

**GRAND TIMBER LODGE
BRECKENRIDGE, COLORADO**

COLORADO DISCLOSURE DOCUMENT

**THE STATE OF COLORADO HAS NOT PREPARED OR
ISSUED THIS DOCUMENT NOR HAS IT PASSED ON
THE MERITS OF THE SUBDIVISION DESCRIBED HEREIN**

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The following disclosures are provided to you in connection with the purchase of property from Gold Point Lodging and Realty, Inc., a Colorado corporation (the "Developer").

**1. NAME AND ADDRESS OF THE DEVELOPER AND OF THE SUBDIVISION LOTS OR UNITS.
Rule 2.7 (A).**

Name and address of the Developer:

Gold Point Lodging and Realty, Inc., a Colorado corporation dba Grand Timber Development Company
100 S. Main Street
Breckenridge, CO 80424

Name and address of Subdivision:

Grand Timber Lodge
75 Snowflake Drive
Breckenridge, Summit County, Colorado
(Referred to herein as, the "Resort")

**2. AN EXPLANATION OF THE TYPE OF OWNERSHIP OR OCCUPANCY RIGHTS BEING
OFFERED. Rule 2.7 (B).**

Purchasers will acquire an undivided 1/52nd fee ownership interest with use restricted to one week per such interest (referred to as a "Vacation Estate" or "Vacation Week") in a specific condominium unit, which will be one of 159 units located within eight buildings that the Developer has constructed at the base of Peak 9 of the Breckenridge Ski Area. Any of those units dedicated by the Developer to timeshare use is called a "Vacation Unit," and the Vacation Units will be part of the larger, existing condominium project (the "Condominium Development") that includes the Vacation Units, residential and commercial units, more particularly set forth in the Condominium Declaration and Plan of Vacation Ownership for Grand Timber Lodge (the "Declaration") which the Developer has recorded in the real property records of Summit County, Colorado.

An alternating Vacation Estate will also be offered in some or all of the Vacation Units. An alternating Vacation Estate is basically an every other year use of one such one week use. The "E" distinction in a legal description indicates the use of all even numbered years and the "O" distinction indicates use of the odd numbered

years. For the definition of alternating Vacation Estates see the Declaration. The length of interest being offered is a Seven Consecutive Day period beginning 4:00 p.m. Friday, Saturday or Sunday until 10:00 a.m. the following Friday, Saturday or Sunday. The time share periods or use of property is defined in Article 22 of the Declaration and basically says that Vacation Week 1 is the 7 consecutive days commencing on the first Saturday or Sunday of each calendar year. Vacation Week 2 is the seven day period next succeeding in each such year and so forth up to Vacation Week 52.

The undivided interests in fee simple of the particular condominium units being offered are "interval estates" as that term is defined in Colorado Revised Statutes ("C.R.S.") 38-33-110(1)(a). Time-span estate means a combination of the following two elements:

(a) An estate for years terminating on a date certain, during which years title to a time share unit circulates among the interval owners in accordance with a fixed schedule, vesting in each such interval owner in turn for a period of time established by the said schedule, with the series thus established recurring annually until the arrival of the date certain; and

(b) A vested future interest in the same unit, consisting of an undivided interest in the remainder in fee simple, the magnitude of the future interest having been established by the time of the creation of the interval estate either by the project instruments or by the deed conveying the interval estate. The estate for years shall not be deemed to merge with the future interest, but neither the estate for years nor the future interest shall be conveyed or encumbered separately from the other.

According to Article 22 of the Declaration, the Vacation Estate that Purchaser is purchasing will terminate on the first Friday of the year 2080. This means that on such date in 2080, the Purchaser or the Purchaser's successors or heirs will own an undivided interest in the condominium unit that the Purchaser is purchasing along with the other owners of the Vacation Unit as tenants in common. In the alternative, prior to the termination date the Purchaser, along with the other owners of the condominium unit, may decide to renew the Vacation Estates for a new period of time. The reason that the Vacation Estate must terminate on a certain date is because by definition Colorado Revised Statutes ("C.R.S.") 38-33-110(1)(a) requires a certain termination date. In any event, after termination Purchaser, its successors or heirs, will still own a 1/52nd interest as a tenant in common for each week that the Purchaser owns in the Vacation Unit.

