



California
VACATION CLUB

CALIFORNIA Vacation Club

A Newsletter for California Vacation Club's Homeowners and Guests



Come Celebrate Your Ownership With Us!

The California Vacation Club Board of Directors and Management Team would like to invite you to attend our Annual Homeowners Association Celebration and Meeting to be held on July 20, 2010 at 4pm. Bring your entire family for an early evening of barbecue, live music and Napa Valley wine.

**We can't wait to see you...
Remember, RSVP with the
Front Desk today by calling
707-252-4200 ext "0".**

You are urged to fill in, date, sign and return the enclosed postage-paid proxy card whether or not you plan to attend the meeting. Such action will not affect your right to vote in person should you decide to attend.

If a quorum of the membership is not present at the meeting, either in person or by proxy, the Association may be required to adjourn and reschedule the meeting at an additional expense to the Association, which is paid from your assessments. Therefore, you are urged to complete, sign and return the proxy card immediately.

(Continued on page 3)

Owner Appreciation Program

To All Owners at Grand Pacific Resorts:

I was recently approving a large purchase order for replacement furniture at one of our resorts, and I had an "Ah Ha!" moment... Why not make the same great **bulk wholesale pricing** available to all our Homeowners, as another benefit of ownership? After all, as your management company, we continually negotiate great prices and find the most durable products for the 1,000+ condos we manage on your behalf. Retail furniture stores mark up most of these items 50-100%! Why not pass on the savings to all of you for your homes?!

So, we are launching a "test" of our new **Owner Appreciation Program...**

For the **week before and the week after your resort's Annual Meeting**, you can purchase at **zero mark-up** some of the same high-quality items you find in your vacation ownership unit. Using our bulk buying power on what is known

in the hospitality industry as FF&E – furniture, fixtures and equipment – Grand Pacific Resorts is going to make selected items available to you at our wholesale prices. Grand Pacific Resorts *will not make a single penny* on this service. It is being offered to you at cost because you are a valued member of the Grand Pacific Resorts family.

We are going to start small and grow the program over the next few years. Initially, we will test out just a few products where we can pass on our fantastic pricing, compared to what's available to you out in the marketplace. For some products, like home electronics, retail margins are

already razor thin, and you can already buy at nearly the same price at Costco or Best Buy. But for other products, like mattresses and bedding for instance, the mark-ups at retail stores are huge, so we can pass through great prices to you.



Replace that lumpy box springs and begin enjoying a peaceful night's rest on **The Evergreen by Sleep Therapy**, made exclusively for Grand Pacific Resorts. This is the same fantastic mattress we use in all our newest GPR condos and would cost you *hundreds* of dollars more at your local department or furniture store!

(Continued on page 2)



We Are Making the Move to Paperless!

going **Green!**

In our continued efforts to reduce our impact on the environment, your resort in collaboration with Grand Pacific Resort Management is now offering you, our Owners, the opportunity to receive your newsletter via email.

Opt in now! All you need to do is:

1. Go to www.grandpacificresorts.com
2. Click on **Owner Services**
3. Click on **Online Newsletters**
4. Fill in the form to sign up

Please partner with us to Go Green, which will help save the environment and also be a cost savings for your Association.



Congratulations! To Our Employee of the Quarter

We are very excited to name Yessenia Arnold as our employee of the 1st Quarter 2010. Her bright smile and always chipper attitude combined with her eagerness to please have made her a favorite of our Guests and staff alike. She primarily works the big check-in days and leaves a stellar first impression for our Guests. Yessenia is just one of the many employees that strive to exceed your expectations.

Owner Appreciation Program

(Continued from page 1)

We will be sending you more info about our new Owner Appreciation Program and how it can save you money around the time of our Annual Owners' Meeting, which takes place on **Tuesday, July 20th**. You will be able to order by phone, FAX or in person at the meeting. And all items purchased through the Owner Appreciation Program will be shipped directly to you **at cost**.

Grand Pacific Resorts values the trust you place with us to ensure the quality of

your family's vacation experience. Our whole team works hard to serve you. Now we look forward to strengthening your purchasing power and helping you save your hard-earned dollars by passing on our bulk purchasing pricing to you, as another benefit of your GPR ownership.

Respectfully,

A handwritten signature in dark ink, appearing to read "David S. Brown".

David S. Brown, Co-President

Board Meeting Highlights

April 20, 2010 – President Don Wudtke called the meeting to order at 9:08am. Board members in attendance were Mary Dieckmann, Hank Cairo, Donald Wudtke, Doreen Bechard and Janelle Brown. Representing Management were Nigel Lobo, Vice President of Resort Operations; James Tennery, Resort Manager and Megan Arnold, Assistant Manager. Lois Sklar took the minutes

The following actions took place:

- The Board approved the Minutes from the January 22, 2010 Board of Directors' Meeting.
- The Board affirmed and ratified the resolution, previously approved by unanimous consent relating to execution of a Deed in Lieu of Foreclosure conveying title of all intervals currently owned by the Association back to the Desert Breezes Resort Timeshare Owners Association.
- The Board approved the deannexation of the Desert Breezes intervals from California Vacation Club's Declaration of Vacation Ownership Plan, and the corresponding adjustment of the available CVC authorized points caused by such deannexation; and authorized Mary Dieckmann to execute documents on behalf of the Association.
- The Board approved the conveyance by warranty deed of all Scottsdale Camelback Resort intervals held by the Association to Starpoint Resort Group and authorized the deannexation of the Scottsdale Camelback Resort intervals from California Vacation Club's Declaration of Vacation Ownership Plan. Mary Dieckmann was authorized to execute documents on behalf of the Association.
- The Board met in Executive Session to discuss a legal matter. The Board adjourned Executive Session and authorized the managing agent to continue negotiations with CVHG relating to the overall Financial Recovery Plan.
- The meeting adjourned at 9:45am.

Note: If you wish to have a copy of the Minutes for your records, please send your request along with a (\$.63) stamped self addressed envelope to Grand Pacific Resort Services, L.P., 5900 Pasteur Court, Suite 200, Carlsbad, CA 92008, Attn: Lois Sklar.

