SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KT

(Mark One)

|_| ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

|X| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the nine months ended December 31, 2002

Commission file number 0-19292

BLUEGREEN CORPORATION
(Exact name of registrant as specified in its charter)

Massachusetts	03-0300793
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4960 Conference Way North, Suite 100, Boca Raton, Florida 33431
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (561) 912-8000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value	New York Stock Exchange, Pacific Stock Exchange
8.25% Convertible Subordinated Debentures due 2012	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No |_|

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in the definitive proxy statement incorporated by reference into Part III of this Form 10-K. |_|

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes |_| No |X|

State the aggregate market value of the voting common equity held by non-affiliates of the registrant: $45,624,703 based upon the closing sale price of the Company's Common Stock on the New York Stock Exchange on September 30, 2002 ($3.10 per share). For this purpose, "affiliates" include members of the Board of Directors of the Company, members of executive management and all persons known to be the beneficial owners of more than 5% of the Company's outstanding common stock. The market value of voting stock held by non-affiliates excludes any shares issuable upon conversion of any 8.25% Convertible Subordinated Debentures which are convertible at a current conversion price of $8.24 per share.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of March 24, 2003, there were 24,588,128 shares of the registrant's common stock, $.01 par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Specifically identified portions of the Company's definitive proxy statement to be filed for its Annual Meeting of Shareholders to be held on May 29, 2003 (the "Proxy Statement") are incorporated by reference into Part III hereof.

BLUEGREEN CORPORATION
INDEX TO ANNUAL REPORT ON FORM 10-KT

PART I

PART I

Item 1. BUSINESS.

Introduction

Bluegreen(R) Corporation (the "Company") is a leading marketer of vacation and residential lifestyle choices through its resorts and residential land and golf businesses. The Company's resorts business ("Bluegreen Resorts") acquires, develops and markets timeshare interests in resorts generally located in popular high-volume, "drive-to" vacation destinations. "Timeshare Interests" are of two types: one which entitles the buyer of the Company's points-based Bluegreen Vacation Club(R) (the "Club") product to an annual allotment of "points" in perpetuity (supported by an underlying deeded fixed timeshare week being held in trust for the buyer) and the second which entitles the fixed-week buyer to a fully-furnished vacation residence for an annual one-week period in perpetuity. "Points" may be exchanged by the buyer in various increments for lodging for varying lengths of time in fully-furnished vacation residences at any of the Company's participating resorts. A Timeshare Interest also entitles the buyer to access approximately 3,700 resorts worldwide through the Company's participation in timeshare exchange networks. The Company currently develops, markets and sells Timeshare Interests in 12 resorts located in the United States and one resort located in the Caribbean. In addition, the Company also markets and sells Timeshare Interests at four off-site sales offices. Prior to investing in new timeshare projects, the Company performs market research and testing and, prior to completion of development, seeks to pre-sell a significant portion of its Timeshare Interests inventory. The Company's residential land and golf business ("Bluegreen Communities", formerly referred to as the Residential Land & Golf Division) acquires, develops and subdivides property and markets the subdivided residential lots (hereinafter referred to as "home sites") to retail customers seeking to build a home in a high quality residential setting, in some cases on properties featuring a golf course and related amenities. Bluegreen Communities' strategy is to locate its projects (i) near major metropolitan centers but outside the perimeter of intense subdivision development or (ii) in popular retirement areas. The Company has focused Bluegreen Communities' activities in certain core markets in which the Company believes it has substantial marketing expertise and a strong track record of success. Prior to acquiring properties, Bluegreen Communities typically utilizes market research, conducts due diligence and, in the case of new project locations, engages in pre-marketing techniques to evaluate market response and price acceptance. Once a parcel of property is acquired, the Company seeks to pre-sell a significant portion of its planned home sites on such property prior to extensive capital investment, which has been possible by the Company's ability to bond its projects to completion. The Company also generates significant interest income through its financing of individual purchasers of Timeshare Interests and, to a lesser extent, home sites sold by Bluegreen Communities.

For the purposes of this discussion, "estimated remaining life-of-project sales" assumes sales of the existing, currently under construction or development, and planned Timeshare Interests or home sites, as the case may be, at current retail prices. No assurances can be given that actual sales will meet expectations.

Market and industry data used throughout this Form 10-KT were obtained from internal Company surveys, industry publications, unpublished industry data and estimates, discussions with industry sources and currently available information. The sources for this data include, without limitation, the American Resort Development Association ("ARDA"), a non-profit industry organization. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurances as to the accuracy and completeness of such information. The Company has not independently verified such market data. Similarly, internal Company

surveys, while believed by the Company to be reliable, have not been verified by any independent sources. Accordingly, no assurance can be given that any such data will prove to be accurate.

Bluegreen Resorts. Bluegreen Resorts was founded in 1994 to capitalize on the growth of the timeshare industry. While historical growth rates may not continue, according to ARDA and other industry sources, timeshare industry sales grew at growth rates ranging from 14% to 17% annually during the period from 1992 through 2001. The Company currently markets and sells Timeshare Interests in 13 resorts located in the Smoky Mountains of Tennessee (two resorts); Myrtle Beach (two resorts) and Charleston, South Carolina; Orlando and Surfside, Florida; Branson and Ridgedale, Missouri; Gordonsville, Virginia; Wisconsin Dells, Wisconsin; Boyne Mountain, Michigan and Aruba. The Company also markets and sells Timeshare Interests at four off-site sales locations serving the Indianapolis, Indiana; Detroit, Michigan; Minneapolis, Minnesota; and Daytona Beach, Florida markets. Through December 31, 2002, the Company has generated approximately 83,000 Timeshare Interests sales transactions at its resorts. As of December 31, 2002, the Company had 76,134 completed Timeshare Interests at its resorts, 10,816 Timeshare Interests under construction or development and plans to develop approximately 72,996 additional Timeshare Interests at existing resorts. Based on the foregoing, Bluegreen Resorts' estimated remaining life-of-project sales were approximately $841 million as of December 31, 2002, based on retail prices at that date. The Company also manages 20 timeshare resorts (including 11 of its own resorts) with an aggregate of approximately 97,000 members.

Bluegreen(R) Resorts uses a variety of techniques to attract prospective purchasers of Timeshare Interests, including telemarketing mini-vacations, marketing kiosks in retail and hotel locations, targeted mailings, marketing to current owners of Timeshare Interests and referrals. To support its marketing and sales efforts, the Company has developed and continues to enhance its database to track its timeshare marketing and sales programs. Management believes that, as the Company's timeshare operations grow, this database will become an increasingly significant asset, enabling it to take advantage of, among other things, less costly marketing and referral opportunities.

According to ARDA, the primary reason cited by consumers for purchasing a Timeshare Interest is the ability to exchange a Timeshare Interest for accommodations at other resorts through worldwide exchange networks. Each of the Company's timeshare resorts is affiliated with either Resort Condominium International(R), Inc. ("RCI") or Interval International(R) ("II"), the two largest worldwide timeshare exchange companies. Participation in an exchange network entitles owners to exchange their annual Timeshare Interests for occupancy at approximately 3,700 participating RCI resorts or approximately 1,900 participating II resorts located in over 100 countries worldwide. To further enhance the ability of its Timeshare Interest owners to customize their vacation experience, the Company has also implemented the Club system which permits its Timeshare Interest owners to purchase an annual allotment of points which can be redeemed for occupancy rights at most Company-owned and certain participating managed resorts. At December 31, 2002, the Company's approximately 61,000 Club members could choose to use their points at 32 resorts in the Bluegreen system. The Company also has implemented the Sampler program, which allows Sampler package purchasers to enjoy substantially the same amenities, activities and services offered to the regular Club members for a one-year trial period. The Company also has the Sampler Plus program, which provides Sampler Plus package purchasers with the same benefits of the Sampler package, plus a three-year travel discount program with exclusive website access to purchasing hotel and resort condo stays, cruises, rental cars, etc. The Company benefits from the Sampler and Sampler Plus programs by recapturing some of the costs incurred in initially marketing to prospective customers through the price of the Sampler and Sampler Plus packages and having the opportunity to remarket the Company's Timeshare Interests to these customers when they use their trial memberships at the Company's resorts.

Prior to acquiring property for resorts, Bluegreen Resorts undertakes a full property review, including physical and environmental assessments, which is presented for approval to the Company's Investment Committee, which was established in 1990 and consists of certain key members of senior management. During the review process, acquisition specialists analyze market, tourism and demographic data as well as the quality and diversity of the location's existing amenities and attractions to determine the potential strength of the timeshare market in such area and the availability of a variety of recreational opportunities for prospective Timeshare Interest purchasers. Another important consideration when Bluegreen Resorts is reviewing a resort location for potential acquisition is the demand for resorts in specific geographic areas by existing Club members, which the Company periodically monitors through surveys and other means. The geographic areas in which the Company currently intends to pursue the acquisition of real estate or interests in real estate for Bluegreen Resorts are the areas in which Bluegreen Resorts currently operates, as noted above (with a current emphasis on beachfront resorts), the northeastern and western United States, although the Company may pursue acquisitions in other areas. No assurances can be given that the Company will be able to acquire property in its current target areas or be successful in its acquisitions strategy.

The Company has historically provided financing to approximately 95% of its timeshare customers. Customers are required to make a downpayment of at least 10% of the Timeshare Interest sales price and typically finance the balance of the sales price over a period of seven or ten years. As of December 31, 2002, the Company had a timeshare receivables portfolio totaling approximately $53.0 million in principal amount, with a weighted-average contractual yield of approximately 15.3% per annum. During the nine months ended December 31, 2002, the Company maintained a timeshare receivables warehouse facility and a separate timeshare receivables purchase facility to accelerate cash flows from the Company's timeshare receivables. See "Liquidity and Capital Resources" for further discussion of the Company's timeshare receivable facilities and certain risks relating to such facilities.

Bluegreen Communities. Bluegreen Communities is focused primarily on land and golf community projects located in states in which the Company has developed marketing expertise and has a track record of success, such as Texas, North Carolina and Virginia. The aggregate carrying amount of Bluegreen Communities' inventory at December 31, 2002, was $102.0 million. Bluegreen Communities' estimated remaining life-of-project sales were approximately $335.2 million at December 31, 2002, based on retail prices at that date. The Company believes no other company in the United States of comparable size or financial resources

markets and sells residential home sites directly to retail customers.

Bluegreen Communities targets customers seeking a quality lifestyle improvement, which is generally unavailable in traditional, intensely subdivided suburban developments. Through its experience in marketing and selling home sites to its target customers, the Company has developed a marketing and sales program that generates a significant number of on-site sales presentations to potential prospects through low-cost, high-yield newspaper advertising. In addition, Bluegreen Communities' customer relationship management computer software system

enables the Company to compile, process and maintain information concerning future sales prospects within each of its operating regions with the goal of tracking the effectiveness of advertising and marketing programs relative to sales generated. Through the Company's targeted sales and marketing program, the Company believes that it has been able to achieve an attractive conversion ratio of sales to prospects receiving on-site sales presentations.

Bluegreen(R) Communities acquires and develops land in two markets: (i) near major metropolitan centers but outside the perimeter of intense subdivision development; and (ii) popular retirement areas. Prior to acquiring undeveloped land, the Company researches market depth and forecasts market absorption. In new market areas, the Company typically supplements its research with a structured classified advertisement test marketing system that evaluates market response and price acceptance. The Company's sales and marketing efforts begin as soon as practicable after the Company enters into an agreement to acquire a parcel of land. The Company's ability to bond projects to completion generally allows it to sell a significant portion of its residential land inventory on a pre-development basis, thereby reducing the amount of external capital needed to complete improvements. As is the case with Bluegreen Resorts, all acquisitions of properties by Bluegreen Communities are subject to Investment Committee approval.

In fiscal 1997, the Company began construction of its first daily-fee golf course as part of its long-term plan to participate in the growing daily-fee golf market. The Company believes that daily-fee golf courses are an attractive amenity that increases the marketability of the Company's adjacent home sites in certain projects. The Company's first golf course, the Carolina National(TM) Golf Club ("Carolina National"), is located near Southport, North Carolina, just 30 miles north of Myrtle Beach, South Carolina, one of the nation's most popular golf destinations, and was designed by Masters Champion Fred Couples. The Company opened the first 18 holes of Carolina National for play in July 1998. In fiscal 2000, the Company opened an additional nine holes at Carolina National along with a new clubhouse, featuring food and beverage operations and an expanded pro shop. In fiscal 2000, the Company began construction at Brickshire(TM), a new residential land and golf course community in New Kent County, Virginia. Brickshire opened its 18-hole golf course, designed by two-time U.S. Open Champion Curtis Strange, in March 2002. In the year ended April 1, 2001, the Company began construction of an 18-hole golf course designed by PGA Champion Davis Love III adjacent to its residential land project near Chapel Hill, North Carolina, known as The Preserve at Jordan Lake(TM) ("the Preserve"). The Preserve opened for play in August 2002. The Company currently intends to expand its golf course community residential land offerings into markets with attractive demographics for such properties. There can be no assurances that the Company's strategy for this expansion will be successful.

The Company's business involves certain risks and uncertainties and this Annual Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1999. Please see Item 7 "Management's Discussion and Analysis of Results of Operations and Financial Condition" ("MD&A") for further discussion of these risks and uncertainties and factors that could cause the Company's actual results to differ materially from those suggested in the forward-looking statements. Securities and Exchange Commission ("SEC") rules require certain disclosure from real estate investment trusts and other companies whose business is primarily that of acquiring, and holding for investment, real estate. Because the Company is not a real estate investment trust and its business is not primarily acquiring and holding real estate for investment, the Company believes that these disclosure rules do not apply to it. Nonetheless, the SEC is now encouraging the Company to provide certain information called for by this disclosure, and the Company has done so throughout this report as applicable. Part of this disclosure relates to whether the Company has policies with respect to the issuing of senior securities, investing in the securities of other companies for the purpose of exercising control, underwriting securities of other companies, or offering securities in exchange for property. The Company does not have policies covering these matters and believes that such policies, while common and important for real estate investment trusts, are not customary for companies in its industry. Any decisions related to these or similar matters would likely be addressed on a case-by-case basis by the Company's Board of Directors. To the extent the Board does act on any of these matters in the future, the Board would, as with all matters, make decisions based on what it believes to be the best interests of the Company's shareholders and would not submit these matters to shareholders for approval unless required to do so by applicable law or exchange rules.

The Company's executive offices are located at 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431. The Company's telephone number at such address is (561) 912-8000. The Company's web site address is www.bluegreenonline.com.

See also MD&A and Note 19 of Notes to Consolidated Financial Statements for additional financial information on the Company's business segments.

Industry Overviews

Bluegreen(R) Resorts

The Market. The resorts component of the leisure industry is serviced primarily by two separate alternatives for overnight accommodations: commercial lodging establishments and timeshare resorts. Commercial lodging consists principally of hotels and motels in which a room is rented on a nightly, weekly or monthly basis for the duration of the visit or rentals of privately-owned condominium units or homes. For many vacationers, particularly those with families, a lengthy stay at a quality commercial lodging establishment can be expensive, and the space provided to such vacationers by these establishments relative to the cost is often not economical. In addition, room rates at commercial lodging establishments are subject to change periodically and availability is often uncertain. The Company believes that Timeshare Interest ownership presents an attractive vacation alternative to commercial lodging.

First introduced in Europe in the mid-1960's, Timeshare Interest ownership has been one of the fastest growing segments of the hospitality industry over the past two decades. The Company believes that, based on ARDA reports and other industry data, the following factors have contributed to the increased acceptance of the timeshare concept among the general public and the substantial growth of the timeshare industry:

- Consumer awareness of the value and benefits of Timeshare Interest ownership, including the cost savings relative to certain other lodging alternatives;
- Flexibility of Timeshare Interest ownership due to the growth of international exchange organizations such as RCI and II and points-based vacation club systems;
- The quality of the timeshare resorts and their management;
- Consumer confidence resulting from consumer protection regulation of the timeshare industry and an influx of brand name national lodging companies to the timeshare industry; and
- Availability of consumer financing for purchasers of Timeshare Interests.

The timeshare industry historically was highly fragmented and dominated by a large number of local and regional resort developers and operators, each with small resort portfolios generally of differing quality. The Company believes that one of the most significant factors contributing to the current success of the timeshare industry has been the entry into the market of some of the world's major lodging, hospitality and entertainment companies, such as Marriott(R) International, Inc. ("Marriott"); the Walt Disney(R) Company ("Disney"); Hilton(R) Hotels Corporation ("Hilton"); Hyatt(R) Corporation ("Hyatt"); Four Seasons(R) Hotels and Resorts ("Four Seasons"); Starwood(R) Hotels and Resorts Worldwide, Inc. ("Starwood"); Carlson(R) Hotels Worldwide ("Carlson"); and Cendant(R) Corporation ("Cendant"). Although timeshare operations currently comprise only a portion of these companies' overall operations, the Company believes that their involvement in the timeshare industry has enhanced the industry's image with the general public.

Since the September 11th terrorist attacks, the leisure and travel industries, including the timeshare industry, have been adversely impacted by a reduction in air travel by Americans. The Company believes that it has been somewhat less affected by this adverse economic impact due to the 12 "drive-to" resort destinations in its portfolio of 13 timeshare properties. The Company believes that, in general, Americans still desire to take family vacations and that the Club, which consists entirely of "drive-to" resorts, is positioned to benefit from consumer demand for family vacations in the post-September 11th environment. However, international hostilities, economic conditions and the rising cost of gasoline may have an adverse effect on our operations.

The Consumer. According to information compiled by industry sources, customers in the 40-49 year age range represented approximately 25% of all Timeshare Interest owners in the United States in 2000. Historically, the median age of a Timeshare Interest buyer at the time of purchase was 48. The median annual household income of Timeshare Interest owners in the United States in 2000 was approximately $79,000, with approximately 29% of all Timeshare Interest owners having annual household incomes greater than $100,000. The Company believes that, despite the industry's growth, Timeshare Interest ownership has achieved only an approximate 5% market penetration among United States households with incomes above $50,000 per year.