Grand Timber Lodge Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), will administer the operation and maintenance of the Resort and Condominium Development in accordance with the Association Articles of Incorporation, Association Bylaws and Association Rules and Regulations ("Association Rules and Regulations"). "Grand Timber Lodge Club" (the "Club") is a service name given to the variety of reservation, use and other rights and services and other benefits made available to eligible Vacation Owners by Peak Resorts Management, LLC, a Colorado limited liability company, d/b/a Breckenridge Grand Vacations ("Manager"), an affiliate of Declarant, in accordance with Grand Timber Lodge Club Membership Plan and Rules and Regulations, as established and modified by the Manager from time to time (the "Club Rules").

Purchasers should refer to the Association Rules and Regulations and the Club Rules for further information regarding the Club, Club membership and available membership benefits.

3. DISCLOSURE REGARDING AMENITIES AND ACCOMMODATIONS, TOGETHER WITH PROVISIONS FOR AND AVAILABILITY OF LEGAL ACCESS, ROADS, SEWAGE DISPOSAL, PUBLIC UTILITIES, INCLUDING WATER, ELECTRICITY, GAS, TELEPHONE AND OTHER PROMISED FACILITIES IN THE SUBDIVISION, AND WHETHER THESE ARE TO BE AN EXPENSE OF THE DEVELOPER, THE PURCHASER OR A THIRD PARTY. Rule 2.7 (C).

The 157 Vacation Units are located within eight buildings and are comprised of one, two and four-bedroom units, which may also be configured as two, three or four-bedroom Vacation Units. Some Vacation Units may be arranged to allow individual bedrooms to be locked-off with access from common corridors.

On-site amenities and recreational facilities consist of:

- Two ski-in/ski-out trails to lifts
- Two swimming pools (approximately 900 and 1,554 square feet, respectively).
- Indoor kids pool (approximately 110 square feet).
- Two indoor hot tubs (approximately 50 and 240 square feet, respectively).
- Four outdoor hot tubs (approximately 110, 130, 140 and 150 square feet, respectively).
- One sauna
- One steam room
- Water feature playground
- Standard playground
- Refresh Spa (featuring four treatment rooms)
- Lodgepole Bar & Grill
- Athletic facility with aerobic machines and weights
- Exercise mezzanine with yoga, Pilates and spinning classes
- Video arcade
- Lodgepole General Store
- Ski concierge with ski rentals, tuning and storage
- Board room
- Business center
- Great room with couches and chairs, big screen television and billiards table
- Two courtyards
- Barbeque area.
- Day use locker rooms
- Day use lunch room

Future service levels and amenities will be funded through the annual homeowners' dues and will be determined by the Association. Under the terms of the Declaration, the Association and Managing Agent reserve the right to create, revise, amend and remove restrictions, prohibitions, rules and regulations regarding the use by the Vacation Owners, renters, exchange program participants and guests of the Condominium Development or any amenities, including clubs, spas or other services.

In addition to the above described amenities, the Condominium Development currently includes 6 commercial condominium units. These units include spaces to be operated as a sundries shop, a restaurant and bar open to the general public, a lobby bar and lounge area, a day spa open to the general public, a locker room/first aid unit, front desk, concierge desk, sales center, sales kiosk areas and management offices and other retail operations. The uses of the commercial units are subject to change at the discretion of the owners of those units, but subject to certain use restrictions set forth in the restrictive covenants governing the Condominium Development.

The Vacation Units are constructed and legally established as condominium units in accordance with all requirements for land use approvals under the laws of the State of Colorado, and the regulations of Summit County and the Town of Breckenridge. Legal access to the Condominium Development is available by means of Snowflake Drive, and from Snowflake Drive access to the Vacation Units is available by virtue of an easement with adjacent Lot2A and the right of the Vacation Owners to use the General Common Elements, the Limited Common Elements, as provided in the Condominium Declaration and by easement granted on the recorded plat. All utilities and services including water, sanitary sewer, electricity, natural gas, telephone and cable television will be installed and available to each Vacation Unit before the deed to any Vacation Estate in the Vacation Unit is delivered to any purchaser. The Developer will pay all tap fees for utilities. There will be no further expense to purchasers of Vacation Units to bring utilities to the Condominium Development or to any of the individual Vacation Units. Purchasers will pay utility usage charges through assessment charges by the Association.