Confirmation of Meeting Dates

- Tuesday, July 20, 2010** at 3pm, RiverPointe
- Tuesday, July 20, 2010** at 4pm, Annual Owners Meeting, RiverPointe
- Tuesday, September 14, 2010** at 10am, RiverPointe
- Tuesday, January 18, 2011** at 10am, RiverPointe
- Tuesday, April 19, 2011** at 10am, RiverPointe

Note: Owners are welcome to attend any regular Board meeting. Board meeting agendas are posted at the resort four days prior to the meeting. If you would like a copy of the final agenda for any Board meeting mailed to you, please contact your Resort Manager prior to the meeting. Since meeting times and location are subject to change, please contact your Resort Manager in advance to reconfirm the exact time and location.

A Letter From Your Board of Directors

The economic downturn has hit Northern California particularly hard over the past two years. The South Bay, Stockton and Sacramento all have been on the top of many home foreclosure and job loss lists in recent months. Unfortunately, these areas are home to many of your fellow Members. As a result of this crisis, a substantial number of Members filed bankruptcy or were the victims of foreclosure. We made every effort to retain all Members but for some it was simply impossible. In addition to the loss of Members through maintenance fee delinquencies, sales to new Members have been much lower than in years past.

Since California Vacation Club is a not-for-profit association with a zero-based budget, the Board of Directors set to work with management to find a way to offset the reduction of our dues paying Members. We were also determined that we were not going to increase assessments for our Members in 2010.

As we started working through the budget process, we looked for ways we could reduce expenses without negatively impacting services to our Members. Through cross-training of staff and reorganizing departmental duties we were able to reduce staff and also decided on a salary freeze in 2010. Grand Pacific Resorts locked in 2009 contract prices or even lowered costs with many of our vendors through bulk purchasing programs. RiverPointe also made a number of changes through our "Go Green" initiative with the goal of reducing our water and energy costs.

Our biggest opportunity for reducing expenses was the assessments that the Association pays to the "satellite" Club properties. After careful research of the use history of our Members, we realized that of our 5,229 owners less than 1% utilize resorts other than RiverPointe for their use week through the Club. The majority of the inventory at the Club resorts outside of RiverPointe is banked with an exchange company for our Members to travel through II, TPI and GPX.



Vacation Club. By eliminating the inventory at these three "satellite" properties, we reduced \$575,000 a year in expenses to the Association. This plan will help the financial well being of the Club by reducing overall expenses to a level that the current membership base can support.

Travel through your Club membership will still be available at the most popular Club destinations: RiverPointe (Napa), Kingsbury Crossing (Lake Tahoe), Gaslamp Plaza Suites (San Diego) and Indian Palms (Indio). You will still be able to book your time at these properties with no exchange fees. Members will also still have the ability to exchange through Interval International, Trading Places or GPX.

As always, the Board of Directors and Grand Pacific Resort Management are dedicated to protecting your investment, managing California Vacation Club in a fiscally sound manner and ensuring we continually improve your vacation experience. Should you have any questions, please feel free to contact James Tennery, Club Manager, at 707 252 4200 ext.111.

Based on this low demand and the fact that the Club simply does not have the Member base to support the assessment payments on the inventory held by the Club at the satellite properties, your Board and management developed a plan to reduce the inventory of the Club. We are currently working with the developer to release Vista Mirage, Desert Breezes and Scottsdale Camelback Resort from California



Come Celebrate Your Ownership With Us! (Continued from page 1)

Note: Checking the blank marked "withhold" will ensure that your proxy will not be voted, but will still count toward the quorum requirement. By signing and returning the proxycard, you, as an Owner and member of RiverPointe Napa Valley, appoint Janelle Brown as Proxyholder, unless an alternate proxyholder is named. (Note that the proxyholder must be in attendance at the Annual Meeting.) With full power of substitution, she will vote and otherwise represent you at the annual meeting on July 20, 2010, and at any reconvening thereof. She will vote your membership as fully as you would if you were personally present, upon such business as may properly come before the meeting.

You may revoke this proxy in writing at any time and it will not be used if you attend the meeting and vote in person. The proxy will be voted as you indicate and, if no indication has been made, it will be voted as the Proxyholder deems advisable on the matters set forth above. You will find statements from the various candidates on the enclosed insert.

The Agenda for the meeting is as follows:

- Approval of the minutes of the previous annual meeting.
- Election of two members to the Board of Directors.
- Transaction of any business that may properly come before the meeting or any reconvening thereof.

Calendar of Events

July 1-4 – Napa County Fair and Silverado Parade. This Calistoga tradition features antique cars, live bands, children's groups, horses, motorcycles, colorful dancers, and an awesome display of patriotic spirit and fun. Fair: Napa County Fairgrounds, adults \$7, children 6-12 \$3. Parade: Downtown Calistoga, free. 707-942-5111

July 17 – Bastille Day Lobster Fest
Tucker Farm Center, Calistoga. \$75/person. 707-942-2278 www.calistogaartcenter.org

July 18 – Carneros Wine Country Half Marathon. The race begins at Cuvaison Carneros Estate winery in Napa, then passes thousands of acres of vineyards, ranches, wineries and the Napa/Sonoma Marshes Wildlife Preserve on the way to the grand finish down Broadway into

**Event dates and times are subject to change.*

historic Sonoma Plaza. \$15 - \$50. 7:10am-1pm. 707-933-1769

July 31 – 16th Annual Festa Italiana at V Sattui. A traditional Italian summer festival with live music, dancing and your favorite V. Sattui wines. 1111 White Lane, St. Helena. 6:30pm-9:30pm. 800-799-2337

August 11-15 – Napa Town & Country Fair. Join us for good food, fun exciting exhibits, entertainment, carnival rides, vendor booths, Jr. livestock show and auction. Napa Valley Expo, 575 3rd Street, Napa. \$10 Adults, \$7 Seniors 60+ and Juniors 6-12, 5 and under free. 12pm-10pm. 707-253-4900

Make the Most Of Your Ownership

As part of our efforts to ensure you have all of the knowledge you need to maximize the use of your vacation membership, we offer monthly classes detailing all the not-so-secret ways to get all you can out of your Membership. Classes held 6:30pm in the RiverPointe Clubhouse. To reserve your spot, please contact the Front Desk at 707-252-4200.



2010 Class Schedule

June 19th, July 17th, August 21st
September 18th, October 16th

Rent your Timeshare Week and Earn Cash!