Timeshare Interest Ownership. The purchase of a Timeshare Interest typically entitles the buyer to use a fully-furnished vacation residence,

generally for a one−week period each year in perpetuity. Typically, the buyer acquires an ownership interest in the vacation residence, which is often held as tenant−in−common with other buyers of interests in the property. Under a points−based vacation club system, members purchase an annual allotment of points

that can be redeemed for occupancy rights at participating resorts. Compared to other vacation ownership arrangements, the points-based system offers members greater flexibility in planning their vacations. The number of points that are required for a stay at any one resort varies, depending on a variety of factors, including the resort location, the size of a unit, the vacation season and the days of the week used. Under this system, members can select vacations according to their schedules, space needs and available points. Subject to certain restrictions, members are typically allowed to carry over for one year any unused points and to "borrow" points from the next year. In addition, members are required to pay annual fees for certain maintenance and management costs associated with the operation of the resorts based on the number of points to which they are entitled. As of December 31, 2002, all of the Company's sales offices, with the exception of its La Cabana Beach and Racquet Club(TM) ("La Cabana") sales office in Aruba, were only selling Timeshare Interests within the Club system.

The owners of Timeshare Interests manage the property through a nonprofit homeowners' association, which is governed by a board of directors or trustees consisting of representatives of the developer and owners of Timeshare Interests at the resort. The board hires a management company to which it delegates many of the rights and responsibilities of the homeowners' association, including grounds landscaping, security, housekeeping and operating supplies, garbage collection, utilities, insurance, laundry and repairs and maintenance. As of December 31, 2002, the Company managed 20 resorts (including 11 of the Company's resorts) and served an owner base of approximately 97,000.

Each Timeshare Interest owner is required to pay the homeowners' association a share of all costs of maintaining the property. These charges can consist of an annual maintenance fee plus applicable real estate taxes and special assessments, assessed on an as-needed basis. If the Timeshare Interest owner does not pay such charges, such owner's use rights may be suspended and the homeowners' association may foreclose on the owner's Timeshare Interest.

Participation in Independent Timeshare Interest Exchange Networks. The Company believes that its Timeshare Interests are made more attractive by the Company's affiliation with Timeshare Interest exchange networks operated by RCI and II, the two largest timeshare exchange companies worldwide. Eleven of the Company's timeshare resorts are affiliated with RCI. Eight of the Company's timeshare resorts have been awarded RCI's highest designation (Gold Crown) and three have been awarded the second highest designation (Resort of International Distinction). Mountain Run at Boyne(TM), once constructed, will be affiliated with RCI. La Cabana is affiliated with II. A Timeshare Interest owner's participation in the RCI or II exchange network allows such owner to exchange their annual Timeshare Interest for occupancy at approximately 3,700 participating resorts in the case of RCI and approximately 1,900 participating resorts in the case of II, based upon availability and the payment of a variable exchange fee. RCI and II's participating resorts are located throughout the world in over 100 countries. A member may exchange their Timeshare Interest for an occupancy right in another participating resort by listing his Timeshare Interest as available with the exchange organization and by requesting occupancy at another participating resort, indicating the particular resort or geographic area to which the member desires to travel, the size of the unit desired and the period during which occupancy is desired. The exchange network assigns ratings to each listed Timeshare Interest, based upon a number of factors, including the location and size of the unit, the quality of the resort and the period during which the Timeshare Interest is available, and attempts to satisfy the exchange request by providing an occupancy right in another Timeshare Interest with a similar rating. If the exchange network is unable to meet the member's initial request, it suggests alternative resorts based on availability. No assurances can be given that the Company's resorts will continue to qualify for participation in RCI or II, or that the Company's customers will continue to be satisfied with these networks. The failure of the Company or any of its resorts to participate in qualified exchange networks or the failure of such networks to operate effectively could have a material adverse effect on the Company.

Bluegreen(R) Communities

Bluegreen Communities operates within a specialized niche of the real estate industry, which focuses on the sale of residential home sites to retail customers who intend to build a home on such home sites at some point in the future. The participants in this market are generally individual landowners who are selling specific parcels of property and small developers who focus primarily on projects in their region. Although no specific data is available regarding this market niche, the Company believes that no other company in the United States of comparable size or financial resources currently markets and sells residential land directly to retail customers.

Unlike commercial homebuilders who focus on vertical development, such as the construction of single and multi-family housing structures, Bluegreen Communities focuses primarily on horizontal development activities, such as

grading, roads and utilities. As a result, the projects undertaken by the Company are significantly less capital intensive than those undertaken by the commercial homebuilders. See "MD&A" for a discussion of risks the Company has as a result of holding real estate inventory. The Company believes that its market is also the beneficiary of a

number of trends, including the large number of people entering into the 45 to 60 year age bracket and the economic and population growth in certain of its primary markets.

Bluegreen(R) Communities is also focused on the development of golf courses and related amenities as the centerpieces of certain of its residential land properties. As of December 31, 2002, the Company was marketing home sites in six projects that include golf courses developed either by the Company or a third party. The Company currently intends to acquire and develop additional golf communities, as management believes that the demographics and marketability of such properties are consistent with the Company's overall residential land strategy. Golf communities typically are larger, multi-phase properties, which require a greater capital commitment than the Company's single-phase residential land projects. There can be no assurances that the Company will be able to successfully implement its golf community strategy.

Bluegreen Communities also has undertaken the development of large lakes in certain of its projects as the centerpiece amenity. The Company believes that while such development activities require a greater capital commitment than certain other amenities that Bluegreen Communities may provide in its projects, the Company benefits from the anticipated increased marketability and pricing of lakefront home sites.

Company Products

Timeshare Interests

All of the Company's resorts, with the exception of La Cabana, are part of the Club. Buyers of Timeshare Interests in the Club receive an annual allotment of "points" in perpetuity (supported by an underlying deeded fixed timeshare week held in trust for the buyer). "Points" may be exchanged by the buyer in various increments for lodging for varying lengths of time in fully-furnished vacation residences at the Company's participating resorts. In addition to 11 of the Company's resorts (all except La Cabana, which is not part of the Club and Mountain Run at Boyne(TM), for which construction of any units had not yet been completed as of December 31, 2002), Club owners can use their points to stay at 21 additional resorts not owned by the Company, primarily located in Florida. By selling points in the Club, the Company has the flexibility to deed Timeshare Interests in its resorts at any of its sales locations, both on-site (i.e., located on a resort property) and off-site.

Buyers of Timeshare Interests in La Cabana receive an ownership interest in La Cabana, which provides them the use of a vacation residence at La Cabana for a one-week period each year in perpetuity. Ownership of a Timeshare Interest in La Cabana is not interchangeable with ownership of a Timeshare Interest at one of the Company's other resorts which are part of the Club, or vice versa.

Real estate taxes at the Company's timeshare resorts are the responsibility of the applicable property owners' association for each resort. Other than to the extent that the Company pays the resort property owners' associations annual developer subsidies or maintenance fees for the Timeshare Interests that the Company holds in inventory, the Company has no direct obligation for real estate taxes on its resorts.

Set forth below is a description of each of the Company's timeshare resorts. Units at most of the properties have certain standard amenities, including a full kitchen, at least two televisions, a VCR player and a CD player. Some units have additional amenities, such as big screen televisions, fireplaces, Jacuzzi(R) tubs and video game systems. Most properties offer guests a clubhouse (with an indoor and/or outdoor pool, a game room, exercise facilities and a lounge) and a hotel-type staff. The Company manages all of its resorts with the exception of La Cabana and Mountain Run at Boyne(TM). La Cabana is managed by Optima Hotel Exploitatiemaatschappij N.V., an unaffiliated third party that managed the resort prior to the Company's acquisition of La Cabana's unsold Timeshare Inventory in 1997. The first vacation home at the Mountain Run at Boyne resort is currently under construction.

Please see page 8 below for additional disclosure about the individual resorts, including the number of Timeshare Interests completed, under construction and sold at each of the Company's resorts.

MountainLoft(TM)--Gatlinburg, Tennessee. The MountainLoft Resort in Gatlinburg, Tennessee is located near the Great Smoky Mountains National Park and is minutes from the family attractions of Pigeon Forge, Tennessee. Units are located in individual chalets or mid-rise villa buildings. Each unit is fully furnished with a whirlpool bath and private balconies, and certain units include gas fireplaces.

Laurel Crest(TM)--Pigeon Forge, Tennessee. Laurel Crest is located in proximity to the Great Smoky Mountains National Park and the Dollywood theme

park. In addition, visitors to Pigeon Forge can enjoy over 200

factory outlet stores and music shows featuring renowned country music stars as well as partake in a variety of outdoor activities, such as horseback riding, trout fishing, boating, golfing and white water rafting.

Shore Crest(TM) Vacation Villas--North Myrtle Beach, South Carolina. Shore Crest Vacation Villas is located on the beach in the Windy Hill section of North Myrtle Beach a mile from the famous Barefoot Landing, with its restaurants, theaters, shops and outlet stores.

Harbour Lights(TM)--Myrtle Beach, South Carolina. Harbour Lights is located in the Fantasy Harbour Complex in the center of Myrtle Beach. Nearby are Theater Row, shopping, golf and restaurants. The resort's Activities Center overlooks the Intracoastal Waterway.

The Falls Village(TM)--Branson, Missouri. The Falls Village is located in the Ozark Mountains. Fishing, boating and swimming are available at nearby Table Rock Lake and Lake Taneycomo, and area theaters feature shows by renowned country music stars. Most resort customers come from areas within an eight to ten hour drive of Branson.

Christmas Mountain Village(TM)--Wisconsin Dells, Wisconsin. Christmas Mountain Village offers a 27-hole golf course and seven ski trails served by two chair lifts. Other on-site amenities include horseback riding, tennis courts, a five-acre lake with paddleboats and rowboats and four outdoor swimming pools. Christmas Mountain Village attracts customers primarily from the greater Chicago area and other locations within an eight to ten hour drive of Wisconsin Dells.

Orlando's Sunshine(TM)--Orlando, Florida. Orlando's Sunshine Resort is located on International Drive, near Wet'n'Wild(R) water park and Universal Studios Florida(R). This property features an outdoor swimming pool, hot tub and tennis courts.

La Cabana Beach Resort & Racquet Club(TM)--Aruba. Bluegreen Properties N.V. ("BPNV") acquired the unsold Timeshare Interest inventory of La Cabana (approximately 8,000 Timeshare Interests) in December 1997 and additional Timeshare Interests from time to time thereafter. Established in 1989, La Cabana is a 449-suite ocean front property, which offers one-, two- and three-bedroom suites, garden suites and penthouse accommodations. On-site amenities include tennis, racquetball, squash, a casino, two pools and private beach cabanas, none of which are owned or managed by the Company.

Shenandoah Crossing(TM)--Gordonsville, Virginia. Shenandoah Crossing features an 18-hole golf course, indoor and outdoor pools, tennis courts, horseback riding trails and a lake for swimming, fishing and boating.

The Lodge Alley Inn(TM)--Charleston, South Carolina. Located in Charleston's historic district, the Lodge Alley Inn includes one- and two-bedroom suites, many furnished with an equipped kitchen, living room with fireplace, dining room, Jacuzzi(R), pine wood floors, and 18th century-style furniture reproductions. The resort, which features the on-site High Cotton restaurant, is within walking distance of many of Charleston's historical sites, open-air markets and art galleries.

The Big Cedar Wilderness Club(TM)--Ridgedale, Missouri. In the year ended April 1, 2001, Bluegreen/Big Cedar Vacations(TM) LLC, a joint venture between a wholly-owned subsidiary of the Company and Big Cedar(R), L.L.C., with 51% and 49% ownership, respectively, began developing the Big Cedar Wilderness Club, a 300-unit, wilderness-themed resort adjacent to the world famous Big Cedar Lodge luxury hotel resort. (The Big Cedar Lodge is owned and operated by Big Cedar, L.L.C., an affiliate of Bass Pro Shops(R), a privately-held retailer of fishing, marine, hunting, camping and sports gear.) The Big Cedar Wilderness Club is located on Table Rock Lake, and is near Dogwood Canyon. Guests staying in the two bedroom cabins or one and two bedroom lodge villas will enjoy fireplaces, private balconies, full kitchens and Internet access. Amenities include or are expected to include indoor and outdoor swimming pools and hot tubs, lazy river, hiking trails, campfire area, beach and playground. Guests also have access to certain of the luxury amenities at the Big Cedar Lodge, including the Jack Nicklaus Signature Top of the Rock Par Three Golf Course, a marina, horseback riding, tennis and spa.

Solara Surfside(TM)--Surfside, Florida. In June 2001, the Company acquired the unsold Timeshare Interest inventory (approximately 6,001 Timeshare Interests, as further described in the table below) at an existing vacation ownership property located in Surfside, Florida, near Miami Beach. Solara Surfside is located directly on the beach and features one and two bedroom vacation homes. Sales of Timeshare Interests in this resort commenced in May 2002. The Company completed renovations of the resort's units, common areas and amenities in November 2002.

Mountain Run at Boyne(TM)--Boyne Mountain, Michigan. In October 2002, the

Company acquired approximately 11 acres of land to build and develop 64 vacation homes at Boyne Mountain in northern Michigan. In connection with this acquisition, the Company also acquired an option to purchase land contiguous to the 11 acres on which it could, at its discretion, build approximately an additional 100 timeshare units. Boyne Mountain is known for

skiing, snowboarding and tubing on 62 runs with convenient lift and trail systems. In the summer, Boyne Mountain offers 162 holes on world-class golf courses designed by some of the game's masters, including Robert Trent Jones, Arthur Hills, Donald Ross and, soon, Pete Dye. Sales commenced at Mountain Run at Boyne(TM) in November 2002. The Company expects to complete construction of the first 16 vacation homes at Mountain Run at Boyne during the year ending December 31, 2003, although there can be no assurances that construction will be completed as anticipated.

The following table sets forth additional data with respect to each of the Company's resorts:

Location	Mountain-Loft(TM) Gatlinburg, TN	Laurel Crest(TM) Pigeon Forge, TN	Shore Crest(TM) Myrtle Beach, SC	Harbour Lights(TM) Myrtle Beach, SC	The Falls Village(TM) Branson, MO	Christmas Mountain Village(TM) Wisconsin, Dells, WI	La Cabana Beach & Racquet Club(TM), Aruba
Date sales commenced	7/94	8/95	4/96	6/97	7/97	9/97	1/98
Number of Timeshare Interests completed as of December 31, 2002 (1)	14,248	12,064	12,480	4,992	3,979	3,208	8,511
Number of Timeshare Interests under Construction as of December 31, 2002 (1) (2)	--	3,640	--	--	312	1,040	--
Number of additional Timeshare Interests Planned (1) (2)	4,680	5,200	--	8,736	8,944	11,324	--
Number of Timeshare Interests in inventory at December 31, 2002 (3)	790	921	1,894	513	362	675	3,548
Average sales price Per transaction (4) (5)	$10,830	$12,287	$12,317	$10,604	$13,750	$10,557	$ 9,425
Number of Timeshare Sales transactions (5) Through December 31, 2002	13,965	10,898	15,887	6,987	5,032	5,129	6,521

	Shenandoah Crossing Farm &Club(TM) Gordonsville, VA	Orlando's Sunshine(TM) Orlando, FL	The Lodge Alley Inn(TM) Charleston, SC	Big Cedar Wilderness Club(TM) (6) Ridgedale, MO	Solara Surfside(TM) Surfside, FL	Mountain Run At Boyne Boyne Mountain, MI
Date sales commenced	4/98	12/98	2/99	11/00	5/02	(7)
Number of Timeshare Interests completed as of December 31, 2002 (1)	2,123	3,120	4,680	728	6,001	--
Number of Timeshare Interests under Construction as of December 31, 2002 (1) (2)	--	--	--	5,824	--	--
Number of additional Timeshare Interests Planned (1) (2)	10,400	--	--	20,384	--	3,328
Number of Timeshare Interests in inventory at December 31, 2002 (3)	364	507	434	5,448	1,373	--
Average sales price Per transaction (4) (5)	$10,744	$13,083	$12,347	$12,567	$11,634	--
Number of Timeshare Sales transactions (5) Through December 31, 2002	2,621	5,388	5,467	1,983	3,017	--

(1) The number of Timeshare Interests completed, under construction or planned are intended to be sold in 52 weekly intervals per vacation home for the Company's Shore Crest, Harbour Lights, Orlando's Sunshine, La Cabana and Lodge Alley Inn resorts. The amounts for the remaining resorts include some vacation homes that can be subdivided and sold either as two smaller vacation homes ("lock-out units") or, as in the case of the Solara

Surfside resort, as two Timeshare Interests per week (Monday through Thursday and Friday through Sunday), each of which consists of 104 Timeshare Interests per vacation home.

(2) There can be no assurances that the Company will have the resources, or will decide, to complete all such planned Timeshare Interests or that such Timeshare Interests will be sold at favorable prices.

(3) The number of Timeshare Interests in inventory at December 31, 2002, reflects the number of Timeshare Interests completed or under construction that are currently available for sale. In addition to full Timeshare Interests, as defined elsewhere herein, the Company also sells biennial Timeshare Interests, which entitle the buyer of points in the Club with the use of those points every other year. Biennial Timeshare Interests held in the Company's inventory are counted as 1/2 of a Timeshare Interest for the purposes of this disclosure.

(4) The average sales price per transaction is for sales during the nine months ended December 31, 2002.

(5) The Company reacquires previously-sold Timeshare Interests in its resorts in various transactions including foreclosures, deedback in lieu of foreclosure and equity trade-ins of one Timeshare Interest towards the purchase of a higher priced Timeshare Interest, subject to the Company's policies and applicable laws and regulations. The Company sells reacquired Timeshare Interests through its sales outlets at then-current retail prices. For the purposes of this disclosure, each sale, including the sale of a reacquired or a biennial Timeshare Interest, is counted as one timeshare sales transaction. The sales price on a transaction with an equity trade-in, however is not presented net of the equity trade-in allowance granted the customer.