The following list describes the type of service provided and the name of the respective provider of such service. No service contracts have been signed at this time. Those services marked with an asterisk (*) are subject to change:

<u>Service</u>	<u>Service Provider</u>
Cable *	Direct TV
Natural Gas	Xcel Energy of Colorado
Electricity	Xcel Energy of Colorado
Telephone *	CenturyLink via Association PBX system
Water	Town of Breckenridge
Sanitary Sewer	Upper Blue Sanitation District
Solid Waste Disposal *	Waste Management of Colorado
Fire Protection	Red White and Blue Metropolitan District
Police Protection	Town of Breckenridge
Snow Removal	Association

4. A GENERAL DESCRIPTION OF ALL JUDGMENTS AND ADMINISTRATIVE ORDERS ISSUED AGAINST THE SELLER, DEVELOPER, HOMEOWNERS' ASSOCIATION OR MANAGING ENTITY, WHICH ARE MATERIAL TO THE SUBDIVISION PLAN. Rule 2.7 (E).

None.

5. ANY TAXES OR SPECIAL ASSESSMENTS, EXISTING OR PROPOSED, TO WHICH THE PURCHASER MAY BE SUBJECT OR WHICH ARE UNPAID AT THE TIME OF CONTRACTING, INCLUDING OBLIGATIONS TO SPECIAL TAXING AUTHORITIES OR DISTRICTS. Rule 2.7 (F).

The Vacation Units will be subject to real property and personal property taxes imposed by Summit County and the Town of Breckenridge. In addition, the Condominium Development is included in the following districts, each of which is funded through ad valorem real estate taxes and empowered to levy special assessments against the Vacation Units.

- Red White and Blue Metropolitan District
- Upper Blue Sanitation District
- Middle Park Water Conservancy District
- Summit County Library District
- Health Services District
- Colorado Mountain College District
- Colorado River Conservation District
- Summit School District RE-1

The Association may approve regular and special assessments against the Units and Vacation Units to fund expenses and reserves required to maintain the Condominium Development common areas, all in accordance with the Declaration and the Bylaws of the Association.

Finally, the Town of Breckenridge, Colorado imposes a real estate transfer assessment in connection with all conveyances of real property in Breckenridge, including the Vacation Estates, in the amount of 1.0% of the consideration paid for the property. Each buyer of a Vacation Estate will be charged for this assessment at the closing of the purchase.

To the best of the Developer's knowledge, no special assessments or additional taxes are proposed by the Association, the Town of Breckenridge or Summit County, or except as listed above, taxing districts, special districts or other governmental entity. The Developer will pay the costs of construction of the Vacation Units and amenities, and those costs may not be levied as special assessments against the Vacation Owners or other members of the Association under the terms and limitations of the Declaration.

To the best of the Developer's knowledge, none of the taxing districts has defaulted on any obligation, nor has it filed for bankruptcy protection, nor are such actions pending. Purchasers of Vacation Estates may receive a copy of the most recent audited financial statements of the special districts from the administrative offices for the special districts upon request. No person affiliated with the Developer has direct or indirect control of any of the special districts. Neither the Developer nor any financially interested person affiliated with the Developer has any financial interest in, nor will he or she potentially derive any income or profit from, any of the special districts. No such person has any right to borrow or authorize borrowing from any special district.

The Developer is not in default on payment of any of its obligations to the special districts. To the best of the Developer's knowledge, the Association is not in default in payment of any obligation to the districts for service fees.