List your unit for rent online and receive:

- Fast Track Payment Processing – receive your Owner Rental Proceeds within two weeks of your rental.
- Instant email acknowledgement of your listing.
- No waiting on mail processing time!
- Waive \$25 mail processing fees for listing your rental "online".
- First in, first rented, highest return! Accepting contracts for 2010 & 2011.



GRAND PACIFIC RESORTS
Time Away...Time Together...

www.gpresorts.com/rentyourweek

California Vacation Club at RiverPointe Napa Valley

500 Lincoln Avenue, Napa, CA 94588
707-252-4200

www.RiverPointeResort.com

Owner Services

5900 Pasteur Ct., Ste. 200, Carlsbad, CA 92008
888-477-6967

**International Owners 760-827-4100*

Grand Pacific Resort Management

5900 Pasteur Ct., Ste. 200, Carlsbad, CA 92008
760-431-8500

Central Reservations

877-477-7368

Assessment, Billing & Collection

800-234-6222

Bonus Time Network

Reservation Center – 877-254-4866

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RETURN SERVICE REQUESTED

California
VACATION CLUB



At RiverPointe Napa Valley
Grand Pacific Resort Services, L.P.
5900 Pasteur Court, Ste. 200
Carlsbad, CA 92008

Insurance Disclosure



Dear Owners, state law requires that some Associations disclose to owners the insurance coverages carried by the Association. For your information, California Vacation Club carries the following coverages:

Property

Policy begins April 1, 2010 expires April 1, 2011 and is covered by Philadelphia Insurance Companies. Policy Limits for Cottages, Contents, and Business Income are \$12,454,813, deductible is \$10,000.

General Liability

Policy begins April 1, 2010 expires April 1, 2011 and is covered by Philadelphia Insurance Companies. Policy Limits for Bodily Injury and Property Damage are \$1,000,000 per occurrence and \$2,000,000 annual aggregate; deductible is n/a.

Umbrella

Policy begins April 1, 2010 expires April 1, 2011 and is covered by St. Paul Fire and Marine Insurance Co. Policy Limits are \$300,000,000 excess of \$1,000,000; deductible is \$10,000.

Flood (Clubhouse and Maintenance Building)

Policy begins February 6, 2010 expires February 6, 2011 and is covered by National Flood Insurance Program. Policy Limits are \$178,000 for the Maintenance Building and \$665,400 for the Clubhouse; deductible for the Maintenance Building is \$5,000 and \$25,000 for the Clubhouse.

Fidelity

Policy begins April 1, 2010 expires April 1, 2011 and is covered by Continental Insurance Co. Policy Limits are \$500,000; deductible is \$2,500.

Directors and Officers (D&O)

Policy begins April 1, 2010 expires April 1, 2011 and is covered by Continental Insurance Co. Policy limits are \$2,000,000; deductible is \$5,000.

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association Member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.



California
VACATION CLUB

Board of Directors Statement of Candidates

Henry M. Cairo (*Incumbent*)

Ft. Lauderdale, FL

EDUCATION – Bachelor’s degree, with honors, in European history from the University of Wisconsin, an MBA, with honors, in accounting and finance from the University of Chicago, and a Law Degree from DePaul University.

QUALIFYING EXPERIENCE – Prior to starting my own company, Resort Capital Advisors, Inc, a financial advisory firm concentrating in the hospitality, resort and real estate industries, I was a partner in several public accounting firms. I have also served as Sr. Vice President – Planning for Fairfield Resorts, as well as CFO and COO with Vacation Break USA. I have over 25 years experience in the vacation ownership industry. I am a current member of the American Resort Development Association (ARDA) as well as a member of ARDA’s Chairmen’s League and serve on the Meetings and Finance Committees. I have earned the designation of “Registered Resort Professional” by ARDA in recognition of expertise in vacation ownership field. In addition, I am a current member of the American Bar Association, the AICPA, American Association of Attorneys-Certified Public Accountants and the Urban Land Institute.

OBJECTIVES – As an owner and Board Member of California Vacation Club, I take pride in improving the vacation experience of CVC members by doing what I can in conjunction with my fellow Board Members. Being financially prudent, my goal is to keep maintenance fees stabilized and affordable to the CVC members. We serve on behalf of the members and must listen to their thoughts on how the Club should be maintained.

Mary Dieckmann (*Incumbent*)

Carlsbad, CA

EDUCATION – Franklin & Marshall College, Pennsylvania

QUALIFYING EXPERIENCE – As a hospitality industry professional, I have been proud to spend the last 18 years with Grand Pacific Resorts. In 1992, I was hired as the opening Manager for Coronado Beach Resort. For the past twelve years, I have worked with multiple resorts as Regional Director. Both in my role with management and as a Board member, it has been my privilege to work on behalf of California Vacation Club to continually improve current services as well as develop new and exciting amenities and services for our Owners to enjoy. I believe that my background in resort management provides the ability to analyze performance and services from both a business perspective as well as from the perspective of a CVC Member. I am proud to be a member of the Board and would love the opportunity to continue to work on behalf of our Members to maintain and improve our beautiful resort.

OBJECTIVES – To continually improve the vacation experience of our Members and effectively guide the management of California Vacation Club to achieve optimal benefits for Members while maintaining the financial viability of our Association.

Don Wudtke (*Incumbent*)

Novato, CA

EDUCATION – BA in Architecture, Art and Planning; Masters in City and Regional Planning

QUALIFYING EXPERIENCE – I have had thirty years of experience in the design and development of hospitality facilities throughout California and the United States. Since the inception of RiverPointe I have served as the Senior Vice-President for Development, overseeing all planning, design and construction operations of the resort. I have represented RiverPointe in Napa Civic Organizations, Chamber of Commerce and the Napa Valley Convention & Visitors Bureau and The Napa Valley Economic Development Corporation.

OBJECTIVES – Now that development of RiverPointe is completed, I am committed to insuring that RiverPointe is maintained to the highest standards so that ownership at RiverPointe is a viable, productive and happy experience; and to listen to comments and suggestions from owners and guests that can improve the physical quality of our units, facilities and amenities.

Steven Clough

Pueblo West, CO

EDUCATION – Doctorate in Optometry

QUALIFYING EXPERIENCE – 18 year business owner two practice locations with nine employees. Airforce Reserve Officer ten yrs, married 18 yrs. with two children.

