

PUBLIC OFFERING STATEMENT

FOR

**CALYPSO CAY VACATION VILLAS, A TIMESHARE
PLAN**

This Public Offering Statement contains important matters to be considered in acquiring a timeshare interest. The statements contained in this Public Offering Statement are only summary in nature. A prospective purchaser should refer to all references, accompanying exhibits, contract documents, and sales materials. You should not rely on oral representations as being correct. Refer to this document and accompanying exhibits for correct representations. The seller is prohibited from making any representations other than those contained in the contract and this Public Offering Statement.

Effective Date: August 1, 2015

TABLE OF CONTENTS TO PUBLIC OFFERING STATEMENT

EXHIBIT/TAB #

0	Public Offering Statement Text
1	Declaration of Covenants and Restrictions First Amendment to Declaration of Covenants and Restrictions Second Amendment to Declaration of Covenants and Restrictions Third Amendment to Declaration of Covenants and Restrictions Fourth Amendment to Declaration of Covenants and Restrictions Fifth Amendment to Declaration of Covenants and Restrictions
2	Estimated Operating Budget
3	Survey and Plot Plan and Floor Plans
4	Form Purchase Contract
5	Descriptive List of Public Offering Statement Exhibits Not Delivered to Purchasers
6.	Calypso Vacation Club Rules and Regulations

**INDEX TO
PUBLIC OFFERING STATEMENT TEXT**

	Page
I. DEFINITIONS.....	1
II. REQUIRED DISCLOSURES	9
IIA. DEVELOPER DISCLOSURES	11
III. PUBLIC OFFERING STATEMENT TEXT	12
1. THE TIMESHARE PLAN	12
a. The Plan.	12
b. Common Expenses and Common Surplus.....	19
2. CLUB MEMBERSHIPS AND RECREATIONAL LEASES.....	19
3. TERM OF PLAN.....	20
4. SITE ENTITIES AND OPERATIONS, JUDGMENTS AND LAWSUITS	20
a. Site Entities and Operations.....	20
b. Judgments and Pending Lawsuits	22
5. RESORT.	22
a. Accommodations and Facilities and Restrictions on Use.....	22
b. Completion of Construction.....	25
c. Recreational Facilities.....	25
d. Financial Arrangements for Promised Improvements	30
e. Insurance	30
f. Disclosures Regarding Real Property	30
g. Description of Developer Financing.....	31
h. Control of Association	31
6. BUDGETS, DUES AND FEES.....	31
7. PURCHASE OF AN OWNERSHIP INTEREST.....	32
a. Purchaser’s Right of Cancellation	32
b. Total Financial Obligation of the Purchaser	32
c. Status of Title Underlying the Resort Facility	33
d. Restrictions Upon Rental or Resale	34
8. EXCHANGE PROGRAM OPPORTUNITIES	34
a. External Exchange Program.	34
b. External Exchange Reservations.....	35
9. SPECIFIC DISCLOSURES CONCERNING THE WEST HOTEL PROPERTY:.....	35

I. DEFINITIONS

The following words and phrases when used in the Plan are defined in accordance with the Act and as follows unless the context should clearly reflect another meaning:

A. "Access and Use Declaration" means the Access and Use Declaration and Grant of Easements, as may be amended from time to time, recorded in the public records of Osceola County, Florida by the owner of the Phases submitted to the Resort Facility and the Future Development Area which governs the shared use and expenses of the Shared Pool Facility and the Proposed Additional Shared Pool Facility.

B. "Accommodation" means the physical space in a Unit which is available for use and occupancy the reservation of a Use Period pursuant to the Club Rules.

C. "Act" means Chapter 721, Florida Statutes, as such statute shall exist as of the date the Declaration is recorded.

D. "Annual Assessment" means the amount levied in a fiscal year against each Owner as such Owner's share of the Common Expenses established in the Annual Budget.

E. "Annual Budget" means estimated operating budget prepared and adopted for each Fiscal year by the Board setting forth the Common Expenses for the operation, management and maintenance of the Resort and the Timeshare Plan including all appropriate reserves required by the Act or the Board.

F. "Annual Owner" is an Owner who owns an Annual Ownership Interest.

G. "Annual Ownership Interest" means a Timeshare Interest regarding which the Owner receives annually on a recurring basis during the Reservation Year the right to request a reservation for the occupancy in Accommodations in accordance with the Club Rules.

H. "Articles" means the Articles of Incorporation of the Association, as may be amended from time to time, a copy of which is attached to the Declaration as an exhibit.

I. "Assessment" means the amount levied from time to time against the Owners by the Association to fund the payment of Common Expenses whether as an Annual Assessment or a Special Assessment, including the Phases V, VI and VII Specific Assessment levied only against the Owners of Phases V, VI and VII Units.

J. "Assigned Week" means the Week to which a Timeshare Interest is assigned either at the time of sale or is assigned pursuant to the Declaration. For a Biennial Ownership Interest, the Assigned Week will occur either in Odd Numbered Years or Even Numbered Years.

K. "Association" means Calypso Cay Vacation Villas Owners Association, Inc., a Florida not-for-profit corporation.

L. "Association Property" means that property real and personal, which is owned or leased by the Association for the use and benefit of its members.

M. "Biennial Owner" means an Owner who owns a Biennial Ownership Interest.

N. "Biennial Ownership Interest" means a Timeshare Interest regarding which the Owner receives on a recurring basis during the Reservation Year occurring every other year the right to request a reservation for occupancy in Accommodations in accordance with the Club Rules.

O. "Board" or "Board of Directors" means the Board of Directors of the Association.

P. "By-Laws" means the By-Laws of the Association, as may be amended from time to time, a copy of which is attached hereto to the Declaration as an exhibit.

Q. "Check-In Time" and "Check-Out Time" respectively means the time on the day that begins the reserved Use Period when the Occupant may begin occupying the Accommodations and the time on the day that ends the reserved Use Period when the Occupant must cease occupying the Accommodations.

R. "Club" means the Calypso Vacation Club, which is the service name given to the variety of exchange and reservation services provided to the Members of the Club and the other vacation, travel and leisure benefits which may be offered to the Members from time to time pursuant to the priorities, restrictions and limitations set forth in the Club Documents. The Calypso Vacation Club is not a legal entity or association of any kind, and is only comprised of the Accommodations of the Resort Facility.

S. "Club Points" means the units of symbolic value utilized by the Club Manager to quantify the trading power assigned to a Member's Timeshare Interest by Club Manager which enables the Member to access the Reservation System and other Club services and benefits. Each Club Member shall annually or biennially, if applicable, be assigned an allocation of Club Points to represent the Use Rights in each Week or Split Week which is related to that Member's Timeshare Interest.

T. "Club Rules" means the Calypso Vacation Club Rules and Regulations, which may be modified from time to time by the Club Manager and which contain the rules and regulations governing a Member's use of the Club. In this regard, Club Manager will use its best efforts, in good faith and based upon all reasonably available evidence under the circumstances to further the best interests of the Members as a whole with respect to their opportunity to use and enjoy the Accommodations, services and benefits of the Club.

U. "Common Areas" means the Association Property and those portions of the Resort Facility which are not included in the Units, and those areas for which the Association shall have maintenance responsibility such as the Recreational Facilities, but specifically excluding the Runaway Bay Clubhouse Amenities.

V. "Common Expenses" means costs incurred in the operation of the Resort Facility and includes those expenses incurred for the maintenance, operation and repair of the Units,

Common Areas and Common Furnishings, for reserves as required by the Act or the Board, other expenses to fulfill obligations of the Association, including but not limited to the operation of the Timeshare Plan and payment of the Revocable License Fees pursuant to the Revocable License (if any) and the Developer's Cross Easement Fees pursuant to the Developer's Cross Easement Agreement.

W. "Common Furnishings" means all personal property owned or leased by the Association, including, but not limited to, all furniture, furnishings, appliances, carpeting, lighting fixtures, utensils and kitchenware and bather and other fixtures located within the Units and in the Common Areas.

X. "Common Surplus" means the excess of all receipts of the Association collected on behalf of the Timeshare Plan over the Common Expenses.

Y. "Cross Easement Agreement" means the Cross Easement Agreement dated November 23, 1999 and recorded in Official Records Book 1677, Page 633 of the Public Records of Osceola County, Florida, and as amended from time to time, which establishes the easements and use rights for some of the Owners and Occupants of the Resort Facility at the swimming pools and certain other amenities of the Hotel Properties and easements and use rights for the users and other occupants of the Hotel Properties to use the swimming pools within the Common Areas of the Resort Facility and also establishes the easements for Developer, some of the Owners and Occupants of the Resort Facility for ingress and egress across and upon the Hotel Properties as well as the easements for the users and other occupants of the Hotel Properties for ingress and egress across and upon the Resort Facility and the Common Areas.

Z. "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Calypso Cay Vacation Villas, a Timeshare Plan, as amended from time to time, which constitutes the timeshare instrument creating and governing the Timeshare Plan at the Resort Facility.

AA. "Developer" means the creator of the Timeshare Plan by and through the Declaration which is Timescape Resorts, LLC, a Florida limited liability company, its grantees, successors and assigns. An Owner of one or more Timeshare Interests shall not solely by reason of such purchase be deemed a grantee, successor or assignee of Developer's rights or obligations under the Plan unless such Owner is specifically so designated as a successor or assign of Developer's rights or obligations in the respective instrument of conveyance or other instruments executed by Developer.

BB. "Developer's Cross Easement Agreement" means, collectively, the one or more Developer's Cross Easements recorded in the public records of Osceola County, Florida by the owner of the Runaway Bay Entranceway and the Shared Parking Area and Developer as the owner of Phases V, VI and VII, and each as amended from time to time, which establish easements for the benefit of the Owners and permitted users of Phases V, VI and VII in the Runaway Bay Clubhouse Amenities and for the benefit of the Owners and users of Phases V, VI and VII in the Shared Parking Area, the Runaway Bay Entranceway and the remaining property currently known as the Runaway Bay Luxury Apartments and Villas.

CC. “Developer’s Cross Easement Fees” means the pro rata fees charged to the Developer and its assigns under the Developer’s Cross Easement Agreement for maintenance and repair costs associated with the Runaway Bay Entranceway, the Shared Parking Area and all common facilities located on the remaining property currently known as the Runaway Bay Luxury Apartments and Villas.

DD. “Division” as used herein shall be deemed to mean and refer to the Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation.

EE. “East Hotel Property” means the adjacent real property situated on the eastern side of the property to the south of the Resort Facility upon which is or will be located a hotel or condominium hotel and other improvements including the East Hotel Property Shared Amenities.

FF. “East Hotel Property Shared Amenities” means the swimming pool and other amenities on the East Hotel Property which are to be shared with the Occupants of Units in the Resort Facility (except for the Owners or Occupants of Phases V, VI and VII) pursuant to the Cross Easement Agreement.

GG. “Even Numbered Years” means those years ending in the numbers 2, 4, 6, 8 and 0.

HH. “Future Development Area” means that area depicted on the Survey, Plot Plan and Floor Plans as the Future Development Area within which the Developer may add Phases II-IV of the Resort Facility.

