

RESTATED RULES AND REGULATIONS FOR BOOKING PROGRAM

These Restated Rules and Regulations for The Mountain Club on Loon Booking Program (the "Rules and Regulations") are hereby promulgated by The Mountain Club on Loon Unit Owners' Association (the "Association"), the agent empowered to act as booking agent on behalf of Owners entering into individual listing agreements for the booking of Units in which Owners own Quartership® interests in the Project (defined below) this 31st day of October, 2004

1. ESTABLISHMENT OF BOOKING PROGRAM.

The Association hereby establishes a formal booking program on behalf of Owners of Quartership® interests at The Mountain Club at Loon, A Condominium (the "Project") desiring to make their Quartership® interests available for bookings (for hotel guest stays) with Agent for such purpose. The program is voluntary in nature, but once Agent has booked the use of a Unit on behalf of an Owner, then an Owner may not withdraw from the booking program for such booking unless otherwise provided in the Booking Agreement executed by the Owner and Agent or these Rules and Regulations.

2. EXCLUSIVE RENTAL AGENT

The Agent is the exclusive Booking Agent for bookings per the Rental Agreement. The Agent directs substantial resources to promoting rental of Units and the Booking Program provides a subsidy of some of the costs of property improvement. In consideration of this effort and the subsidy, the Unit owner agrees not to offer for rent or to rent their unit outside of the Booking Program. Units rented outside of Booking Program will be dropped from the Program for the next two billing quarters. At the end of the second quarter of non-rental program billing, the unit owner can reapply to place their unit in the Booking Program. The unit owner agrees to place a minimum of 21 days in the Booking Program. The deposit of rooms will be made on a calendar year basis and be evaluated at the end of the year. Those homeowners who do not meet the minimum criteria will be billed the balance of the full dues valuation. Units not in the Booking Program do not receive the capital dues subsidy.

3. PRE-CONDITIONS TO ACCEPTING PROPERTY FOR BOOKINGS.

The pre-conditions to the Agent being willing to book the use of a Unit on behalf of an Owner participating in the booking program are as follows, and by executing a listing agreement which incorporates these Rules and Regulations by reference, the Owner represents that the following are true and correct.

- a. Condominium association fees relating to Owner's Quartership® interest (to include interest, late charges, and any and all other costs and/or expenses) have been paid in full;
- b. Owner has forwarded his request and has received a confirmation from the Agent of the use periods to be used by Owner and to be booked under the booking program.
- c. Owner has not exchanged his right to the use of a Unit in an internal or external exchange program;
- d. If Owner has already entered into or does in the future enter into a contract to sell his Quartership® interest, said contract is or will be subject to the right of any guest already having entered into a binding booking agreement to occupy a Unit during the use period.

4. WAIVER OF OWNER RESERVATION

If Owner has reserved the Unit for overnight stay and Owner fails to arrive at the Property by 11pm or fails to advise of later arrival by Email or phone to reservations, then Owner has waived his right for such stay for that evening and the subsequent evening(s) of the reserved stay. The unit owner will be charged an administrative fee for the night. The unit will also be available for rent on the subsequent evenings.

5. SECURITY DEPOSIT AND LIABILITY FOR DAMAGE.

Agent may require, upon check-in by guest, a security deposit in an amount determined by Agent. Said security deposit will be refunded in full to guest, so long as there has been no damage to the Unit caused by guest. In the event that there has been damage to the Unit caused by guest, then Agent will deduct a reasonable amount from the security deposit to cover the cost and expenses of repair and provide the guest, upon request, with an itemized statement of the damage for which the security deposit or any part thereof is being retained.

6. INABILITY TO OCCUPY A UNIT.

Assuming the guest is neither in default nor has cancelled his booking agreement within the timeframe permitted, should the Unit be unavailable for occupancy during the period requested due to circumstances beyond the reasonable control of Agent (e.g., fire damage), then Owner will not be entitled to any portion of the room income, and the entire amount of monies paid by guest will be refunded to guest or, upon request by guest, Agent will be permitted to make available an alternate Unit for occupancy.

7. DISPOSITION OF INCOME.

All income derived from an Owner's Quartership[®] interest in a unit (in the booking program) shall be the property of Owner; provided, that Owner agrees that from such income Owner's allocable share of various fees, operating expenses, any management or similar fee, payments for capital reserves, holdback(s) for contingencies and account reconciliation, and other costs, charges and payments, of whatever kind and nature as are necessary for the operation of the booking program, and the maintenance and operation of the Project (to the extent the same is allocable to the program) shall be paid from the income (collectively the "Expenses"). Each Owner hereby authorizes the Agent to collect all such income and to deduct therefrom the Expenses. The items constituting the Expenses may be reasonably amended by the Association, from time to time.