OBJECTIVES – Enhance “fun factor” in vacation ownership/ promote more ownership w/ new members.

Jeff Kahn

Morro Bay, CA

EDUCATION – Cal Poly S.L.O.

QUALIFYING EXPERIENCE – Retired Highway Patrol Lieutenant, former Vacaville city council member, long-time timeshare owner (three).

OBJECTIVES – Improve the value of our timeshare investment

Bryan Tebbutt

Danville, CA

EDUCATION – B.A. – Business Admin. CA State Univ. – Fullerton

QUALIFYING EXPERIENCE – Owner – sales agency – 25 years, exec. Administrator – six years, Exec. Secretary – ALA

OBJECTIVES – Work collaboratively with management to provide a superior ownership environment for all owners.

Points Owned Every Year:

***NOTE: Biennial Members own half the total points purchased each year.**

- 4,500–8,999 points** you may cast a total of three (3) votes
- 9,000–13,499 points** you may cast a total of six (6) votes
- 13,500–17,999 points** you may cast a total of nine (9) votes
- 18,000–22,499 points** you may cast a total of twelve (12) votes
- 22,500–26,999 points** you may cast a total of fifteen (15) votes
- 27,000–30,499 points** you may cast a total of eighteen (18) votes
- 31,500–35,999 points** you may cast a total of twenty-one (21) votes

PLEASE TEAR OFF BEFORE MAILING

2010 PROXY



The undersigned acknowledges receipt of the notice and proposed agenda for the annual meeting of the above-named corporation to be held on July 20, 2010, and appoints Janelle Brown as proxyholder with full power of substitution. This proxy will be voted as indicated. Where no indication is made, or if you fail to cast all the votes to which you are entitled, the proxyholder will cast all UNUSED VOTES AS SEEN FIT on any business which may properly come before the meeting or any reconvening thereof.

Alternate Proxyholder: _____
(Must be present at Annual Meeting)

Yes, I WILL BE ATTENDING THE ANNUAL MEETING

Signature: _____ Date: _____

Print Name: _____ Member #: _____

Address: _____

City: _____ State: ____ Zip: _____

E-Mail Address: _____

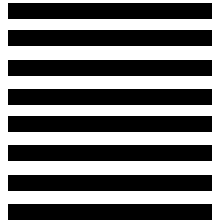
INSTRUCTIONS: Three (3) candidates will be elected. Please refer to the list on the tear-off to determine the amount of votes you are entitled to cast based on what you own. Cast them all for one candidate or divide them among as many as you wish. Please print clearly. Unreadable names will not be counted. Do not cast fractional votes. **Fill in the NUMBER of votes you want that candidate to receive.**

- | | |
|--|--|
| <input type="checkbox"/> Hank Cairo <i>(Incumbent)</i> | <input type="checkbox"/> Steven Clough |
| <input type="checkbox"/> Mary Dieckmann <i>(Incumbent)</i> | <input type="checkbox"/> Jeff Kahn |
| <input type="checkbox"/> Don Wudtke <i>(Incumbent)</i> | <input type="checkbox"/> Bryan Tebbutt |
| <input type="checkbox"/> Withhold | |
| <input type="checkbox"/> Write-In _____ | |

WE NEED YOUR VOTE!

This is a postage-paid proxy card. Just drop it in the mail once you have completely filled it in. This proxy must be received no later than: **July 16th, 2010.**

PLEASE TEAR OFF BEFORE MAILING



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



VICE PRESIDENT OF RESORT OPERATIONS
GRAND PACIFIC RESORT SERVICES, L.P.
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CARLSBAD CA 92018-9986

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Supplementary Information on Future Major Repairs and Replacements

December 31, 2009
(Unaudited)



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December 31, 2009

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Supplementary Information on Future Major Repairs and Replacements	Panel 10

Hughes Reserves conducted a study in 2010 to estimate the remaining useful lives and the replacement costs of the components of common property subject to future repairs and replacements. The estimates were based on current replacement costs.

The following table is based on the 2010 study and presents a condensed summary of information about the items of property. Estimated current replacement costs are based on the assumptions that inflation rate and interest rate are 3% and 2%, respectively.

Components*

	<u>Building</u>	<u>Furniture & fixtures</u>	<u>Totals</u>
Estimated Remaining Life in Years	0-18	0-6	
Estimated Current Replacement Costs	\$5,290,883	1,479,670	<u>\$6,770,553</u>
Recommended 2010 Funding Requirement	\$191,956	53,682	<u>\$245,638</u>

**Includes a 5% contingency.
See independent accountant's review report*



500 Lincoln Avenue, Napa, California 94558



California
VACATION CLUB

Financial Statements

December 31, 2009

PKF

Certified Public Accountants
A Professional Corporation



Certified Public Accountants
A Professional Corporation
425 California Street, Suite 1600
San Francisco, CA 94104
Telephone (415) 421-5378
Teletax (415) 956-7708

Independent Accountant's Review Report

The Board of Directors and Owners California Vacation Club

We have reviewed the accompanying statement of assets, liabilities and fund balance (deficit) of California Vacation Club ("Club") as of December 31, 2009, and the related statements of revenues and expenses and changes in fund balance (deficit), and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the Club's management.

A review consists principally of inquiries of Club personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 5 certain conditions indicate that the California Vacation Club may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments to the financial statements that might be necessary should the Club be unable to continue as a going concern.

The supplementary information on future major repairs and replacements on panel 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit or review the information and express no opinion on it.