II. “Hotel Properties” means the East Hotel Property and the West Hotel Property.

JJ. “Management Company” means Timescape Management, LLC, a Florida limited liability company, or any other entity with which the Association has entered into a management agreement to provide some or all of the management services for the Timeshare Plan.

KK. “Member” or “Club Member” means the owner of record of a Timeshare Interest who has complied with all of the terms and conditions for membership in the Club.

LL. “Occupant” means any person occupying or permitted to occupy a Unit, including, but not limited to, the Owner, members of the Owner’s family, members of the Club, the Owner’s or Member’s guests, tenants, licensees, invitees, together with any renters or exchange program participants and their respective family members, guests, tenants, licensees and invitees.

MM. “Odd Numbered Years” means those years ending in the numbers 1, 3, 5, 7 and 9.

NN. “Owner” means a person to whom Developer has conveyed of record a Timeshare Interest, his successors or assigns, and shall also include Developer as to Timeshare Interests it may own from time to time.

OO. “Phase I of the Resort Facility” or “Phase I” or “Phase 1” means the property described on Exhibit A of the Declaration and depicted as “Phase I” on the Survey, Plot Plan and Floor Plans and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection therewith.

PP. “Phase II of the Resort Facility” or “Phase II” or “Phase 2” means the property described on Exhibit A of the Declaration and depicted as “Phase II” on the Survey, Plot Plan and Floor Plans and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection therewith.

QQ. “Phase V of the Resort Facility” or “Phase V” or “Phase 5” means the property described on Exhibit A of the Declaration and depicted as “Phase V” on the Survey, Plot Plan and Floor Plans and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection therewith.

RR. “Phase V Specific Assessment” means the amount levied from time to time against the Owners of Phase V Units by the Association as a part of the Assessments to fund the payment of the Revocable License Fees (if any) and the Developer’s Cross Easement Fees.

SS. “Phase VI of the Resort Facility” or “Phase VI” or “Phase 6” means the property described on Exhibit A of the Declaration and depicted as “Phase VI” on the Survey, Plot Plan and Floor Plans and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection therewith.

TT. “Phase VI Specific Assessment” means the amount levied from time to time against the Owners of Phase VI Units by the Association as a part of the Assessments to fund the payment of the Revocable License Fees (if any) and the Developer’s Cross Easement Fees.

UU. “Phase VII of the Resort Facility” or “Phase VII” or “Phase 7” means the property described on Exhibit A of the Declaration and depicted as “Phase VII” on the Survey, Plot Plan and Floor Plans and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection therewith.

VV. “Phase VII Specific Assessment” means the amount levied from time to time against the Owners of Phase VII Units by the Association as a part of the Assessments to fund the payment of the Revocable License Fees (if any) and the Developer’s Cross Easement Fees.

WW. “Plan” or “Timeshare Plan” means the timeshare plan established for the Resort Facility by the Declaration pursuant to the Act and which consists exclusively of Timeshare Estates. The term “Plan” also is synonymous with the Declaration.

XX. “Preferred Mortgagee” means a bank, a federal or state savings and loan association, an insurance company, a mortgage company, a real estate investment or business trust, a pension fund, an agency of the United States government, any other lender generally recognized as an institutional type lender owning and holding a mortgage encumbering a Timeshare Interest and also includes Developer or its assigns with respect to mortgages which it creates encumbering a Timeshare Interest.

YY. "Priority Advantage" means the priority which a Member enjoys pursuant to the Club Rules to reserve a Use Period pursuant to the Club Rules. The Owners Exclusive Reservation Window provides the period pursuant to the Club Rules for Members to exercise the Priority Advantage.

ZZ. "Proposed Additional Shared Pool Facility" means the swimming pool and other amenities which have been constructed on the land depicted as the "Proposed Additional Shared Pool Facility" on the Survey, Plot Plan and Floor Plans attached as Exhibit B to the Declaration, but which has not been made subject to the Declaration and has not been conveyed to the Association as Association Property.

AAA. "Purchase Contract" means the purchase and sale agreement between a purchaser and Developer whereby purchaser agrees to buy and Developer agrees to sell a Timeshare Interest pursuant to the terms contained therein.

BBB. "Recreational Facilities" means the land and improvements of the Shared Pool Facility and may include the Proposed Additional Shared Pool Facility if submitted to the scope of the Declaration by Developer or otherwise conveyed to the Association as Association Property. Such recreational and commonly used facilities will be initially owned by Developer. If and when Developer conveys such facilities to the Association, then the Recreational Facilities that are conveyed shall also be Association Property. The Runaway Bay Clubhouse Amenities are not a part of the Recreational Facilities.

CCC. "Reservation System" shall mean the method provided by the Club to enable each Owner to utilize such Owner's right to reserve a Use Period in Accommodations of the Resort Facility.

DDD. "Reservation Year" means that period of time commencing one year prior to the first day of the Assigned Week and terminating on the day prior to the first day of such Assigned Week.

EEE. "Resort" means the Calypso Cay Vacation Villas, a Timeshare Plan, consisting of the Resort Facility and the Common Areas and Common Furnishings thereof and also the Association Property and the Recreational Facilities together with the other easements and use rights benefiting the Resort Facility and the Owners and Occupants thereof as established with regard to the Resort Facility.

FFF. "Resort Facility" means the real property developed by Developer as a phased timeshare property and committed to the Timeshare Plan by the Declaration.

GGG. "Resort Year" means the fiscal year of the Association which shall begin on April 1 of a year and shall end on March 31 of the next year until changed by action of the Board.

HHH. "Revocable License" means a Revocable Access and Use License executed by the owner of the Runaway Bay Clubhouse Amenities and the Association, and as amended from time to time, which establishes the revocable use rights of the Owners of Phases V, VI and VII in the Runaway Bay Clubhouse Amenities. At present, no Revocable License is in place, but it may exist in the future.

III. “Revocable License Fees” means the fees charged to the Association under a Revocable License for use of the Runaway Bay Clubhouse Amenities by the Phases V, VI and VII Owners (if such Revocable License exists). The Revocable License Fees, if any, consist of the Phases V, VI and VII Owners’ pro rata share of (i) certain repair, replacement, maintenance and utility costs of the Runaway Bay Clubhouse Amenities; (ii) the License Fee; and (iii) real estate taxes and insurance, all as further described in the Revocable License.

JJJ. “Rules and Regulations” means the rules and regulations as may be promulgated from time to time by the Association.

KKK. “Runaway Bay Dock Amenities” means the fishing dock located on the lake within the apartment complex known as Runaway Bay Luxury Apartments and Villas which is to be shared with some of the Occupants of Units in the Resort Facility pursuant to the Cross Easement Agreement.

LLL. “Runaway Bay Clubhouse Amenities” means the Clubhouse and Pool located within the apartment complex known as Runaway Bay Luxury Apartment and Villas which is to be shared for a limited period of time with the Owners of Units in Phases V, VI and VII of the Resort Facility pursuant to the Revocable License, if in existence.

MMM. “Runaway Bay Entranceway” means the adjacent parcel of real property currently being used as an entranceway, together with all improvements from time to time erected or installed thereon, on the western side of Phases V, VI and VII upon which is or will be located a security gate.

NNN. “Service Period” means that period of time, commencing at Check-Out Time at the end of each Use Period and ending at Check-In Time at the beginning of the next Use Period to be used by the Association to clean, service and maintain a Unit and the Common Furnishings.

OOO. “Shared Pool Facility” means the facility depicted as the “Shared Pool Facility” on the Survey, Plot Plan and Floor Plans attached as Exhibit B to the Declaration. The Shared Pool Facility is a part of the Recreational Facilities of the Resort, and shall become Association Property if and when title thereto is conveyed to the Association.

PPP. “Shared Parking Area” means the adjacent parcel of real property on the southern side of Phase V and upon which is or will be located paved parking areas, subject to the provisions of the Developer’s Cross Easement Agreement.

QQQ. “Special Assessment” means a share of funds required for the payment of Common Expenses which from time to time is assessed against an Owner in addition to the Annual Assessment.

RRR. “Split Week” means a Week of which the use is divided into periods of less than seven (7) consecutive days. The Club Manager reserves the right to change the combination, or allow a different combination of days, and otherwise to limit the reservation of Split Weeks in the best interests of Members as a whole.

SSS. "Survey, Plot Plan and Floor Plans" means the drawings relating to the development of the Resort attached as an exhibit to the Declaration.

TTT. "Timeshare Interest" means an undivided fractional tenant in common fee simple interest in a phase of the Resort Facility. A Timeshare Interest is a "timeshare estate" as defined by the Act.

UUU. "Timeshare Plan" – see "Plan."

VVV. "Turnover Day" means the day of the week when the Assigned Week begins and ends which may be different for different phases of the Resort Facility.

WWW. "Unit" means a part of the Resort Facility which is designated for occupancy by persons of a single family or living group, provided, however, that a Unit may contain a Lock-off feature to enable occupation of such Unit as two or more private dwelling spaces. Each Unit of the Resort Facility will be numbered or lettered for identification.

XXX. "Use Period" means the period of time consisting of a Week or Split Week during which a Member can or has reserved use and occupancy of an Accommodation from the Inventory Pool pursuant to the Club Rules

YYY. "Week" means a Use Period of seven (7) consecutive days during the calendar year. In each calendar year there shall be fifty-two (52) seven (7) consecutive day Use Periods and an additional seven (7) consecutive day period of time which will occur only during certain years and shall be known as the "53rd Week" defined hereinbelow. Each Week shall commence at Check-In Time on the Turnover Day and shall terminate at Check-Out Time on the Turnover Day seven (7) days later. In other words, Week No. 1 is the seven (7) day period commencing at Check-In Time on the first applicable Turnover Day in each calendar year and terminating at Check-Out Time on the next Turnover Day; Week No. 2 is the seven (7) day period commencing at Check-In Time on the Turnover Day next following the first Turnover Day in each year and terminating at Check-Out Time on the next Turnover Day. Additional Weeks up to and including Week No. 52 are computed in like manner. The 53rd Week shall be the seven (7) day period commencing at Check-In Time on the Turnover Day ending Week No. 52 and terminating at Check-Out Time on the first applicable Turnover Day of the next calendar year, but shall only exist and following Week No. 52 if Week No. 52 ends in the same calendar year in which the preceding Week No. 1 began.

ZZZ. "West Hotel Property" means the adjacent real property situated on the western side of the property to the south of the Resort Facility upon which is or will be located a hotel or condominium hotel and other improvements including the West Hotel Property Shared Amenities.

AAAA. "West Hotel Property Shared Amenities" means the swimming pool and other amenities on the West Hotel Property which are to be shared with the Occupants of Units in the Resort Facility (except for the Owners or Occupants of Phases V, VI and VII) pursuant to the Cross Easement Agreement.

II. **REQUIRED DISCLOSURES**

1. **This Public Offering Statement contains important matters to be considered in acquiring a timeshare interest. The statements contained in this Public Offering Statement are only summary in nature. A prospective purchaser should refer to all references, accompanying exhibits, contract documents, and sales materials. You should not rely on oral representations as being correct. Refer to this document and accompanying exhibits for correct representations. The seller is prohibited from making any representations other than those contained in the contract and this Public Offering Statement.**

2. **The Developer has the right to retain control of the Association after a majority of the Timeshare Interests have been sold.**

For a more complete description of the Developer's right of control, please refer to Article XVII of the Declaration attached as an Exhibit to this Public Offering Statement.