6. STATEMENT REGARDING SALES BY BROKERS. Rule 2.7 (G).

Gold Point Lodging and Realty, Inc. is the exclusive listing real estate agent for Developer for the Condominium Development. All sales of Vacation Estates at Grand Timber Lodge in Colorado will be effected by brokers and salesmen licensed by the State of Colorado unless specifically exempted pursuant to C.R.S. 12-61-101(4). Vacation Estates at Grand Timber Lodge are currently offered under an exclusive right to sell listing with Gold Point Lodging and Realty, Inc., Dave Stroeve, Broker, 100 S. Main Street, 2nd Floor, P.O. Box 6879, Breckenridge, Colorado 80424.

7. IF THE SUBDIVISION HAS A HOMEOWNERS OR SIMILAR ASSOCIATION. Rule 2.7 (M).

i. *Whether membership in such association is mandatory.*

All Vacation Owners are mandatory members of the Association. The Association is responsible for the management, administration, and operation of the Condominium Development, including maintenance of all common areas serving the Condominium Development, the maintenance, operation and administration of the vacation ownership regime for the Vacation Units, including reservations and housekeeping; and for the maintenance, repair and replacement as needed of all furniture, fixtures and equipment in the Vacation Units.

The Association has the right to propose special assessments as provided in the Declaration, Articles of Incorporation, Bylaws, rules and regulations and all amendments and supplements thereto, which govern the Association. The Association operates from a budget approved by the Board of Directors of the Association. Budgets are adopted annually by the Association based on the anticipated expenses required for the operation of the Association.

ii. *An estimate of association dues and fees, which are the responsibility respectively of the purchaser and the Developer.*

A copy of the annual budget and estimated assessments for the Association for 2016 and 2017 is attached hereto as Exhibit A. The obligation for payment of assessments due for the year of closing will be determined by agreement between the Developer and the Vacation Estate purchaser at the time a purchase contract is signed. The Developer will be responsible for all assessments, if any, accruing prior to closing, while the purchaser will be responsible for all assessments accruing subsequent to closing. The Developer is obligated to pay assessments for all unsold interests in the same manner as all other owners.

iii. *A description of the services provided by the association.*

The Association is responsible for the operation and administration of the Condominium Development, including the maintenance, repair and administration of all structure and mechanical components of the

Condominium Development generally, as well as all furniture, fixtures and equipment located within each of the Vacation Units. The Association is responsible for all reservation, reception and departure services and systems and the supervision of all housekeeping services for Vacation Units.

iv. *Whether the Developer has voting control of the association and the manner in which such control can or will be transferred.*

The Developer, as the Declarant according to the Declaration, initially possessed a period of control of the Association, which period has now terminated. Please read Article 7, Section 7.5 of the Declaration for a full description of such period of control. As a result of such termination, the Developer no longer has the power to appoint and remove members of the Board and Officers of the Association as permitted by C.R.S. § 38-33.3-303; provided, however, the Developer retains the power to represent its interests as an owner of any Vacation Units or Condominium Units or as otherwise provided in the Declaration. The current members of the Board of Directors are Gerrit Mahsman, Marc Block, Lew Phinney, Jay Keany, Tom Endres, Roger Lemmon and Nicholas Doran.

v. *Whether the Developer has any financial interest or will potentially derive any income or profit from such association, including the Developer's right to borrow or authorize borrowing from the association.*

The Developer has no direct financial interest in the Association, nor will it potentially derive any income or profit from any of those associations. The Developer has no right to borrow or authorize borrowing from the Association.

The Board of Directors of the Association is responsible for collecting and disbursing funds of the Association. The Manager, pursuant to the Management Agreement, will be delegated the authority to hold funds of the Association and to disburse those funds in accordance with the Management Agreement.

However, while Manager, a wholly owned subsidiary of Gold Point Lodging and Realty, Inc., does manage the Association for a profit, it cannot borrow money from the Association in this capacity either. According to the Association Bylaws, only an officer of the Association may sign checks or otherwise disburse funds of the Association, thus, Michael A. Dudick and Nicholas Doran do sign checks on behalf of the Association. Please see the Management Agreement attached as Exhibit B, for further details concerning the management and control of the Association. Developer, in every contract for sale, is obligated to provide you, the purchaser, with the written "statement of assessments" pursuant to C.R.S. §38-33.3-316(8) upon request.