PKF

Certified Public Accountants
A Professional Corporation

April 30, 2010

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**California
VACATION CLUB**

Statement of Assets, Liabilities and Fund Balance (Deficit)

December 31, 2009

	Operating Fund	Replacement Fund	Total
Assets			
Cash and cash equivalents	\$262,967	\$290,760	\$553,727
Assessments and other receivables	2,568,732	299,412	2,868,144
Prepaid expenses	112,161	-	112,161
Outside inventory	333,145	-	333,145
Property and equipment under capital lease (<i>net of \$15,558 accumulated depreciation</i>)	26,874	-	26,874
Due from (to) other fund	(105,755)	105,755	-
Total assets	\$3,198,124	\$695,927	\$3,894,051
Liabilities and Fund Balance (Deficit)			
Accounts payable and accrued liabilities	\$232,023	\$ -	\$232,023
Due to related parties	63,709	-	63,709
Outside inventory assessments	309,929	-	309,929
Deferred assessments	3,177,305	390,462	3,567,767
Capital lease payable	31,183	-	31,183
Total liabilities	3,814,149	390,462	4,204,611
Fund balance (deficit)	(616,025)	305,465	(310,560)
Total liabilities and fund balance (deficit)	\$3,198,124	\$695,927	\$3,894,051

See accompanying notes and independent accountant's review report

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Statement of Revenues and Expenses and Changes in Fund Balance (Deficit)

Year Ended December 31, 2009

	Operating Fund	Replacement Fund	Total
Revenues			
Assessments	\$3,032,810	\$428,127	\$3,460,937
Textron	48,195	6,572	54,767
Interest	3,163	3,520	6,683
Front desk and other income	469,890	-	469,890
Total revenues	3,554,058	438,219	3,992,277
Expenses			
Front office	274,663	-	274,663
Housekeeping	421,233	-	421,233
Owner relations/guest activities	95,622	-	95,622
Administration/sales	357,682	4,206	361,888
Repairs, replacement and maintenance	539,714	42,039	581,753
Telephone and utilities	218,188	-	218,188
Fixed expenses	1,308,145	116,526	1,424,671
Provision for income taxes	800	-	800
Provision for doubtful accounts	546,223	77,669	623,892
Total expenses	3,762,270	240,440	4,002,710
Excess (deficiency) of revenues over expenses	(208,212)	197,779	(10,433)
Fund balance (deficit), beginning of year	(407,813)	107,686	(300,127)
Fund balance (deficit), end of year	\$(616,025)	\$305,465	\$(310,560)

See accompanying notes and independent accountant's review report

3

Statement of Cash Flows

Year Ended December 31, 2009



California
VACATION CLUB

Notes to Financial Statements

December 31, 2009

	Operating Fund	Replacement Fund	Total
Cash flows from operating activities			
Excess (deficiency) of revenues over expenses	\$(208,212)	\$197,779	\$(10,433)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities			
Depreciation	8,486	-	8,486
(Increase) decrease in operating assets			
<i>Assessments and other receivables</i>	(69,709)	4,430	(65,279)
<i>Due from related parties</i>	88,106	8,906	97,012
<i>Prepaid expenses</i>	(11,663)	-	(11,663)
<i>Outside inventory</i>	741,738	-	741,738
<i>Due from (to) other fund</i>	85,052	(85,052)	-
Increase (decrease) in operating liabilities			
<i>Accounts payable and accrued liabilities</i>	(52,839)	-	(52,839)
<i>Outside inventory assessments</i>	(374,915)	-	(374,915)
<i>Deferred assessments</i>	(30,456)	(12,660)	(43,116)
<i>Deferred special assessments</i>	-	(27,300)	(27,300)
Net cash provided by operating activities	175,588	86,103	261,691
Net cash used in financing activities			
Payments on capital lease	(7,036)	-	(7,036)
Net increase in cash and cash equivalents	168,552	86,103	254,655
Cash and cash equivalents - beginning of year	94,415	204,657	299,072
Cash and cash equivalents - end of year	\$262,967	\$290,760	\$553,727

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$4,524
Income taxes	\$800

See accompanying notes and independent accountant's review report

Note 1 – Association and Membership

California Vacation Club (the Club) was incorporated on March 2, 1998 as a California nonprofit mutual benefit corporation with the specific and primary purpose of promoting the interests and welfare of the members of right-to-use vacation intervals in the vacation project known as Riverpointe Napa Valley situated in Napa, California.

In accordance with the lease agreement dated April 8, 1998 entered into between the Club and Interval Resorts I, LLC (the "Developer") (see note 3), a California limited liability company, the Club leases certain real property, dwelling units, furniture and fixtures from the Developer. In 2007, the Developer's lender, Textron Financial Corp ("Textron"), foreclosed against the Developer's assets for failure to pay its debt obligations. Subsequently, Textron entered into an agreement with CV Holdings Group (CVHG), whereby CVHG assumes the rights and responsibilities as the Developer of the project. The Club shall bear the cost of operating and maintaining these leased properties. Upon expiration of the lease on December 31, 2035 or earlier termination of the lease as defined in the agreement, all properties shall be returned to the Developer. In addition, the Developer has vacation interval interests at several other properties situated in Anaheim, Indio, Palm Desert, Palm Springs and San Diego, California, and Scottsdale, Arizona. Members' rights to use these properties results from the purchase of vacation interval memberships from the Club and Developer.

Vacation memberships are represented by points. 4,500 points are the minimum required to be held to constitute a membership. The Club is comprised of Class A memberships for the vacation interval members and Class B memberships for vacation intervals still owned by the project's developer. Voting and use rights are determined by the number of points purchased. There is one vote for every 4,500 points owned.

In accordance with the Club's by-laws, each vacation interval owner is subject to basic, special and personal charge assessments by the Club.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the Club have been prepared on the accrual basis of accounting. Accordingly, all significant receivables, revenues and gains are recognized when earned and expenses, liabilities and losses are recognized when incurred.

Fund accounting

The Club uses fund accounting, which requires that funds, such as operating funds and replacement funds be classified separately for accounting and reporting purposes.

Disbursements from the operating fund are generally at the discretion of the Board of Directors and Club management. Disbursements from the replacement fund generally may be made only for designated purposes.

Accounting standards codification

During the year ended December 31, 2009, the Club adopted updates issued by the FASB to the authoritative hierarchy of U.S. GAAP. The changes established the FASB Accounting Standards Codification (ASC) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. Other than the manner in which new accounting guidance is referenced, the adoption of these changes had no impact on the Club's financial statements.

Cash equivalents

The Club considers all highly liquid temporary investments with original maturities generally of three months or less when purchased to be cash equivalents. Cash equivalents include investments in money market funds held with a brokerage firm.

Concentrations of credit risk

The Club maintains deposit accounts with a bank that participates in the FDIC's Transaction Account Guarantee Program, which fully guaranteed these deposits at December 31, 2009. As of January 1, 2010, this bank will no longer participate in the FDIC Transaction Account Guarantee Program and these accounts will be insured up to \$250,000. The Club also maintains money market accounts with a brokerage firm that does not participate in FDIC or SIPC insurance programs. Therefore, all money market accounts are uninsured. The Club has not experienced any losses in such accounts. Management believes the Club is not exposed to significant credit risk relating to cash or money market accounts.