3. **For the purpose of ad valorem assessment, taxation and special assessments, the Managing Entity will be considered the taxpayer as your agent pursuant to Section 192.037, Florida Statutes.**

4. **You may cancel the Purchase Contract without any penalty or obligation within 10 calendar days after the date you sign the contract.**

5. **If you decide to cancel the Purchase Contract, you must notify the Developer in writing of your intent to cancel. Your notice of cancellation shall be effective upon the date sent and shall be sent to: Timescape Resorts, LLC., 4951 Calypso Cay Way, Kissimmee, Florida 34746 – Facsimile (407) 997-1550. Any attempt to obtain a waiver of your cancellation right is void and of no effect. While you may execute all closing documents in advance, the closing, as evidenced by delivery of the deed or other document, before expiration of your 10-day cancellation period, is prohibited.**

6. **Facilities may be expanded or added without the consent of the purchasers or the Association.**

7. **The sale, lease, or transfer of Timeshare Interests is restricted or controlled.**

8. **The purchase of a Timeshare Interest should be based upon its value as a vacation experience or for spending leisure time, and not considered for purposes of acquiring an appreciating investment or with an expectation that the Timeshare Interest may be resold.**

9. **The Association must pay use fees for one or more facilities.**

See Section 5.c. below for information about the potential use of the Runaway Bay Clubhouse Amenities by certain Owners.

See the Developer's Cross Easement Agreement and Section 5 below for a more complete description of the shared parking and access provided in the Runaway Bay Entranceway and the Shared Parking Area.

10. **There is a contract for the management of the Resort Facility with Timescape Management, LLC, a Florida limited liability company.**

See Section 4(2) of this Public Offering Statement.

11. **Any resale of this Timeshare Interest must be accompanied by certain disclosures in accordance with Section 721.065, Florida Statutes.**

See Purchase Contract.

IIA. DEVELOPER DISCLOSURES

1. OWNERS MAY BE DENIED ACCESS TO THE RESORT FACILITY UPON FAILURE TO PAY ASSESSMENTS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 721.13(6)(A), FLORIDA STATUTES.
2. IF THE NAME OF THE WEST HOTEL PROPERTY IS COUNTRY INNS & SUITES HOTEL, THERE IS A LICENSE AGREEMENT BY AND BETWEEN AN AFFILIATE OF DEVELOPER AND COUNTRY INNS & SUITES BY CARLSON, INC. ("LICENSOR") TO OPERATE THE WEST HOTEL PROPERTY AS A COUNTRY INNS AND SUITES HOTEL. THE LICENSE AGREEMENT MAY BE TERMINATED AT ANY TIME AND AS SUCH THE NAME OF THE HOTEL MAY CHANGE AT ANY TIME. ANY TERMINATION OF THE LICENSE AGREEMENT OR A NAME CHANGE OF THE HOTEL DOES NOT REQUIRE CONSENT OF OR NOTICE TO ANY OWNER. THEREFORE, YOU SHOULD NOT PURCHASE A TIMESHARE INTEREST WITH THE EXPECTATION THAT THE HOTEL WILL OPERATE OR REMAIN OPERATING UNDER THE COUNTRY INN & SUITES NAME OR LICENSE AGREEMENT. LICENSOR DOES NOT ASSUME OR GUARANTEE, AND IS NOT OTHERWISE RESPONSIBLE FOR, ANY OF THE OBLIGATIONS, ACTS OR OMISSIONS OF THE DEVELOPER OR ANY OTHER PERSON WITH RESPECT TO TIMESHARE INTEREST SALES OR MARKETING ACTIVITIES.

LICENSOR DOES NOT ENDORSE OR PARTICIPATE IN THE SALE OF THE TIMESHARE INTERESTS OR ANY TIMESHARE INTEREST DISCLOSURE OR SALES DOCUMENTS. LICENSOR IS NOT A PARTNER, CO-DEVELOPER, SPONSOR, OWNER OR OPERATOR OF THE UNITS OR BUILDINGS OF THE CALYPSO CAY VACATION VILLAS. LICENSOR'S ONLY INVOLVEMENT IS THE FACT THAT IT ALLOWS DEVELOPER TO ARRANGE FOR TOURS OF PROSPECTIVE PURCHASERS OF TIMESHARE INTERESTS FROM THE TIMESHARE INFORMATION BOOTH IN THE LOBBY OF THE COUNTRY INNS & SUITES HOTEL. LICENSOR FORBIDS DEVELOPER FROM USING ANY HOTEL CUSTOMER INFORMATION IN THE MARKETING OR SALES OF TIMESHARE INTERESTS.

NO PERSON HAVING THE RIGHT TO OCCUPY AT THE CALYPSO CAY VACATION VILLAS BY VIRTUE OF OWNERSHIP OF A TIMESHARE INTEREST OBTAINS ANY RIGHT IN THE LICENSE AGREEMENT WITH LICENSOR OR ANY RIGHTS IN THE BUSINESS SYSTEM OR MARKS EARNED BY SUCH LICENSE AGREEMENT.

3. THE OWNERS AND OCCUPANTS OF THE UNITS OF PHASES V, VI AND VII DO NOT HAVE USE RIGHTS IN THE AMENITIES OF EITHER OF THE HOTEL PROPERTIES OR THE RUNAWAY BAY DOCK AMENITIES.

III. PUBLIC OFFERING STATEMENT TEXT

1. THE TIMESHARE PLAN

a. **The Plan.** The name of the Timeshare Plan is Calypso Cay Vacation Villas, a Timeshare Plan, and all accommodations and facilities are located at 5000 Jollymon Drive, Kissimmee, Florida 34746.

(1) Description of the Timeshare Plan The accommodations and facilities of the Timeshare Plan are located in the Resort Facility, which shall consist of a minimum of five (5) phases containing a total of 151 Units together with certain Common Areas. Developer may add additional phases to the Timeshare Plan through amendments to the Declaration, but Developer is not obligated to add any additional Units or phases at all or to add any specific number of Units or phases.

Phase I consists of one building in which the 25 Units are of two types:

- 10 Units are three bedroom/three bathroom Units (“Three Bedroom Lock-Off Units”) capable of being divided by a lockable door into separate private dwelling areas consisting of a one bedroom/one bathroom lock-off section and a two bedroom/two bathroom lock-off section.
- 15 Units are two bedroom/two bathroom Units (“Two Bedroom Lock-Off Units”) capable of being divided by a lockable door into separate private dwelling areas consisting of a one bedroom/one bathroom lock-off section and a one bedroom/one bathroom lock-off section.

Each of the Units in Phase I utilizes an interior doorway to accomplish the lock-off of one unit section to another. When opened, such lock-off feature allows the Occupants to circulate between both sections and utilize a single entry from the corridor. When such interior door is closed, each constituent section can be used as a separate living area with a separate entry from the corridor. Floor plans for the Units are among the graphic depictions constituting the Survey, Plot Plan and Floor Plans exhibit attached as Exhibit B to the Declaration which is included as an exhibit to this Public Offering Statement. The Survey, Plot Plan and Floor Plans exhibit shall sometime herein be called the “Drawings” for convenience.

Phase II consists of one building in which there are 30 Units of the following two types:

- 10 Units are Three Bedroom Lock-Off Units.
- 20 Units are Two Bedroom Lock-Off Units.

Each of the Units in Phase II utilizes an interior doorway to accomplish the lock-off of one unit section to another. When opened, such lock-off feature allows the Occupants to circulate between both sections and utilize a single entry from the corridor. When such interior door is closed, each constituent section can be used as a separate living area with a separate entry from the corridor. Floor plans for the Units are among the graphic depictions constituting the Survey, Plot Plan and Floor Plans exhibit attached as Exhibit B to the Declaration which is

included as an exhibit to this Public Offering Statement. The Survey, Plot Plan and Floor Plans exhibit shall sometime herein be called the “Drawings” for convenience.

Phase V consists of one building in which there are 32 Units of the following three types:

- 6 Units are three bedroom/three bathroom Units which are not capable of being divided similar to lock-off units (“Three Bedroom Units”).
- 16 Units are two bedroom/two bathroom Units which are not capable of being divided similar to lock-off units (“Two Bedroom Units”).
- 10 Units are one bedroom/one bathroom Units (“One Bedroom Units”).

Phase VI consists of one building in which there are 32 Units of the following three types:

- 6 Units are Three Bedroom Units.
- 16 Units are Two Bedroom Units.
- 10 Units are One Bedroom Units.

Phase VII consists of one building in which there are 32 Units of the following three types:

- 6 Units are Three Bedroom Units.
- 16 Units are Two Bedroom Units.
- 10 Units are One Bedroom Units.

The site of the buildings and the land constituting Phases I, II, V, VI and VII are depicted on the Drawings which also show the relationship of Phases I, II, V, VI and VII to each other and to the other aspects of the development, including the Recreational Facilities discussed below and other contiguous development. The area which may become, at Developer’s sole discretion, future phases of the Resort Facility is shown as Future Development Area on the Drawings.

Developer may add one or more additional phases to the Resort Facility by amendment to the Declaration whereby some or all of the property located in the area shown as the Future Development Area on the Drawings and/or other property at Developer’s discretion shall be identified as an additional phase or phases and subjected to the covenants, restriction, conditions and easements of the Declaration. As of the effective date of this Public Offering Statement, the Developer’s intent is to create two additional phases from the Future Development Area for a total of seven phases. The Developer’s intention is also that each such phase will contain thirty (30) Units and thus all seven phases may have a total of 211 Units, more or less. However, Developer is not obligated to add any such future phases, and Developer reserves the right to vary the phasing plan. There shall be no time limit during which Developer must complete its phasing plan. Developer reserves the right to submit additional phases in any sequence. There

are no assurances that any future phase will be added to the Resort Facility. However, Developer will not convey any Timeshare Interest in a future phase of the Resort Facility until such phase has been added to the Resort Facility by an amendment to the Declaration. Moreover, Developer reserves all rights, in its sole discretion, to vary the phasing plan with respect to physical boundaries of each phase, the plot plan, all floor plans for the Units including the types and sizes of the Units, and the total number of Units to be contained in the Timeshare Plan, as well as in each additional proposed phase, and any facilities with respect to each subsequent phase. Developer shall have no obligation or duty to notify Owners of the decision not to submit one or more of the additional proposed phases to the Timeshare Plan.

The impact which the completion of subsequent phases will have on prior phases will be to increase the number of Units and the number of Owners. The allocation of Common Expenses among the Owners following the addition of a phase to the Resort Facility will be accomplished in the manner for levying Assessments as set forth in Section 6 hereof.

The Association shall own the Common Furnishings located in the Units, and the Association shall include the cost of maintaining and replacing such items as a part of the Common Expenses.

The Calypso Vacation Club contains only one component site, which is Calypso Cay Vacation Villas. The Developer shall not add any additional component sites to the Plan.

The Club Manager operates and manages the Reservation System through the Club Rules. The Club Manager has the right to amend the terms and conditions of the Club Documents, including, the Club Rules, from time to time as set forth therein. Purchaser should consult the discussion below regarding the Reservation System.