(6) Bluegreen/Big Cedar(TM) LLC, in which the Company owns a 51% interest, is developing The Big Cedar Wilderness Club(TM).

(7) Sales of Timeshare Interests in the Mountain Run at Boyne(TM) resort had not commenced as of March 24, 2003. Sales of Timeshare Interests in the Company's other Club resorts began at the Mountain Run at Boyne location in November 2002.

The Company believes that each of its resorts is adequately covered by property and casualty insurance, in the case of the Company's completed resorts, and builder's risk insurance, in the case of resorts that are under construction. In addition, the Company, or general contractors hired by the Company, as applicable, purchase performance bonds if required by the local jurisdictions in which the Company develops its resorts.

Certain Bluegreen(R) Communities Projects

Set forth below is a description of the seven largest projects currently marketed by Bluegreen Communities, which are representative of the types of projects that the Company has been focusing on since 1993. These properties represented approximately 82% of Bluegreen Communities' estimated remaining life-of-project sales at December 31, 2002.

Mystic Shores(TM)--Canyon Lake, Texas. The Company acquired 6,966 acres located 25 miles north of San Antonio, Texas in October 1999 for $14.9 million. On May 5, 2000, the Company purchased an additional 435 acres for $2.7 million. The project includes approximately 2,400 home sites, ranging in size from one to twenty acres. Mystic Shores is situated on Canyon Lake and is in close proximity to the Guadeloupe River, which is well known for fishing, rafting and water sports. The property will also feature a junior Olympic swimming pool, bathhouse, open-air pavilion, picnic area and boat ramps. General improvements on home sites at Mystic Shores performed by the Company include, in most cases, water and lot clearing, while some sections of the project also include underground electric and telephone utilities. Aggregate development costs through December 31, 2002, were $21.5 million, with projected remaining expenditures to complete development at the project of $20.2 million. The Company began selling home sites in March 2000, with aggregate sales of approximately $45.9 million through December 31, 2002. Estimated remaining life-of-project sales were approximately $84.9 million as of December 31, 2002, based on retail selling prices as of that date. As of December 31, 2002, the Company had sold 655 home sites at this project and had a total of 1,718 home sites remaining available for sale.

Lake Ridge(TM) at Joe Pool Lake -- Cedar Hill, Texas. The Company acquired 1,400 acres located approximately 19 miles outside of Dallas, Texas and 30 miles outside of Fort Worth, Texas in April 1994 for $6.1 million. In fiscal 2000, the Company acquired an additional 1,766 acres for $14.9 million. The property is located at Joe Pool Lake and is atop the highest elevation within 100 miles. The lake has in excess of 7,500 acres of water for boating, fishing, windsurfing and other water activities. Adjacent amenities (not owned or managed by the Company) include a 154-acre park with baseball, football and soccer fields, a fishing pool with a pier, camping areas and an 18-hole golf course. The existing acreage

will yield approximately 2,530 home sites, with most home sites ranging in size from 1/4 to five acres. General improvements on the home sites at Lake Ridge performed by the Company include, in most cases, water, sewer, electric, telephone and cable television utilities as well as lot clearing. The Company began selling home sites in April 1994 and aggregate sales through December 31, 2002 were $105.2 million. Aggregate development costs through December 31, 2002 were $34.9 million, and the Company anticipates that the remaining capital expenditures to complete development at the project will be $16.4 million. Estimated remaining life-of-project sales for this project were approximately $72.1 million as of December 31, 2002, based on retail selling prices as of that date. As of December 31, 2002, the Company had sold 1,583 home sites at this project and had a total of 947 home sites remaining available for sale.

Brickshire(TM) -- New Kent, Virginia. The Company acquired 1,135 acres located 20 miles from Williamsburg and Richmond, Virginia, in September 1999 for $4.4 million. The property will consist of approximately 1,065 home sites, ranging in size from 1/4 to 2.5 acres, and features an 18-hole golf course designed by U.S. Open champion Curtis Strange. The property will also offer residents a community club and pool, tennis courts and scenic walking trails. General improvements on the home sites at Brickshire performed by the Company

include, in most cases, water and sewer utilities. Aggregate development costs through December 31, 2002 were $19.6 million, with projected remaining expenditures of $12.7 million. The Company began selling home sites in December 1999, with aggregate sales of $27.1 million through December 31, 2002. Estimated remaining life-of-project sales were approximately $42.2 million as of December 31, 2002, based on retail selling prices as of that date. As of December 31, 2002, the Company had sold 432 home sites at this project and had a total of 633 home sites remaining available for sale.

Silver Lakes Ranch(TM)--Bowie, Texas. The Company acquired 2,463 acres located approximately 35 miles northwest of Fort Worth, Texas, in October 2002 for $3.7 million. The property will feature a swimming pool, picnic area, park, lakes, ponds and a recreational vehicle park for use by the purchasers of home sites in the community. The existing acreage will yield approximately 661 home sites, with most home sites ranging in size from 1 to 10 acres. General improvements on the home sites at Silver Lakes Ranch that may be performed by the Company include, in most cases, water, electric and telephone as well as lot clearing. The Company began selling home sites at Silver Lakes Ranch during March 2003. Aggregate development costs through December 31, 2002 were $255,000 and the Company anticipates that the remaining capital expenditures to complete development at the project will be $6.1 million. Estimated remaining life-of-project sales for this project were approximately $21.8 million as of December 31, 2002, based on retail selling prices as of that date.

Catawba Falls Preserve(TM)--Black Mountain, North Carolina. The Company acquired approximately 785 acres located in Black Mountain, North Carolina (approximately 18 miles from Asheville, North Carolina) for $2.6 million in June 2002. The project will include horse and hiking trails, a swimming hole, picnic area, playground area and trail access to Pisgah National Forest and Catawba Falls. The Company anticipates that the project will consist of a total of approximately 238 home sites, which range in size from approximately 1 acre to 16 acres. The Company began selling home sites at Catawba Falls Preserve in January 2003. Aggregate development costs through December 31, 2002 were $1.3 million and the Company anticipates that the aggregate capital expenditures to complete development at the project will be $4.2 million. Estimated remaining life-of-project sales for this project were approximately $18.6 million as of December 31, 2002, based on retail selling prices as of that date.

Ridge Lake Shores(TM) -- Magnolia, Texas. In February 2001, the Company acquired 1,152 acres located approximately 25 minutes drive from Houston, Texas for $3.2 million. This property is anticipated to include approximately 700 home sites, ranging in size from one to four acres, and will feature two private fishing lakes, boat ramps, open-air pavilions, bathhouses, playgrounds and a beach area. General improvements to the home sites in Ridge Lake Shores performed by the Company include, in most cases, water and lot clearing, while some sections of the project have electric, cable, telephone and/or gas utilities. The Company began selling home sites in May 2001, with aggregate sales of $9.9 million through December 31, 2002. Aggregate development costs through December 31, 2002 were $5.2 million and the Company anticipates that future capital expenditures to complete development at the project will be $5.7 million. Estimated remaining life-of-project sales for Ridge Lake Shores were $17.3 million as of December 31, 2002, based on retail prices at that date. As of December 31, 2002, the Company had sold 300 home sites at this project and had a total of 402 home sites remaining available for sale.

Mountain Lakes Ranch(TM) -- Bluffdale, Texas. The Company acquired 4,100 acres located approximately 45 miles from Fort Worth, Texas in October 1998 for $3.1 million. The property features rolling terrain with hilltop views, tree coverage and ample area to create private lakes. The Company anticipates that the property will yield approximately 1,290 home sites ranging in size from one to five acres, including both lakefront and waterview parcels. General improvements on the home sites at Mountain Lakes Ranch performed by the Company include, in most cases, water, electric and telephone utilities. The Company began selling home sites in March 2000, with aggregate sales of $24.7 million through December 31, 2002. Aggregate development costs through December 31, 2002 were $20.3 million and the Company anticipates that future capital expenditures to complete development at the project will be $2.2 million. Estimated remaining life-of-project sales for Mountain Lakes Ranch were $16.4 million as of December 31, 2002, based on retail prices at that date. As of December 31, 2002, the Company had sold 766 home sites at this project and had a total of 523 home sites remaining available for sale.

The Company believes that each of its Bluegreen(R) Communities projects are adequately covered by builder's risk insurance during the construction period and property and casualty insurance for home sites that are held in the Company's inventory prior to sale to consumers. Once a home site is sold, the consumer assumes the risk of loss on such home site. In addition, the applicable property owners' association bears the risk of loss on any common amenities at each project.

The Company also purchases performance bonds on most of its projects, to provide assurance to home site buyers that construction of the project will be completed. The Company believes that its ability to obtain such performance bonds assists the Company in its pre–construction sales efforts.

Acquisition of Bluegreen(R) Resorts and Bluegreen Communities Inventory

In order to provide centralized and uniform controls on the type, location and amount of timeshare and residential land and golf inventory that the Company acquires, all such inventory acquisitions have required the approval of the Investment Committee since 1990. The Investment Committee currently consists of George F. Donovan, President and Chief Executive Officer; John F. Chiste, Senior Vice President, Treasurer and Chief Financial Officer; Daniel C. Koscher, Senior Vice President--President, Bluegreen Communities; John M. Maloney, Jr., Senior Vice President--President, Bluegreen Resorts; and Randi S. Tompkins, Vice President, Director of Corporate Legal Affairs and Clerk. The Investment Committee reviews each proposed inventory acquisition to determine whether the property meets certain criteria, including estimated cash flows and anticipated gross profit margins. In addition to being subject to Investment Committee review, all significant potential inventory acquisitions are subject to approval by the Company's Board of Directors.

Please see "Liquidity and Capital Resources", below, for discussion of the Company's methods and available resources for financing acquisition and development efforts for its timeshare and land projects.

Bluegreen Resorts

The Company obtains information with respect to resort acquisition opportunities through interaction by the Company's management team with resort operators, lodging companies and financial institutions with which the Company has established business relationships. Prior to acquiring property for future resorts, Bluegreen Resorts undertakes a full property review, including an environmental assessment, which is presented to the Investment Committee for approval. During the review process, acquisition specialists analyze market, tourism and demographic data as well as the quality and diversity of the location's existing amenities and attractions to determine the potential strength of the timeshare market in such area and the availability of a variety of recreational opportunities for prospective Timeshare Interest purchasers. Specifically, the Company evaluates the following factors, among others, to determine the viability of a potential new timeshare resort: (i) anticipated supply/demand ratio for Timeshare Interests in the relevant market, (ii) the market's potential growth as a vacation destination, (iii) competitive accommodation alternatives in the market, (iv) the uniqueness of location and demand for the location by existing Club owners and (v) barriers to entry that would limit competition.

The Company intends to continue to pursue growth by expanding or supplementing the Company's existing resorts operations through acquisitions in destinations that the Company believes will complement such existing operations. Acquisitions the Company may consider include acquiring additional Timeshare Interest inventory, operating companies, management contracts, Timeshare Interest mortgage portfolios and properties or other timeshare-related assets that may be integrated into the Company's operations. The geographic areas in which the Company currently intends to pursue the acquisition of real estate or interests in real estate for Bluegreen Resorts are the areas in which Bluegreen Resorts currently operates, as noted above with a current emphasis on beachfront resorts, the northeastern and western United States, although the Company may pursue acquisitions in other areas. No assurances can be given that the Company will be successful in its acquisition strategy.

Bluegreen Communities

Bluegreen Communities, through the Company's regional offices, and subject to Investment Committee review and approval, typically acquires inventory that (i) is located near a major population center but outside the perimeter of intense subdivision development or in popular retirement areas, (ii) is suitable for subdivision, (iii) has attractive topographical features, (iv) for certain projects, could accommodate a golf course and related amenities and (v) the Company believes will result in an acceptable profit margin and cash flow to the Company based upon anticipated retail value. Properties are generally subdivided for resale into home sites typically ranging in size from 1/4 acre to twenty acres. During the nine months ended December 31, 2002, the Company acquired 3,740 acres in three transactions for a total purchase price of approximately $6.7 million or $1,800 per acre. During the year ended March 31, 2002, the Company acquired 1,280 acres in one transaction for a total purchase price of approximately $1.2 million or $938 per acre. During the year ended April 1, 2001, the Company acquired 4,879 acres in five separate transactions for a total purchase price of $15.2 million, or $3,114 per acre.

In connection with its review of potential Bluegreen Communities inventory, the Investment Committee considers such established criteria as the economic conditions in the area in which the parcel is located, environmental sensitivity, availability of financing, whether the property is consistent with the Company's general policies and the anticipated ability of that property to

produce acceptable profit margins and cash flow. As part of its long−term strategy for Bluegreen Communities, the Company in recent years has focused on fewer, more capital−intensive projects. The Company intends to continue to focus Bluegreen Communities on those regions where the Company believes the

market for its products is strongest, such as the Southeast and Southwest regions of the United States and to replenish its residential land inventory in such regions as existing projects are sold-out.

Bluegreen(R) Communities has established contacts with numerous land owners and real estate brokers in many of its market areas, and because of such contacts and its long history of acquiring properties, the Company believes that it is generally in a favorable position to learn of available properties, sometimes before the availability of such properties is publicly known. In order to ensure such access, the Company attempts to develop and maintain strong relationships with major property owners and brokers. Regional offices regularly contact property owners, such as timber companies, financial institutions and real estate brokers, by a combination of telephone, mail and personal visits. To date, the Company's regional offices generally have been able to locate and acquire adequate quantities of inventory that meet the criteria established by the Investment Committee to support their operational activities. In certain cases, however, the Company has experienced short-term shortages of ready-for-sale inventory due to either difficulties in acquiring property or delays in the approval and/or development process. Shortfalls in ready-for-sale inventory may materially adversely affect the Company's business, operating results and financial position. See "MD&A".

Prior to acquiring property in new areas, the Company will generally conduct test marketing for a prospective project before entering into an acquisition agreement to determine whether sufficient customer demand exists for the project. Once a desirable property is identified, the Company completes its initial due diligence procedures and enters into a purchase agreement with the seller to acquire the property. It is generally the Company's policy to advance only a small downpayment of 1%-3% of the purchase price upon signing the purchase agreement and to limit the liquidated damages associated with such purchase agreement to the amount of its downpayment and any preliminary development costs. In most cases, the Company is not required to advance the full purchase price or enter into a note payable obligation until regulatory approvals for the subdivision and sale of at least the initial phase of the project have been obtained. While local approvals are being sought, the Company typically engages in pre-marketing techniques and, with the consent of the seller and the knowledge of prospective purchasers, occasionally attempts to pre-sell parcels, subject to closing its purchase of the property. When the necessary regulatory approvals have been received, the closing on the property occurs and the Company obtains title to the property. The time between execution of a purchase agreement and closing on a property has generally been six to 12 months. Although the Company generally retains the right to cancel purchase agreements without any loss beyond forfeiture of the downpayment and preliminary development costs, few purchase agreements have been canceled historically.

By requiring, in most cases, that regulatory approvals be obtained prior to closing and by limiting the amount of downpayments upon signing purchase agreements, the Company is typically able to place a number of properties under contract without expending significant amounts of cash. This strategy helps Bluegreen Communities to reduce (i) the time during which it actually owns specific properties, (ii) the market risk associated with holding such properties and (iii) the risk of acquiring properties that may not be suitable for sale. In certain circumstances, however, the Company has acquired properties and strategically held such projects until their prime marketing seasons. Please see MD&A and the discussion of risks related to holding real estate inventory.

Prior to closing on a purchase of property for Bluegreen Communities, the Company's policy is to complete its own environmental assessment of the property. The purpose of the Company's assessment is to evaluate the impact the proposed subdivision will have on such items as flora and fauna, wetlands, endangered species, open space, scenic vistas, recreation, transportation and community growth and character. If the Company's environmental assessment indicates that the proposed subdivision meets environmental criteria and complies with zoning, building, health and other laws, the Company will develop a formal land use plan, which will form a basis for determining an appropriate acquisition price. The Company attempts, where possible, to accommodate the existing topographical features of the land, such as streams, hills, wooded areas, stone walls, farm buildings and roads. Prior to closing on an acquisition, the Company will typically have the property surveyed by a professional surveyor and have soil analyses conducted to determine the suitability of the site for septic systems. At closing, the Company obtains title insurance on the property.

Marketing and Sale of Inventory

Bluegreen Resorts

Bluegreen Resorts uses a variety of methods to attract prospective purchasers of Timeshare Interests, including selling discount mini-vacations through telemarketing methods or at Bass Pro Shop(R) locations (see further

discussion of the Company's relationship with Bass Pro Shops, below), placing marketing kiosks in retail locations, acquiring the right to market to prospective purchasers from third−party vendors, marketing to current owners of Timeshare Interests and encouraging referrals. Bluegreen Resorts provides hotel accommodations to prospective purchasers at reduced rates in exchange for their touring one of the Company's timeshare resorts. To support its marketing and sales efforts, the Company has developed and works to continue to enhance its customer

relationship management methods, techniques and computer software tools to track its timeshare marketing and sales programs. Management believes that, as Bluegreen(R) Resorts' operations grow, this database will become an increasingly significant asset, enabling the Company to focus its marketing and sales efforts to take advantage of, among other things, less costly marketing and referral opportunities.

In recent years, the Company has been focusing on increasing Bluegreen Resorts use of "permission" marketing and branding programs. "Permission" marketing methods involve obtaining the prospective purchasers' permission, directly or indirectly, to contact them in the future regarding an offer to purchase a product or service. Branding involves forming alliances with third-party entities that possess what the Company believes to be a nationally or regionally known brand name, a good reputation and a customer base with a similar demographic qualities to the Company's target market.