8. TIMESHARE PROJECT. Rule 2.7 (N).

i. *A description of the timeshare units including the number of timeshare units, the length and number of Vacation Estates in each unit, and the timeshare periods constituting the Plan of Vacation Ownership.*

A total of one hundred fifty (150) Vacation Units may be committed to the Plan of Vacation Ownership. The Developer will determine which condominium units are committed to the Plan of Vacation Ownership. All condominium units in which a Vacation Estate has been conveyed shall be committed to the Plan of Vacation Ownership.

The undivided interests in the units will be sold in 1/52nd undivided interests with use restricted to one week per such interest. An alternating Vacation Estate will also be offered in some or all of the units. An alternating Vacation Estate is basically an every other year use of one such one week use. The "E" distinction in a legal description indicates the use of all even numbered years and the "O" distinction indicates use of the odd numbered years. For the definition of alternating Vacation Estates see the Declaration. The length of interest being offered is a Seven Consecutive Day period beginning 4:00 p.m. Friday, Saturday or Sunday until 10:00 a.m. the following Friday, Saturday or Sunday. The time share periods or use of property is defined in Article 22, Section 22.2 of the attached Declaration and basically says that Vacation Week 1 is the 7 consecutive days commencing on the first Saturday or Sunday of each calendar year. Vacation Week 2 is the seven day period next succeeding in each such year and so forth up to Vacation Week 52.

Use of the Vacation Estates will be governed by the Club Rules. **Please see the Club Rules for further information regarding the Club and reservation procedures.**

ii. *The name and business address of the managing entity under the Plan of Vacation Ownership, a description of the services that the managing entity will provide, and a statement as to whether the Developer has any financial interest in or will potentially derive any income or profit from such managing entity, and the manner, if any, by which the purchaser or Developer may change the managing entity or transfer the control of the managing entity.*

The Association is under contract with the Manager, Peak Resorts Management, LLC d/b/a Breckenridge Grand Vacations, a Colorado limited liability company, to provide reservation and management services (the "Management Agreement"). The Manager's office is currently located at 100 South Main Street, Breckenridge, Colorado 80424.

Michael C. Millisor and Michael A. Dudick are involved in full time operation of the Manager's business and supervise its day-to-day activities. The management company is operated for profit. It is therefore expected that Manager will receive a profit in connection with property management services to be provided to the Association. The Manager is a wholly owned subsidiary by Gold Point Lodging and Realty, Inc. Michael Millisor and Michael Dudick are the majority and controlling owners of Gold Point Lodging and Realty, Inc. The initial term of the Management Agreement was 10 years, subject to successive three-year automatic renewal terms and termination for cause by the Association. The current term will automatically renew, unless otherwise terminated, pursuant to the terms of the Management Agreement on April 30, 2018.

iii. *An estimate of the dues, maintenance fees (referred to herein as "homeowners' dues"), real property taxes and similar periodic expenses which are the responsibility respectively of the purchaser and the Developer and a general statement of the conditions under which future changes or additions may be imposed. Such estimate will include a statement as to whether a maintenance reserve fund has been or will be established, the manner in which such reserve fund is financed if not cash funded, an accounting of any outstanding obligations either in favor of or against the fund, the Developer's right to borrow or authorize borrowing from the fund, and the method of periodic accounting which will be provided to the purchaser.*

Estimates of the homeowners' dues, ad valorem property taxes and similar periodic expenses for the Vacation Units are set forth in the budget for 2015 and 2016 attached as Exhibit A and provided to purchasers of Vacation Estates together with this disclosure document. The budget for the Association is modified annually by the Executive Board, subject to any required vote of the members of the Association. Assessments for common expenses are allocated among the Association members based upon the respective assessment percentages allocated to each Vacation Unit, as set forth in the Declaration.