Developer shall offer for sale and convey to each Owner by special warranty deed a Timeshare Interest consisting of an undivided tenant-in-common fee simple interest in a specified phase of the Resort Facility. The ownership interest of each Owner conveyed by the Deed shall be expressed as a fraction and shall be undivided from the Timeshare Interests of other Owners in the same Phase. Each such Timeshare Interest is coupled with the right to occupy a Unit pursuant to the Plan as described herein. Each Owner shall obtain occupancy and shall pay its proportionate share of Assessments and ad valorem property taxes determined on the basis of the fractional ownership interest allocated to such Owner. All Timeshare Interests within a phase of the Resort Facility shall have been conveyed when the sum of the fractional undivided tenant-in-common fee simple interests conveyed therein shall equal the whole number one (1).

Each Deed shall assign to the Owner a specific Week during the calendar year as the Assigned Week. With regard to such Assigned Week, the Owner of the Timeshare Interest shall have a priority to reserve occupancy in a type of Unit at the Resort Facility during the Priority Advantage period. The type of Unit to which the reservation priority applies shall correspond to the size of the Timeshare Interest purchased as discussed below, or to a lesser sized Unit. Such reservation must be made through the Reservation System of the Club pursuant to the Club Rules. If the Owner does not exercise such Owner's rights under the Priority Advantage to make a reservation for the Assigned Week during the Owners Exclusive Reservation Window, then

such Owner's occupancy rights associated with the Timeshare Interest owned shall be converted to Club Points in accordance with the Club Rules.

The Assigned Week shall begin and end on the Turnover Day. The Turnover Day for Phase I shall be Sunday. The Turnover Day for Phase II shall be Saturday. The Turnover Day for Phase V shall be Saturday. The Turnover Day for Phases VI and VII shall be Friday. The Turnover Day for any of the future phases may be different.

The Club Points into which the occupancy rights associated with the Timeshare Interest of an Owner are converted pursuant to the Club Rules shall be affected by several factors including seasonality, the size of the fractional ownership interest and other factors as described in the Club Rules.

The Deed shall also indicate whether the Timeshare Interest is an Annual Ownership Interest or a Biennial Ownership Interest. Each Owner of an Annual Ownership Interest receives annually on a recurring basis during the Reservation Year the right to request a reservation for occupancy in Accommodations of the Club in accordance with the Club Rules. Such reservation right shall entitle the Annual Owner to request a priority reservation in a Unit of the Resort during the Priority Advantage period of each Reservation Year. Each Owner of a Biennial Ownership Interest receives on a recurring basis during the Reservation Year occurring every other year the right to request a reservation for occupancy in Accommodations of the Club in accordance with the Club Rules. Such reservation right shall entitle the Biennial Owner to request a priority reservation in a Unit of the Resort during the Priority Advantage period of the Club during the Reservation Year every other year. The Deed of a Biennial Ownership Interest shall indicate whether the Owner of such Timeshare Interest has occupancy rights during Odd Numbered Years or during Even Numbered Years. According the Club Rules, which should be consulted for more details, the Assigned Week determines the end of the Reservation Year which is the one year period during which the Owner of the Timeshare Interest can confirm a reservation for a Use Period.

The fractional interest specified in the Deed shall correspond to the type of Unit of the Resort Facility to which the Owner shall have priority rights during the Assigned Week. An Owner shall not have a priority right to occupy any particular Unit of the Resort Facility during the Assigned Week pursuant to a reservation made in accordance with the Priority Advantage, but rather shall have such priority right in the same type of Unit as indicated by the fractional interest conveyed. The differentiation between the types of Units and also whether the occupancy rights are annual or biennial is indicated by the size of the fractional interest conveyed and may vary with each phase of the Resort Facility.

For Timeshare Interests conveyed in Phase I of the Resort Facility, the following fractions shall equate with the indicated type of Unit and the frequency of occupancy rights:

- A fractional interest of 8/11,440 shall mean an Annual Ownership Interest in a Two Bedroom Lock-Off Unit.
- A fractional interest of 4/11,440 shall mean a Biennial Ownership Interest in a Two Bedroom Lock-Off Unit.

- A fractional interest of 10/11,440 shall mean an Annual Ownership Interest in a Three Bedroom Lock-Off Unit.
- A fractional interest of 5/11,440 shall mean a Biennial Ownership Interest in a Three Bedroom Lock-Off Unit.

For Timeshare Interests conveyed in Phase II of the Resort Facility, the following fractions shall equate with the indicated type of Unit and the frequency of occupancy rights:

- A fractional interest of 8/13,520 shall mean an Annual Ownership Interest in a Two Bedroom Lock-Off Unit.
- A fractional interest of 4/13,520 shall mean a Biennial Ownership Interest in a Two Bedroom Lock-Off Unit.
- A fractional interest of 10/13,520 shall mean an Annual Ownership Interest in a Three Bedroom Lock-Off Unit.
- A fractional interest of 5/13,520 shall mean a Biennial Ownership Interest in a Three Bedroom Lock-Off Unit.

For Timeshare Interests conveyed in Phase V of the Resort Facility, the following fractions shall equate with the indicated type of Unit and the frequency of occupancy rights:

- A fractional interest of 8/9,568 shall mean an Annual Ownership Interest in a Three Bedroom Unit.
- A fractional interest of 4/9,568 shall mean a Biennial Ownership Interest in a Three Bedroom Unit.
- A fractional interest of 6/9,568 shall mean an Annual Ownership Interest in a Two Bedroom Unit.
- A fractional interest of 3/9,568 shall mean a Biennial Ownership Interest in a Two Bedroom Unit.
- A fractional interest of 4/9,568 shall mean an Annual Ownership Interest in a One Bedroom Unit.
- A fractional interest of 2/9,568 shall mean a Biennial Ownership Interest in a One Bedroom Unit.

For Timeshare Interests conveyed in Phase VI of the Resort Facility, the following fractions shall equate with the indicated type of Unit and the frequency of occupancy rights:

- A fractional interest of 8/9,568 shall mean an Annual Ownership Interest in a Three Bedroom Unit.

- A fractional interest of 4/9,568 shall mean a Biennial Ownership Interest in a Three Bedroom Unit.
- A fractional interest of 6/9,568 shall mean an Annual Ownership Interest in a Two Bedroom Unit.
- A fractional interest of 3/9,568 shall mean a Biennial Ownership Interest in a Two Bedroom Unit.
- A fractional interest of 4/9,568 shall mean an Annual Ownership Interest in a One Bedroom Unit.
- A fractional interest of 2/9,568 shall mean a Biennial Ownership Interest in a One Bedroom Unit.

For Timeshare Interests conveyed in Phase VII of the Resort Facility, the following fractions shall equate with the indicated type of Unit and the frequency of occupancy rights:

- A fractional interest of 8/9,568 shall mean an Annual Ownership Interest in a Three Bedroom Unit.
- A fractional interest of 4/9,568 shall mean a Biennial Ownership Interest in a Three Bedroom Unit.
- A fractional interest of 6/9,568 shall mean an Annual Ownership Interest in a Two Bedroom Unit.
- A fractional interest of 3/9,568 shall mean a Biennial Ownership Interest in a Two Bedroom Unit.
- A fractional interest of 4/9,568 shall mean an Annual Ownership Interest in a One Bedroom Unit.
- A fractional interest of 2/9,568 shall mean a Biennial Ownership Interest in a One Bedroom Unit.

Although a Biennial Owner does not have occupancy rights each year, each Biennial Owner does have the obligation to pay Assessments and ad valorem taxes each year. Additionally, a Biennial Owner has voting rights and other rights as an Owner and member of the Association every year as set forth hereinafter. The annual obligation to pay Assessments and ad valorem taxes and enjoy other aspects of ownership for a Biennial Owner is one-half of the amount for an Annual Owner with priority occupancy rights pursuant to the Priority Advantage in the same type of Unit.

The shortest timeshare period currently offered for sale by the Developer is one week, which means that a purchaser may purchase only Timeshare Interests which have coupled therewith occupancy rights which would entitle the respective Owners to reserve one week of

occupancy in an Accommodation during at least one season of the year pursuant to the Club Rules. Developer reserves the right to sell to purchasers Timeshare Interests which are allocated lesser occupancy rights.

Each phase of the Resort Facility is subjected to the Timeshare Plan by recording in the Public Records of Osceola County, Florida, the Declaration and amendments thereto specifically identifying such phase. Such terms, covenants and conditions of the Declaration runs with the land specifically described as the phase subject to it. Such Declaration establishes all the rights, restrictions and obligations, benefits and burdens of ownership for the property subject to it. For a more complete description of the Plan, please refer to the Declaration which constitutes an exhibit to this Public Offering Statement.

The addition of future phases and more Units to the Resort Facility as disclosed in this Public Offering Statement shall not constitute an amendment to the Declaration, this Public Offering Statement, or any of the other Club Documents which will materially alter or modify the offering in a manner that is adverse to a Purchaser. A Purchaser should not purchase a Timeshare Interest in the Resort if the addition of future phases and more Units to the Resort Facility would be considered by such Purchaser an event which will materially alter or modify the offering in a manner that is adverse to such Purchaser.

(2) The Reservation System The Reservation System is the method provided by the Club to enable each Member to utilize such Member's right to reserve a Use Period in Accommodations in accordance with the Club Rules. Notwithstanding that each Purchaser is conveyed a Timeshare Interest which is assigned a specific Assigned Week, all Owners at the Resort Facility must reserve occupancy through use of the Reservation System. The Club Rules provide for a Priority Advantage during the Reservation Year for the purpose of providing a Member with the opportunity during a limited period of time to exercise a priority right to reserve occupancy during the Assigned Week in a Unit whose size is determined by the size of the fractional interest conveyed. If all of a Member's priority reservation rights are not exercised in such manner, then the Club Rules provide that the Owner will be allotted Club Points to use during other Reservations Windows left in the rest of the applicable Reservation Year to request reservations in Accommodations in competition with other Members. Reservations are confirmed during such other Reservation Windows at all times on a first come, first served reservation basis. Club Points not used to make a reservation or access other Club benefits by the end of the applicable Reservation Year will expire.

Since reservations are confirmed on a first come, first served basis in all Reservation Windows other than pursuant to the Priority Advantage in the Owners Exclusive Reservation Window, the longer that a Member delays initiating the process of making a reservation, the less likely such Member will obtain confirmation of such Member's choice of available Use Periods. Early reservation may be necessary to reserve occupancy in certain Units at the most desirable times. The Reservation Year for each Member begins one year prior to the first day of the Assigned Week and ends on the day prior to the first day of the Assigned Week.