In June 2000, the Company entered into an exclusive marketing agreement with Big Cedar(R) Lodge and Bass Pro(R), Inc. ("Bass Pro") of Springfield, Missouri. Under the terms of the 10-year agreement, which expires in June 2010, the Company will market the Club product to Bass Pro's estimated 30 million annual retail customers and 34 million catalog subscribers. The Company now markets discounted three-day, two-night mini-vacation packages at most of Bass Pro's national retail locations. Each mini-vacation package requires the buyer to participate in a sales presentation at either a Club sales office or the Big Cedar Wilderness Club(TM) sales office, which is a "permission" marketing technique. The Company also has an exclusive timeshare marketing presence on Bass Pro's web site, which is linked to the Company's web site. The Company believes that this arrangement will result in more effective and cost-efficient marketing for Bluegreen Resorts, although there can be no assurances that such effectiveness and efficiency will be achieved. Pursuant to the marketing agreement with Bass Pro, the Company has the right to market its Timeshare Interests at each of Bass Pro's national retail locations (currently 15 stores, of which the Company actively markets in 11), in Bass Pro's catalogs and on its web site. The Company also has access to Bass Pro's customer mailing lists. The Company believes that the branding aspects of this alliance are consistent with its overall marketing strategy for Bluegreen Resorts. In exchange for these services, the Company agreed to pay Bass Pro a commission of either 7.0% or 3.5%, depending on certain circumstances, on each sale of a Timeshare Interest, net of cancellations and defaults, that is made as a result of one of the Bass Pro marketing channels described above (the "Commission"). The amount of the Commission is dependent on the level of additional marketing efforts required by the Company to convert the prospect into a sale and a defined time frame for such marketing efforts. There is no Commission paid to Bass Pro on sales made by the Big Cedar Wilderness Club sales office, as this sales office is part of a joint venture between an affiliate of Bass Pro, Big Cedar L.L.C., and the Company (the "Joint Venture").

On June 16, 2000, the Company prepaid $9 million to Bass Pro (the "Prepayment") in connection with the aforementioned marketing agreement. The Prepayment is amortized from future Commissions earned by Bass Pro and future member distributions otherwise payable to Big Cedar, L.L.C. from the earnings of the Joint Venture as a member thereof. No additional Commissions or member distributions will be paid in cash to Bass Pro or Big Cedar, L.L.C., respectively, until the Prepayment has been fully utilized. As of December 31, 2002, the unamortized balance of the Prepayment was approximately $8.5 million.

The marketing agreement expires on the earlier of: (i) June 16, 2010 or (ii) such time as ninety percent (90%) of the Joint Venture's proposed Timeshare Interests have been sold and conveyed.

On October 2, 2002, Leisure Plan(TM), Inc., a wholly-owned subsidiary (the "Subsidiary") of the Company, acquired substantially all of the assets and assumed certain liabilities (the "Acquisition") of TakeMeOnVacation(TM), LLC; RVM Promotions, LLC; and RVM Vacations, LLC (collectively, "TMOV"). TMOV generates "permission" marketing sales leads for Timeshare Interest sales utilizing various marketing strategies. Through the application of a proprietary, computer software system, these leads are then contacted and given the opportunity to purchase mini-vacation packages. These packages sometimes combine hotel stays, cruises and gift premiums. Buyers of these mini-vacation packages are then usually required to participate in a timeshare sales presentation. The Subsidiary intends to use the assets acquired to generate sales prospects for the Company's timeshare sales business and for sales prospects that will be sold to other timeshare developers. The Company believes that TMOV's "permission" marketing lead generation programs and the perceived benefits of tracking and controlling the subsequent marketing efforts are consistent with Bluegreen Resorts overall marketing strategy.

Also in October 2002, in connection with the acquisition of land and completed Timeshare Interests from Boyne USA Resorts ("BUR"), the Company obtained the right to market the Club at two of BUR's resort properties: Boyne

Mountain and Boyne Highlands. In addition, Bluegreen Resorts entered into an exclusive marketing agreement with an affiliate of BUR, Boyne Country Sports ("BCS"). BCS owns and operates eight ski, snowboard

and golf equipment retail stores throughout Michigan. Bluegreen(R) Resorts intends to market the Club through a variety of programs directed to BCS's customer base. The Company believes that these agreements will allow Bluegreen Resorts to benefit from marketing to customers which it believes are within its target demographic through an affiliation with a known regional brand.

Timeshare resorts are staffed with sales representatives, sales managers and an on-site manager who oversees the day-to-day operations, all of whom are employees of the Company. Sales personnel are generally experienced in resort sales and undergo ongoing Company-sponsored training. During the nine months ended December 31, 2002, total marketing expense for Bluegreen Resorts was $41.6 million or 28.9% of the division's $144.0 million in sales. During the year ended March 31, 2002, total marketing expense for Bluegreen Resorts was $42.6 million or 29.6% of the division's $144.2 million in sales. During the year ended April 1, 2001, total marketing expense for Bluegreen Resorts was $46.0 million or approximately 32.7% of the division's $141.0 million in sales. See "MD&A" for a discussion of the Company's sales, general and administrative expenses.

The Company requires its sales staff to provide each timeshare customer with a written disclosure statement regarding the Timeshare Interest to be sold prior to the time the customer signs a purchase agreement. This disclosure statement sets forth relevant information regarding timeshare ownership at the resort and must be signed by every purchaser. The Company believes that this information statement contains all material and relevant information a customer requires to make an informed decision as to whether or not to purchase a Timeshare Interest at one of its resorts.

After deciding to purchase a Timeshare Interest, a purchaser enters into a purchase agreement and is required to pay the Company a deposit of at least 10% of the purchase price. Purchasers are entitled to cancel purchase agreements within specified rescission periods after execution in accordance with statutory requirements. Substantially all timeshare purchasers visit one of the Company's resorts or one of the Company's off-site sales offices prior to purchasing.

In addition to sales offices located at its resorts, the Company also operates four off-site sales offices serving the Indianapolis, Indiana; Detroit, Michigan; Minneapolis, Minnesota; and Daytona Beach, Florida markets. The Company closed its off-site sales offices serving the Cleveland, Ohio and Louisville, Kentucky markets during the years ended March 31, 2002 and April 1, 2001, respectively, due to low operating margins being generated by the sites. These off-site sales offices market and sell Timeshare Interests in the Club, and allow the Company to bring its products to markets with favorable demographics and low competition for prospective buyers. The Daytona Beach sales office opened in June 2002. The Minneapolis office, which is located near the Mall of America, opened for sales in November 2002. During the nine months ended December 31, 2002, the Indianapolis, Detroit, Daytona and Minneapolis sales offices generated an aggregate $12.7 million and $1.6 million in sales and field operating profit, respectively. During the year ended March 31, 2002, the Indianapolis and Detroit sales offices generated an aggregate $16.7 million and $2.9 million in sales and field operating profit, respectively. The Company continues to evaluate its ongoing utilization of off-site sales operations and may elect to open new locations and/or close existing locations in the future.

The Company believes that the attractiveness of Timeshare Interest ownership has been enhanced significantly by the Club program and the availability of exchange networks that allow Timeshare Interest owners to exchange the occupancy right in their Timeshare Interests in a particular year, for an occupancy right at another participating network resort at either the same or a different time. La Cabana is affiliated with the timeshare exchange network operated by II, while the Company's twelve other resorts are affiliated with RCI's timeshare exchange network. If the Company's resorts cease to qualify for the exchange networks or such networks cease to operate effectively, the Company's sales of Timeshare Interests and the performance of its timeshare receivables could be materially adversely affected.

For further information on sales and other financial information (including segment information) attributable to Bluegreen Resorts, see "MD&A" and the Company's consolidated financial statements and the related Notes.

Bluegreen Communities

In general, as soon as practicable after agreeing to acquire a property and during the time period that appropriate improvements are being completed, the Company establishes selling prices for the individual home sites taking into account such matters as regional economic conditions, quality as a building site, scenic views, road frontage, golf course views (if applicable) and natural features such as lakes, mountains, streams, ponds and wooded areas. The Company also considers recent sales of comparable parcels in the area. Initial decisions on pricing of home sites in a given area are made by the Company's regional

managers and, in all cases, are subject to approval by the Investment Committee. Once such selling prices are established the Company commences its marketing efforts.

The marketing method most widely used by Bluegreen(R) Communities is advertising in local newspapers and in major newspapers in metropolitan areas located within a one to three hour drive from the property. In addition, the Company uses its customer relationship management system, which enables the Company to identify prospects who the Company believes are most likely to be interested in a particular project. Bluegreen Communities also conducts direct mail campaigns to market property through the use of brochures describing available home sites, as well as television and radio advertising. Through this sales and marketing program, the Company believes that it has been able to achieve a high conversion ratio of sales to prospects receiving on-site sales presentations. The Company estimates that the conversion ratio of sales to prospects receiving on-site sales presentations has historically been approximately 20%. A sales representative who is knowledgeable about the property answers inquiries generated by the Company's marketing efforts, discusses the property with the prospective purchaser, attempts to ascertain the purchaser's needs and determines whether the parcel would be suitable for that person, and arranges an appointment for the purchaser to visit the property. Substantially all prospective purchasers inspect a property before purchasing. During the nine months ended December 31, 2002, Bluegreen Communities incurred $6.3 million in advertising expense, or 8.0% of such division's $78.6 million in sales. During the year ended March 31, 2002, Bluegreen Communities incurred $8.0 million in advertising expense, or 8.3% of such division's $96.4 million in sales. During the year ended April 1, 2001, Bluegreen Communities incurred $8.6 million in advertising expense, or approximately 9.6% of such division's $88.9 million in sales.

The success of the Company's marketing efforts depends heavily on the knowledge and experience of its sales personnel. The Company requires that, prior to initiating the marketing effort for a property, all sales representatives walk the property and become knowledgeable about each parcel and applicable zoning, subdivision and building code requirements. Continued training programs are conducted, including training with regional office sales managers, weekly sales meetings and frequent site visits by an executive officer of the Company. The Company enhances its sales and marketing organization through the Bluegreen Institute, a mandatory training program, which is designed to instill the Company's marketing and customer service philosophy in middle and lower-level management. Additionally, the sales staff is evaluated against performance standards established by the executive officers of the Company. Substantially all of a sales representative's compensation is commission-based.

The Company requires its sales staff to provide each prospective purchaser with a written disclosure statement regarding the property to be sold prior to the time such purchaser signs a purchase agreement. This information statement, which is either in the form of a U.S. Department of Housing and Urban Development ("HUD") lot information statement, where required, or a Company generated "Vital Information Statement," sets forth relevant information with respect to, and risks associated with, the property and must be signed by each purchaser. The Company believes that these information statements contain all material and relevant information necessary for a prospective purchaser to make an informed decision as to whether or not to purchase such property, including the availability and estimated cost of utilities, restrictions regarding property usage, status of access roads and information regarding rescission rights.

After deciding to purchase a home site, a purchaser enters into a purchase agreement and is required to pay the Company a deposit of at least 10% of the purchase price. Purchasers are entitled to cancel purchase agreements within specified periods after execution in accordance with statutory requirements. The closing of a home site sale usually occurs two to eight weeks after payment of the deposit. Upon closing of a home site sale, the Company typically delivers a warranty deed and a recent survey of the property to the purchaser. Title insurance is available at the purchaser's expense.

For further information on sales and other financial information (including industry segment information) attributable to Bluegreen Communities, please see "MD&A" and the Company's consolidated financial statements and the related Notes.

Customer Financing

General

During the nine months ended December 31, 2002, the year ended March 31, 2002 and the year ended April 1, 2001, the Company financed 67%, 62% and 62%, respectively, of the aggregate purchase price of its sales of Timeshare Interests and home sites to customers that closed during these periods and received cash for the remaining balance of the purchase price. The increase in the percentage of sales financed by the Company since the year ended April 1, 2001 is primarily attributable to an increase in the sales of Timeshare Interests over the same period. Sales of Timeshare Interests accounted for 65%,

60% and 61% of consolidated sales during the nine months ended December 31, 2002, the year ended March 31, 2002 and the year ended April 1, 2001, respectively. Approximately 95% of all purchasers of Timeshare Interests financed with the Company (compared to approximately 6% of home site

purchasers) during the nine months ended December 31, 2002. In recent years, the percentage of Bluegreen(R) Communities customers who utilized the Company's financing has declined materially due to, among other things, an increased willingness on the part of banks to extend direct lot financing to purchasers.

The Company believes that its financing is attractive to purchasers who find it convenient to handle all facets of the purchase of home sites and Timeshare Interests through a single source and because the downpayments required by the Company are similar to those required by banks and mortgage companies which offer this type of credit.

The Company offers financing of up to 90% of the purchase price of its Timeshare Interests. The typical financing extended by the Company on a Timeshare Interest during the nine months ended December 31, 2002, the year ended March 31, 2002 and the year ended April 1, 2001, provided for terms of seven or ten years and a fixed interest rate. In connection with the Company's Timeshare Interest sales within the Club system, the Company delivers the deed on behalf of the purchasers to the trustee of the Club and secures repayment of the purchaser's obligation by obtaining a mortgage on the purchaser's Timeshare Interest. Prior to the Company converting its sales operations to sell the Club, the Company and the purchaser of a fixed-week Timeshare Interest executed a contract for deed agreement. After the contract for deed obligation is paid in full, the Company delivers a deed to the purchaser.

The Company also offers financing of up to 90% of the purchase price of all home sites sold by Bluegreen Communities to all purchasers who qualify for such financing. The term of repayment on such financing has historically ranged from five to 20 years although the Company, by offering reduced interest rates, has been successful in encouraging customers during recent years to finance their purchases over shorter terms with increased downpayments. An average note receivable underwritten by the Company during the nine months ended December 31, 2002, and the two years ended March 31, 2002, had a term of ten years. Most Bluegreen Communities notes receivable bear interest at a variable interest rate and are secured by a first lien on the land.

The weighted-average interest rate on the Company's notes receivable by division was as follows:

	As of	
Division	December 31, 2002	March 31, 2002
Bluegreen Resorts	15.3%	15.4%
Bluegreen Communities	10.2%	11.1%
Consolidated	14.4%	14.7%

Please see 'Sale of Receivables/Pledging of Receivables', below, for information regarding the Company's receivable financing activities.

Loan Underwriting

Bluegreen Resorts. Consistent with industry practice, the Company's Timeshare Interest financing is not subject to extensive loan underwriting criteria. Currently, customer financing on sales of Timeshare Interests typically requires (i) receipt of a minimum downpayment of 10% of the purchase price, (ii) a note and mortgage and (iii) other closing documents between the Company and the purchaser. The Company encourages purchasers to make increased downpayments by offering a lower interest rate. In addition, purchasers who do not elect to participate in the Company's pre-authorized payment plan are charged interest at a rate which is one percent greater than the otherwise prevailing rate. As of December 31, 2002, approximately 71% of the Company's timeshare notes receivable serviced were on the Company's pre-authorized payment plan.

Bluegreen Communities. The Company has established loan underwriting criteria and procedures designed to reduce credit losses on its Bluegreen Communities loan portfolio. The loan underwriting process undertaken by the Company's credit department includes reviewing the applicant's credit history, verifying employment and income as well as calculating certain debt-to-income ratios. The primary focus of the Company's underwriting review is to determine the applicant's ability to repay the loan in accordance with its terms. This assessment is based on a number of factors, including the relationship of the applicant's required monthly payment to disposable income. The Company also examines the applicant's credit history through one or more credit reporting agencies. In order to verify an applicant's employment status, the Company generally contacts the applicant's employer. The Company also obtains current pay stubs, recent tax returns and other tax forms from the applicant, as applicable.

In order to obtain financing from Bluegreen Communities, a prospective purchaser must submit a completed and signed credit application, purchase and sale agreement and pre-authorized checking agreement accompanied by a voided check, if applicable, to the Company's credit department. All credit decisions are made at the Company's corporate headquarters. Loan amounts under $50,000 are approved by designated personnel located in the Company's

corporate headquarters, while loan amounts of $50,000 or more require approval from a senior executive officer. In addition, rejected applications and any material exceptions to the underwriting policy are also reviewed by a senior executive officer. Customers are notified of the reasons for credit denial by mail.

The Company encourages customers to increase their downpayment and reduce the loan term through the structure of its loan programs. Customers receive a lower rate of interest as their downpayment increases and the loan term shortens. Additionally, the Company encourages its customers to make timely payments through a pre-authorized payment arrangement. Customers who do not choose a pre-authorized payment plan are charged interest at a rate that is one percent greater than the prevailing rate.

After the credit decision has been made, the credit department categorizes the file as either approved, pending or declined. Upon receipt of a credit approval, the regional office schedules the closing with the customer. Closings are typically conducted at the office of the Company's local attorney or settlement agent, although in some cases the closing may take place at the sales site or by mail.

When the original closing documents are received from the closing agent, the Company verifies that the loan closed under terms approved by the Company's credit department. A quality control audit is performed to verify that required documents have been received and that they have been prepared and executed correctly. If any revisions are required, notification is sent to the regional office.

A loan file typically includes a copy of the signed security instrument, the mortgage note, a copy of the deed, Truth-in-Lending disclosure, purchase and sale agreement, credit application, local counsel opinion, Vital Information Statement or purchaser's acknowledgment of receipt of HUD lot information statement, HUD settlement statement and a copy of the assignment of mortgage and an original note endorsement from the Company's subsidiary originating the sale and the loan to the Company (if applicable). After the initial closing documents are received, the recorded mortgage and assignment and original title insurance policy are obtained in order to complete the loan file.

