

WHEREAS, Owner purchased or leased one or more unit weeks in accordance with the provision of Section 27-31-10 et seq., South Carolina Code of Laws and the Association's Master Deed and By-Laws as appropriate.

WHEREAS, pursuant to the rights granted to Owner and or lessee under Owner's Deed of Conveyance or lease, Owner and/or lessee, is entitled to the exclusive use and occupancy of the aforesaid unit for a period of up to seven (7) days, all as set forth in said Deed and explained in the Articles of Incorporation and By-Laws of the Association.

WHEREAS, Owner wishes to relinquish its exclusive right to occupancy for the aforesaid unit as set forth in the Deed thereto in exchange for the right to occupy other, similar accommodations and facilities at home resort on a Reservation basis as more specifically set forth herein below.

NOW THEREFORE, in consideration of the mutual promises and undertakings set forth herein, it is agreed as follows:

WITNESSETH

1. Owner hereby sets over, assigns and relinquishes unto Management, its successors and assigns during the term of this Agreement all of Owner's occupancy rights in the unit designated above during the unit weeks also designated above, which unit weeks are defined, explained, and provided for under the terms of the aforesaid Declaration.
2. In exchange for assignment of Owner's occupancy rights, Management will hold such occupancy rights in common with the occupancy rights of other unit week owners, so as to provide a common pool of occupancy rights in various units at home resort. After the execution of these presents by Owner and Defender, such occupancy rights shall, during the term of this Agreement, be the exclusive property therein contained, or any common property thereunto appurtenant.
3. Immediately upon assignment of Owner's use rights to Management, Management will offer owner the right to reserve a unit at home resort comparable to the unit identified above (the "Reservation Rights"). Such Reservation Rights shall be provided for and defined solely with reference to this Agreement.
4. For each unit week, the occupancy rights for which have been assigned by Owner to Management, Owner shall be entitled to reserve up to seven (7) days for Owner's exclusive use and occupancy. Reservations for a stay of seven (7) consecutive days may be made no less than thirty (30) days and no more than eighty-nine (89) days prior to the commencement of the seven (7) day period Owner wishes to reserve. Management will confirm all reservations either in writing or by telephone and Owner shall be given a confirmation number to verify each reservation made.
5. Reservations may not be cancelled or changed unless the cancellation or change is confirmed by Resort at least twenty-one (21) days in advance, if for a reservation of seven (7) consecutive days or longer. Any reservations not used or properly cancelled in accordance with the terms of this Agreement shall cause the defaulting Owner to lose those Reservation Rights; it being the intent of this Agreement that each Owner be entitled to make no more than one seven (7) day reservation per calendar year for each unit week owned.
6. Owners planning to exchange their unit week through Resort Condominiums International (RCI) or Interval International (II) must reserve their own unit week (i.e., the unit week identified in their Deed or lease) no less than ninety (90) days and no more than three hundred sixty-five (365) days in advance of the check-in date. This procedure is necessary to conform to RCI's and II's reservation and spacebank policies.
7. All reservations shall be entered and confirmed by reservation number solely on a first come, first served basis. Owner understands and agrees that Owner may not be able to occupy any particular unit for any particular period of time due to the confirmation of prior reservations made by other Owners. All reservations shall be subject to the check-in and checkout procedures applicable to the unit affected, as set forth in the Declaration and as scheduled by Management.
8. Owner understands that only weeks 1 through 12 and 39 through 52, as defined in the Declaration, are presently available for reservations, since this Agreement is presently offered only to Owners of these unit weeks. Management reserves the right to enter into agreements with other unit week owners for the inclusion of their occupancy rights in this reservation procedure. The expansion of such Reservation Rights is solely within the discretion of Defender and cannot be guaranteed.
9. No Owner shall be entitled to a confirmed reservation unless and until all assessments and charges due to the Homeowners Association are paid in full, including those charges attributable to the year in which the reservation is made. If the owner becomes delinquent by more than 60 days, this Flex® Inventory Deposit Agreement shall become null and void. Upon being removed from the Flex® Program, the owner may rejoin the Flex® Program by filling out a new Flex® Inventory Deposit Agreement for the next calendar year. Approval is subject to all assessment and charges being paid current on owner's account.
10. Any Owner shall be entitled to reserve up to four (4) consecutive nights at any participating property managed by Defender, whether or not such Owners Reservation Rights for that year have been exhausted; provided that such reservations may only be made from fifteen (15) days until the anticipated check-in time of date and shall be strictly on a space-available basis. This opportunity to reserve additional time shall be referred to as "Bonus Time". An Owner shall be entitled to reserve no more than one (1) stay per month of Bonus Time in March, end of September or October, November and December and up to two (2) Bonus Stays in January and February.
11. Defender reserves the right in its sole discretion to amend this Agreement in order to maximize use of the home resort through fair and efficient reservation procedures.
12. This Agreement shall extend from the date first written above through and including December 31st of that year and shall be automatically renewed for successive periods of one (1) year. Owner and Management understand and acknowledge that this Agreement can be terminated, but only in writing and upon not less than ninety (90) days notice prior to the expiration of the then current term thereof.