Members who are delinquent in the payment of Assessments, real estate taxes or other charges imposed by the Association shall not be entitled to confirm a reservation for a Use Period until such time as the delinquency has been remedied in full. Additionally, such

delinquent Members who have received a reservation confirmation may have their reservation canceled or their ability to occupy a Unit blocked until such time as such delinquency is remedied. With regard to any reservation blocked in accordance with Section 721.13(6) of the Act further discussed in Section 5.a(3) hereof, the Association shall be entitled, but shall not be obligated, to rent the reserved accommodations and set off the sums collected (net of expenses including commissions) against unpaid Assessments and other unpaid amounts.

b. Common Expenses and Common Surplus

An Annual Budget will be established each fiscal year by the Board of Directors of the Association and shall be funded by the levy of an Annual Assessment against the Owners of the Timeshare Interests. The Owners of Timeshare Interests shall also be responsible to pay any Special Assessments levied by the Board of Directors. The Annual Budget of the Association provides specific details as to each Owner's liability for Common Expenses. In addition to the Assessments, each Owner of a Timeshare Interest shall be obligated to pay ad valorem taxes with respect to such ownership of an interest in real estate.

The Common Expenses of the Association funded through the Annual Budget and the levying of Assessments shall include the costs to be incurred for the operation, management and maintenance of the Resort Facility including the Units, Common Areas and Common Furnishings, and also the Recreational Facilities, Association Property, Runaway Bay Clubhouse Amenities and the Timeshare Plan. The Revocable License sets forth the Revocable License Fees payable by the Association on behalf of the Phases V, VI and VII Unit Owners through the collection of the Phases V, VI and VII Specific Assessments. Annual Assessments shall be payable upon such date and in such manner as may be from time to time determined by the Board.

By virtue of holding title to a Timeshare Interest, each Owner agrees to pay the Annual Assessment, Special Assessments, ad valorem taxes and other amounts charged in accordance with the provisions of the Declaration, and in the event of non-payment consents to a lien against the such Owner's Timeshare Interest. Such lien is subject to being enforced through foreclosure in accordance with Florida law. The collection of Assessments and the enforcement of liens shall be the responsibility of the Association and the Management Company as its agent. In connection with the operation of the Reservation System, the Association may collect funds from Owners in advance from which to pay Assessments and ad valorem taxes in subsequent years for which Assessments and ad valorem taxes have not yet been established and levied. The Association and Management Company will hold such funds collected until the corresponding Assessment and ad valorem taxes are due and will then use such funds in payment thereof.

With regard to the Common Surplus, each Owner shall have an ownership interest in such Common Surplus in proportionate to such Owner's fractional ownership in the entire Resort Facility.

2. CLUB MEMBERSHIPS AND RECREATIONAL LEASES

The Association must pay use fees for one or more facilities.

See Section 5.c. below for information about the potential use of the Runaway Bay Clubhouse Amenities by certain Owners.

See the Developer's Cross Easement Agreement and Section 5 below for a more complete description of the shared parking and access provided in the Runaway Bay Entranceway and the Shared Parking Area.

There are no club memberships associated with the Resort Facility, except membership in the Calypso Vacation Club which is appurtenant to the ownership of a Timeshare Interest. The Club Dues which the Association is charged on behalf of the Owners as Members of the Club are incorporated into the Common Expenses of the Association which are charged to each Owner by the Association pursuant to the Annual Budget.

There are no recreational leases associated with the Resort. See Section 5 below for a discussion of the Recreational Facilities of the Resort.

3. **TERM OF PLAN**

The property interest owned by conveyance of a Timeshare Interest is perpetual. However, the Timeshare Plan established by the Declaration shall have a term of forty (40) years from the date of recording of the Declaration, after which time said covenant shall be automatically extended for successive terms of ten (10) years each unless during the last year of the current term, the Declaration is terminated by (i) the consent of the Owners entitled to cast seventy percent (70 %) of the total votes of the Owners in all phases then constituting the Resort Facility, (ii) the written consent of all Preferred Mortgagees (as defined in the Declaration) encumbering Timeshare Interests in the Resort Facility, and (iii) the consent of the Board also to such termination by a vote of three-fourths (3/4) of the entire Board. However, the Declaration and the Timeshare Plan may be terminated earlier by (i) the consent of the Owners entitled to cast eighty percent (80%) of the total votes of the Owners in all phases then constituting the Resort Facility, (ii) the written consent of all Preferred Mortgagees encumbering Timeshare Interests in the Resort Facility and (iii) the consent of three-fourths (3/4) of the entire Board.

In the event of the termination of this Timeshare Plan, the Resort Facility shall be deemed removed from the provisions of the Act and shall be owned in common by the Owners pro rata in accordance with their Timeshare Interest as provided in the Plan without regard to the phase in which an Owner may own an interest. Each Owner would continue to be responsible for his proportional share of Common Expenses. See Article XVIII of the Declaration for more detail.

4. **SITE ENTITIES AND OPERATIONS, JUDGMENTS AND LAWSUITS**

a. **Site Entities and Operations**

(1) Developer.

The Developer of the Timeshare Plan is Timescape Resorts, LLC, a Florida limited liability company. The principal directing the creation and sale of the Timeshare Interests for the Developer is Stephen W. Bradley who is an Authorized Member, and has been overseeing the

development and operation of the Timeshare Plan since its commencement in 2000. The Resort is the first timeshare project developed by the Developer or Mr. Bradley, although Mr. Bradley has 30 years of residential and commercial real estate development and management experience.

(2) The Managing Entity.

The rights and obligations inherent in the management of the Resort Facility is vested in Calypso Cay Vacation Villas Owners Association, Inc., a Florida not-for-profit corporation. The address for the Association is 4951 Calypso Cay Way, Kissimmee, Florida 34746. The Association is responsible for the maintenance and operation of the Resort. The Timeshare Plan provides that the Association may enter into a Management Agreement with a Management Company in order to arrange for services for the management, maintenance and operation of the Resort Facility. The Management Company shall be a separate entity which may be affiliated with the Developer. The Association is controlled by the Developer. Pursuant to Article XVII of the Declaration, control of the Association shall remain with the Developer until the sooner of Developer's election to transfer control to Owners other than Developer or such time as the Developer no longer owns a Timeshare Interest in the Resort Facility.

There is a contract for the management of the Resort Facility with Timescape Management, LLC, a Florida limited liability company.

The Association has entered into a Management Agreement with Timescape Management, LLC, a Florida limited liability company, whose address is 359 Carolina Avenue, Winter Park, Florida 32789, to be the Management Company for the management of the Resort. Pursuant to the Management Agreement, the Association has delegated its management, maintenance, and operation duties to the Management Company. The Management Company shall be paid a fee calculated pursuant to the Management Agreement. In accordance with the Act, the Management Agreement has an initial term of three (3) years and will automatically be renewed for successive three (3) year periods unless terminated earlier in accordance with Florida law. The Management Company may only be discharged by a vote of the Owners as provided for in the Act. In no event may the Association or the Board terminate the Management Company without such a vote.

The annual management fee will be fifteen percent (15%) of the total funds that are assessed against the Owners each year pursuant to the Annual Budget and any special assessments approved by the Board. All services procured by Management Company, regardless of source, shall be provided on a fee per service basis; provided, however, those services which cannot practicably be provided on a fee per service basis, as determined by Management Company in its sole discretion, will be provided on a cost basis. There are no provisions in the Management Agreement for increases in the percentage compensation to be paid to Management Company. A copy of the currently applicable Annual Budget, which includes the annual management fee, is attached to this Public Offering Statement as an exhibit.

(3) Contracts or Leases that may be Cancelled by Owners.

There are no service, maintenance, or recreation contracts or leases having a non-cancelable term in excess of one (1) year. The Association and the Management Company are

empowered, at any time and from time to time, to enter into such contracts without the consent of the Owners.

b. Judgments and Pending Lawsuits

Developer has no actual knowledge of any outstanding judgments or pending lawsuits, consent orders or notices to show cause against the Developer, the Association or the Management Company which are material to the Timeshare Plan.

5. RESORT.

a. Accommodations and Facilities and Restrictions on Use.

(1) Accommodations of the Resort

As previously indicated, the Resort Facility has been developed in phases (and additional phases may be added in the future). Phases I, II, V, VI and VII are described in Section 1.a. above. The building and Unit plans for Phases I, II, V, VI and VII are graphically described in the Survey, Plot Plan and Floor Plans which are attached to this Public Offering Statement as an exhibit. The Developer is under no obligation to develop or declare as part of the Resort Facility any phases other than Phases I, II, V, VI and VII. In the event the Developer does elect to develop and declare additional phases, the Developer reserves all rights as set forth in Section 1.a. above.

Parking in the Shared Parking Area and access to Phases V, VI and VII from Calypso Cay Way is provided pursuant to the provisions of the Developer's Cross Easement Agreement. The Owners of Phases V, VI and VII Units only shall pay the Phases V, VI and VII Specific Assessment as a part of the overall Assessments, in order to pay the Developer's Cross Easement Fees as required under the Developer's Cross Easement for purposes of maintenance and repair costs associated with the Runaway Bay Entranceway and the Shared Parking Area and all utility and drainage facilities, roadways, walkways, sidewalks, maintenance facilities, landscaping, parking and any other common facilities located on the overall property currently known as the Runaway Bay Luxury Apartments and Villas. The respective owners of the Shared Parking Area and the Runaway Bay Entranceway shall have exclusive control over the operation of such real property, and any improvements, now or hereafter constructed thereon, including the service gate, and may exercise such control through rules and regulations promulgated regarding use.

The Phase V building contains 10 "Maintenance Rooms" as reflected on the Drawings. The Maintenance Rooms are available for the use by the Association and are prohibited from being used by individual Owners of the Resort Facility.

The Phase VI building contains 10 "Maintenance Rooms" as reflected on the Drawings. The Maintenance Rooms are available for the use by the Association and are prohibited from being used by individual Owners of the Resort Facility.

The Phase VII building contains 10 "Maintenance Rooms" as reflected on the Drawings. The Maintenance Rooms are available for the use by the Association and are prohibited from being used by individual Owners of the Resort Facility.

During the first year after the first sale of a Timeshare Interest in a Unit of Phase VII, the Common Furnishings in the Phase VII Units may not be similar in nature and quality to those in the other Phases of the Resort Facility. Provided a Phase VII Unit Owner reserves its use rights, that Owner shall be allowed at its additional cost, to reserve their comparable time in Phases I, II V or VI based upon availability.

(2) Restrictions on Use

The occupancy, use and enjoyment of Units in the Resort Facility are subject to restrictions as set forth in Article XIV of the Declaration as well as any restrictions that may be set forth from time to time in the Articles of Incorporation or By-Laws of the Association. There are no restrictions against children occupying the Units. As stated in Article XIV of the Declaration, no pets of any type or nature are allowed upon the Common Areas or in any Units except for pets assisting the handicapped such as seeing eye dogs.

In addition to such restrictions, the Association shall have the power to promulgate Rules and Regulations regulating the use and enjoyment of the Units, the Common Furnishings and the Common Areas and other areas of the Resort Facility. The Rules and Regulations so promulgated shall in all respects be consistent with the use covenants set forth in the Declaration. The Association may modify, alter, amend and rescind such rules and regulations provided such modifications, alterations, amendments and rescissions are consistent with the use covenant set forth in the Declaration.

Although it is not anticipated that any maintenance period will restrict occupancy, the Club Manager has the right to reserve periods of time during the Club Priority Reservation Window for purposes of enabling the Association and the Management Company to perform periodic maintenance, such as, but not limited to, repairs, cleaning and painting, as may be necessary to maintain a Unit.