Collection Policies

Bluegreen(R) Resorts. Prior to fiscal 1999, the Company's timeshare receivables were documented by contracts for deed, which allows the Company to retain title to the Timeshare Interest until the obligation is paid in full, thereby eliminating the need to foreclose in the event of a default. Collection efforts and delinquency information concerning Bluegreen Resorts are managed at the Company's corporate headquarters. Servicing of the division's receivables is handled by a staff of experienced collectors, assisted by a mortgage collection computer system. Unless circumstances otherwise dictate, collection efforts are generally made by mail and telephone. If a contract for deed becomes delinquent for ten days, telephone contact commences with the customer. If the customer fails to bring the account current, a late notice is mailed when the account is 16 days delinquent. After an account is 30 days delinquent, the Company typically sends a second letter advising the customer that such customer has 30 days within which to bring the account current. Under the terms of the contract for deed, the borrower is in default when the account becomes 60 days delinquent. At this time a default letter is sent advising the customer that he or she has 30 days to bring the account current or lose his or her contractual interest in the timeshare unit. When the account becomes 90 days delinquent, the Company forwards a final letter informing the customer that the contract for deed has been terminated. At such time, the Timeshare Interest can be resold to a new purchaser.

In fiscal 1999, in connection with the implementation of the Club system, the Company converted to a note and mortgage arrangement. In addition to the 16 and 30-day collection correspondence outlined above, at 60 days delinquent, a lock-out letter is sent to the Club customer prohibiting such customer from making a reservation for lodging at a resort property. If the default continues, at 90 days delinquent, a Notice of Intent to Cancel Membership is mailed and the accrual of interest on the note receivable is stopped. This informs the customer that unless the default is cured within 30 days, membership in the Club will be terminated. If the default is not cured, a Termination Letter is sent, typically at 120 days. At such time, the Timeshare Interest can be resold to a new purchaser.

Bluegreen Communities. Collection efforts and delinquency information concerning Bluegreen Communities are also managed at the Company's corporate headquarters. A staff of experienced collectors, handles servicing of the division's receivables. Unless circumstances otherwise dictate, collection efforts are generally made by mail and telephone. Collection efforts begin when an account is ten days past due, at which time the Company contacts the customer

by telephone. Attempts are then made to contact the customer via telephone to determine the reason for the delinquency and to bring the account current. The determination of how to handle a delinquent loan is based upon many factors, including the customer's payment history and the reason for the current inability to make timely payments. If no agreement is reached or the customer does not abide by the agreement, collection efforts continue until the account is either brought current or legal action is commenced. If not accelerated sooner, the Company typically declares the loan in default when the loan becomes 60 days delinquent. When the loan is 90 days past due, the accrual

of interest is stopped (unless the loan is considered an in-substance foreclosure loan, in which case all accrued interest is reversed since the Company's means of recovery is determined through the resale of the underlying collateral and not through collection on the note) and the Credit/Collection Manager determines the action to be taken.

Loan Loss Reserves. The reserve for loan losses as a percentage of outstanding notes receivable was approximately 7% at both December 31, 2002 and March 31, 2002. The adequacy of the Company's reserve for loan losses is determined by management and reviewed on a regular basis considering, among other factors, historical frequency of default, loss experience, estimated value of the underlying collateral, present and expected economic conditions as well as the quality of the receivables. (See "MD&A" for further discussion of the Company's provision for loan losses.) During the nine months ended December 31, 2002, the year ended March 31, 2002 and the year ended April 1, 2001, the default rates on Bluegreen(R) Resorts' and Bluegreen Communities' receivables owned or serviced by the Company were as follows:

	Nine Months Ended	Year Ended	
Division	December 31, 2002	March 31, 2002	April 1, 2001
Bluegreen Resorts	4.4%	8.1%	7.1%
Bluegreen Communities	2.2%	2.0%	2.6%

The default rate for Bluegreen Resorts was lower during the nine months ended December 31, 2002 as compared to the years ended March 31, 2002 and April 1, 2001, as the months of January through March each year historically have had higher default rates than other months during the year.

Sales of Receivables/Pledging of Receivables

During the nine months ended December 31, 2002, the year ended March 31, 2002 and the year ended April 1, 2001, all of the Company's notes receivable sold and the majority of the Company's notes receivable pledged consisted of notes receivable generated by Bluegreen Resorts.

Since 1986, the Company has sold or pledged a significant amount of its receivables, generally retaining the right and obligation to service such receivables. In the case of Bluegreen Communities' receivables, the Company historically transferred the receivables to a special purpose finance subsidiary once a sufficient pool of receivables was generated, and the subsidiary in turn entered into a receivables securitization. The receivables were typically sold by such subsidiary with limited or no recourse. In the case of receivables pledged to a financial institution, the Company generally must maintain a debt to eligible collateral rate (based on the outstanding principal balance of the pledged loans) of 90%. The Company is obligated to pledge additional eligible receivables or make additional principal payments in order to maintain this collateralization rate. Repurchases and additional principal payments have not been material to date.

Although private placement Real Estate Mortgage Investment Conduit ("REMIC") financings of Bluegreen Communities receivables provided substantial capital resources to the Company during the early to mid-1990's, the Company has not completed a REMIC financing since December 1996, due to the decrease in land sales financed by the Company. Under the terms of these transactions, the receivables are sold to a REMIC trust and the Company has no obligation to repurchase the receivables due to default by the borrowers. The Company does, however, have the obligation to repurchase the receivables in the event that there was any material defect in the loan documentation and related representations and warranties as of the time of sale.

Since fiscal 1999, the Company has maintained timeshare receivables purchase facilities with financial institutions. Under the current purchase facility (the "Purchase Facility"), a special purpose finance subsidiary of the Company, Bluegreen Receivables Finance Corporation V, had sold approximately $83.2 million aggregate principal amount of timeshare receivables in securitization transactions to Credit Suisse First Boston ("CSFB") and approximately $84.6 million to ING Capital, LLC ("ING"), an affiliate of ING Bank NV, through December 31, 2002. ING acquired the Purchase Facility from CSFB in April 2002. Receivables are sold under the Purchase Facility without recourse to the Company or its special purpose finance subsidiary except for breaches of representations and warranties made at the time of sale. The Company acts as servicer under the Purchase Facility for a fee. On December 13, 2002, ING Financial Markets, LLC ("IFM"), an affiliate of ING, consummated a $170.2 million private offering and sale of timeshare loan-backed securities on behalf of the Company (the "2002 Term Securitization"). As a result of the 2002 Term

Securitization, the Subsidiary may sell up to an additional $57.0 million aggregate principal amount of timeshare receivables, on a revolving basis, through April 16, 2003. The Company did not guarantee the

payment of any amounts by obligors on the receivables or otherwise enter into any payment guarantees in connection with the Purchase Facility. See "Liquidity and Capital Resources" for further discussion of the Purchase Facility. The Company is currently negotiating an extended term and increased availability under the Purchase Facility. There can be no assurances that the Company's negotiations will result in the Company obtaining the desired extension and increase on acceptable terms to the Company, if at all. The Company is also currently negotiating another timeshare receivables purchase facility with another financial institution, although there can be no assurances that the Company will obtain such a facility on acceptable terms, if at all. The Company's liquidity and financial condition could be materially adversely affected if it is not able to sell a material portion of the receivables it generates under its current or one or more future facilities. In obtaining such facilities, the Company is subject to factors impacting the securitization markets generally and to factors affecting the sale of timeshare receivables in particular, including the performance of the Company's receivables.

For a further discussion of the terms of the Purchase Facility and the Company's existing receivables warehouse and hypothecation facilities please see "Liquidity and Capital Resources" under Item 7, below.

Receivables Servicing

Receivables servicing includes collecting payments from borrowers and remitting such funds to the owners, lenders or investors in such receivables, accounting for receivables principal and interest, making advances when required, contacting delinquent borrowers, foreclosing, or terminating a contract for deed or membership in the Club in the event that defaults are not remedied and performing other administrative duties. The Company's obligation to provide receivables servicing and its rights to collect fees for a given pool of receivables are set forth in a servicing agreement. The Company has the obligation and right to service all of the receivables it originates and retains the obligation and right with respect to the receivables it sells through REMICs and all of the receivables sold under any of the Company's timeshare receivable purchase facilities to date, although in certain circumstances the purchasers may elect to appoint a new servicer. The Company typically receives an annual servicing fee ranging from approximately .5% to 2.0% of the principal balance of the loans serviced on behalf of others. During the nine months ended December 31, 2002, and the years ended March 31, 2002 and April 1, 2001, the Company recognized aggregate servicing fee income of $2.5 million, $2.7 million and $1.9 million, respectively.

Regulation

The timeshare and real estate industries are subject to extensive and complex regulation. The Company is subject to compliance with various federal, state, local and foreign environmental, zoning, consumer protection and other statutes and regulations regarding the acquisition, subdivision and sale of real estate and Timeshare Interests and various aspects of its financing operations. On a federal level, the Federal Trade Commission has taken an active regulatory role through the Federal Trade Commission Act, which prohibits unfair or deceptive acts or competition in interstate commerce. In addition to the laws applicable to the Company's customer financing and other operations discussed below, the Company is or may be subject to the Fair Housing Act and various other federal statutes and regulations. The Company is also subject to various foreign laws with respect to La Cabana. In addition, there can be no assurance that in the future, Timeshare Interests will not be deemed to be securities subject to regulation as such, which could have a material adverse effect on the Company. The Company believes that it is in compliance in all material respects with applicable regulations. However, no assurance can be given that the cost of complying with applicable laws and regulations will not be significant or that the Company is in fact in compliance with all applicable laws, including those discussed below in this section. Any failure to comply with current or future applicable laws or regulations could have a material adverse effect on the Company.

The Company's sales and marketing of home sites are subject to various consumer protection laws and to the Interstate Land Sales Full Disclosure Act, which establishes strict guidelines with respect to the marketing and sale of land in interstate commerce. HUD has enforcement powers with respect to this statute. In some instances, the Company has been exempt from HUD registration requirements because of the size or number of the subdivided parcels and the limited nature of its offerings. The Company, at its discretion, may formally request an exemption advisory opinion from HUD to confirm the exempt status of any particular offering. Several such exemption requests have been submitted to, and approved by, HUD. In those cases where the Company and its legal counsel determine parcels must be registered to be sold, the Company files registration materials disclosing financial information concerning the property, evidence of title and a description of the intended manner of offering and advertising such property. The Company bears the cost of such registration, which includes legal

and filing fees. Many states also have statutes and regulations governing the sale of real estate. Consequently, the Company regularly consults with counsel for assistance in complying with federal, state and local law. The Company must obtain the approval of numerous governmental authorities for its acquisition and marketing activities and changes in local circumstances or applicable laws may necessitate the application for, or the modification of, existing approvals.

The Company's timeshare resorts are subject to various regulatory requirements including state and local approvals. The laws of most states require the Company to file with a designated state authority for its approval a detailed offering statement describing the Company and all material aspects of the project and sale of Timeshare Interests. Laws in each state where the Company sells Timeshare Interests generally grant the purchaser of a Timeshare Interest the right to cancel a contract of purchase at any time within a specified period following the earlier of the date the contract was signed or the date the purchaser has received the last of the documents required to be provided by the Company. Most states have other laws which regulate the Company's activities, including: real estate licensure; seller's of travel licensure; anti−fraud laws; telemarketing laws; prize, gift and sweepstakes laws; and labor laws. In addition, certain state and local laws may impose liability on property developers with respect to construction defects discovered or repairs made by future owners of such property. Pursuant to such laws, future owners may recover from the Company amounts in connection with the repairs made to the developed property. As required by state laws, the Company provides its timeshare purchasers with a public disclosure statement that contains, among other items, detailed information about the surrounding vicinity, the resort and the purchaser's rights and obligations as a Timeshare Interests owner.

Under various federal, state and local laws, ordinances and regulations, the owner of real property generally is liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in, or emanating from, such property, as well as related costs of investigation and property damage. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell or lease a property or to borrow using such real property as collateral. Other federal and state laws require the removal or encapsulation of asbestos−containing material when such material is in poor condition or in the event of construction, demolition, remodeling or renovation. Other statutes may require the removal of underground storage tanks. Noncompliance with these and other environmental, health or safety requirements may result in the need to cease or alter operations at a property.

The Company's customer financing activities are also subject to extensive regulation, which may include, the Truth−in−Lending Act and Regulation Z, the Fair Housing Act, the Fair Debt Collection Practices Act, the Equal Credit Opportunity Act and Regulation B, the Electronic Funds Transfer Act and Regulation E, the Home Mortgage Disclosure Act and Regulation C, Unfair or Deceptive Acts or Practices and Regulation AA and the Right to Financial Privacy Act.

During the nine months ended December 31, 2002, the year ended March 31, 2002 and the year ended April 1, 2001, approximately 11%, 17% and 22%, respectively, of the Company's timeshare sales were generated by marketing to prospective purchasers obtained through internal and affiliated telemarketing efforts. In addition, approximately 18%, 21% and 15% of the Company's timeshare sales during the nine months ended December 31, 2002 and the years ended March 31, 2002 and April 1, 2001, respectively, were generated by marketing to prospective purchasers obtained from third−party timeshare prospect vendors, many of whom use telemarketing operations to generate these prospects. In recent years, state regulators have increased legislation and enforcement regarding telemarketing operations including requiring the adherence to state "do not call" lists. In addition, the Federal Trade Commission has implemented national "do not call" legislation. The Company believes that its exposure to adverse impacts from this heightened telemarketing legislation and enforcement has been and will continue to be mitigated in some instances by the use of "permission marketing" techniques, whereby prospective purchasers have directly or indirectly granted the Company permission to contact them in the future, and through its exclusive marketing agreement with Bass Pro(R). The Company has implemented procedures which it believes will help ensure that individuals who have formally requested to their state regulators that they be placed on a "do not call" list are not contacted through one of its inhouse or third−party contracted telemarketing operations, although there can be no assurances that such procedures are 100% effective in ensuring regulatory compliance. Through December 31, 2002, the Company has not been subject to any material fines or penalties as a result of its telemarketing operations. There can be no assurances that the Company will be able to efficiently or effectively market to prospective purchasers through telemarketing operations in the future or that the Company will be able to develop alternative sources of prospective purchasers of its timeshare products at acceptable costs.

Other than as described above, management is not aware of any pending regulatory contingencies that are expected to have a material adverse impact on the Company.

Competition

The real estate industry is highly competitive. In each of its markets, the Company competes against numerous developers and others in the real estate business. Bluegreen(R) Resorts competes with various high profile and well-established operators. Many of the world's most recognized lodging, hospitality and entertainment companies develop and sell Timeshare Interests in resort properties. Major companies that now operate or are developing or

planning to develop timeshare resorts include Marriott, Disney, Hilton, Hyatt, Four Seasons, Starwood, Carlson and Cendant. The Company also competes with numerous other smaller owners and operators of timeshare resorts. In addition to competing for sales leads and prospects, the Company competes with other timeshare developers for sales personnel. The Company believes that each of its timeshare resorts face the same general competitive conditions. Although, as noted above, Bluegreen(R) Resorts competes with various high profile and well-established operators, the Company believes that it can compete on the basis of its general reputation and the price, location and quality of its timeshare resorts. The development and operation of additional timeshare resorts in the Company's markets could have a material adverse impact on the demand for the Company's Timeshare Interests and its results of operations.

Bluegreen Communities competes with builders, developers and others for the acquisition of property and with local, regional and national developers, housebuilders and others with respect to the sale of home sites. Competition may be generally smaller with respect to the Company's home site sales in the more rural markets in which it operates. The Company believes that each of its Bluegreen Communities projects faces the same general competitive conditions. The Company believes that it can compete on the basis of its reputation and the price, location and quality of the products it offers for sale, as well as on the basis of its experience in land acquisition, development and sale.

The Company's golf courses face competition for business from other operators of daily fee and, to a lesser extent, private golf courses within the local markets where the Company operates. Competition in these markets affects the rates that the Company charges per round of golf, the level of maintenance on the golf courses and the types of additional amenities available to golfers, such as food and beverage operations. The Company does not believe that such competitive factors have a material adverse impact on its results of operations or financial position.

In its customer financing activities, the Company competes with banks, mortgage companies, other financial institutions and government agencies offering financing of real estate. In recent years, the Company has experienced increased competition with respect to the financing of Bluegreen Communities sales as evidenced by the low percentage of home site sales internally financed since 1995. The Company believes that, based on its interest rates and repayment schedules, the financing packages it offers are convenient for customers and competitive with those of other institutions which offer such financing.

Website Access to Exchange Act Reports

It is the Company's policy to post publicly available reports required to be filed with the SEC ("Exchange Act Reports") on the Company's website, www.bluegreenonline.com, as soon as reasonably practicable after filing such reports with the SEC. During the nine months ended December 31, 2002, a one-time technical error occurred regarding the investor relations portion of the Company's website which prevented Exchange Act Reports from being posted on the Company's website. This technical error has now been corrected.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The website address for this site is www.sec.gov.

Personnel

As of December 31, 2002, the Company had 2,632 employees. Of the 2,632 employees, 311 were located at the Company's headquarters in Boca Raton, Florida, and 2,321 in regional field offices throughout the United States and Aruba (the field personnel include 306 field employees supporting Bluegreen Communities and 2,015 field employees supporting Bluegreen Resorts). Only the Company's employees in Aruba are represented by a collective bargaining unit, and the Company believes that relations with its employees generally are good.

Item 2. PROPERTIES.

The Company's principal executive office is located in Boca Raton, Florida in approximately 74,000 square feet of leased space. On December 31, 2002, the Company also maintained regional sales offices in the Northeastern, Mid-Atlantic, Southeastern, Midwestern, Southwestern and Western regions of the United States as well as the Province of Ontario, Canada and the island of Aruba. For a further description of the Company's resort and land properties

please see "Item 1. Business––Company Products."

Item 3. LEGAL PROCEEDINGS.

In the ordinary course of its business, the Company from time to time becomes subject to claims or proceedings relating to the purchase, subdivision, sale and/or financing of real estate. Additionally, from time to time, the Company becomes involved in disputes with existing and former employees. The Company believes that substantially all of the above are incidental to its business.