Each Vacation Owner that acquires a Vacation Estate directly from Gold Point Lodging and Realty, Inc., or its authorized agent, is automatically a member of Grand Timber Lodge Club with respect to that Vacation Estate. Vacation Owners that acquire a Vacation Estate from a party other than Gold Point Lodging and Realty, Inc. or its authorized agent must pay a Resale Initiation Fee in the amount of \$20,000.00 as a condition to becoming a Club member with respect to that Vacation Estate. Vacation Owners are not subject to initial or ongoing Club membership dues, except for payment of the Resale Initiation Fee, if required.

As set forth in the Declaration, the Association has a lien right against each Vacation Estate, as applicable, for any unpaid assessments under the Declaration and Plan of Vacation Ownership. The lien continues in effect until all sums secured by the lien have been fully paid or until such time as is otherwise provided by applicable law. All such liens may be foreclosed by suit brought in the name of the lienholder in the same manner as a foreclosure of a mortgage on real property. Foreclosure may result in loss of ownership of the Vacation Estate. The Association may also sue to recover a money judgment against a Vacation Owner for unpaid homeowners' dues without waiving any claim of lien.

Upon commencement of assessments against the Vacation Units, the Association will create a reserve fund to provide for the repair and replacement of furniture, fixtures and equipment in the Vacation Units, and to

supplement the Association's existing reserve for structural components of the common areas administered or managed by the Association.

Assessments and reserve funds for the Vacation Units are deposited into separate accounts controlled by the Manager and will not be commingled by the Manager with funds held for the benefit of other unrelated owners' associations or its own funds. The Manager must account to the Association for the receipt and disbursement of all Association funds. The Developer has no right to borrow from the operating or reserve funds, nor may the Developer authorize borrowing from the funds by any other party.

Reserve funds for the Association are budgeted as part of the annual homeowners' dues and are cash funded.

The Association will report to the Vacation Owners and the other owners of condominium units in the Condominium Development on the financial affairs of the Association at the annual meeting of the Association. In addition, the Association will send copies of proposed annual budgets to all Vacation Owners. The Vacation Owners may also inspect financial records of the Association.

iv. *A description of insurance coverage provided for the benefit of purchaser.*

The Association carries insurance coverage for general liability, casualty, and fidelity risks pursuant to the Declaration and applicable law in such amounts as to provide reasonable and cost-effective protection for the Vacation Owners and other members in the Association in the event of loss. The amounts of such coverage will be determined by the Association Board of Directors and applicable law. The following are the coverages currently in effect for the Condominium Development:

<u>General Liability:</u>	\$1 million per occurrence \$2 million aggregate
<u>Casualty:</u>	Full replacement cost for all improvements, furnishings, fixtures and equipment
<u>Fidelity:</u>	Not less than \$50,000

v. *The mechanic's lien laws of Colorado may authorize enforcement of a lien by selling the entire unit committed to vacation ownership or the entire project.*

Upon the sale of each Vacation Estate by the Developer, protection against any mechanic's lien claims for work on the Vacation Unit before the sale will be provided to the Vacation Owner through title insurance. Under the terms of the Condominium Declaration, no owner of any condominium unit in the Condominium Development is authorized to encumber the general common elements or any other condominium unit in the Condominium Development with any mechanic's lien.

9. EXTERNAL EXCHANGE PROGRAM. Rule 3.1.

i. **Interval International.** The information provided in this Section is intended to provide only general information with respect to the Resort's participation in the exchange program with Interval International, Inc. ("Interval"). More specific information regarding the exchange program is provided to you by Interval in the Interval Buyer's Guide and the Interval Resort Directory (collectively, the "Interval Disclosure Package") and in the Association rules and regulations.

In order to increase the range of options available to Vacation Owners, the Developer has arranged for an "External Exchange Program." This program currently consists exclusively of an exchange agreement between Developer and Interval, as the "External Exchange Company," under which Developer is a "corporate member" on behalf of all Vacation Owners (the "Interval Affiliation Agreement"). The Interval Affiliation Agreement allows Club members to exchange timeshare privileges with resorts that participate in the Interval exchange network.

