Designation, based on Internal Group Rotation), will be confirmed.

Second Planned Short Stay Vacation – After the First Planned Short Stay Vacations are confirmed for Residence Owners, reservations are confirmed for up to 3 or 4 additional nights, as applicable. When demand for certain dates exceeds lodging supply, the Residence Owner with the highest Reservation Priority Number for the Second Planned Short Stay Vacation for the Summer/Fall Season, as established by the Rotating Priority System depicted on Exhibit A attached hereto (and, if demand within such priority exceeds supply, the highest Group Designation, based on Internal Group Rotation), will be confirmed.

c. Written Confirmation. **By May 1st**, The Management Agent will send written confirmation of each Planned Short Stay Vacation for the Summer/Fall Season to each Residence Owners that timely submitted a Planned Short Stay Vacation Reservation Form.

3. Summer/Fall Season Space Available Vacations: Starting on May 1st, Residence Owners may reserve Space Available Vacations at any time during the remainder of the Summer/Fall Season. All Space Available Vacation requests will be processed on a first-come, first-serve basis. The Managing Agent will randomly process Space Available Vacation requests received on the same day via first class mail.

C. Day Use / Amenities: Residence Owners and Occupants have use of the following amenities and services while staying at a Residence Unit:

1. A swimming pool located within Carey Subdivision. A swimming pool located adjacent to the Hotel McCall is anticipated for completion in July of 2007 for this use, but the Depot Company may designate an alternate pool within Carey Subdivision at a later date for this use. The right of use of the swimming pool is granted pursuant to a Use and Access Agreement between the Residence Association and the Depot Company.

2. Owners currently will have access for two people to exercise facilities through a membership at Rudy's Gym, with quality exercise equipment, yoga classes and aerobic classes, and with a personal trainer available. The membership fees will be paid by the Residence Association, however the cost of a personal trainer is an additional cost to be paid by the user. There currently are no exercise facilities located within Carey Subdivision.

3. Owners currently have use of the Hotel McCall lobby, and check-in and concierge services are available to them. Concierge services will include

assistance with registration, pre-arrival shopping and event and activity planning. The location of this service may be moved to an alternate location within Carey Subdivision. The right use of the lobby is granted pursuant to a Use and Access Agreement between the Residence Association and the Depot Company.

4. Golf privileges are given to Owners at Jug Mountain Ranch Golf Course, such as tee time reservations when vacations are booked, priority tee times blocked, reduced green's fees and free driving range tokens. These preferences will change periodically and are not guaranteed.

5. Two restaurants will offer privileges for Owners and other Occupants. The restaurants are Rupert's, located within The Hotel McCall, which will offer priority reservation and charging privileges; and, the Jug Mountain Ranch Club House, which will offer priority reservation privileges. These preferences will change periodically and are not guaranteed.

6. Long Term Personal Storage of clothing and equipment. The Association will adopt guidelines for the size and type of personal storage items. No toxic or flammable items are allowed, and as otherwise specified at Section VI(A) and VI(D)(6). A Long Term Personal Storage location is granted pursuant to a Use and Access Agreement between the Residence Association and the Depot Company.

Additional amenities may be added for use by Residence Owners and their Guests and Occupants. Use of any amenities in the Carey Subdivision Project are subject to such Rules and Regulations as may be promulgated by the Declarant or the Carey Subdivision Property Owners' Association ("Carey Subdivision Association"). Guests must be accompanied by a Residence Owner when using the Amenities, and such use may be subject to availability. Residence Owners and Guests may be charged a Use Fee for usage of the Amenities.

D. Miscellaneous:

1. Reservation Request: Except as otherwise provided herein, all written Reservation Forms and requests shall be sent to the Managing Agent via first-class mail or by facsimile transmission at the following address, or at such other address as the Managing Agent designates from time to time by written notice to all Residence Owners:

The Residence Club At Hotel McCall
1101 North Third
McCall, Idaho 83638
Attn: Reservations, TRC@HM
Phone (208) 634-8105

Space Available Vacation request may be made via telephone call to the Managing Agent, or sent to the Managing Agent via first class mail, e-mail or facsimile transmission.

