

RECORDED AT REQUEST OF:

Walley's Partners Limited Partnership
2001 Foothill Road
Post Office Box 158
Genoa, Nevada 89411

AFTER RECORDING RETURN TO:

Stewart Title of Douglas County
1702 County Road, Suite B
Minden, Nevada 89423

AGREEMENT FOR CONSENT OF BENEFICIARY OF DEEDS OF TRUST

THIS AGREEMENT FOR CONSENT OF BENEFICIARY OF DEEDS OF TRUST (the "**Agreement**") is made this 27th day of February, 2001 by and between **LIBERTY BANK**, a Connecticut non-stock mutual savings bank, with a business address at 291 Main Street, Middletown, CT 06457 ("**Beneficiary**") and **WALLEY'S PARTNERS LIMITED PARTNERSHIP**, a Nevada limited partnership with a business address at 2001 Foothill Road, Post Office Box 158, Genoa, Nevada 89411 (the "**Owner**"), **WALLEY'S PROPERTY OWNERS ASSOCIATION**, a Nevada non-profit corporation with a business address at 402 North Division Street, c/o JOAN C. WRIGHT, ESQ., Carson City, NV 89703 ("**Association**").

BACKGROUND

1. Owner is the owner of a certain parcel of real property located at 2001 Foothill Road, Douglas County, Nevada as more fully described in **Exhibits "A-1" and "A-2"** attached hereto and made a part hereof, together with the buildings and improvements located thereon (the "**Property**").
2. Owner has entered into those two certain Deeds of Trust each dated June 5, 1998 between Owner, as Trustor, and Stewart Title of Douglas, as Trustee ("**Trustee**"), for the benefit of Beneficiary recorded in the Public Records of Douglas County, Nevada (the "**Recording Office**") in Book 0698 at Page 1755, and in Book 0698 at Page 1782 (collectively, the "**Deeds of Trust**").
3. The Deeds of Trust encumber the Property and secure the repayment by Owner of certain credit facilities extended by Beneficiary to Owner (the "**Credit Facilities**"). The Credit Facilities are governed by a certain Acquisition, Construction and Subordinated Debt Loan Agreement and a certain Receivables Loan Agreement between Owner and Beneficiary (collectively, as they may from time to time be amended, modified or restated, the "**Loan Agreements**") and other Loan Documents as defined in the Loan Agreements.

4. Owner has requested that Beneficiary consent to the recording of a Fourth Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "**Fourth Amended Declaration**") in the Recording Office of Douglas County, Nevada, in order to amend the timeshare project known as David Walley's Resort (the "**Project**") pursuant to the requirements of the California Department of Real Estate and in accordance with the provisions of Nevada Revised Statutes Chapter 119A, et seq. (the "**Act**"). In particular, revisions have been made to the Recitals, Article I Definitions, and Sections 2.14 and 5.5 of the Third Amended and Restated Declaration to provide for Phase II to the Project.

5. Beneficiary is agreeable to the recording of the Fourth Amended Declaration prior to or simultaneously with the recordation of this Agreement, on the terms and conditions set forth herein.

6. Unless provided herein to the contrary, all terms used herein and not defined herein shall have the meaning ascribed to them in the revised Fourth Amended Declaration.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

1. Beneficiary hereby consents to the recording of the Fourth Amended Declaration in the Recording Office and Beneficiary agrees that the Deeds of Trust shall be subject to the terms of the Fourth Amended Declaration; provided, however, that this Agreement shall not be deemed to subordinate the liens of the Deeds of Trust to any lien, mortgage or encumbrance against or affecting the Property that is otherwise junior to the Deeds of Trust or any of them.

2. The subordination of the liens of the Deeds of Trust to the Fourth Amended Declaration pursuant to **Paragraph 1** of this Agreement shall have the same force and effect as though the Fourth Amended Declaration had been executed, delivered and recorded in the Recording Office prior to the execution, delivery and recording of the Deeds of Trust.

3. The lien of any Assessments against any Time Share Interest shall be subordinate in all respects to the liens of the Deeds of Trust.