Assessments and deferred assessments

For the year ended December 31, 2009, each vacation interval member was generally assessed \$476 for 4,500 points, \$710 for 9,000 points, \$857 for 13,500 points, \$957 for 18,000 points, \$1,045 for 22,500 points, and \$1,169 for 27,000 points, inclusive of the replacement fund assessment.

The 2010 annual assessments are \$476 for 4,500 points, \$710 for 9,000 points, \$857 for 13,500 points, \$957 for 18,000 points, \$1,045 for 22,500 points, and \$1,169 for 27,000 points, inclusive of replacement fund assessment, and are included in deferred assessments until earned.

Allowance for doubtful accounts

Assessments receivable at December 31, 2009 consist principally of advance assessment billings for the year ending December 31, 2010. Accordingly, an allowance for doubtful accounts has not been established as of December 31, 2009.

All assessments are due and payable within ten days after the interval owner is billed. Interest, at rates determined by the Board, is charged on delinquent assessments. The Club may suspend rights and privileges of interval owners with delinquent assessments as defined in the by-laws. The Club's policy is to write-off all unpaid assessment receivables after all efforts to collect have been exhausted. Subsequent collection is recognized as bad debt recovery in the year received, which is netted with the provision for

doubtful accounts on the statement of revenues, expenses and changes in fund balance (deficit).

Property and equipment

Generally, ownership of real and personal property, including common areas and common furnishings, is vested in the Developer, and those assets are not titled in the Club's name. As a result, property and equipment, except equipment under capital lease, are not presented in the Club's financial statements.

Replacement fund assessments

The Club has designated certain amounts as replacement funds to provide for the payment of future repair and rehabilitation expenditures, as specifically approved by the Club's Board of Directors. The Club's replacement fund program is subject to a reserve analysis study. The most recent study conducted in 2010 was prepared by Hughes Reserves, who specialize in the preparation of reserve studies. The preparation of the reserve analysis is based upon certain assumptions in regards to existing reserve fund balances, inflation and investment rate factors, the estimated life span and the current cost of the reserve items. Furthermore, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Based on the study and the estimates contained in the underlying report, Club management believes that the existing replacement funding program together with the future business plan is adequate to meet future repair and rehabilitation expenditures. Should such funds not be adequate, or if additional funds are needed, the Club has the right, subject to certain limitations, to increase the annual assessments, pass special assessments, or delay the expenditures until funds are available.

Presentation of certain taxes

The Club collects various taxes, generally occupancy taxes, and remits these amounts to applicable taxing authorities. The Club's accounting policy is to exclude these taxes from revenues and expenses.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported as assets, liabilities, revenues, expenses and related disclosures. Actual results could differ from these estimates.

Subsequent events

Subsequent events are events or transactions that occur after the statement of assets, liabilities and fund balance date but before the financial statements are available to be issued. The Club evaluates all subsequent events and transactions to determine whether any transaction needs to be recognized or disclosed. The Club has evaluated all subsequent events through April 30, 2010, which is the date the financial statements are available to be issued, and has determined no events or transactions need to be recognized or disclosed in these financial statements, except as disclosed in Note 2 (replacement fund assessments).

Note 3 – Related Party Developer

The Developer's lender (Textron) foreclosed against the

Developer's assets for failure to pay its debt obligations. As a result, the Club has recorded a bad debt allowance of \$279,477 against the amount owed by the Developer and the likelihood of future subsidies, assessments and other reimbursements from the Developer or funds from subsidy bonds, as defined, if any, is remote.

In 2009, Textron was obligated to pay for the assessments on the vacation points that it owns. Because the collections of the assessments are not reasonably assured, the Club recognizes the assessment revenue from Textron when cash is received. Textron's obligation for 2009 was \$198,894 of which they paid \$54,767. Textron's assessment obligation for 2010 is \$197,086.

CVHG rents a sales model unit from the Club for sales and marketing purposes. As of December 31, 2009, a receivable and a bad debt allowance has not been recorded for charges related to the sales model unit because the Club has determined the charges may not be collectible and revenue will be recorded when cash is received.

CVHG was also obligated to pay for the assessments on vacation points that it owns. Additionally, they are obligated to pay expenses associated with the Clubhouse and maintenance building. Because the collection of the assessments and expenses are not reasonably assured, the Club recognizes the assessment revenue from CVHG as they are received. In 2009, the Club received and recognized \$91,995 from CVHG. At December 31, 2009, the unpaid balance of assessments and expenses from CVHG was \$478,836.

Management Fee

Effective April 1, 2000, the Club is operated under a management agreement with a professional property management company, Grand Pacific Resort Services, L.P., (GPRS), a California limited partnership. Effective November 1, 2003, the agreement is automatically renewable for successive two-year periods, unless terminated in accordance with the management agreement. The Club's management fee budget is within guidelines established by the California Department of Real Estate. Management fees under this agreement were \$252,529 for the year ended December 31, 2009, of which \$248,707 is allocated as fixed expenses under the operating fund and \$3,822 is allocated as repairs, replacements and maintenance under the replacement fund.

In addition, the Club shall compensate GPRS and other affiliated companies for other services provided, including but not limited to assessment billing and collection, accounting and computer services, file and reservation system maintenance and owner relations service. The Club also reimburses GPRS for any out of pocket expenses paid. At December 31, 2009, the Club owes GPRS and other affiliated companies \$63,709 for services provided. In addition, the Club owes \$240,280 in outside inventory assessments payable to Indian Palms Vacation Club managed by GPRS.

Note 4 - Income Taxes

For federal tax purposes, the Club is taxed under Internal Revenue Code Section 528 as an exempt organization. The Club is taxed on its non-exempt income less expenses directly connected with the production of the non-exempt income. Exempt function income is not subject to tax. Income tax is calculated at 32% of taxable income. For

state tax purposes, the Club is organized as a non-exempt membership organization and is taxed on its excess nonmember income (principally interest and usage by nonmembers) at the normal corporate tax rates.

State income taxes for 2009 totaled \$800. There were no federal income taxes for 2009.