2. Cancellation/Failure to Cancel or Use: If a Residence Owner wishes to cancel a Planned Weekly or Planned Short Stay Vacation, but retain the usage rights associated with the canceled Planned Weekly or Planned Short Stay Vacation, a written request for cancellation must be received by the Managing Agent, at least 14 days prior to the Residence Owner's scheduled arrival at the TRC@HM. If the notice of cancellation is

not received in writing at least 14 days prior to the scheduled arrival, the Managing Agent will deem all the Planned Weekly or Planned Short Stay Vacation time for which proper notification was not received to have been used. There is no guarantee that a canceling Residence Owner will be able to secure another reservation in that same Residence Ownership Year, unless another Residence Owner is deemed to have used the entire Use Period for which the reservation was made, or another Residence Owner reserves that Use Period after notice of cancellation was received, in which case the canceling Residence Owner is entitled to request the reservation of another Use Period in the same Residence Ownership Year on a space-available basis. If a Residence Owner fails to check in at the TRC@HM for Space Available Vacation, without giving notice to the TRC@HM's Managing Agent at least 10 days prior to such Residence Owner's scheduled check in, the Residence Owner must pay a cancellation fee in the amount of \$175, which fee may be changed by the Board from time to time.

3. No Carry Forward of Use Rights: If, for whatever reason, a Residence Owner, members of his or her family, his or her guests, tenants, licensees or invitees do not use all of the Use Periods that such Residence Owner is entitled to reserve or use in a particular Residence Ownership Year, the unused time cannot be accumulated and carried forward for future use at the TRC@HM, and such Residence Owner shall remain responsible for complying with all of the provisions of the TRC@HM Documents, including but not limited to the payment of all Assessments and other amounts levied by the Carey Subdivision Association or the Residence Association against his or her Residence Interest.

III. TRANSFER, LEASE AND INTERNAL EXCHANGE:

A. Transfers: All transfers of Residence Units and Residence Interests within the TRC@HM shall be governed by the terms, conditions and restrictions contained in the TRC@HM Supplement and the Master Declaration for Carey Subdivision. Immediately upon any transfer of a Residence Unit or Residence Interest as permitted by the TRC@HM Supplement, a Residence Owner shall give written notice thereof, by registered or certified mail, to the Managing Agent. The written notice shall state the name and address of the transferee and shall be accompanied by a Real Estate Transfer Assessment payable to the Carey Subdivision Association. Said notice shall also be accompanied by a true and correct copy of the applicable recorded deed or other instrument of transfer, pursuant to which title is vested in the new Residence Owner. Upon any transfer, whether by foreclosure or otherwise, the transferee must pay or cause the seller to pay any delinquent Basic Assessments and late penalties.

B. Rental: Any lease of a Residence Unit (including a Residence Unit, the use and occupancy of which has been reserved by a Residence Owner for one (1) or more Use Period(s)) shall contain a covenant to the effect that the lessee shall comply with all Rules, Regulations, and Procedures then in effect for the TRC@HM. The Managing Agent shall not be responsible for, but shall have the option to participate in, the rental of any Planned Weekly or Planned Short Stay Vacations on behalf of a Residence Owner at the request of the Residence Owner. The Managing Agent may also rent Residences to non-Residence Owners, on a space available basis for the benefit of the Residence Association.

C. Internal Exchanging of Planned Weekly Vacations: Residence Owners may exchange their confirmed Planned Weekly or Planned Short Stay Vacations with other Residence

Owners. Residence Owners will be provided a reservations calendar after Planned Short Stay Vacations have been confirmed Winter/Spring and Summer/Fall Seasons, respectively. Exchanges can be arranged directly between Residence Owners or through the Managing Agent. Written notice of an exchange must be provided to the Managing Agent at least 14 days prior to the arrival date of the Residence Owner using the earliest Planned Weekly or Planned Short Stay Vacation involved in the exchange. The TRC@HM management encourages and will make all reasonable efforts to facilitate such exchanges between Residence Owners. Such facilitation may include, without limitation, an Internet website for the exclusive use of Residence Owners seeking such exchanges.

IV. PAYMENT OF BASIC ASSESSMENT AND OTHER FEES.

A. Basic Assessment: Basic Assessments shall be assessed and paid in accordance with the TRC@HM Supplement. Payment of Basic Assessments will be due in four quarterly installments each year, however the Board has the discretion to modify the payment due dates. The Residence Association shall bill each Residence Owner quarterly, and shall (if necessary) provide an estimate of any Basic Assessment that will be due prior to the commencement of a Residence Owner's Planned Weekly, Planned Short Stay, or Space Available Vacation, at the time that a reservation request is made for such vacation in accordance with Part II, above. A Residence Owner's failure to receive a bill shall not excuse payment of an installment. See Article 7 of TRC@HM Supplement with regard to delinquencies in payment.