4. Without affecting or releasing any obligations or agreement of Owner under this Agreement or the subordination provided herein, Beneficiary may at any time or times do any of the following with respect to the Credit Facilities, the Deeds of Trust or any other Loan Documents: (a) amend, modify, alter or waive any of the terms thereof; (b) renew or extend the time for payment of all or any part thereof; (c) increase or decrease the amount thereof; (d) accept collateral security or guaranties therefor and sell, exchange, fail to perfect, release or otherwise deal with all or any part of any such collateral; (e) release any party primarily or secondary obligated thereon; (f) grant

indulgences and take or refrain from taking any action with regard to the collection or enforcement thereof; and (g) take any action which might otherwise constitute a defense to or a discharge of Owner. Nothing contained in this Agreement shall impair any right of Beneficiary with respect to any amounts owed to it by Owner or any collateral security or guaranties therefor or the proceeds thereof. Nothing contained in this **Paragraph 4** is intended to grant rights to Beneficiary affecting the Exchange Program, the Time Share Interests, the Units, the Common Areas or the Common Furnishings in any manner which would modify or materially affect or interfere with any Time Share Owner's rights thereto.

5. Owner agrees, as grantor of the Deeds of Trust, and as Declarant under the Fourth Amended Declaration, that, so long as the Fourth Amended Declaration remains in effect in the Recording Office it shall not vote for and shall use its best efforts to cause the Association not to permit any of the following actions to be taken without the prior written approval of Beneficiary:

5.1 The termination of the timeshare regime established by the Fourth Amended Declaration with respect to the Property, except for termination following a total taking of the Property by eminent domain, as may be permitted in the Fourth Amended Declaration;

5.2 The partition or subdivision of any Time Share Interest or the common elements;

5.3 A change in the undivided interests in the Property attributable to each Time Share Interest; and

5.4 Any amendment of the Fourth Amended Declaration or Bylaws of the Association which materially and adversely affects Beneficiary.

6. The Association agrees to deliver to Beneficiary at the address set forth in the heading of this Agreement written notice of the occurrence of a default by Owner of any obligation of Owner to the Association under the Fourth Amended Declaration and further agrees to permit Beneficiary, at its option, without obligation, to cure any such default for a period of thirty (30) days prior to pursuing any right or remedy as a result of such default.

7. Owner agrees to deliver to Beneficiary at the address set forth in the heading of this Agreement copies of all notices received by the Owner in respect of the Association regarding any insurance maintained with respect to the Property, and all notices of damage, destruction or taking of any part of the Property. Owner agrees to deliver to Beneficiary, at the address set forth in the heading of this Agreement, copies of all financial statements and other information required under the terms of the Fourth Amended Declaration or the By-Laws or any other agreement between Owner and the Association to be delivered by Owner, as Declarant, to the Association, the directors of the Association or the owners of Time Share Interests promptly upon delivery thereof to the Association or such directors or such owners of Time Share Interests.

8. Owner and the Association agree that Beneficiary shall be included in the definition of "Mortgagee" in the Fourth Amended Declaration, it being understood and agreed that Beneficiary shall be entitled to receive copies of all notices delivered to any other Mortgagee pursuant to the provisions of the Fourth Amended Declaration and shall have the right to approve any and all matters as other Mortgagees are entitled to approve under the Fourth Amended Declaration.

9. No provision of this Agreement shall in any way diminish any obligation of Owner under the Deeds of Trust or any other Loan Document by or on behalf of Owner to, or for the benefit of, Beneficiary.

10. Owner acknowledges and agrees that if Owner defaults under its obligations under the Credit Facilities, Beneficiary shall be entitled, upon recordation of that certain Assignment of Declarant's Rights delivered by Owner to Beneficiary as one of the Loan Documents, but shall have no obligation, to exercise all rights and privileges of Owner, as Declarant, under the Fourth Amended Declaration and in the absence of the recordation of such Assignment of Declarant's Rights, upon the foreclosure of the Deeds of Trust, as owner of Time Share Interests acquired through such foreclosure or by a deed in lieu of foreclosure.

11. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties. For purposes of this Agreement, the neuter shall include the masculine and the feminine, the masculine shall include the feminine, the feminine shall include the masculine, the singular shall include the plural and the plural shall include the singular as the context may require.

12. This Agreement may not be amended or modified except by written agreement of Beneficiary and Owner. No consent or waiver hereunder shall be valid unless in writing and signed by Beneficiary and Owner.

13. This Agreement may be executed in any number of identical counterparts each of which, when executed by one of the parties hereto, shall be considered to be an original.