All external exchange requests will be submitted by Vacation Owners to Developer in accordance with the Association rules and regulations. The purchaser's participation in the External Exchange Program is voluntary, and the use of the External Exchange Program is subject to the availability of other timeshare interests in the exchange

network, and to the rules, regulations, terms, and other restrictions set by Interval from time to time. The exchanging Vacation Owner will be charged Interval's published fee to confirm an external exchange.

Developer's current Interval Affiliation Agreement with Interval expires on December 31, 2020. Neither Developer nor Interval is obligated to extend or renew the Interval Affiliation Agreement for any particular length of time, and neither has made any commitment to do so. Upon termination or expiration of the Interval Affiliation Agreement, Developer, subject to its reasonable business judgment as to availability, economic feasibility, and the best interests of the Vacation Owners as a whole, may enter into another agreement of short or long duration with Interval or with another External Exchange Company so that Vacation Owners will have the opportunity to avail themselves of an External Exchange Program. There can be no assurance, however, that Developer will do so or will be successful in doing so.

- a. *The name and business address of the exchange company. 3.1 (A).*

Interval International, Inc.
6262 Sunset Drive
Miami, Florida 33143

- b. *Whether the purchaser's contract with the exchange program is separate and distinct from the purchaser's contract with the time share developer. 3.1 (B).*

Each purchaser of a Vacation Estate desiring to be a member of the exchange program must separately contract with Interval International.

- c. *Whether the purchaser's participation in the exchange program is dependent upon the developer's continued affiliation with the exchange program. 3.1(C).*

Although the Developer has entered into a multi-year corporate membership agreement with Interval with respect to the offering of exchange services, the Developer reserves the right, in its sole discretion, to change its affiliation to another exchange company at a future date, and any such change will not be deemed a material change. The participation by a Vacation Owner in Interval's External Exchange Program is dependent on the Developer's continued affiliation with Interval's External Exchange Program.

- d. *Whether or not the purchaser's participation in the exchange program is voluntary. 3.1 (D).*

The Vacation Estate purchaser's eligibility to participate in the External Exchange Program is automatic; however, actual participation in the External Exchange Program is voluntary. The use of such exchange program is subject to availability of other timeshare interests in the Interval exchange network, and rules, regulations, terms, and other restrictions (including transaction fees) that may be set by Interval from time to time.

- e. *The specific terms and conditions of the purchaser's contractual relationship with the exchange program and procedure by which changes, if any, may be made in the terms and conditions of such contractual relationship. 3.1 (E).*

More specific terms of the contractual relationship of Developer with Interval are provided in the Interval Disclosure Package.

- f. *The procedure for applying for such exchanges. 3.1 (F).*

The terms and conditions for applying for exchanges are set forth in the Interval Disclosure Package, as it may be changed from time to time by Interval in its sole discretion, and by the Developer in its sole discretion. Vacation Owners will be provided written notice of any such changes.

- g. *A complete description of all limitations, restrictions, accrual rights, or priorities employed in the operation of the exchange program, including but not limited to limitations on exchanges*

based on seasonability, unit size, or levels of occupancy; and if the limitations, restrictions or priorities are not applied uniformly by the exchange program, a complete description of the manner of their application. 3.1 (G).

Interval assigns a priority to each exchange request based upon a number of factors, as determined by Interval with respect to each resort. More specifics with respect to these factors are provided in the Interval Disclosure Package.

h. Whether exchanges are arranged on a space-available basis or whether guarantees of fulfillment of specific requests for exchange are made by the exchanging company. 3.1 (H).

All exchange requests will be submitted by Vacation Owners to Interval in accordance with the rules, regulations, terms and conditions set by Interval from time to time. Interval does not guarantee fulfillment of a specific request for exchange privileges at a participating resort.

i. Whether and under what conditions, a purchaser may, in dealing with the exchange program lose the use and occupancy of the time share period, in any properly applied for exchange without being offered substitute accommodations by the exchange program. 3.1 (I).

Interval has no obligation to provide a Vacation Owner depositing a pre-reserved week in a Vacation Unit with exchange accommodations in a subsequent year if: (a) the Vacation Owner fails to submit a valid exchange request listing travel dates no later than 24 months after the commencement date of the deposited week; or (b) the Vacation Owner's requested accommodations are not available and any alternative accommodations offered by Interval are not accepted by the Vacation Owner.

j. The fees for participation in the exchange program, whether the fees may be altered and the method of any altering. 3.1 (J).