8. DEDUCTIONS FROM PROCEEDS.

Notwithstanding the representations of Owner, should maintenance fees [(including, without limitation, assessments by the Association)], or any other outstanding charges, if any (collectively "outstanding charges") not be paid in full prior to the Unit being made available for occupancy by a guest, then an Owner will be deemed to have given Agent the authority to deduct the amount of any such outstanding charges from the net proceeds to be forwarded to Owner.

9. CONFIRMED BOOKINGS PRIOR TO TERMINATION OF A LISTING AGREEMENT.

Since, at times, it is necessary and desirable for Agent to book guests for up to twelve months in advance of a scheduled occupancy, in the event that a booking agreement is terminated by an

Owner for any reason, including the sale of his Quartership® interest in a Unit, any previously-confirmed bookings will continue to be honored by Owner and his successor in interest. Agent agrees to provide an Owner with a complete list of all such previously confirmed bookings at the time of termination of the applicable listing agreement.

10. BOOKING RATES.

The Agent, through its officers empowered to act by its Board of Directors, will determine the rates at which the Unit will be offered for use (booking) in a given year for the various seasons. Said rates may be changed from time to time.

11. PRIORITY OF PROPERTIES ACTUALLY BOOKED.

Since booking rates are set in advance, Units being made available within the same season are indistinguishable to a guest and, in effect, are fungible; therefore, there is inherent competition among Owners participating in the booking program. The Agent will take reasonable steps to minimize this inherent conflict and try to maximize income to each Owner by booking Units on a reasonable basis.

12. ACCOUNTING.

The Agent will make an accounting and disburse net proceeds during Owner's participating in the booking program, less expenses and any other outstanding charges rightfully chargeable to Owner, on a periodic basis. The Agent will release accounting information pertaining to the Unit to third parties only if prior written authorization to do so has been received from the Owner. The Agent may release accounting information to all owners of the Unit whether or not they executed a book agreement.

13. BOOKS AND RECORDS.

The Agent will maintain, at its principal place of business and on-site at the Project, a complete set of books, records, and accounts concerning the booking program. The records pertaining to the use of a Unit will be made available upon request to an Owner or his duly authorized agent during normal business hours.

14. RESERVATIONS OF USAGE.

At the time of entering into a booking agreement with an Owner and by July 1st of each year, the Agent will mail a reservation request form to each Owner containing the actual dates that the Unit will be available for occupancy pursuant to the documents governing the Project. Each Owner will designate on the form the days during which he intends to occupy the Unit (the Owner's use period at no fee, except that charges for extra cleaning or similar services over and above normal cleaning will be assessed separately). The calendar used for designating reservation requests will cover the period from the first week of October through the last week of September.

Unless personal occupancy by an Owner is designated, the Agent will assume that the Unit may be booked for third party guests for any time period if it does not receive a completed calendar for the upcoming yearly period of October 1st through September 30th. The Owner may change the calendar at any time by notifying the Agent; provided, however, that any previously guaranteed reservations would preempt the Owner's use of the Unit during those time periods. The Agent may utilize for the purpose of owner reservations a two (2) year calendar. Owner will make the aforementioned required designations with respect to such two (2) year calendar.

15. RIGHT TO SHOW UNIT.

The Agent will have the right to show the Unit to prospective guests and to enter the Unit for the purpose of affecting such bookings, as it may deem reasonably necessary or desirable to carry out its duties. If the Unit is being occupied at the time a potential buyer desiring to acquire the Quartership® interest or of a prospective guest wishing to view the Unit, the Agent will communicate with the Owner, potential buyer, or guest for permission to show the Unit at the time specified by such occupant.

16. USE OF COMPLIMENTARY ROOMS.

All Owners participating in the booking program agree that the Agent will have the right to provide complimentary use of Units, not to exceed two nights per Quartership® period per Unit each year, during non-holiday periods. Uses of complimentary units generally include, but are not limited to, promotions, board meetings, reparations, and other similar circumstances.

17. PARKING GARAGE.

Owners are allowed to park one vehicle in the parking garage servicing the Project when they are occupying the Unit; however, when the Owner is not occupying the Unit, parking privileges in the parking garage will terminate for the Owner in favor of the guest(s).

18. KEY CONTROL.

Keys to Units will be left at the front desk facility of the Project at the time of check-out. Owners will not be permitted to duplicate keys. Check-in and check-out must be done at the front desk or other such areas designated by Agent. Room keys will be issued for the length of stay only. Regardless of use by Owner or guest(s), the Agent will have the right to change the key and lockset at random for the purpose of maintaining security.

19. SKI LOCKER USAGE.

Only the present occupants of the Unit may use ski lockers. Therefore, an Owner must remove ski gear at the time he vacates the Unit so that the locker will be available for use by guests.

20. AMENDMENTS.

These Rules and Regulations may be amended from time to time by the Association.

THE MOUNTAIN CLUB ON LOON
OWNERS' ASSOCIATION

BY: _____
Ken Lowe, President

DATE: _____