14. All notices, consents and other communications required by or given under this Agreement shall be in writing and shall be given by either: (i) hand delivery; (ii) first class mail (postage prepaid); or (iii) reliable overnight commercial courier (charges prepaid) sent to the addresses set forth above.

15. This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the state of Nevada.

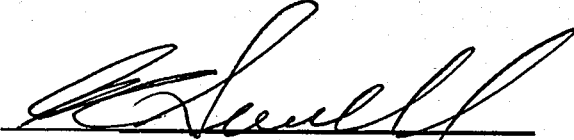
16. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, under seal, as of the day and year first above written.

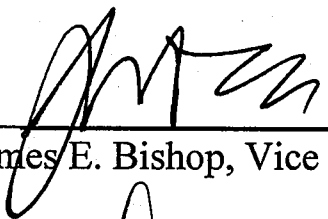
WALLEY'S PARTNERS LIMITED PARTNERSHIP, a Nevada limited partnership

By: **Valley Partners, L.L.C.**, its sole general partner

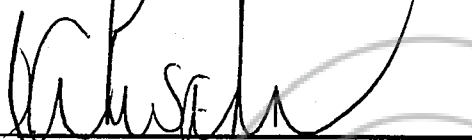
By: **Sierra Resorts Group, L.L.C.**, Manager