Pursuant to the Club Rules, an Owner shall have a Priority Advantage during the Owners Exclusive Reservation Window to reserve occupancy during the Assigned Week in the same type of Unit as indicated by the fractional interest conveyed, as explained more fully above in Section 1.a(2). During other Reservation Windows, all reservations are only confirmed in Accommodations on a first come, first served basis. Accordingly, ownership of a Timeshare Interest does not guarantee that a reservation for occupancy in a particular Unit or Accommodation can be achieved, and except for the Assigned Week reserved pursuant to the Priority Advantage, a reservation for occupancy during a particular Week cannot be guaranteed.

Subject to the above, each Occupant shall have the exclusive right to occupy a Unit within the Resort Facility during the reserved Use Period, and only during such occupancy shall the Occupant have the right to utilize the Unit, Common Furnishings and the Common Areas as well as the Recreational Facilities, the Association Property and the East Hotel Properties Shared Amenities, the West Hotel Properties Shared Amenities and the Runaway Bay Dock Amenities described in Section 5.b. below (except for Phases V, VI and VII). Notwithstanding the previous sentence, only Owners of a Unit of Phases V, VI and VII shall have the right to utilize, in addition to the facilities identified in the preceding sentence, the Runaway Bay Clubhouse Amenities described in Section 5.b. below and only Owners and Occupants of a Unit of Phases I

and II shall have the right to utilize the East Hotel Properties Shared Amenities and the West Hotel Properties Shared Amenities. No Owner shall occupy a Unit, or exercise any other rights of ownership or use with respect to a Unit, the Common Furnishings and the Common Areas as well as the Recreational Facilities, the Association Property, the East Hotel Properties Shared Amenities, the West Hotel Properties Shared Amenities, and the Runaway Bay Dock or Clubhouse Amenities during any period of time other than a reserved Use Period. Each Occupant shall (i) exercise care over the Unit, Common Furnishings, and Common Areas and leave such property in good condition and repair during his reserved Use Period, (ii) vacate the Unit at the end of the Use Period in accordance with the Club Rules and the provisions of the Declaration, (iii) remove all persons and personal property belonging to the Occupant therefrom, (iv) leave the Unit in good and sanitary condition and repair, and (v) otherwise comply with the Declaration and any rules and regulations of the Association and the Club Rules. The Association shall have the right to promulgate additional rules and regulations affecting the Occupants; provided, however, that such rules and regulations need not be recorded and cannot be contrary to the provisions of the Declaration.

The Units, Common Furnishings and the Common Areas within the buildings containing the Units are not for the use and enjoyment of the public, but are expressly reserved for the private use and enjoyment of the Developer, the Association, the Managing Entity, the Owners and other Occupants in accordance with the Timeshare Plan and the Club Rules. As elsewhere discussed, the portions of the Resort other than the Units and Common Furnishings, including Recreational Facilities, the Association Property and the portion of the Common Areas outside the buildings containing the Units are subject to use rights by others than the Owners and Occupants pursuant to the Cross Easement Agreement.

(3) Lock-Out Provisions

OWNERS MAY BE DENIED ACCESS TO THEIR UNITS UPON FAILURE TO PAY ASSESSMENTS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 721.13(6)(A), FLORIDA STATUTES.

Each Owner is personally liable for all assessments made against his Timeshare Interest pursuant to the Declaration and the Act, and the Association may bring an action for a money judgment against a delinquent Owner to collect all sums due the Association, including interest, late charges, costs, and reasonable attorneys' fees. Such obligation to pay is secured by a lien against the Timeshare Interest which may be foreclosed in accordance with Florida law and could mean the loss of the Timeshare Interest for failure to pay Assessments. Should an owner fail to pay any Assessments as required under the Declaration, the Association shall also have the power to deny to the Owner (and the Occupants occupying in place of the Owner) the right to occupy a Unit and the rights of enjoyment associated with the Timeshare Plan in accordance with the provisions of Section 721.13(6)(f) of the Act. Furthermore, also in accordance with the aforementioned provision of the Act, the Association shall have the power to rent the accommodations at the Resort during the Use Period reserved by a delinquent Owner or exercise the delinquent Owners right to make a reservation for an Use Period and rent such accommodation at the Resort and apply the rental proceeds to the account of the delinquent Owner less any rental commissions, cleaning charges, travel agent commissions or any other commercially reasonable charges reasonably and usually incurred in securing rentals. Moreover,

the Association is not required to obtain the highest nightly rental rate available, nor any particular rental rate. However, the Association must use reasonable efforts to secure a rental that is commensurate with other rentals of similar timeshare periods. The Association may rent less than the entire reserved Use Period. The Association also may bar the use of third parties receiving use rights through the program of the External Exchange Company described below in Section 8 by providing written notice to the External Exchange Company of the denial of use in accordance with the Act.

b. Completion of Construction

The completion of construction, finishing and equipping of Phases I, II, V, VI and VII of the Resort Facility has occurred.

Phases other than Phases I, II, V, VI or VII of the Resort Facility may be developed and declared in the future, and may consist of additional Units, Common Areas, Recreational Facilities, and other facilities as Developer may in its discretion decide. Currently, if all proposed future phases are declared to the Resort Facility, it is contemplated that the Resort Facility may contain a total of 211 Units which would be 10,972 Weeks, although the number of Units which are ultimately added to the Resort Facility may be more or less.

c. Recreational Facilities

Owners and other Occupants reserving Use Periods in Units of the Resort shall have access to certain facilities which will be shared with others who are not Owners or Occupants of the Resort Facility and those facilities are described in this section.

There are no recreational and other commonly used facilities that will be used only by Purchasers of the Timeshare Plan. Developer does not intend to construct and provide recreational facilities as a part of the buildings or property constituting any phase of the Resort Facilities of which Purchasers will be conveyed a fractional interest as a Timeshare Interest. No recreational facilities have been made as a part of the building or property constituting Phase I, Phase II, Phase V, Phase VI or Phase VII. However, Developer has reserved the right to add recreation facilities as a part of a phase of the Resort Facility in the future, and such recreation facilities may be added or expanded without the consent of the Owners or the Association.

Developer has provided for the Shared Pool Facility in conjunction with Phases I, II, V, VI and VII and may provide for the Proposed Additional Shared Pool Facility in conjunction with future phases of the Resort Facility. The Shared Pool Facility and the Proposed Additional Shared Pool Facility to the extent such latter facility exists are described below and referred to herein as the "Recreational Facilities". The use of the Recreational Facilities will be shared with other users from the Future Development Area pursuant to the Access and Use Declaration and will also be shared with users from the adjacent Hotel Properties pursuant to the reciprocal arrangements established in the Cross Easement Agreement. The amenities in the Hotel Properties made available to Occupants of the Units of the Resort except for the Occupants of the Units at Phases V, VI and VII, pursuant to the Cross Easement Agreement are also described below.

(1) The Shared Pool Facility.

The Developer shall provide for Recreational Facilities consisting of the Shared Pool Facility for which completion of construction has occurred. The Shared Pool Facility is located as shown on the Drawings attached as an exhibit to the Declaration which is in turn an exhibit to this Public Offering Statement. The amenities located on the Shared Pool Facility shall include an outdoor heated swimming pool surrounded by concrete decking. The Shared Pool Facility will also include landscaping and other features which the Developer in its sole discretion may construct on the land as shown on the Drawings. Some amenities may also be constructed in cooperation with the owners of the adjoining Hotel Properties in such a way that some of the amenity may be on the property defined as the Shared Pool Facility and some of amenity may be on the property defined as the Hotel Properties. The area of the Shared Pool Facility may also include commercial improvements such as for the sale of food and beverage which shall not be a facility of the Timeshare Plan but will be owned and operated by Developer or its lessee or grantee but would be available for use by the Occupants of the Resort.

The use of the Shared Pool Facility shall be shared with the users and occupants of both the East Hotel Property and the West Hotel Property pursuant to the terms of the Cross Easement Agreement. Such Hotel Properties are shown on the Drawings. Although use of the Shared Pool Facility is shared with such users and occupiers of the Hotel Properties pursuant to the reciprocal provisions of the Cross Easement Agreement, such users and occupiers and the owners of the Hotel Properties are not required to contribute towards the maintenance, operations and repair of the Shared Pool Facility. However, if any amenities are constructed which exist partly on the respective Hotel Property and partly on the Shared Pool Facility, then the part existing on the respective Hotel Property will be maintained by the owner of the respective Hotel Property.

The Shared Pool Facility is also subject to the Access and Use Declaration which provides that such Recreational Facilities will be shared between users and occupiers of Phases I, II, V, VI and VII and the Future Development Area which may or may not become future phases of the Resort Facility. The Access and Use Declaration also provides that currently the users and occupiers of Phases I, II, V, VI and VII shall share all of the costs for the maintenance, operation and repair of the Shared Pool Facility. The costs for the Shared Pool Facility shall be a Common Expense of the Association.

The Shared Pool Facility is a parcel of real property separate from the Resort Facility and the Owners shall not own any interest in such property directly. The Developer may elect to convey title to the Shared Pool Facility to the Association whereupon such property shall become Association Property subject to the Cross Easement Agreement and the Access and Use Declaration as well as retained leases or easements of the Developer. Whether owned by the Developer or the Association, the Shared Pool Facility is (i) a Common Area of the Resort for which the Association is responsible to perform maintenance, operation and repair, and (ii) is subject to the use rights of the Owners of the Resort Facility as well as others as above described arising by virtue of the Cross Easement Agreement and the Access and Use Declaration. Any mortgage lien on the Shared Pool Facility shall be subordinated to the use rights arising by virtue of the Cross Easement Agreement and the Access and Use Declaration.

(2) The Proposed Additional Shared Pool Facility. In the future, Developer may elect to add, as part of Phase III or as an additional phase of the Resort Facility pursuant to the Declaration, the area described as the Proposed Additional Shared Pool Facility site as shown on the Drawings. Such amenities, constituting an additional swimming pool, deck and other amenities similar to those located on the Shared Pool Facility, have been constructed and are available for use as noted below pursuant to the Access and Use Declaration. Developer has also reserved the right to retain use and control of commercial areas or buildings for its own account.

No purchaser should make a decision to purchase a Timeshare Interest in the Resort Facility based on the assumption that the Proposed Additional Shared Pool Facility will be submitted to the scope of the Declaration.

The Proposed Additional Shared Pool Facility is subject to the Access and Use Declaration. Pursuant to such instrument, the users and occupiers of both the Future Development Area as would then be constituted as well as the Owners of the six phases of the Resort Facility which then would have been dedicated to the Declaration shall share the costs for the maintenance, operation and repair of such facility; provided, however, that unless and until there were users of the Proposed Additional Shared Pool Facility from the Future Development Area not being a phase of the Resort Facility, all such costs will be paid by the Owners of Phases I, II, III, V, VI and VII. If and when there are users of the Proposed Additional Shared Pool Facility from the Future Development Area not being a phase of the Resort Facility, then half of such costs will be paid by the Owners of Phases I, II, III, V, VI and VII and half of such costs will be paid by the owner(s) of the remaining Future Development Area. If Developer should elect not to submit a portion of the Future Development Area to the Timeshare Plan and some other timeshare, condominium or other development is developed on the remaining Future Development Area, then the users and occupiers from such other development would continue to share the use of the Proposed Additional Shared Pool Facility and the costs of its maintenance, operation and repair with the owners of the Resort Facility as provided in the Access and Use Declaration. The share of the costs allocated to the Resort Facility would also be a Common Expense of the Association.