B. Delinquencies: The Residence Association will not allow a Residence Owner to make a reservation or to occupy a Residence Unit if the Residence Owner is delinquent on his or her payment of Assessments, in accordance with Section 7.2 of the TRC@HM Supplement.

C. Personal Charges: In addition to Basic Assessment, Residence Owners may be charged fees for additional services provided by the Residence Association at the Residence Owner's request, such as fees for housekeeping services in addition to those routinely provided to Residence Owners (as described in Section V, below), associated with reservation and other services provided in connection with Space Available Vacations, and other incidental charges attributable to the day-day management of the TRC@HM and the reservations system ("Personal Charges"). Unaccompanied Guests may be charged Personal Charges for special services provided by the Residence Association (e.g. provision of notices to Unaccompanied Guests confirming the terms of their stay at the TRC@HM) at rates established by the Residence Association and distributed to Residence Owners each year, along with such Owners' Planned Weekly Vacation Reservation Forms.

V. OCCUPANCY OF RESIDENCES.

A. Check-In and Check-Out Time: Check-in time shall be 4:00 p.m. ("Check-In Time") Fridays, on the first day of any Use Week, or 4:00p.m.on the first day of any Short Stay. All Residence Owners and Occupants shall vacate and remove all personal belongings from their Residences no later than 11:00 a.m. (Check-Out Time") on the last day of their reserved Use Periods. The five (5) hour period between Check-Out Time and Check-In Time is to permit the routine cleaning and maintenance of Residences by the Residence Association. However, a Residence Owner or Occupant who has reserved or is otherwise entitled to consecutive Use Periods in the same Residence Unit shall not be required to vacate his or her Residence Unit during the period of time between such check-out and check-in times.

B. Failure to Vacate: If a Residence Owner or Occupant fails to vacate his or her Residence Unit at the prescribed time, the Managing Agent shall take such prompt action as may be necessary to remove such Residence Owner or Occupant, together with the personal belongings thereof, from the Residence Unit wrongfully occupied. In addition, such Residence Owner will be responsible for whatever costs and expenses are incurred by the Managing Agent or the Residence Association in connection with such wrongful occupancy as described in the TRC@HM Supplement. Except for belongings left in the TRC@HM's long term clothing and equipment storage facilities, neither the Residence Association, the Board of Directors, nor the Managing Agent shall be liable or responsible in any manner whatsoever for the value of any personal effects left in a Residence Unit or elsewhere in or about the Carey Subdivision Project at the end of a reserved Use Period. All such personal effects shall be considered abandoned and may be sold or otherwise disposed of by the Managing Agent.

C. Housekeeping Service: In general, full housekeeping services will be provided to ensure that each Residence Unit is clean and neat at the start of a Residence Owner's or Occupant's reserve Use Period. During a full Use Week, the Residence Association will provide a routine mid-week "touch-up," ensuring that the Residence Unit remains neat and tidy by removing trash, and providing fresh towels. Under ordinary circumstances, there is no separate charge for housekeeping services for Residence Owners who reserve a Short Stay of three (3) or four (4) consecutive nights, as applicable, or a Use Week of seven (7) consecutive nights. However, if a Residence Owner or Occupant desires additional housekeeping services, or causes additional cleaning or housekeeping services to be required over and above that which would ordinarily be provided, then such Residence Owner or Occupant may be charged a Use Fee for such additional services. The Residence Association may also charge Personal Charges for housekeeping services provided in connection with Space Available Vacations.

D. Guests and Tenants: Members may rent their Planned Weekly Vacation or Planned Short Stay Vacation time under terms and conditions approved by the Board of Directors. Additionally, for Residence Units which contain a lock-off, Members may choose to occupy one side of the Residence Unit, and rent the other side. Members may not rent Space Available Reservations, and may not rent to a number of guests in excess of the Sleeping Capacity for such Residence Unit. Each Residence Owner is responsible for the conduct of all Occupants of such Residence Owner's Residence Unit, and for all financial obligations incurred by such persons at the Carey Subdivision Project. Each Residence Owner should notify the Managing Agent in writing of the arrival and departure dates for any Unaccompanied Guests. Upon check-in at the TRC@HM, such Unaccompanied Guests shall present identification in a form acceptable to the Managing Agent, together with written authorization to enter and use such Residence Owner's Residence Unit for the Use Period (s) in question. The Managing Agent, in its discretion, may decline access to such Residence Unit in the event such identification is not provided.