By: 
C. Robert Sewell, Manager

LIBERTY BANK

By: 
James E. Bishop, Vice President

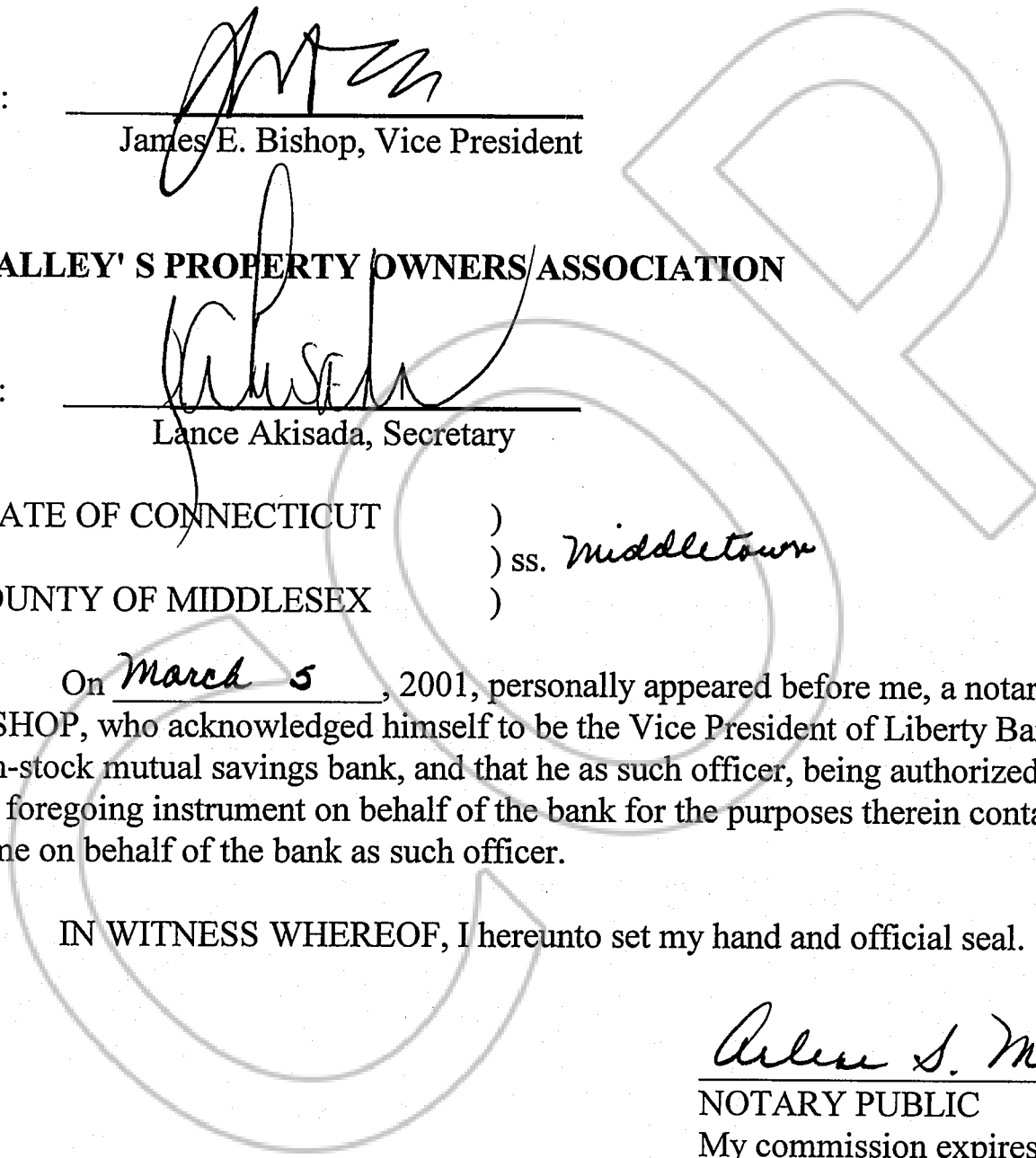

WALLEY'S PROPERTY OWNERS ASSOCIATION

By: 
Lance Akisada, Secretary

STATE OF CONNECTICUT)
) ss. *Middletown*
COUNTY OF MIDDLESEX)

On March 5, 2001, personally appeared before me, a notary public, JAMES E. BISHOP, who acknowledged himself to be the Vice President of Liberty Bank, a Connecticut non-stock mutual savings bank, and that he as such officer, being authorized to do so, executed the foregoing instrument on behalf of the bank for the purposes therein contained by signing his name on behalf of the bank as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

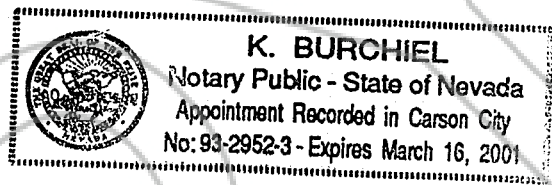
 
NOTARY PUBLIC **ARLENE S. MOROCH**
My commission expires: NOTARY PUBLIC
MY COMMISSION EXPIRES NOV. 30, 2005

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On February 27, 2001, personally appeared before me, a notary public, LANCE AKISADA, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he is the Secretary of Walley's Property Owners Association, a Nevada non-profit corporation, and who further acknowledged to me that he executed the foregoing on behalf of said corporation.

K. Burchiel
NOTARY PUBLIC

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)



On February 27, 2001, personally appeared before me, a notary public, C. Robert SEWELL, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he is a Manager of Sierra Resorts Group, LLC, Manager of Valley Partners Limited Partnership, a Nevada limited partnership, and who further acknowledged to me that he executed the foregoing on behalf of said limited partnership.

K. Burchiel
NOTARY PUBLIC



EXHIBIT A-1

Legal Description for Phase I – Adjusted Parcel F

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

A parcel of land located within a portion of the West one-half of the Northeast one-quarter (W1/2NE1/4) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T.13N., R.19E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the Office of Recorder, Douglas County, Nevada as Document No. 211937;

thence South $57^{\circ}32'32''$ East, 640.57 feet to the POINT OF BEGINNING;
thence North $80^{\circ}00'00''$ East, 93.93 feet;
thence North $35^{\circ}00'00''$ East, 22.55 feet;
thence North $10^{\circ}00'00''$ West, 92.59 feet;
thence North $80^{\circ}00'00''$ East, 72.46 feet;
thence South $10^{\circ}00'00''$ East, 181.00 feet;
thence South $80^{\circ}00'00''$ West, 182.33 feet;
thence North $10^{\circ}00'00''$ West, 72.46 feet to the POINT OF BEGINNING, containing 0.49 acres, more or less.

The Basis of Bearing of this description is North $00^{\circ}05'30''$ East, the center of Section 22 to the center of Section 15, T.13N., R.19E., M.D.M. per Record of Survey prepared by David D. Winchell recorded September 28, 1989 as Document No. 211937. The bearings of Winchell's map are rotated $00^{\circ}13'08''$ (clockwise) to the found monuments at said center Sections.