The use of the Proposed Additional Shared Pool Facility is also shared with the users and occupants of both the East Hotel Property and the West Hotel Property pursuant to the terms of the Cross Easement Agreement. Although use of the Proposed Additional Shared Pool Facility is shared with such users and occupiers of the Hotel Properties pursuant to the reciprocal provisions of the Cross Easement Agreement, such users and occupiers and the owners of the Hotel Properties are not required to contribute towards the maintenance, operations and repair of the Proposed Additional Shared Pool Facility. However, if any amenities are constructed which exist partly on the respective Hotel Property and partly on the Proposed Additional Shared Pool Facility, then the part existing on the respective Hotel Property will be maintained by the owner of the respective Hotel Property.

The Proposed Additional Shared Pool Facility is presently a parcel of real property separate from the Resort Facility, and the Owners shall not own any interest in such property directly. The Developer may elect to convey title to the Proposed Additional Shared Pool Facility to the Association whereupon such property would become Association Property subject

to the Cross Easement Agreement and the Access and Use Declaration as well as retained leases or easements of the Developer. Whether owned by the Developer or the Association, the Proposed Additional Shared Pool Facility would be (i) a Common Area of the Resort for which the Association would be responsible to perform maintenance, operation and repair, and (ii) is subject to the use rights of the Owners of the Resort Facility as well as other as above described pursuant arising by virtue of the Cross Easement Agreement and the Access and Use Declaration. Any mortgage lien on the Proposed Additional Shared Pool Facility shall be subordinated to the use rights arising by virtue of the Cross Easement Agreement and the Access and Use Declaration.

(3) The Hotel Amenities.

The reciprocal provisions of the Cross Easement Agreement benefit the Resort by providing that the Occupants of the Units of the Resort, except for the Occupants of the Units of Phases V, VI and VII shall have reciprocal use rights in the amenities of both Hotel Properties. The amenities available pursuant to such reciprocal use rights include facilities at the West Hotel Property and also facilities at the East Hotel Property. The West Hotel Property Shared Amenities are described by the owner of the West Hotel Property as an outdoor heated swimming pool surrounded by concrete decking and also landscaping and other features which the owner of the West Hotel Property will determine in its sole discretion. In addition, there may be other recreational amenities located inside the hotel building on the West Hotel Property which could include game rooms and exercise facilities which would also be available to the Occupants of Units of the Resort. The East Hotel Property Shared Amenities are described by the owner of the East Hotel Property as an outdoor heated swimming pool surrounded by concrete decking and also landscaping and other features which the owner of the East Hotel Property will determine in its sole discretion. In addition, there may be other recreational amenities located inside the hotel building on the East Hotel Property which could include game rooms and exercise facilities which would also be available to the Occupants of Units of the Resort (except for Phases V, VI and VII). The Owners and Occupants of the Units of Phases V, VI and VII do not have use rights in the amenities of either of the Hotel Properties.

The West Hotel Property Shared Amenities and the East Hotel Property Shared Amenities are to be owned by the respective owners of the Hotel Properties. Such amenities are to be used in common with the users and guests of the Hotel Properties. However, the operation, management, maintenance and replacement of such amenities will be the sole responsibility of the respective owners of the Hotel Properties and the costs associated therewith will not be Common Expenses of the Association. The users of such amenities pursuant to the Cross Easement Agreement other than the owners of the respective Hotel Properties are under no obligation to contribute toward such expenses through fees, rent, dues or other charges for the privilege of such use.

The respective owners of the Hotel Properties shall have exclusive control over the operation of their respective amenities and may exercise such control through rules and regulations promulgated regarding use but such rules and regulations must apply equally to the Occupants at the Resort Facility as well as to Hotel occupants.

The West Hotel Property Shared Amenities and the East Hotel Property Shared Amenities are complete.

(4) Runaway Bay Dock Amenities.

Pursuant to the Cross Easement Agreement, the Occupants of the Resort Facility, except for the Occupants of the Units of Phases V, VI and VII, shall also share the fishing dock located at the Runaway Bay Luxury Apartments and Villas with the owners and occupants of such apartment complex. The Runaway Bay Luxury Apartments and Villas is located to the south across Calypso Cay Way from the Shared Pool Facility shown on the Drawings. The owners and occupants of the Runaway Bay Luxury Apartments and Villas do not have reciprocal rights to use the West Hotel Property Shared Amenities, East Hotel Property Shared Amenities, the Shared Pool Facility or the Proposed Additional Shared Pool Facility. There is no charge associated with the use of the Runaway Bay Dock Amenities by the limited Occupants of the Resort Facility. The Runaway Bay Dock Amenities are complete.

(5) Runaway Bay Clubhouse Amenities. There formerly existed a license agreement pursuant to which certain Owners were entitled to use the Runaway Bay Clubhouse Facilities. At present, no such license exists and accordingly, no right to use the Runaway Bay Clubhouse Facilities exists. If and when a new license agreement is entered into to permit the use of the Runaway Bay Clubhouse Facilities, the following provisions will be substantially incorporated into such license agreement:

Pursuant to the Revocable License, the Owners of Phases V, VI and VII Units only shall also share the Runaway Bay Clubhouse Amenities for a limited period of time with the owners and occupants of the what is currently known as the Runaway Bay Luxury Apartments and Villas, whether such property continues in its present use or is converted to other uses, including its inclusion in the Plan. The owners and occupants of the property currently known as the Runaway Bay Luxury Apartments and Villas have rights to use the Runaway Bay Clubhouse Amenities, whether such property continues in its present use or is converted to other uses, including its inclusion in the Plan. The Runaway Bay Clubhouse Amenities are not a part of the Common Areas. The Owners of Phases V, VI and VII Units only shall pay the Phases V, VI and VII Specific Assessment as a part of the overall Assessments, in order to pay the Revocable License Fee required under the Revocable License. The use rights granted to the Owners of Phases V, VI and VII shall terminate upon the earlier to occur of (i) ninety (90) days after notice from Epoch Development, LLC, a Florida limited liability company ("Epoch") or the Association to the other party or (ii) at the option of the Association, upon assignment by Epoch of the Revocable License. Neither the Developer nor the Association is responsible for providing or operating the Runaway Bay Clubhouse Amenities and neither Developer nor the Association shall be liable for any accident or injury of operational difficulty or interruption with regard to the Runaway Bay Clubhouse Amenities.

(6) Miscellaneous. The owners of the respective Hotel Properties and the Runaway Bay Luxury Apartments and Villas have the right, but not the obligation, to increase or

add to the amenities on their respective properties at any time without the consent of the Owners or the Association. Each may from time to time promulgate rules and regulations regarding the use of such facilities. Such owners do not have the right to commence charging Occupants of Units of the Resort for the use of either the West Hotel Property Shared Amenities, the East Hotel Property Shared Amenities, or the Runaway Bay Dock Amenities unless all users are charged for such facility or service. Developer is not responsible for providing or operating the amenities at the Hotel Properties or the Runaway Bay Luxury Villas and Apartments, and Developer shall not be liable for any accident or injury of operational difficulty or interruption with regard to the East Hotel Property Shared Amenities, the West Hotel Property Shared Amenities and the Runaway Bay Amenities.

The Sales Center located to the east of the East Hotel Property is neither a part of the Resort Facility nor any of the facilities or other properties of the Resort.

Facilities may be expanded or added without consent of the purchasers or the Association.

Based on information known to Developer as of the effective date of this Public Offering Statement, the hotel on the West Hotel Property will have approximately 151 sleeping rooms and the hotel on the East Hotel Property will have approximately 162 sleeping rooms. The Runaway Bay Luxury Apartments and Villas will have approximately 192 dwelling units.

d. Financial Arrangements for Promised Improvements

Only the improvements to constitute Phases I, II, V, VI and VI of the Timeshare Plan and the Shared Pool Facility are promised by Developer. Developer will obtain construction financing in conjunction with the improvements at the Resort Facility; however, prior to the closing of the sale of any Timeshare Interests, any lien on the Timeshare Interest resulting from such financing shall be released to record. The improvements for any other proposed phase(s) will be handled in the same manner. Any mortgage lien on the Shared Pool Facility shall be subordinated to the Timeshare Plan of the Declaration.

e. Insurance

Insurance will be maintained on the Resort Facility by the Association. Coverage shall include all risk, property damage, flood and personal injury insurance. All buildings shall be adequately covered to insure full replacement cost. The responsibility for maintaining all required insurance shall be that of the Association. Insurance policies will be maintained, naming the Developer, the Association, all Owners and their Mortgagees, as their interests may appear. Premiums for payment of such insurance shall be paid by the Association and charged as part of the Common Expenses. Insurance covering the replacement cost of all improvements and Common Furnishings located within each Unit will also be maintained by the Association.

For a further description of the terms and conditions of the required insurance coverage, please refer to Articles X and XI of the Declaration attached as an exhibit to this Public Offering Statement.

f. Disclosures Regarding Real Property

To the best knowledge, information and belief of the Developer, there are no unusual and material circumstances, features and characteristics of the property other than as set forth in this Public Offering Statement and below:

1. The Recreational Facilities are to be shared by the Occupants of the Resort Facility and the owners and occupants of both Hotel Properties.

2. The swimming pools and other amenities located at both Hotel Properties are to be shared by the Occupants of the Resort Facility, except for Phases V, VI and VII, and the owners and occupants of both Hotel Properties.

3. The Runaway Bay Dock Amenities located at the Runaway Bay Luxury Apartments and Villas are to be shared by the Occupants of the Resort Facility except for Occupants of Phases V, VI and VII Units and the owner and occupants of such apartments.

4. Sales in phases to be added to the Plan may take place on a preconstruction basis. If the Purchase Contract for the sale of a Timeshare Interest is entered into prior to completion of construction of the phase in which the purchaser is purchasing such interest, the closing on such purchase will not occur until such construction is completed and the transaction can be closed within the terms and conditions of the Purchase Contract and the Act.

g. Description of Developer Financing

The Developer will be offering purchase financing to all qualified Purchasers, subject to terms to be agreed upon between the individual Purchaser and Developer, for up to eighty five (85%) of the purchase price. Any change in any of the terms of such financing shall not be deemed to be a material change to this Public Offering Statement. Other financing of the purchase price may also be arranged by Purchaser.

Owners who have financed their purchase of a Timeshare Interest with Developer may prepay the balance of their payments at any time without penalty.

h. Control of Association

The Developer has the right to retain control of the Association after a majority of the Timeshare Interests have been sold.

For a more complete description of the Developer's right of control, please refer to Article XVII of the Declaration attached as an exhibit to the Public Offering Statement.

6. BUDGETS, DUES AND FEES

The current estimated operating budget for the Timeshare Plan is attached as an exhibit to this Public Offering Statement. Such Annual Budget sets forth the assessment for each Owner of a Timeshare Interest.