E. Keys: Each Residence Owner and Occupant shall return to the Managing Agent upon check-out all key cards to his or her Residence Unit. Residence Owners and Occupants shall be responsible for all lost key cards. No Residence Owner or Occupant shall alter any lock or install a new lock on the door of any Residence Unit or Common Area within the Carey Subdivision Project.

F. Emergencies: In case of an emergency originating in or threatening the condition of any Residence Unit, or Residence Furnishings, or the health or safety of any person, the Board

of Directors, through an authorized representative thereof, including but not limited to the Managing Agent, shall have the right to enter any Residence Unit for the purpose of remedying or abating such emergency. In order to facilitate such right of entry, the Board of Directors and the Managing Agent may retain a pass key to each Residence Unit within the TRC@HM.

VI. GENERAL USE RESTRICTIONS.

A. Personal Property: Except in areas that may be designated for such purpose by the Board of Directors or the Managing Agent (such as the TRC@HM's long term clothing and the equipment storage facility) the personal property of all Residence Owners and Occupants shall be stored within their Residences during their stay. The Managing Agent shall not be responsible for any belongings left by a Residence Owner or Occupant in an undesignated location.

B. Obstruction of Common Areas: There shall be no obstruction of, nor shall anything be stored in, the Common Areas without the prior written consent of the Board of Directors or the Managing Agent. The Common Areas shall be kept free and clear of refuse, debris and other unsightly material. No fire exits shall be obstructed.

C. Exterior Surfaces of Buildings: Except as otherwise may be expressly set forth in the TRC@HM Supplement, no signs, 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 Residences or from, to or upon any of the Common Areas without the prior written consent of the Board of Directors or the Managing Agent. The exterior of the Residences and the Common Areas shall not be painted, decorated or any manner modified without the prior written consent of the Board of Directors or the Managing Agent, which consent may be withheld on purely aesthetic grounds, in the Board of Directors' or the Managing Agent's sole discretion; provided, however, that the Declarant under the TRC@HM Supplement shall have such rights with respect thereto as are granted by the TRC@HM Supplement.

D. Prohibited Activities:

1. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, shall be conducted, maintained or permitted within the TRC@HM, other than those conducted by Declarant, the Carey Subdivision Association or the Residence Association, or otherwise expressly permitted by the TRC@HM Documents, as the same may be amended from time to time. Absolutely no solicitation shall be permitted at the TRC@HM, unless specifically authorized in writing by the Residence Association or the Managing Agent, except for solicitation by Declarant or Grantor. Notwithstanding the foregoing nothing in this paragraph shall be construed to prohibit home office use of a Residence Unit during a Planned Weekly, Planned Short Stay, or Space Available Vacation.

2. No Residence Owner or Occupant shall direct, supervise or in any manner attempt to assert control over the employees or other agents of the Managing Agent or the Residence Association.

3. No Residence Owner or Occupant shall make or permit any disturbing noises or offensive odors, nor do or permit anything that will interfere with the rights, comfort or convenience of the other Residence Owners and Occupants. No Residence

Owner 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 amplifiers in his or her Residence Unit in such manner as to disturb or annoy other Residence Owners or Occupants. The Board of Directors shall have the right to abate all nuisances in or about the Carey Subdivision Project.

4. No radio, television installation or other wiring shall be made without the prior written consent of the Board of Directors or the Managing Agent.

5. No barbeque grills of any type may be used.

6. No flammable, combustible, explosive or otherwise dangerous fluid, chemical or other substances shall be kept in any Residence Unit or in Long Term Personal Storage, except such as are required for normal household use.

7. Water shall not be left running for any unreasonable length of time.

E. Disposal of Refuse: Refuse and baggage garbage shall be deposited only in such areas as are expressly provided therefore.

F. Conduct of Occupants: Residence Owners and Occupants shall be responsible for the conduct of members of their families, their guests, tenants, invitees and licensees. Residence Owners and Occupants shall ensure that such persons' behavior is neither offensive to any Residence Owner or Occupant nor damaging to any Residence Unit or portion of the Common Areas or Residence Furnishings.