The Company became a defendant in an action that was filed in Colorado state court against the Company on December 15, 1998 (the Company has removed the action to the Federal District Court in Denver). The plaintiff had asserted that the Company was in breach of its obligations under, and had made certain misrepresentations in connection with, a contract under which the Company acted as marketing agent for the sale of undeveloped property owned by the plaintiff. The plaintiff also alleged fraud, negligence and violation by the Company of an alleged fiduciary duty owed to plaintiff. Among other things, the plaintiff alleged that the Company failed to meet certain minimum sales requirements under the marketing contract and failed to commit sufficient resources to the sale of the property. The original complaint sought damages in excess of $18 million and certain other remedies, including punitive damages. In December 2002, the Company settled all claims with the plaintiffs for $300,000.

On August 21, 2000, the Company received a Notice of Field Audit Action (the "Notice") from the State of Wisconsin Department of Revenue (the "DOR") alleging that two corporations now owned by the Company failed to collect and remit sales and use taxes to the State of Wisconsin during the period from January 1, 1994 through September 30, 1997 totaling $1.9 million. The majority of the assessment is based on the subsidiaries not charging sales tax to purchasers of Timeshare Interests at the Company's Christmas Mountain Village(TM) resort. In addition to the assessment, the Notice indicated that interest would be charged, but no penalties would be assessed. As of December 31, 2002, aggregate interest was approximately $1.8 million. The Company filed a Petition for Redetermination (the "Petition") on October 19, 2000, and, if the Petition is unsuccessful, the Company intends to vigorously appeal the assessment. The Company acquired the subsidiaries that were the subject of the Notice in connection with the acquisition of RDI Group, Inc.(TM) ("RDI") on September 30, 1997. Under the RDI purchase agreement, the Company has the right to set off payments owed by the Company to RDI's former stockholders pursuant to a $1.0 million outstanding note payable balance and to make a claim against such stockholders for $500,000 previously paid to them for any breach of representations and warranties (one of the former RDI stockholders is currently employed by the Company as the Senior Vice President of Sales for Bluegreen(R) Resorts.). The Company has notified the former stockholders that it intends to exercise these rights to mitigate any settlement with the DOR in this matter. In addition, the Company believes that, if necessary, amounts paid to the State of Wisconsin pursuant to the Notice, if any, may be further funded through collections of sales tax from the consumers who effected the assessed timeshare sales with RDI without paying sales tax on their purchases. Based on management's assessment of the Company's position in the Petition, the Company's right of set off with the former RDI stockholders and other factors discussed above, management does not believe that the possible sales tax pursuant to the Notice will have a material adverse impact on the Company's results of operations or financial position, and therefore no amounts have been accrued related to this matter.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's common stock is traded on the New York Stock Exchange ("NYSE") and the Pacific Stock Exchange under the symbol "BXG". The following table sets forth, for the periods indicated, the high and low closing price of the common stock as reported on the NYSE:

	Price Range			Price Range	
	High	Low		High	Low
The Nine Months Ended December 31, 2002			The Year Ended March 31, 2002		
First Quarter	$5.38	$3.38	First Quarter	$2.29	$1.60
Second Quarter	3.53	2.75	Second Quarter	2.20	1.71
Third Quarter	3.90	3.08	Third Quarter	2.20	1.75
			Fourth Quarter	4.99	2.00

There were approximately 1,302 record holders of the Company's common stock as of March 24, 2003. The number of record holders does not reflect the number of persons or entities holding their stock in "street" name through brokerage firms or other entities.

The Company did not pay any cash or stock dividends during the nine months ended December 31, 2002, or the year ended March 31, 2002. The Board of Directors of the Company has discussed the possibility of paying cash dividends during the year ending December 31, 2004, subject to the Company's cash position and operating needs at that time, the Company's results of operations for the year ending December 31, 2003, and limitations on the payment of dividends discussed below. If cash dividends are paid, the Company does not anticipate that they would be significant in relation to the Company's stock price. There can be no assurances that the Company will pay cash dividends in the foreseeable future. Restrictions contained in the Indenture related to the Company's $110 million 10 1/2% Senior Secured Notes due 2008 issued in April 1998 restrict, and the terms of certain of the Company's credit facilities may, in certain instances, limit the payment of cash dividends on its common stock and restrict the Company's ability to repurchase shares.

On April 10, 2002, Levitt Companies, LLC ("Levitt"), a subsidiary of BankAtlantic Bancorp, Inc. (NYSE: BBX), acquired an aggregate of approximately 8 million shares of the Company's outstanding common stock from certain real estate funds affiliated with Morgan Stanley Dean Witter & Company, Inc. and Grace Brothers, Ltd. in private transactions. As a result of these purchases, combined with prior holdings in the Company, Levitt and BankAtlantic Bancorp, Inc. now own approximately 40% of the Company's outstanding common stock.

From time to time, the Company's Board of Directors has adopted and publicly announced a share repurchase program. Repurchases under such programs are subject to the price of the Company's stock, prevailing market conditions, the Company's financial condition and available resources, other investment alternatives and other factors. The Company is not required to seek shareholder approval of share repurchase programs, has not done so in the past, and does not anticipate doing so in the future, except to the extent it may be required to do so under applicable law. The Company did not repurchase any shares during the nine months ended December 31, 2002, or the year ended March 31, 2002. During the year ended April 1, 2001, the Company repurchased 198,000 shares under share repurchase programs at an aggregate cost of $572,000. As of December 31, 2002 there were 694,500 shares remaining for purchase under the Company's current repurchase program, although the Company has no present intention of acquiring these remaining shares in the foreseeable future.

The shareholders of the Company have approved all of the Company's equity compensation plans, which consist of the 1985 Employee Stock Option Plan, the 1995 Stock Incentive Plan, the 1988 Outside Directors' Stock Option Plan and the 1998 Non-Employee Director Stock Option Plan. Information about securities authorized for issuance under the Company's equity compensation plans as of December 31, 2002, is as follows (in thousands, except per option data):

Number of Securities to be Issued Upon Exercise of Outstanding Stock Options	Weighted-Average Exercise Price of Outstanding Stock Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Outstanding Stock Options)
2,309	$5.62	1,734

Item 6. SELECTED FINANCIAL DATA.

The selected consolidated financial data set forth below should be read in conjunction with the Consolidated Financial Statements, related notes, and other financial information appearing elsewhere in this Annual Report.

(dollars in thousands, except per share data)	As of or for the Nine Months Ended December 31, 2002	As of or for the Year Ended, March 31, 2002	April 1, 2001	April 2, 2000	March 28, 1999
INCOME STATEMENT DATA:					
Sales	$222,655	$240,628	$229,874	$214,488	$225,816
Other resort and golf operations revenues	27,048	25,470	24,649	21,745	14,881
Interest income	12,235	15,447	17,317	15,652	14,804
Gain on sales of notes receivable	10,035	6,280	3,281	2,063	3,692
Other income	--	--	--	192	168
Total revenues	271,973	287,825	275,121	254,140	259,361
Income before income taxes, minority interest and cumulative effect of change in accounting principle (2)	24,671	19,482	3,002	10,565	31,917
Income before cumulative effect of change in accounting principle (2)	15,376	11,732	2,717	6,777	17,040
Net income	9,797	11,732	2,717	6,777	17,040
Earnings per share before cumulative effect of change in accounting principle (2):					
Basic	0.63	0.48	0.11	0.29	0.77
Diluted	0.58	0.46	0.11	0.28	0.66
Earnings per common share:					
Basic	0.40	0.48	0.11	0.29	0.77
Diluted	0.39	0.46	0.11	0.28	0.66
BALANCE SHEET DATA:					
Notes receivable, net	$ 61,795	$ 55,648	$ 74,796	$ 70,114	$ 64,380
Inventory, net	173,131	187,688	193,634	197,093	142,984
Total assets	433,992	435,161	419,681	413,983	347,318
Shareholders' equity	158,283	149,656	136,790	134,044	119,349
Book value per common share	6.44	6.16	5.65	5.50	4.95
OTHER DATA:					
Weighted-average interest rate on notes receivable at period end	14.4%	14.7%	15.2%	15.1%	15.0%
Bluegreen(R) Resorts statistics:					
Resort sales	$144,026	$144,226	$140,975	$117,271	$103,127
Number of resorts at period end	13	12	11	10	10
Gross margin on resort sales	75%	77%	78%	77%	76%
Number of timeshare sale transactions (1)	16,347	16,414	16,240	13,518	11,764
Bluegreen Communities statistics:					
Home site sales	$ 78,629	$ 96,402	$ 88,899	$ 97,217	$122,689
Gross margin on sales of home sites	46%	45%	46%	51%	54%
Number of home sites sold (1)	1,242	1,640	1,614	1,846	2,380

(1) Unit sales data includes those sales made during the applicable period where recognition of revenue is deferred under the percentage-of-completion method of accounting (see "Contracts Receivable and Revenue Recognition" under Note 1 of Notes to Consolidated Financial Statements.)

(2) Effective April 1, 2002, the Company elected to change its accounting policy to expense previously deferred costs of generating timeshare tours through telemarketing programs. See "Critical Accounting Policies and Estimates" under MD&A and Note 1 of Notes to Consolidated Financial Statements for further information.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

Certain Definitions, Cautionary Statement Regarding Forward-Looking Statements and Risk Factors

The following discussion of the results of operations and financial condition of the Company should be read in conjunction with the Company's Consolidated Financial Statements and related Notes and other financial information included elsewhere in this Annual Report. Unless otherwise indicated in this discussion (and throughout this Annual Report), references to "real estate" and to "inventories" collectively encompass the Company's inventories held for sale by Bluegreen(R) Resorts and Bluegreen Communities. "Timeshare Interests" are of two types: one which entitles the buyer of the Club product with an annual allotment of "points" in perpetuity (supported by an underlying deeded fixed timeshare week being held in trust for the buyer) and the second which entitles the fixed-week buyer to a fully-furnished vacation residence for an annual one-week period in perpetuity. "Points" may be exchanged by the buyer in various increments for lodging for varying lengths of time in fully-furnished vacation residences at the Company's participating resorts. "Estimated remaining life-of-project sales" assumes sales of the existing, currently under construction or development, and planned Timeshare Interests or home sites, as the case may be, at current retail prices.

Market and industry data used throughout this Annual Report were obtained from internal Company surveys, industry publications, unpublished industry data and estimates, discussions with industry sources and currently available information. The sources for this data include, without limitation, ARDA, a non-profit industry organization. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. The Company has not independently verified such market data. Similarly, internal Company surveys, while believed by the Company to be reliable, have not been verified by any independent sources. Accordingly, no assurance can be given that any such data will prove to be accurate.

The Company desires to take advantage of the "safe harbor" provisions of the Private Securities Reform Act of 1995 (the "Act") and is making the following statements pursuant to the Act to do so. Certain statements herein and elsewhere in this report and the Company's other filings with the Securities and Exchange Commission constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company may also make written or oral forward-looking statements in its annual report to stockholders, in press releases and in other written materials, and in oral statements made by its officers, directors and employees. Such statements may be identified by forward-looking words such as "may", "intend", "expect", "anticipate," "believe," "will," "should," "project," "estimate," "plan" or other comparable terminology or by other statements that do not relate to historical facts. All statements, trend analyses and other information relative to the market for the Company's products, the Company's expected future sales, financial position, operating results and liquidity and capital resources and its business strategy, financial plan and expected capital requirements and trends in the Company's operations or results are forward-looking statements. Such forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond the Company's control, that could cause the actual results, performance or achievements of the Company, or industry trends, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and no assurance can be given that the plans, estimates and expectations reflected in such statements will be achieved. Factors that could adversely affect the Company's future results can also be considered general "risk factors" with respect to the Company's business, whether or not they relate to a forward-looking statement. The Company wishes to caution readers that the following important factors, among other risk factors, in some cases have affected, and in the future could affect, the Company's actual results and could cause the Company's actual consolidated results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company:

a) Changes in national, international or regional economic conditions that can adversely affect the real estate market, which is cyclical in nature and highly sensitive to such changes, including, among other factors, levels of employment and discretionary disposable income, consumer confidence, available financing and interest rates.

b) The imposition of additional compliance costs on the Company as the result of changes in or the interpretation of any environmental, zoning or other laws and regulations that govern the acquisition, subdivision and sale of real estate and various aspects of the Company's financing operation or the failure of the Company to comply with any

law or regulation. Also the risks that changes in or the failure of the Company to comply with laws and regulations governing the marketing (including telemarketing) of the Company's inventories and services will adversely impact the Company's ability to make sales in any of its current or future markets at its current relative marketing cost.

c) Risks associated with a large investment in real estate inventory at any given time (including risks that real estate inventories will decline in value due to changing market and economic conditions and that the development, financing and carrying costs of inventories may exceed those anticipated).

d) Risks associated with an inability to locate suitable inventory for acquisition, or with a shortage of available inventory in the Company's principal markets.

e) Risks associated with delays in bringing the Company's inventories to market due to, among other things, changes in regulations governing the Company's operations, adverse weather conditions, natural disasters or changes in the availability of development financing on terms acceptable to the Company.

f) Changes in applicable usury laws or the availability of interest deductions or other provisions of federal or state tax law, which may limit the effective interest rates that the Company may charge on its notes receivable.

g) A decreased willingness on the part of banks to extend direct customer home site financing, which could result in the Company receiving less cash in connection with the sales of real estate and/or lower sales.

h) The fact that the Company requires external sources of liquidity to support its operations, acquire, carry, develop and sell real estate and satisfy its debt and other obligations, and the Company may not be able to locate external sources of liquidity on favorable terms or at all.

i) The inability of the Company to locate sources of capital on favorable terms for the pledge and/or sale of land and timeshare notes receivable, including the inability to consummate or fund securitization transactions or to consummate fundings under facilities.

j) An increase in prepayment rates, delinquency rates or defaults with respect to Company−originated loans or an increase in the costs related to reacquiring, carrying and disposing of properties reacquired through foreclosure or deeds in lieu of foreclosure, which could, among other things, reduce the Company's interest income, increase loan losses and make it more difficult and expensive for the Company to sell and/or pledge receivables and reduce cash flow on and the fair value of retained interests on notes receivable sold.

k) Costs to develop inventory for sale and/or selling, general and administrative expenses materially exceed (i) those anticipated or (ii) levels necessary in order for the Company to achieve anticipated profit and operating margins or be profitable.

l) An increase or decrease in the number of land or resort properties subject to percentage−of−completion accounting, which requires deferral of profit recognition on such projects until development is substantially complete. Such increases or decreases could cause material fluctuations in period−to−period results of operations.

m) The failure of the Company to satisfy the covenants contained in the indentures governing certain of its debt instruments, and/or other credit agreements, which, among other things, place certain restrictions on the Company's ability to incur debt, incur liens, make investments, pay dividends or repurchase debt or equity. In addition, the failure to satisfy certain covenants contained in the Company's receivable purchase facilities could materially defer or reduce future cash receipts on the Company's retained interests in notes receivable sold. Any such failure could impair the fair value of the retained interests in notes receivable sold and materially, adversely impact the Company's liquidity position and its results of operations.

n) The risk of the Company incurring an unfavorable judgment in any litigation, and the impact of any related monetary or equity damages.

o) Risks associated with selling Timeshare Interests in foreign countries including, but not limited to, compliance with legal regulations, labor relations and vendor relationships.

p) The risk that the Company's sales and marketing techniques are not successful, and the risk that the Club is not accepted by consumers or imposes limitations on the Company's operations, or is adversely impacted by legal or other requirements.

q) The risk that any contemplated transactions currently under negotiation will not close or conditions to funding under existing or future facilities will not be satisfied.

r) Risks relating to any joint venture that the Company is a party to, including risks that a dispute may arise with a joint venture partner, that the Company's joint ventures will not be as successful as anticipated and that the Company will be required to make capital contributions to such ventures in amounts greater than anticipated.

s) Risks that any currently proposed or future changes in accounting principles will have an adverse impact on the Company.

t) Risks that a short-term or long-term decrease in the amount of vacation travel (whether as a result of economic, political or other factors), including, but not limited to, air travel, by American consumers will have an adverse impact on the Company's timeshare sales.

u) Risks that the acquisition of a business by the Company will result in unforeseen liabilities, decreases of net income and/or cash flows of the Company, or otherwise prove to be less successful than anticipated.

The Company does not undertake and expressly disclaims any duty to update or revise forward-looking statements, even if the Company's situation may change in the future.

General

The Company's real estate operations are managed under two business segments. Bluegreen(R) Resorts develops, markets and sells Timeshare Interests in the Company's resorts, primarily through the Club, and provides resort management services to resort property owners associations and Bluegreen Communities acquires large tracts of real estate, which are subdivided, improved (in some cases to include a golf course on the property) and sold, typically on a retail basis as home sites.

The Company has historically experienced and expects to continue to experience seasonal fluctuations in its gross revenues and net earnings. This seasonality may cause significant fluctuations in the quarterly operating results of the Company, with the majority of the Company's gross revenues and net earnings historically occurring in the quarters ending in June and September each fiscal year. As the Company's timeshare revenues grow as a percentage of total revenues, the Company believes that the fluctuations in revenues due to seasonality may be mitigated in part. In addition, other material fluctuations in operating results may occur due to the timing of development and the Company's use of the percentage-of-completion method of accounting. Management expects that the Company will continue to invest in projects that will require substantial development (with significant capital requirements).

The Company believes that inflation and changing prices have not had a material impact on its revenues and results of operations during the nine months ended December 31, 2002, other than to the extent that the Company continually reviews and has historically increased the sales prices of its Timeshare Interests annually. Based on prior history, the Company does not expect that inflation will have a material impact on the Company's revenues or results of operations in the foreseeable future, although there is no assurance that the Company will be able to continue to increase prices. To the extent inflationary trends affect short-term interest rates, a portion of the Company's debt service costs may be affected as well as the interest rate the Company charges on its new receivables from its customers.

The Company believes that the terrorist attacks on September 11, 2001 in the United States, the recent hostilities in the Middle East and other world events that have decreased the amount of vacation air travel by Americans have not, to date, had a material adverse impact on the Company's sales in its domestic sales offices. With the exception of La Cabana, guests at the Company's Club destination resorts more typically drive, rather than fly, to these resorts due to the accessibility of the resorts. There can be no assurances, however, that a long-term decrease in air travel or increase in anxiety regarding actual or possible future terrorist attacks or other world events will not have a material adverse impact on the Company's results of operations in future periods.