Uncertain Tax Positions

In 2009, the Club adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FASB ASC Topic 740-10), which requires the Club to identify and evaluate all uncertain tax positions to determine whether it is more-likely-than-not that an uncertain tax position will be sustained upon examination for all open tax years. For the year ended December 31, 2009, the Club does not have any uncertain tax positions that are more-likely-than-not to be sustained. The Club is no longer subject to U.S. federal or California income tax examinations by tax authorities for years before 2005.

Note 5 – Going Concern

As shown in the 2009 financial statements, the Club has incurred an operating fund deficit of \$616,025, has an operating cash balance of only \$262,967 and the Club has spent \$438,795 of the 2010 assessments billed and collected in advance. These factors, in addition to uncertainty regarding any future subsidy for future operating deficits create an uncertainty regarding the Club's ability to continue as a going concern. Management's plan is to reduce expenses and services to maintain positive cash flow and is working on an operating deficit subsidy plan with CVHG (Note 3). The ability of the Club to continue as a going concern is dependant on the successes of management's plan, which cannot be guaranteed. The financial statements do not include any adjustments that might be necessary should the Club be unable to continue as a going concern.

Note 6 – Capital Lease

The Club entered into a capital lease for telephone and internet equipment valued at \$42,432. Payments are to be made in 60 monthly installments of \$963.

The assets and liabilities under the capital lease are recorded at the fair value of the asset. The assets are depreciated using the straight-line method over the asset's estimated useful life. Depreciation expense under this capital lease, included in fixed expenses was \$8,486 for the year ended December 31, 2009.

Future minimum lease payments under capital lease agreement, together with the present value of the net minimum lease payments as of December 31, 2009, are as follows:

Year Ending December 31	
2010	11,560
2011	11,560
2012	11,560
2013	<u>3,852</u>
Total minimum lease payments	38,532
Less: amount representing interest	<u>(7,349)</u>
Present value of net minimum lease payments	<u>\$31,183</u>

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GRAND PACIFIC RESORTS
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If you're not looking to exchange or bank your week/s, our Owner Rental program is the perfect solution.

YEARLY OWNER RENTAL AGREEMENT

PLEASE PRINT OR TYPE

Vacation Owner's Name: _____	Social Security # _____
(Spouse/Co-Owner): _____	Social Security # _____
<i>This Agreement will not be accepted unless Social Security number(s) is/are provided.</i>	
Address: _____	_____
(Street)	(City) (State) (Zip)
Telephone: Office (____) _____	Home(____) _____ Email Address: _____
Resort Name: _____	Owner Number: _____ Unit Type: _____ Week #: _____ Year of Rental: _____
Arrival Date: _____	Departure Date: _____

I, the undersigned Owner of the above described Vacation Ownership week ("VO" or "Use Week"), hereby authorize Grand Pacific Resort Management, ("GPRM") to rent such VO on my behalf, upon the following conditions:

TERMS AND CONDITIONS

1. TERM. This Agreement is intended to be an annual contract, to be in effect from the date of execution through the date of occupancy for the Use Week that is the subject of the Agreement. After the date of occupancy has passed, a new agreement must be submitted should Owner wish to participate in the GPRM rental program for the next year. Each separate Use Week that the Owner wishes to rent through GPRM must be the subject of a separate Agreement. This Agreement encompasses solely the Use Week identified above.

2. PURPOSE. This Agreement shall govern the rights and obligations of the parties with respect to the rental of Owner's VO during any year that Owner desires to participate in GPRM rental program and so notifies the Central Reservations Department in writing. Rental Agreements will be accepted up to one year in advance of the occupancy date for the Use Week to be rented.

3. EXCLUSIVE AGENCY. By executing this Agreement, Owner forfeits the right to concurrently employ another rental agent or to commit the VO to any exchange organization, such as RCI or Interval International.

4. OWNER RESERVATION. Owner is required to advise the Central Reservations Department of his/her intention to participate in the GPRM rental program at least six (6) weeks in advance of occupancy date, and as early as 18 months in advance for best results. When entering into the rental agreement, Owner acknowledges that we reserve the right to change unit numbers in order to accommodate various guests. Should Owner utilize a portion of the use week, Owner is guaranteed a unit type but will not be guaranteed unit number owned.

5. NON-GUARANTEED RENTAL. Owner acknowledges that GPRM can neither guarantee that Owner's VO will be rented, in whole or part, nor rented at an established rate. GPRM agrees to use best efforts to rent the entire VO at the best possible rate, but reserves the right to rent less than the entire VO and to quote rates less than suggested rates.

GPRM'S DECISION AS TO NUMBER OF DAYS RENTED AND BEST POSSIBLE RATE FOR ALL PURPOSES OF THIS AGREEMENT SHALL BE AT THE SOLE DISCRETION OF GPRM AND FINAL.

6. SALE OR TRANSFER OF VO. In the event that the VO is sold, Owner agrees that sale shall be made subject to any and all pending rental reservation(s) under this Agreement and Owner shall immediately notify the Resort and Central Reservations Department of the sale.

7. NOTIFICATION OF NON-RENTAL. Owner Rental Department will provide notification of rental status 30 days prior to check in and again seven (7) days prior to check. Phone calls will NOT be accepted to inquire as to status of rental. All requests must be in writing by either email at OwnerRentals@GrandPacificResorts.com or faxed to (760) 828-4243.

8. QUESTIONS AND REQUESTS FOR INFORMATION. Owner acknowledges that all questions and requests for information, including accounting, which may arise in connection with this Agreement, shall be directed via email to OwnerRentals@GrandPacificResorts.com, faxed to (760) 828-4243 or call (800) 831-3027.

9. INDEMNIFICATION BY OWNER. Owner shall indemnify Homeowners Association ("Association") and GPRM holding them harmless from any losses or damages that the Association or GPRM may incur as a result of this Agreement or any failure by Owner to perform its obligations hereunder. Association or GPRM may withhold any rental received to partially protect itself against loss.

10. DEDUCTION BREAKDOWN FROM RENTAL PROCEEDS.

A. Administrative Fee. Owner hereby expressly authorizes GPRM to deduct 40% of the gross rent as a fee payable after any applicable credit card surcharges and or package fulfillment have been deducted.

1. Administrative/Operations/Sales & Marketing. Administrative fees will cover all expenses incurred as a result of staff, salaries and wages for reservations, payables, receivables, telephone, operating supplies, marketing (ie; mailings, collateral material and online and offline advertising).