G. Complaints; Violations: Complaints regarding the operation and maintenance of the TRC@HM and violations of these Rules, Regulations, and Procedures should be made or reported, in writing, to the Managing Agent or Board of Directors.

H. Pets: Except as otherwise stated in this paragraph, no pets or animals of any kind, other than properly licensed and certified service animals for disabled persons, may be kept in any Residence Unit.

I. No Smoking: No Smoking is permitted in the Residence Unit or the Common Areas and recreational facilities.

J. Parking: Parking is permitted during Use Periods only in designated areas within the Carey Subdivision Project. There are limited parking spaces available for trailers and recreational vehicles. Best efforts will be made to accommodate such parking, however it is advisable to contact the concierge prior to your stay with such a request.

K. Recreational Facilities / Amenities: Rules governing the use of any recreational facilities at the Carey Subdivision Project may be adopted by the Carey Subdivision Association. In general, children under twelve (12) years of age shall not be permitted in any swimming pool unless accompanied and supervised by a responsible adult. Pool hours and rules are subject to change at the discretion of the Declarant or the Carey Subdivision Association.

VII. INSPECTION OF ASSOCIATION RECORDS.

All records maintained by the Residence Association or the Managing Agent are available for examination and copying by a Residence Owner or by his or her duly authorized attorneys, at the expense of the Residence Owner requesting such examination or copies, during normal business hours. Any Residence Owner who seeks to inspect and copy any of the

Residence Association's books or records, whether pursuant to the provisions of the Residence Association's Bylaws or any applicable provision of law, shall make such request in writing to the Managing Agent at least five (5) business days prior to the date on which such inspections is sought. Personal inspection of the Residence Association's books and records can be arranged by appointment with the Managing Agent during the Managing Agent's regular business hours.

VIII. MISCELLANEOUS.

A. Additional Rules, Regulations, and Procedures; Amendments: The Board of Directors reserve the right to promulgate from time to time such additional rules, regulations, or procedures, or to amend these rules Regulations, and Procedures, as may be deemed necessary or desirable, in the Board of Directors' sole discretion, without the consent of the Residence Association or its members.

B. Attorneys' Fees: The Residence Association shall be entitled to recover reasonable attorneys' fees and other costs incurred in the event it prevails in any legal action or proceeding brought against an Residence Owner or Occupant to enforce these Rules, Regulations, and Procedures.

C. Superseding Rules: These Rules, Regulations, and Procedures supersede all prior Rules, Regulations, and Procedures of the TRC@HM in full and shall remain in force until superseded by revised Rules, Regulations, and Procedures promulgated by the Residence Association.

EXHIBIT A
RESERVATION PRIORITY SYSTEM EXAMPLE.
RESIDENCE POOL #1. GROUP "A". FIRST FOUR YEARS.

| YEAR ONE | | | | | | | | | |
|----------|--------------------------|-------------|-------------|------------------|-------------------|---------------|-------------|------------------|-------------------|
| Group** | Reservation Priority No. | Summer/Fall | | | | Winter/Spring | | | |
| | | First Week | Second Week | First Short Stay | Second Short Stay | First Week | Second Week | First Short Stay | Second Short Stay |
| A | 1 | A | H | A | H | H | A | H | A |
| B | 2 | B | G | B | G | G | B | G | B |
| C | 3 | C | F | C | F | F | C | F | C |
| D | 4 | D | E | D | E | E | D | E | D |
| E | 5 | E | D | E | D | D | E | D | E |
| F | 6 | F | C | F | C | C | F | C | F |
| G | 7 | G | B | G | B | B | G | B | G |
| H | 8 | H | A | H | A | A | H | A | H |

| YEAR TWO | | | | | | | | | |
|----------|--------------------------|-------------|-------------|------------------|-------------------|---------------|-------------|------------------|-------------------|
| Group** | Reservation Priority No. | Summer/Fall | | | | Winter/Spring | | | |
| | | First Week | Second Week | First Short Stay | Second Short Stay | First Week | Second Week | First Short Stay | Second Short Stay |
| B | 1 | B | A | B | A | A | B | A | B |
| C | 2 | C | H | C | H | H | C | H | C |
| D | 3 | D | G | D | G | G | D | G | D |
| E | 4 | E | F | E | F | F | E | F | E |
| F | 5 | F | E | F | E | E | F | E | F |
| G | 6 | G | D | G | D | D | G | D | G |
| H | 7 | H | C | H | C | C | H | C | H |
| A | 8 | A | B | A | B | B | A | B | A |