The Company recognizes revenue on home site and Timeshare Interest sales when a minimum of 10% of the sales price has been received in cash, the refund or rescission period has expired, collectibility of the receivable representing the remainder of the sales price is reasonably assured and the Company has completed substantially all of its obligations with respect to any development relating to the real estate sold. In cases where all development has not been completed, the Company recognizes income in accordance with the percentage-of-completion method of accounting. Under this method of income recognition, income is recognized as work progresses. Measures of progress are based on the relationship of costs incurred to date to expected total costs.

Costs associated with the acquisition and development of timeshare resorts and residential communities, including carrying costs such as interest and taxes, are capitalized as inventory and are allocated to cost of real estate sold as the respective revenues are recognized.

A portion of the Company's revenues historically has been and, although no assurances can be given, is expected to continue to be comprised of gains on sales of notes receivable. The gains are recorded on the Company's Consolidated Income Statement and the related retained interests in the portfolios are recorded on its Consolidated Balance Sheet at the time of sale. The amount of gains and the fair value of the retained interests recorded are based in part on management's estimates of future prepayment, default and loss severity rates and other considerations in light of then-current conditions. If actual prepayments with respect to loans occur more quickly than was projected at the time such loans were sold, as can occur when interest rates decline, interest would be less than expected and may cause a decline in the fair value of the retained interests and a charge to earnings currently. If actual defaults or other factors discussed above with respect to loans sold are greater than estimated, charge-offs would exceed previously estimated amounts and cash flow from the retained interests in notes receivable sold will decrease. This may cause a decline in the fair value of the retained interests and a charge to earnings currently. There can be no assurances that the carrying value of the Company's retained interests in notes receivable sold will be fully realized or that future loan sales will be consummated or, if consummated, result in gains. See "Credit and Purchase Facilities for Bluegreen(R) Resorts' Receivables and Inventories" below.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of its results of operations and financial condition are based upon its condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of commitments and contingencies. On an ongoing basis, management evaluates its estimates, including those that relate to the recognition of revenue, including recognition under the percentage-of-completion method of accounting; the Company's reserve for loan losses; the valuation of retained interests in notes receivable sold and the related gains on sales of notes receivable; the recovery of the carrying value of real estate inventories, intangible assets and other assets; and the estimate of contingent liabilities related to litigation and other claims and assessments. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions and conditions. If actual results significantly differ from management's estimates, the Company's results of operations and financial condition could be materially adversely impacted.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements:

- In accordance with the requirements of Statement of Financial Accounting Standards ("SFAS") No. 66 "Accounting for Sales of Real Estate," the Company recognizes revenue on retail land sales and sales of Timeshare Interests when a minimum of 10% of the sales price has been received in cash, the legal rescission period has expired, collectibility of the receivable representing the remainder of the sales price is reasonably assured and the Company has completed substantially all of its obligations with respect to any development related to the real estate sold. In cases where all development has not been completed, the Company recognizes revenue in accordance with the percentage-of-completion method of accounting. Should the Company's estimates regarding the collectibility of its receivables change adversely or the Company's

estimates of the total anticipated cost of its timeshare and Bluegreen Communities projects increase, the Company's results of operations could be adversely impacted.

- The Company considers many factors when establishing and evaluating the adequacy of its reserve for loan losses. These factors include recent and historical default rates, static pool

analyses, current delinquency rates, contractual payment terms, loss severity rates along with present and expected economic conditions. The Company examines these factors and adjusts its reserve for loan losses on at least a quarterly basis. Should the Company's estimates of these and other pertinent factors change, the Company's results of operations, financial condition and liquidity position could be adversely affected.

- When the Company sells notes receivables either pursuant to its timeshare receivables purchase facilities or, in the case of land mortgages receivable, private−placement REMICs, it retains a residual interest, subordinated tranches, rights to excess interest spread and servicing, all of which are retained interests in the sold notes receivable. Gain or loss on sale of the receivables depends in part on the allocation of the previous carrying amount of the financial assets involved in the transfer between the assets sold and the retained interests based on their relative fair value at the date of transfer. The Company initially and periodically estimates fair value based on the present value of future expected cash flows using management's best estimates of the key assumptions − prepayment rates, loss severity rates, default rates and discount rates commensurate with the risks involved. Should the Company's estimates of these key assumptions change there would be a reduction in the fair value of the retained interests and the Company's results of operations and financial condition could be adversely impacted.

- The Company periodically evaluates the recovery of the carrying amount of individual resort and residential land properties under the guidelines of SFAS No. 144, "Accounting for the Impairment or Disposal of Long−Lived Assets." Factors that the Company considers in making this evaluation include the estimated remaining life−of−project sales for each project based on current retail prices and the estimated costs to complete each project. Should the Company's estimates of these factors change, the Company's results of operations and financial condition could be adversely impacted.

- In June 2001, the Financial Accounting Standards Board (the "FASB") issued SFAS No. 142, "Accounting for Goodwill and Other Intangible Assets", effective April 1, 2002 for the Company. Under the new rules, goodwill and intangible assets deemed to have indefinite lives are no longer amortized but will be subject to annual impairment tests in accordance with SFAS No. 142. Other intangible assets will continue to be amortized over their useful lives. The Company applied the new rules on accounting for goodwill and other intangible assets during the nine months ended December 31, 2002. The adoption of SFAS No. 142 did not have a material impact on the Company's results of operations or financial condition.

- During the years ended March 31, 2002 and April 1, 2001, the Company deferred the cost of generating timeshare tours through telemarketing programs until such time as these tours were conducted, based on an accepted industry accounting principle. Effective April 1, 2002, the Company elected to change its accounting policy to expense such costs as incurred. The Company believes that the new method of accounting for these costs is preferable over the Company's previous method and has been applied prospectively. The Company believes accounting for these costs as period expenses results in improved financial reporting and consistency with the proposed timeshare Statement of Position ("SOP"), "Accounting for Real Estate Time−Sharing Transactions", that was exposed for public comment by the FASB in February 2002. The cumulative effect of this change in accounting principle was additional expenses of $5.9 million, net of tax.

Results of Operations

(in thousands)	Bluegreen Resorts		Bluegreen(R) Communities		Total	
Nine Months Ended December 31, 2002						
Sales	$ 144,026	100%	$ 78,629	100%	$ 222,655	100%
Cost of sales	(35,560)	(25)	(42,363)	(54)	(77,923)	(35)
Gross profit	108,466	75	36,266	46	144,732	65
Other resort and golf operations revenues	23,520	16	3,528	4	27,048	12
Cost of resort and golf operations	(22,921)	(16)	(3,974)	(5)	(26,895)	(12)
Selling and marketing expenses	(82,946)	(58)	(15,698)	(20)	(98,644)	(44)
Field general and administrative expenses (1)	(8,901)	(6)	(6,552)	(8)	(15,453)	(7)
Field operating profit	$ 17,218	12%	$ 13,570	17%	$ 30,788	14%
Nine Months Ended December 30, 2001						
Sales	$ 110,846	100%	$ 73,857	100%	$ 184,703	100%
Cost of sales	(25,726)	(23)	(38,407)	(52)	(64,133)	(35)
Gross profit	85,120	77	35,450	48	120,570	65
Other resort and golf operations revenues	17,475	16	1,709	2	19,184	10
Cost of resort and golf operations	(15,646)	(14)	(2,198)	(3)	(17,844)	(9)
Selling and marketing expenses	(64,021)	(58)	(14,572)	(20)	(78,593)	(43)
Field general and administrative expenses (1)	(7,958)	(7)	(6,180)	(8)	(14,138)	(8)
Field operating profit	$ 14,970	14%	$ 14,209	19%	$ 29,179	16%
Year Ended March 31, 2002						
Sales	$ 144,226	100%	$ 96,402	100%	$ 240,628	100%
Cost of sales	(33,588)	(23)	(52,937)	(55)	(86,525)	(36)
Gross profit	110,638	77	43,465	45	154,103	64
Other resort and golf operations revenues	23,149	16	2,321	2	25,470	11
Cost of resort and golf operations	(20,506)	(14)	(3,038)	(3)	(23,544)	(10)
Selling and marketing expenses	(83,251)	(58)	(19,208)	(20)	(102,459)	(43)
Field general and administrative expenses (1)	(10,301)	(7)	(8,125)	(8)	(18,426)	(8)
Field operating profit	$ 19,729	14%	$ 15,415	16%	$ 35,144	15%
Year Ended April 1, 2001						
Sales	$ 140,975	100%	$ 88,899	100%	$ 229,874	100%
Cost of sales	(31,049)	(22)	(47,746)	(54)	(78,795)	(34)
Gross profit	109,926	78	41,153	46	151,079	66
Other resort and golf operations revenues	22,762	16	1,887	2	24,649	11
Cost of resort and golf operations	(22,068)	(16)	(2,883)	(3)	(24,951)	(11)
Selling and marketing expenses	(89,028)	(63)	(18,756)	(21)	(107,784)	(47)
Field general and administrative expenses (1)	(11,868)	(8)	(8,410)	(9)	(20,278)	(8)
Field operating profit	$ 9,724	7%	$ 12,991	15%	$ 22,715	10%

(1) General and administrative expenses attributable to corporate overhead have been excluded from the tables. Corporate general and administrative expenses totaled $14.2 million, $13.6 million, $19.4 million and $19.5 million for the nine months ended December 31, 2002, the nine months ended December 30, 2001, the year ended March 31, 2002 and the year ended April 1, 2001, respectively.

Sales and Field Operations

Consolidated sales were $222.7 million for the nine months ended December 31, 2002, $184.7 million for the nine months ended December 30, 2001, $240.6 million for the year ended March 31, 2002 and $229.9 million for the year ended April 1, 2001. Consolidated sales increased 21% from the nine months ended December 30, 2001 to the nine months ended December 31, 2002 and 5% from the year ended April 1, 2001 to the year ended March 31, 2002.

Bluegreen Resorts

During the nine months ended December 31, 2002 and the nine months ended December 30, 2001, sales of Timeshare Interests contributed $144.0 million or 65% and $110.8 million or 60%, respectively, of the Company's total consolidated sales. During the year ended March 31, 2002 and the year ended April 1, 2001, sales of Timeshare Interests contributed $144.2 million or 60% and $141.0 million or 61%, respectively, of the Company's total consolidated sales.

The following table sets forth certain information for sales of Timeshare Interests for the periods indicated, before giving effect to the percentage-of-completion method of accounting.

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
Number of timeshare sale transactions	16,347	12,846	16,414	16,240
Average sales price per transaction	$ 9,311	$ 8,966	$ 8,989	$ 8,743
Gross margin	75%	77%	77%	78%

The $33.2 million increase in Bluegreen(R) Resorts' sales during the nine months ended December 31, 2002, as compared to the nine months ended December 30, 2001, was primarily due to an increased focus on marketing to the Company's growing Club owner base and to sales prospects referred to the Company by existing Club owners or other prospects. Sales to owner and referral prospects increased by 62% and represented 25% and 20% of sales during the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. This combined with a 22% overall increase in the number of sales prospects seen by Bluegreen Resorts to approximately 145,000 prospects during the nine months ended December 31, 2002 from approximately 119,000 prospects during the nine months ended December 30, 2001, a 9% increase in the sale-to-tour conversion ratio and the increase in average sales price reflected in the above table resulted in the increase in sales during the nine months ended December 31, 2002, as compared to the nine months ended December 30, 2001. During the nine months ended December 31, 2002, the Company only opened three new sales sites, one in June 2002 and two in November 2002. The new sales sites, a sales office at the newly acquired Mountain Run at Boyne(TM) resort at Boyne Mountain, Michigan, and two offsite sales operations in Minneapolis, Minnesota and Daytona Beach, Florida, generated a combined $2.5 million of sales during the nine months ended December 31, 2002. Accordingly, the majority of Bluegreen Resorts sales growth during the nine months ended December 31, 2002, was due to same-site sales increases.

The $3.2 million increase in Bluegreen Resorts sales during the year ended March 31, 2002 as compared to the year ended April 1, 2001 was primarily due to a $9.7 million increase in sales at the Company's 51%-owned Big Cedar Wilderness Club(TM), as this resort had just commenced sales in the year ended April 1, 2001 and was in the start-up phase. This increase was partially offset by the closure of the offsite sales office serving the Cleveland, Ohio market in May 2001, due to low profitability. The Cleveland sales office generated $1.2 million in sales prior to its closure in the year ended March 31, 2002, as compared to $8.4 million in the year ended April 1, 2001.

Gross margin percentages vary between periods based on the relative costs of the specific Timeshare Interests sold in each respective period. During the nine months ended December 31, 2002, a higher percentage of Bluegreen Resorts' sales were of lower gross margin inventory, primarily the Lodge Alley Inn(TM) and Solara Surfside(TM) resorts, than during the nine months ended December 30, 2001.

Other resort service revenues increased 35% to $23.5 million from 17.5 million during the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. On October 2, 2002, LPI, a wholly-owned subsidiary of the Company, acquired substantially all of the assets and assumed certain liabilities of TMOV. LPI was a newly-formed entity with no prior operations. Utilizing the assets acquired from TMOV, LPI generates sales leads for timeshare interest sales utilizing various marketing strategies. Through the application of a proprietary computer software system, these leads are then contacted and given the opportunity to purchase mini-vacation packages. These packages sometimes combine hotel stays, cruises and gift premiums. Buyers of these mini-vacation packages are then usually required to participate in a timeshare sales presentation. LPI generates sales prospects for the Company's timeshare sales business and for sales prospects that will be sold to other timeshare developers. Since October 2, 2002, LPI generated $6.3 million of revenues, all included in other resort service revenues on the consolidated income statement, resulting in the overall increase in other resort service revenues during the nine months ended December 31, 2002.

Cost of other resort services increased 46% to $22.9 million from $15.6 million during the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively, primarily as a result of operating expenses of $7.3 million incurred by LPI since October 2, 2002. LPI's approximately $1.0 million loss is primarily due to the impact of applying fair market valuations

to TMOV's assets based on purchase accounting required by SFAS No. 141, "Business Combinations".

Gross profit from other resort services increased $1.9 million or 281% to $2.6 million from $694,000 during the year ended March 31, 2002 as compared to the year ended April 1, 2001, respectively. The increase was primarily due to $2.6 million in increased profits related to management and other fee income earned for services provided to Club members, due to an increase in members from 38,000 to 51,000 members at April 1, 2001 and March 31, 2002, respectively. This increase was partially offset by additional costs incurred in connection with the expansion of Bluegreen(R) Resorts's customer service area. As the Club member base increases, the Company anticipates increased gross profits from the related management fees, although there can be no assurances that the member base will continue to increase or that such increased management fees will be realized.

Selling and marketing expenses for Bluegreen Resorts, which are primarily variable with sales, remained constant as a percentage of sales at 58% during the nine months ended December 31, 2002 and the nine months ended December 30, 2001. Selling and marketing expenses as a percentage of sales is an important indicator of the performance of Bluegreen Resorts and the Company as a whole. No assurances can be given that selling and marketing expenses will not increase as a percentage of sales in future periods.

The reduction in selling and marketing expenses as a percentage of Bluegreen Resorts' sales to 58% from 63% during the year ended March 31, 2002 as compared to the year ended April 1, 2001, respectively, was primarily due to the Company's focused efforts on increasing tour flow from Bluegreen Resorts' inhouse, referral and owner marketing programs as well as a new compensation plan which tied the Company's regional sales and marketing directors' compensation to profitability. Another factor believed to have resulted in the decrease of selling and marketing expenses was a new, standardized commissions plan for Bluegreen Resorts sales personnel implemented in the year ended March 31, 2002 as well as the centralization of commission processing and monitoring at the Company's corporate headquarters.

Field general and administrative expenses for Bluegreen Resorts increased 12% to $8.9 million from $8.0 million during the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. This increase was due to the addition of the Minneapolis and Daytona Beach offsite sales offices and the Mountain Run at Boyne(TM) sales offices, and due to the expenses associated with potential acquisitions during the nine months ended December 31, 2002, which were not pursued.

Field general and administrative expenses for Bluegreen Resorts decreased 13% to $10.3 million from $11.9 million during the year ended March 31, 2002 and the year ended April 1, 2001, respectively. This decrease was primarily due to the closure of the Cleveland offsite sales office in May 2001 and other overhead reductions effected during the year ended March 31, 2002.

Bluegreen Communities

During the nine months ended December 31, 2002 and the nine months ended December 30, 2001, Bluegreen Communities contributed $78.6 million or 35% and $73.9 million or 40%, respectively, of the Company's total consolidated sales. During the year ended March 31, 2002 and the year ended April 1, 2001, Bluegreen Communities contributed $96.4 million or 40% and $88.9 million or 39%, respectively, of the Company's total consolidated sales.

The table set forth below outlines the number of home sites sold and the average sales price per home site for Bluegreen Communities for the periods indicated, before giving effect to the percentage−of−completion method of accounting and excluding sales of bulk parcels.

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
Number of home sites sold	1,242	1,092	1,640	1,614
Average sales price per home site	$57,096	$60,028	$58,287	$57,191
Gross margin	46%	48%	45%	46%

Bluegreen Communities' sales increased $4.7 million or 6% during the nine months ended December 31, 2002 as compared to the nine months ended December 30, 2001 due to increased sales at Ridge Lake Shores(TM), a 1,152 acre property acquired in February 2001 in Magnolia, Texas, and Mountain Lakes Ranch(TM), a 4,100 acre property acquired in October 1998 in Bluffdale, Texas. Ridge Lake Shores had just opened for sale during the nine months ended December 30, 2001

and started achieving a post−start−up sales pace during the nine months ended December 31, 2002. Mountain Lakes Ranch benefited from a more mature marketing program and continued development.