The Annual Assessment derived from the Annual Budget does not include any amount for ad valorem property taxes assessed against a Timeshare Interest. The taxes are separately

assessed pursuant to current Florida law, are collected by the Managing Entity and are escrowed pursuant to the terms of the Tax Escrow Agreement. Each Annual Owner shall be required to pay all annual ad valorem property taxes and special assessments levied by any governmental authority on that Owner's respective Timeshare Interest.

Developer no longer provides any guarantee of assessments, and Developer pays assessments on its Timeshare Interests in the same manner as all other Owners.

7. **PURCHASE OF AN OWNERSHIP INTEREST**

a. **Purchaser's Right of Cancellation**

Each purchaser is given the right, pursuant to the Act, to cancel the Purchase Contract without any penalty or obligation within ten (10) calendar days after the date the purchaser signs the Purchase Contract. In addition the Act provides each purchaser has the right to cancel the Purchase Contract until midnight of the 10th calendar day following whichever of the following days occurs later: (a) the execution date or (b) the day on which the purchaser received the last of all documents required to be provided to him or her including any notice regarding any revisions to this offering which materially alter or modify this offering in a manner adverse to the purchaser. Purchaser must notify the Developer in writing of his/her/their intent to cancel. The right to cancellation cannot be waived and any attempt to obtain a waiver of purchaser's cancellation right is void and of no effect. No closing shall occur on such Timeshare Interest prior to the expiration of the cancellation period.

If a purchaser should decide to cancel, such purchaser must notify Developer in writing of his intent to cancel in accordance with the provisions of the Purchase Contract. Such notice of cancellation shall be sent to the Developer at the address stated in the Purchase Contract by any means chosen by the purchaser including certified mail, return receipt requested. Any notice of cancellation shall be effective upon the date sent so long as the notice is actually received by the Developer. In the event a purchaser cancels the Purchase Contract within the ten (10) day cancellation period, the Developer will refund to such purchaser all payments made under the Purchase Contract within twenty (20) days after receipt of notice of cancellation or within five (5) days after receipt of funds from the purchaser's cleared check, whichever is later.

b. **Total Financial Obligation of the Purchaser**

Each purchaser, in connection with the purchase, shall be required to pay as closing costs up to three and one-half percent of the purchase price. Such sum shall include payment for:

- Documentary Stamps on the Deed of Conveyance;
- Recording charges for Deed of Conveyance;
- Documentary stamps required in connection with any purchase money promissory note executed in connection with the purchase;
- Intangible taxes payable in connection with any purchase money mortgage;

- Recording charges for the purchase money mortgage;
- Document preparation, Developer's administrative closing, processing and attorney fees; and

In connection with the purchase of a Timeshare Interest, the purchaser shall be subject to the following financial obligations:

- Payment of the purchase price as indicated in the Purchase Contract, together with finance charges in the event the purchase price is financed in whole or in part.
- Assessments of the Association as set forth in the Declaration and the Annual Budget, which for Owners of Phases V, VI and VII only shall include the Phases V, VI and VII Specific Assessment.
- Closing costs to be charged pursuant to the Purchase Contract as set forth above.
- Property taxes charged to each Owner with respect to each Timeshare Interest owned.

Developer and the Association shall have the right to alter, amend or add to the charges to which an Owner may be subject, based upon increased expenses in the operation of the Resort Facility. Assessments of the Association may also change from time to time. An Owner's expenses may also be increased if property taxes increase pursuant to reoccurring appraisal and assessment of the property.

c. Status of Title Underlying the Resort Facility

No later than the time of submitting a phase of the Resort Facility to the Timeshare Plan of the Declaration and conveying title to the Timeshare Interests in such phase of the Resort Facility, title thereto will be vested in the Developer.

The real property submitted to the Timeshare Plan shall be subject to conditions, limitations, restrictions, reservations, and all matters of record at the time of closing; to ad valorem real property taxes and assessments for the year of closing and subsequent years, which are not yet due and payable; to applicable zoning ordinances which then exist or which thereafter may exist; to easements for ingress and egress for pedestrian and vehicular traffic and parking purposes which then exist or which thereafter may exist; to easements for utility service and drainage which then exist or thereafter may exist; to easements for ingress and egress to use Recreational Facilities and Association Property and other covenants, conditions and restrictions of the Access and Use Declaration and the Developer's Cross Easement Agreement; to covenants, conditions and restrictions of the Declaration and all amendments thereto; to covenants, conditions and restrictions of the Cross Easement Agreement and all amendments thereto; and as to the Timeshare Interest of a particular Owner, to the purchase money mortgage securing the loan from the Developer or from a third party lender. Developer reserves the right to encumber by mortgage any phase or portion of the property still owned by Developer, provided,

however, that the lien of such encumbrance shall be removed from any Timeshare Interest prior to the conveyance thereof to an Owner.

One of the matters of record to which the property constituting the Resort Facility is subject is a Declaration of Protective Covenants for Calypso Cay (formerly Southbridge) as it has been amended since originally established in 1989. In addition to provisions regulating the development of property in an area larger than but including the Resort Facility, such master covenants also provides for a master association with assessment powers affecting all property subject to the provisions thereof. The assessments levied pursuant to these master covenants will be Common Expenses to be paid annually by the Association .

The Developer and Owner and other Occupants at the Resort Facility have the non-exclusive right along with the owner and other users and occupants of the Hotel Properties to the use of the public entrances and exits to and from and around the Hotel Properties.

d. Restrictions Upon Rental or Resale

The sale, lease, or transfer of Timeshare Interests is restricted or controlled.

Please see Article XIV of the Declaration.

Developer has a 30-day right of first refusal that runs with the land to purchase any Timeshare Interests that is offered for re-sale at any time on the same terms and conditions as those offered by any bona fide third party, including financing. See Section C of Article XIV of the Declaration for more details.

The purchase of a Timeshare Interest should be based upon its value as a vacation experience or for spending leisure time, and not considered for purposes of acquiring an appreciating investment or with an expectation that the Timeshare Interest may be resold.

8. EXCHANGE PROGRAM OPPORTUNITIES

a. External Exchange Program.

In order to increase the range of options available to Owners, the Developer has made arrangements for purchasers to participate in an External Exchange Program conducted by RCI, LLC ("RCI"). The mailing address for RCI is 14 Sylvan Way, Parsippany, New Jersey 07054. The RCI network will provide Owners with opportunities to trade their Use Periods for the use of intervals owned by other members of RCI. Neither RCI nor the Association, Management Company or the Developer is obligated to renew the affiliation agreement. The Developer, Management Company, and Association and their respective subsidiaries and affiliates are separate and distinct entities unrelated to RCI. RCI is managed and operated entirely independent of the Developer, the Association and the Management Company. Neither RCI nor any other subsidiary or affiliate of RCI has agreed or will agree to assume, guarantee or otherwise be responsible for any of the obligations, acts or omissions of the Association, Management Company or the Developer in connection with the offering of Timeshare Interests. The Developer, Association and the Management Company are not an agent for RCI and no representations or promises made by the Developer, Association or the Management Company,

or its agents, are binding on RCI. RCI's responsibility for representations regarding the External Exchange Program, as well as RCI's current or future services are limited to those made in written materials furnished by RCI.

b. External Exchange Reservations.

Pursuant to the External Exchange Program, an Owner can make an external exchange request during the time periods established by RCI pursuant to its rules of exchange. The Owners may be asked to designate more than one alternative set of exchange requests, as required by RCI from time to time, in order to increase the Member's chances of getting a desired exchange. Member participation in the External Exchange Program will be governed by the terms and conditions of the exchange program and the following:

(1) All rules and regulations which apply to the use of accommodations and facilities by Owners at the Resort would also apply to users of such accommodations and facilities through RCI.

(2) An Owners may be charged RCI's published fee for each confirmed external exchange.

(3) Availability of accommodations within the External Exchange Program system is entirely dependent upon the timeshare interests from various RCI member resorts that are deposited into the RCI system by other members of an External Exchange Program from time to time. Thus, an Owner can have no assurance that RCI will be able to provide the Owner with an accommodation that meets the needs and desires of the Owner when such Owner wants it or at a particular time. Moreover, the exchange accommodation received may or may not be comparable in size, layout furnishings, services, or amenities to those contained in the Resort Facility.

(4) In order to access the External Exchange Program, an Owner would first need to make a reservation for a Use Period through the Reservation System of the Club pursuant to the Club Rules.

9. SPECIFIC DISCLOSURES CONCERNING THE WEST HOTEL PROPERTY:

IF THE NAME OF THE WEST HOTEL PROPERTY IS COUNTRY INNS & SUITES HOTEL, THERE IS A LICENSE AGREEMENT BY AND BETWEEN AN AFFILIATE OF DEVELOPER AND COUNTRY INNS & SUITES BY CARLSON, INC. ("LICENSOR") TO OPERATE THE WEST HOTEL PROPERTY AS AN COUNTRY INNS AND SUITES HOTEL. THE LICENSE AGREEMENT MAY BE TERMINATED AT ANY TIME AND AS SUCH THE NAME OF THE HOTEL MAY CHANGE AT ANY TIME. ANY TERMINATION OF THE LICENSE AGREEMENT OR A NAME CHANGE OF THE HOTEL DOES NOT REQUIRE CONSENT OF OR NOTICE TO ANY OWNER. THEREFORE, YOU SHOULD NOT PURCHASE A TIMESHARE INTEREST WITH THE EXPECTATION THAT THE HOTEL WILL OPERATE OR REMAIN OPERATING UNDER THE COUNTRY INN & SUITES NAME OR LICENSE AGREEMENT. LICENSOR DOES NOT ASSUME OR GUARANTEE, AND IS NOT OTHERWISE RESPONSIBLE FOR, ANY OF THE

OBLIGATIONS, ACTS OR OMISSIONS OF THE DEVELOPER OR ANY OTHER PERSON WITH RESPECT TO TIMESHARE INTEREST SALES OR MARKETING ACTIVITIES.

LICENSOR DOES NOT ENDORSE OR PARTICIPATE IN THE SALE OF THE TIMESHARE INTERESTS OR ANY TIMESHARE INTEREST DISCLOSURE OR SALES DOCUMENTS. LICENSOR IS NOT A PARTNER, CO-DEVELOPER, SPONSOR, OWNER OR OPERATOR OF THE UNITS OR BUILDINGS OF THE CALYPSO CAY VACATION VILLAS. LICENSOR'S ONLY INVOLVEMENT IS THE FACT THAT IT ALLOWS DEVELOPER TO ARRANGE FOR TOURS OF PROSPECTIVE PURCHASERS OF TIMESHARE INTERESTS FROM THE TIMESHARE INFORMATION BOOTH IN THE LOBBY OF THE COUNTRY INNS & SUITES HOTEL. LICENSOR FORBIDS DEVELOPER FROM USING ANY HOTEL CUSTOMER INFORMATION IN THE MARKETING OR SALES OF TIMESHARE INTERESTS.

NO PERSON HAVING THE RIGHT TO OCCUPY AT THE CALYPSO CAY VACATION VILLAS BY VIRTUE OF OWNERSHIP OF A TIMESHARE INTEREST OBTAINS ANY RIGHT IN THE LICENSE AGREEMENT WITH LICENSOR OR ANY RIGHTS IN THE BUSINESS SYSTEM OR MARKS EARNED BY SUCH LICENSE AGREEMENT.