DEFENDER FLEX® INVENTORY DEPOSIT AGREEMENT
WEEKS 1 through 12 and 39 through 52 ONLY
Fixed Week Resort

Depositor's Name: _____

Address: _____

City, State, Zip: _____

Date of Deposit: _____ Inventory Deposit: Unit No. _____ Week No. _____ Resort: _____

The above named Owner, having read and understood the regulations and conditions set forth below and reverse, does hereby exercise his/her option to participate in the Defender Flex® Program, by depositing the above-mentioned inventory to the common pool of occupancy rights. The Defender Flex® Program is a Defender-owned and sponsored program offered to owners at certain Defender-managed resorts.

The basic rules of usage and reservations are as follows:

I. RULES OF PARTICIPATION

- (A) This Agreement shall be automatically renewed on January 1st of each year unless otherwise instructed.
- (B) This Agreement may be terminated upon 90 days written notice and will not be effective until the end of the current term.
- (C) Upon execution of the Agreement, Owner's occupancy rights shall be on a space available basis in accordance with the rules set forth herein.
- (D) Owner may not rent or assign any reserved occupancy periods of less than 7 days, unless otherwise agreed upon by Defender. Only those individuals named on the deed to the property are considered owners and only those individuals may participate in this program. Owners may bring guests on a bonus time stay, but owners may not send a guest in their place.
- (E) Bonus time reservations are limited to certain months. Additionally, there must be a separation of at least one week between occupancy periods.
- (F) A usage fee shall be paid to the Homeowners Association for Bonus Time Stays. The rate per stay will be determined by weekday or weekend stays.
- (G) To prevent abuse of the system, a reservation deposit of \$50 may be required for Bonus Time and will be refunded to Owner when, and if, he/she checks in. Cancellation notices of less than 21 days for 7-day stays shall result in forfeiture of Owner's rights to reserve 7-day stays for the given calendar year. Defender reserves the right to expel an Owner at Defender's discretion for infractions of rules and regulations of the program or of the association.
- (H) Any owner that is not current on their maintenance fee(s) will be removed from the Defender Flex® Program and will not be reinstated until their account becomes current.

II. RULES FOR RESERVATIONS

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| (A) Seven-Day Stays:
(Refer to Paragraph 6 below) | For RCI or Interval International exchange purposes only
365-90 DAYS ADVANCE NOTICE
Prior to dates of the actual WEEK OWNED |
| (B) Seven-Day Stays:
(Refer to Paragraph 4 below) | At your home resort
89-30 DAYS ADVANCE NOTICE
Prior to dates requested.
NOTE: Normal check-in/check-out days and times must be maintained. |
| (C) Bonus Time Stays:
(Refer to Paragraph 10 below) | At property managed by Defender
Up to 4 days or less
May reserve 15 days down to check-in time of date requested. Only one (1) bonus time stay per month during March, end of September or October, November and December and up to 2 Bonus stays in January and February. |

IN WITNESS WHEREOF, Owner and Defender Resorts, Inc. have hereunto set their hands and affixed their seals on the date first written above.

OWNER:

DEFENDER RESORTS, INC.
A South Carolina Corporation
By: _____

This Reservation Procedure, Regulation and Use Agreement (hereinafter "Agreement") entered into this date shown above, by and between Owner, whose name is also shown above, and Defender (hereinafter "Management").