B. Homeowners Association Supplemental Contribution. Reservation fee of five percent (5%) will be deducted from the GPRM proceeds portion which will be payable to your resort Homeowners Association.

C. Travel Agencies at Commissionable Rates. Owner Rental Department is hereby authorized by Owner to utilize all travel-related agencies such as ResorTime.com at industry-wide commissionable rates. Commissions shall be deducted from the gross rent prior to any revenue split between the GPRM and Owner.

11. ADVANCE PAYMENT. Payment in full will be required for all weekly rentals at least seven (7) days prior to arrival date. The disposition of any refund request by renter will be at sole discretion of the Manager of the Resort where the VO is located.

12. CANCELLATIONS/FORFEITURE OF DEPOSITS. In the event a reservation cancellation is received by GPRM more than seven (7) days prior to check-in for weekly rentals and seven (7) days prior to check-in for nightly rentals, the reservation deposit shall be refunded to prospective renter in full. Any cancellations received after the noted cancellation periods will result in forfeiture of the deposit collected with 60% paid to Owner and 40% to GPRM. Based on Management's discretion, we reserve the right to allow cancellations of rental guest within seven (7) days based on extenuating circumstances that may need to be confidential.

13. ACCOUNTING. All accounting required under this Agreement will be completed within twenty one (21) days of the last day of interval rented. If Use Week falls within two (2) separate monthly periods, then two (2) separate checks will be sent within twenty one (21) days of interval rented. All inquiries regarding the status of rental, commissions or any other accounting related function must be submitted via email at OwnerRentals@GrandPacificResorts.com or faxed to (760)828-4243.

14. IN-HOUSE AUTOMATED BANKING PROGRAM. UPON PROVIDING MY CONSENT AS INDICATED BELOW, Grand Pacific Resort Management, Central Reservations Department shall deposit my week into the Grand Pacific Exchange Program (GPX) 14-30 days prior to the start date of the Use Week (If my week has not rented for a minimum of three (3) nights.) Owners will have two (2) years from date of deposit to redeem an exchange week directly through GPX. Owner will not be required to pay any membership fees in connection with said exchange, and will, however, be subject to associated exchange fee: \$169 Domestic, \$189 International (rates subject to change). GPX is an internal GPR exchange program.

Please select one of the following by Initialing in Space Provided (Required)

_____ I want to automatically bank my week with GPX if fewer than three (3) nights have been rented and the start date is within 14-30 days, depending on demand and season. I understand I will not receive any rental income if my week is banked with GPX.

_____ I do NOT want to have my week automatically banked with GPX and will take full responsibility for utilizing other options for my week should any part not be rented.

15. TERMINATION. Pursuant to the provisions of this Paragraph, this Agreement may be terminated should Owner wish to terminate to; rent, use or bank his/her Use Week with any other exchange company. Owner must submit request in writing to have the Use Week removed from GPRM's rental program. The request will be granted only if, the VO has not already been rented or reserved, in whole or in part. It is agreed that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained as a result of termination more than thirty days prior to the occupancy date for the Use Week that is the subject of this Agreement. Consequently, it is agreed that a \$50 fee will be assessed for any requests more than 30 days prior to the start date of the Use Week. The fee is intended to compensate GPRM for the marketing and/or administrative costs associated with efforts to rent the VO. No fee will be assessed for terminations less than thirty days prior to the date of occupancy for any Use Week that at the time of termination has not been rented, in whole or in part. **Please Initial Here:** _____

16. TAXES. All GPRM resorts are located within a governmental jurisdiction that imposes a tax, based on any rental revenues, and such tax shall be collected from the renter by GPRM.

17. BEST EFFORTS. GPRM agrees to make every reasonable effort to rent Owner's VO. Owner agrees to indemnify and hold the Association, its Board of Directors and employees, Grand Pacific Resort Management, its officers and employees, harmless against and from any and all claims, demands, and liabilities which may arise in connection with the rental of Owner's VO. Owner specifically relieves GPRM from any liability in connection with non-rental of Owner's VO.

18. LOSS OF RENTAL RIGHTS. In the event Owner shall become delinquent in the payment of any money owed to the Association prior to the rental dates and such delinquency shall remain unpaid as of the first day of the rental period, Owner shall lose the right to any rental income generated, which rental income shall be deposited into the Association's operating account, less the Administrative Fee paid to GPRM.

Under these circumstances, neither GPRM nor the Association shall have any obligation to apply any portion of the rental income to Owner's delinquent account.

19. PROPER AUTHORITY. Owner warrants that it possesses the requisite power and authority to enter into and perform its obligations under this Agreement on behalf of all persons in title of Owner's VO. If Owner owns multiple VOs, Owner must execute and submit a separate Rental Agreement for each VO.

20. TELEMARKETING CONSENT. By executing this Agreement, Owner acknowledges a business relationship with Grand Pacific Resorts, Inc., Grand Pacific Resort Management, and ResorTime.com L.P. (all of whom may be involved in one way or another in the effort to rent the VO that is the subject of this Agreement.) By executing this Agreement, Owner provides express consent, permission and authorization to be contacted by telephone by any of the entities above with regard to product and/or service offerings, at the phone number listed above, until such consent is revoked by request to be placed on the company specific "Do-Not-Call List" maintained by each separate company.

Note: Such a request must be directed to each separate company; a request to one company will not result in your being placed on any other company's specific "Do-Not-Call" list.

21. CHARGE BACKS. GPRM now offers the ability for Owners to eliminate risk of losing confirmed rental income due to rental guest credit card chargebacks or insufficient funds.

Please select one of the following (required)

_____ I wish to OPT IN to the Optional Rental Income Guarantee and will not be responsible in the event of a charge back by the guest(s) who rent my week. **Enclosed is my payment for \$24.95.**

_____ I wish to OPT OUT of the Optional Rental Income Guarantee and take full responsibility in the event of a charge back which may result in my rental income being forfeited and/or paid back to my home resort.

Signature: _____

Date: _____

Signature: _____

Date: _____

This Agreement will not be accepted unless Social Security number is provided. Please send one copy to us and make one for your records.

Grand Pacific Resort Management Owner Rental Department, 5900 Pasteur Court, Suite 105, Carlsbad, CA 92008

Toll free 800-831-3027

OwnerRentals@GrandPacificResorts.com