The present cost of the Interval annual membership is \$89.00. A Vacation Owner must separately pay Interval's published fee to confirm an external exchange. The External Exchange Program is a standard service offered by Interval.

Additionally, fees, if any, charged by resorts participating in Interval's External Exchange Program for the use of facilities and amenities are determined and levied by each member resort. Such fees are the responsibility of the individual Vacation Owner using those facilities and amenities in the exchange. These fees may vary from resort to resort and are subject to change without notice.

k. The name and location of each accommodation or facility, including the time sharing plans participating in the exchange program. 3.1 (K).

Each purchaser of a Vacation Estate participating in the External Exchange Program will be provided with a current Interval Resort Directory, which lists the resorts participating in the Interval External Exchange Program.

l. Termination of Interval Affiliation Agreement by the Association.

Any agreement with Interval will be by means of the Interval Affiliation Agreement by and between Interval and Developer.

m. Interval Disclosures

See the Interval International, Inc. Buyer's Disclosure Guide.

10. GRAND TIMBER LODGE CLUB MEMBERSHIP ELIGIBILITY AND BENEFITS

Grand Timber Lodge Club provides to its members additional resort privileges, bonus time, Club points, reservation priority and other benefits made available by Manager, subject to the Club Rules, as established and modified by the Manager from time to time. Club members also enjoy the ability to maximize the use of their Vacation Week through Manager's proprietary points club overlay that allows use of Vacation Weeks in increments of as few as two days in different seasons and in different Unit types than the Vacation Estate acquired by the Purchaser. Club Members are also entitled to day use of the Project including use of all Project amenities including fitness center, pools, hot tubs and common area parking, as well as on-site parking, subject to availability and solely in accordance with Club Rules, as promulgated and amended by Manager, in its sole discretion, from time to time. Bonus Time use is also available during any time not reserved 14 days in advance of the date of desired check-in. Club membership with respect to a specific Vacation Estate is automatically available to Purchasers who acquire the Vacation Estate from Declarant or its authorized agent, or to other Purchasers upon payment of the Resale Initiation Fee; however, such Club membership automatically terminates with respect to such Vacation Estate upon the sale of the Vacation Estate to a third party.

11. EXPANSION AND DEVELOPMENT RIGHTS.

The Developer has the right to enlarge and supplement the Project pursuant to Article 16 of the Declaration. This right to expand will expire 30 years from the recording of the Declaration.

12. RESTRICTIONS ON RENTAL AND RESALE; EXPECTATIONS OF TAX TREATMENT.

Any permitted sale of a Vacation Estate between a Vacation Owner and a bona fide third party shall be deemed to contain a provision requiring that any sums due to the Association as assessments must be paid in full as a condition of closing of the sale. Any lease or rental agreement shall be deemed to contain a provision requiring that any sums due to the Association as assessments must be deducted from the gross rentals and paid directly to the Association. Please refer to the Declaration for a detailed description of all of these restrictions and controls.

The Developer has no obligation to assist Vacation Owners in the resale of Vacation Estates or to provide financing for any such resale.

The expectation of deriving any rental or other revenue, profit or gain should not be a consideration in the decision to purchase a Vacation Estate.

Generally, a Vacation Owner should expect substantial competition from the Developer in the event the Vacation Owner desires to resell or rent a Vacation Estate. In this regard, Vacation Owners should not expect any established resale or rental market. Furthermore, any Vacation Owner who attempts to rent a Vacation Unit to a third party will experience considerable competition from resort hotels in or near the Condominium Development (including those owned or operated by Breckenridge Grand Vacations) and from the Developer, who will be renting its unsold inventory of Vacation Estates.

Anticipated tax benefits or the expectation of any particular tax treatment should not be a consideration in the decision to purchase a Vacation Estate.

Exhibit A

Budget for Grand Timber Lodge Owners Association, Inc.

See attached.

Exhibit B

Management Agreement

See attached.