APN #17-212-05

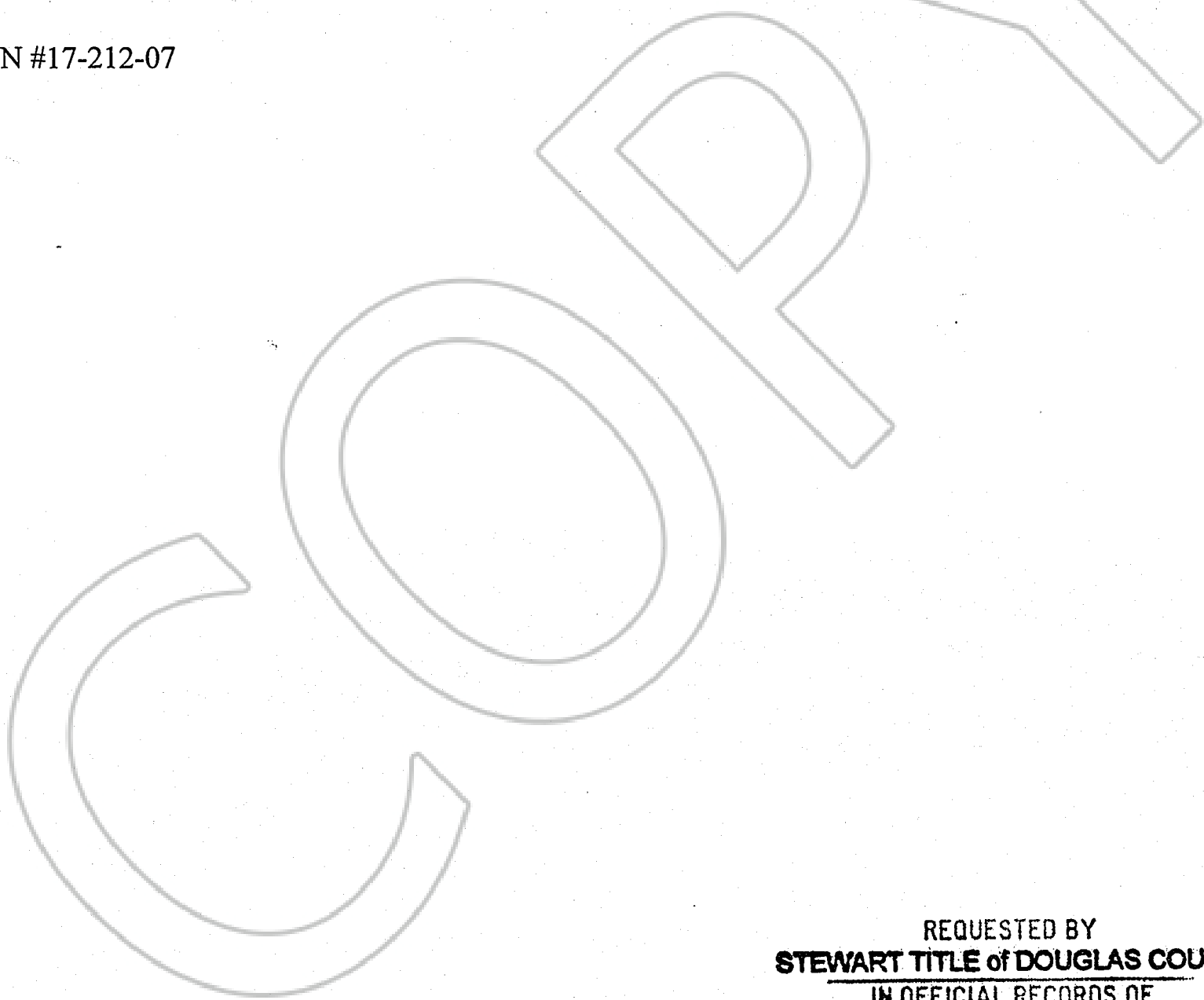
EXHIBIT A-2

Legal Description for Phase II – Parcel E-1

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

PARCEL E-1 of the Final Subdivision Map LDA #98-05 for DAVID WALLEY'S RESORT, a Commercial Subdivision, filed for record with the Douglas County Recorder on October 19, 2000, in Book 1000, at Page 3464, as Document No. 501638, and by Certificate of Amendment recorded November 3, 2000 in Book 1100, Page 467, as Document No. 502689, Official Records of Douglas County, Nevada.

APN #17-212-07



REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2001 MAR -6 PM 3:45

LINDA SLATER
RECORDER

\$14⁰⁰ PAID *KJ* DEPUTY