| YEAR THREE | | | | | | | | | |
|------------|--------------------------|-------------|-------------|------------------|-------------------|---------------|-------------|------------------|-------------------|
| Group** | Reservation Priority No. | Summer/Fall | | | | Winter/Spring | | | |
| | | First Week | Second Week | First Short Stay | Second Short Stay | First Week | Second Week | First Short Stay | Second Short Stay |
| C | 1 | C | B | C | B | B | C | B | C |
| D | 2 | D | A | D | A | A | D | A | D |
| E | 3 | E | H | E | H | H | E | H | E |
| F | 4 | F | G | F | G | G | F | G | F |
| G | 5 | G | F | G | F | F | G | F | G |
| H | 6 | H | E | H | E | E | H | E | H |
| A | 7 | A | D | A | D | D | A | D | A |
| B | 8 | B | C | B | C | C | B | C | B |

| YEAR FOUR | | | | | | | | | |
|-----------|--------------------------|-------------|-------------|------------------|-------------------|---------------|-------------|------------------|-------------------|
| Group** | Reservation Priority No. | Summer/Fall | | | | Winter/Spring | | | |
| | | First Week | Second Week | First Short Stay | Second Short Stay | First Week | Second Week | First Short Stay | Second Short Stay |
| D | 1 | D | C | D | C | C | D | C | D |
| E | 2 | E | B | E | B | B | E | B | E |
| F | 3 | F | A | F | A | A | F | A | F |
| G | 4 | G | H | G | H | H | G | H | G |
| H | 5 | H | G | H | G | G | H | G | H |
| A | 6 | A | F | A | F | F | A | F | A |
| B | 7 | B | E | B | E | E | B | E | B |
| C | 8 | C | D | C | D | D | C | D | C |

**The number of Group Designations within each Residence Pool may increase from time to time, depending upon the number of Residences available for occupancy in a given Residence Pool. This will affect only Internal Group Rotation, and does not change the Rotating Priority System shown on this chart.

**EXHIBIT B
KEY DATES**

| | Winter/Spring Season | Summer/Fall Season |
|--|----------------------|--------------------|
| Planned Weekly Vacation Reservation Forms mailed | July 1 | January 1 |
| Planned Weekly Vacation Requests returned | August 1 | February 1 |
| Planned Weekly Vacation weeks confirmed | September 1 | March 1 |
| Planned Short Stay Vacation Reservation Forms mailed | September 1 | March 1 |
| Planned Short Stay Vacation requests returned | October 1 | April 1 |
| Planned Short Stay Vacation requests confirmed | November 1 | May 1 |
| Space Available requests can be made | November 1 | May 1 |

WINTER/SPRING VACATION TIMELINE:

| August | September | October | November | December | January | February | March | April | May |
|---|---|--|---|---|---------|----------|-------|-------|-----|
| Aug 1 | Sept 1 | Oct 1 | Nov 1 | WINTER/SPRING VACATION PERIOD: | | | | | |
| Planned Weekly Vacation requests returned | Weekly Vacations confirmed; Planned Short Stay Reservation Forms mailed | Planned Short Stay Vacations Requests returned | Planned Short Stay Vacations confirmed | Late November to Late May (Beginning with the last Friday before Thanksgiving in any calendar year and ending on the last Thursday before Memorial Day of the next year.) | | | | | |
| | | | Nov 1 Space Available requests can be made | | | | | | |

SUMMER/FALL VACATION TIMELINE:

| February | March | April | May | June | July | August | September | October | November |
|---|---|--|---|---|------|--------|-----------|---------|----------|
| Feb 1 | March 1 | April 1 | May 1 | SUMMER/FALL VACATION PERIOD: | | | | | |
| Planned Weekly Vacation requests returned | Weekly Vacations confirmed; Planned Short Stay Reservation Forms mailed | Planned Short Stay Vacations Requests returned | Planned Short Stay Vacations confirmed | Late May to Late November (Beginning with the last Friday before Memorial Day in any calendar year and ending on the last Thursday before Thanksgiving of the same year.) | | | | | |
| | | | May 1 Space Available requests can be made | | | | | | |