Bluegreen(R) Communities' sales increased $7.5 million in the year ended March 31, 2002 as compared to the year ended April 1, 2001 due primarily to $17.5 million of increased sales at The Preserve at Jordan Lake(TM), a golf course community located near the Raleigh-Durham area of North Carolina. The Preserve at Jordan Lake had just commenced sales and development during the year ended April 1, 2001, and therefore had a significant portion of its sales during this start-up year deferred under percentage-of-completion accounting. This increase was partially offset by an $8.5 million decrease in sales in the Company's Arizona region due to the two main projects in this region being substantially sold out in the year ended April 1, 2001. The remaining offsetting decrease was due to a $1.4 million sale of a bulk tract of land in the year ended April 1, 2001 by the Company, with no such corresponding sale in the year ended March 31, 2002.

Bluegreen Communities intends to primarily focus its resources on developing new golf communities and continuing to support its successful regions in Texas. Bluegreen Communities is currently negotiating the acquisition of properties for the development of two new golf course communities in the Southeastern United States. There can be no assurances that these properties will be acquired at acceptable pricing or at all. During the nine months ended December 31, 2002, the Company's golf communities and Texas regions comprised approximately 41% and 46%, respectively, of Bluegreen Communities' sales.

The decrease in gross margin during the nine months ended December 31, 2002 as compared to the nine months ended December 30, 2001 was due in part to the lower average sales price per home site as the types of properties sold during each respective period varied. Also, the cost basis of the Company's Preserve at Jordan Lake increased during the nine months ended December 31, 2002 due to cost overruns. Finally, the Company recognized a $750,000 impairment charge on the Bluegreen Communities Crystal Cove(TM) project in Tennessee. Additional development expenditures required for road and utility work at the project exceeded the Company's original estimates. The Company believes that this charge is adequate to reduce the carrying value of this project to its fair value less estimated selling costs.

The decrease in gross margin during the year ended March 31, 2002 as compared to the year ended April 1, 2001, was primarily due to $4.1 million in impairment charges taken on the Crystal Cove project.

Golf operations revenue increased 106% to $3.5 million from $1.7 million and the cost of golf operations increased 81% to $4.0 million from $2.2 million during the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. These increases are due to the opening of the golf courses at Brickshire(TM), located in New Kent, Virginia, and The Preserve at Jordan Lake in March 2002 and August 2002, respectively.

The gross loss from golf operations decreased $279,000 or 28% during the year ended March 31, 2002 as compared to the year ended April 1, 2001, due to decreased losses from the operations at Carolina National(TM), as the operation continues to mature.

Selling and marketing expenses for Bluegreen Communities remained relatively constant at approximately 20% of sales during all periods presented.

Interest Income

Interest income was $12.2 million and $11.9 million for the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. Interest income was $15.4 million and $17.3 million for the year ended March 31, 2002 and the year ended April 1, 2001, respectively. The Company's interest income is earned from its notes receivable, retained interests in notes receivable sold (including REMIC transactions) and cash and cash equivalents.

The decrease in interest income during the year ended March 31, 2002 was due to due to lower average cash balances on hand, lower interest rates on cash balances and Bluegreen Communities mortgages held and lower timeshare notes receivables held due to increased sales of timeshare notes receivable during the year ended March 31, 2002 as compared to the year ended April 1, 2001.

Gain on Sale of Notes Receivable

During the nine months ended December 31, 2002 and the nine months ended December 30, 2001, the Company recognized gains on the sale of notes receivable totaling $10.0 million and $4.2 million, respectively. In the

year ended March 31, 2002 and the year ended April 1, 2001, the Company recognized $6.3 million and $3.3 million in such gains, respectively. The sale of timeshare notes receivable was pursuant to timeshare receivables purchase facilities in place during the respective periods (the current timeshare receivables purchase facility is more fully described below under "Credit Facilities for Bluegreen(R) Resorts' Receivables and Inventories").

The 138% increase in gain on sale of notes receivable during the nine months ended December 31, 2002, as compared to the nine months ended December 30, 2001, was primarily due to a $4.7 million gain recorded in connection with the December 13, 2002 private offering and sale (as a term securitization) of $170.2 million in aggregate purchase price of timeshare receivables, including receivables previously sold to ING, General Electric Capital Real Estate/Heller Financial, Inc. ("GE") and Barclays Bank, PLC ("Barclays") and receivables previously pledged to GE. Please see "Credit Facilities for Bluegreen Resorts' Receivables and Inventories," below, for further details on the December 13, 2002 term securitization. The remaining increase in the gain on sale of notes receivable was due to the sale of timeshare receivables in the normal course of business with aggregate principal balances of $84.6 million and $67.4 million during the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively.

The amount of gain increased in the year ended March 31, 2002, as compared to the year ended April 1, 2001, commensurate with the increase in the principal amount of notes receivable sold ($100.9 million and $77.8 in the year ended March 31, 2002 and the year ended April 1, 2001, respectively). Another factor that increased the gain on sale of these receivables during the year ended March 31, 2002 as compared to the year ended April 1, 2001 was the decrease in commercial paper rates during the respective periods. The return earned by the parties who purchased these fixed rate (approximately 15%) receivables is based on variable commercial paper rates, so as interest rates decrease the available interest spread increases which in turn increases the value of the Company's retained interest in the receivable pools sold and hence increases the Company's gain on sale.

Corporate General and Administrative Expenses

For a discussion of field selling, general and administrative expenses, please see "Sales and Field Operations", above.

The Company's corporate general and administrative ("G&A") expenses consist primarily of expenses incurred to administer the various support functions at the Company's corporate headquarters, including accounting, human resources, information technology, mergers and acquisitions, mortgage servicing, treasury and legal. Corporate G&A increased 4% to $14.2 million from $13.6 million during the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. Corporate G&A remained relatively constant at $19.4 million and $19.5 million during the year ended March 31, 2002 and the year ended April 1, 2001, respectively.

Interest Expense

Interest expense was $9.8 million and $10.1 million for the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. Interest expense totaled $13.0 million and $15.5 million for the year ended March 31, 2002 and the year ended April 1, 2001, respectively. The 16.0% decrease in the year ended March 31, 2002 was due to lower outstanding balances on the Company's acquisition and development loans borrowed in prior years and lower interest rates on variable-rate facilities.

The effective cost of borrowing (when adding back capitalized interest) was 9.1%, 9.1% and 9.5% for the nine months ended December 31, 2002, the year ended March 31, 2002 and the year ended April 1, 2001, respectively.

Provision for Loan Losses

The allowance for loan losses by division as of December 31, 2002 and March 31, 2002 was (amounts in thousands):

	Bluegreen(R) Resorts	Bluegreen Communities	Other	Total
December 31, 2002				
Notes receivable	$ 53,029	$ 11,559	$ 1,896	$ 66,484
Less: allowance for loan losses	(4,081)	(496)	(112)	(4,689)
Notes receivable, net	$ 48,948	$ 11,063	$ 1,784	$ 61,795
Allowance as a % of gross notes receivable	8%	4%	6%	7%
March 31, 2002				
Notes receivable	$ 50,892	$ 7,079	$ 1,884	$ 59,855
Less: allowance for loan losses	(3,782)	(313)	(112)	(4,207)
Notes receivable, net	$ 47,110	$ 6,766	$ 1,772	$ 55,648
Allowance as a % of gross notes receivable	7%	4%	6%	7%

The Company recorded provisions for loan losses totaling $2.8 million and $3.7 million during the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. The provisions of loan losses were $4.9 million each year for both the year ended March 31, 2002 and the year ended April 1, 2001. The 23% decrease in the provision during the nine months ended December 31, 2002 as compared to the nine months ended December 30, 2001, was due to increased, non-recourse sales of notes receivable pursuant to the Company's timeshare receivables purchase facility during the nine months ended December 31, 2002 (see "Liquidity and Capital Resources"). Despite the lower provision for loan losses during the nine months ended December 31, 2002, the allowance for loan losses for the Company's Bluegreen Resorts notes receivable as of December 31, 2002 increased as a percentage of related gross notes receivable as compared to this same ratio at March 31, 2002. The Company believes that its allowance for loan losses as of December 31, 2002 is an adequate reserve for future losses on the Company's notes receivable portfolio as of December 31, 2002, although there can be no assurances that such future losses will not exceed the allowance for loan losses.

Other notes receivable at December 31, 2002 and March 31, 2002, primarily consists of a loan to the property owners' association that is responsible for the maintenance of La Cabana, Casa Grande Cooperative Association I (see Note 5 of Notes to Consolidated Financial Statements).

Other Expense, Net

Other expense, net of other income, totaled $1.5 million and $277,000 for the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. Other expense, net of other income, totaled $162,000 and $400,000 for the year ended March 31, 2002 and the year ended April 1, 2001, respectively. The increase in other expense, net, during the nine months ended December 31, 2002 was primarily due to the write-off of accumulated foreign currency translation adjustments related to the substantive cessation of the Company's operations in Canada.

Provision for Income Taxes

The provision for income taxes was 35.6% and 38.5% of income before taxes for the nine months ended December 31, 2002 and the nine months ended December 30, 2001. The provision for income taxes was 38.5% of income before taxes for both the year ended March 31, 2002 and the year ended April 1, 2001. The lower effective income tax rate for the nine months ended December 31, 2002 was due to the application of state net operating losses.

Cumulative Effect of Change in Accounting Principle, Net of Tax

During the years ended March 31, 2002 and April 1, 2001, the Company deferred the costs of generating timeshare tours through telemarketing programs until the earlier of such time as the tours were conducted or the related mini-vacation packages expired, based on an accepted industry accounting principle. Effective April 1, 2002, the Company elected to change its accounting policy to expense such costs as incurred. The Company believes that the new method of accounting for these costs is preferable over the Company's previous method and

has been applied prospectively. The Company believes accounting for these costs as period expenses results in improved financial reporting and consistency with the proposed timeshare SOP, "Accounting for Real Estate Time-Sharing Transactions", that was exposed for public comment by the FASB in February 2003. The cumulative effect of this change in accounting principle was additional expense of $5.9 million, net of tax.

Summary

Based on the factors discussed above, the Company's net income decreased to $9.8 million for the nine months ended December 31, 2002 from $10.7 million for the nine months ended December 30, 2001. Net income increased to $11.7 million in the year ended March 31, 2002 from $2.7 million in the year ended April 1, 2001.

Changes in Financial Condition

Cash Flows From Operating Activities

Cash flows from operating activities decreased $12.6 million to net cash inflows of $7.0 million from $19.6 million in the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. The Company's notes receivable increased $99.9 million as compared to an increase of $76.5 million during the nine months ended December 31, 2002 and December 30, 2001, respectively, primarily due to increased sales of Timeshare Interests. Also, proceeds from the sale of and borrowings collateralized by notes receivable, net of payments on such borrowings, decreased to $63.5 million from $65.7 million during the nine months ended December 31, 2002 and December 30, 2001, respectively. In addition, the gain on sale of notes receivable increased to $10.0 million from $4.2 million, during the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. These decreases to net cash provided by operations were partially offset by the excess of the $22.4 million net inventory decrease in the nine months ended December 31, 2002 over the $4.0 million net inventory decrease in the nine months ended December 30, 2001.

Cash flows from operating activities increased $29.6 million to net cash inflows of $31.7 million from $2.1 million in the year ended March 31, 2002 and the year ended April 1, 2001, respectively. The increase was primarily due to a $9.0 million increase in net income. The increase in operating cash flows was also due to a $12.7 million increase in net cash provided from the sale of timeshare notes receivable. The Company sold $100.9 million and $77.8 million of timeshare notes receivable at advance rates of 85% and 95% under various timeshare receivable purchase facilities in the year ended March 31, 2002 and the year ended April 1, 2001, respectively. See "Liquidity and Capital Resources" for further discussion of the Company's note receivable purchase facilities. Also, the year ended April 1, 2001 cash flows were impacted by a $9 million prepayment of commissions and joint venture distributions to Bass Pro(R) (see Note 4 of Notes to Consolidated Financial Statements), which is anticipated to be a one-time event.

The Company reports cash flows from borrowings collateralized by notes receivable and sales of notes receivable as operating activities in the consolidated statements of cash flows. The majority of the Company's sales for Bluegreen(R) Resorts result in the origination of notes receivable from its customers. Management believes that accelerating the conversion of such notes receivable into cash, either through the pledge or sale of the Company's notes receivable, on a regular basis is an integral function of the Company's operations, and has therefore classified such activities as operating activities.

Cash Flows From Investing Activities

Cash flows from investing activities increased $11.8 million to net cash inflows of $7.9 million from net cash outflows of $3.9 million in the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. The increase was primarily due to more cash received from the Company's retained interests in notes receivable sold, as the amount of these retained interests grew during the nine months ended December 31, 2002. The Company received $14.6 million and $3.6 million of cash from its retained interest in notes receivable sold during the nine months ended December 31, 2002 and nine months ended December 30, 2001, respectively.

Cash flows from investing activities increased $5.4 million to net cash outflows of $2.1 million from $7.5 million in the year ended March 31, 2002 and the year ended April 1, 2001, respectively. The increase was primarily due to a $4.7 million loan made to Napa Partners, LLC during the year ended April 1, 2001 that was collected by the Company in the year ended March 31, 2002 (see Note 5 of Notes to Consolidated Financial Statements). This increase was partially offset by a $3.4 million increase in purchases of property and equipment.

Cash Flows from Financing Activities

Cash flows from financing activities increased $480,000 to net cash outflows of $16.8 million from $17.3 million in the nine months ended December 31, 2002 and the nine months ended December 30, 2001, respectively. The increase is due to an increase in proceeds from the exercise of employee and director stock options during the nine months ended December 31, 2002 as compared to the nine months ended December 30, 2001. Net cash outflows from the Company's other financing activities, primarily related to borrowings under and payments made on lines-of-credit facilities and other notes payable, were approximately the same during both the nine months ended December 31, 2002 and the nine months ended December 30, 2001.

Cash flows from financing activities decreased $760,000 to net cash outflows of $20.9 million from $20.1 million in the year ended March 31, 2002 and the year ended April 1, 2001, respectively. The decrease is due to payments in excess of borrowings under acquisition and development line-of-credit facilities and notes payable of $19.5 million as compared to $18.0 million in the year ended March 31, 2002 and the year ended April 1, 2001, respectively. This decrease was partially offset by the fact that the Company did not repurchase any common stock in the year ended March 31, 2002 as compared to common stock repurchases of $572,000 in the year ended April 1, 2001.

Liquidity and Capital Resources

The Company's capital resources are provided from both internal and external sources. The Company's primary capital resources from internal operations are: (i) cash sales, (ii) down payments on home site and timeshare sales which are financed, (iii) proceeds from the sale of, or borrowings collateralized by, notes receivable including cash received from the Company's retained interests in notes receivable sold, (iv) principal and interest payments on the purchase money mortgage loans and contracts for deed owned arising from sales of Timeshare Interests and home sites and (v) net cash generated from other resort services and golf operations. Historically, external sources of liquidity have included non-recourse sales of notes receivable, borrowings under secured and unsecured lines-of-credit, seller and bank financing of inventory acquisitions and the issuance of debt securities. The Company's capital resources are used to support the Company's operations, including (i) acquiring and developing inventory, (ii) providing financing for customer purchases, (iii) meeting operating expenses and (iv) satisfying the Company's debt, and other obligations. The Company anticipates that it will continue to require external sources of liquidity to support its operations, satisfy its debt and other obligations and to provide funds for future acquisitions.

Note Offering

On April 1, 1998, the Company consummated a Rule 144A private placement offering (the "Offering") of $110.0 million in aggregate principal amount of 10.5% senior secured notes due April 1, 2008 (the "Notes"). The net proceeds of the Offering were approximately $106.3 million. In the Offering, the Company initially sold the Notes to NatWest Capital Markets Limited and McDonald & Company Securities, Inc. (the "Initial Purchasers") in a private transaction exempt from the registration requirements of the Securities Act of 1933 by virtue of the exemption from registration contained in Section 4(2) thereof, and the Initial Purchasers resold the Notes in compliance with the exemption from registration contained in Rule 144A under the Securities Act. In the Purchase Agreement executed with the Initial Purchasers, the Initial Purchasers made investment representations which are customary for private placement transactions with institutional investors and agreed to comply with Rule 144A in connection with any resales. The Company subsequently exchanged the privately placed Notes for registered Notes. The net proceeds of the Offering were used to repay certain outstanding debt obligations of the Company and for working capital purposes (see Note 12 of Notes to Consolidated Financial Statements).

Credit Facilities for Bluegreen(R) Resorts' Receivables and Inventories

The Company maintains various credit and purchase facilities with financial institutions that provide for receivable financing for its timeshare projects.

The Company's ability to sell and/or borrow against its notes receivable from timeshare buyers is a critical factor in the Company's continued liquidity. The timeshare business involves making sales of a product pursuant to which a financed buyer is only required to pay 10% of the purchase in cash up front, yet selling, marketing and administrative expenses are primarily cash expenses and which, in the Company's case for the nine months ended December 31, 2002, approximated 64% of sales. Accordingly, having facilities for the sale and hypothecation of these timeshare receivables is a critical factor to the Company meeting its short and long-term cash needs.

In June 2001, the Company executed agreements for a timeshare receivables purchase facility (the "Purchase Facility") with CSFB acting as the initial purchaser. In April 2002, ING acquired and assumed CSFB's rights, obligations and commitments as initial purchaser in the Purchase Facility by purchasing the outstanding principal balance under the facility of $64.9 million from CSFB. In connection with its assumption of the Purchase Facility, ING expanded and extended the Purchase Facility's size and term. The Purchase Facility utilizes an owner's trust structure, pursuant to which the Company sells receivables to Bluegreen(R) Receivables Finance Corporation V, a wholly-owned, special purpose finance subsidiary of the Company (the "Subsidiary"), and the Subsidiary sells the receivables to an owners' trust without recourse to the Company or the Subsidiary except for breaches of customary representations and warranties at the time of sale. The Company did not enter into any guarantees in connection with the Purchase Facility. Pursuant to the agreements that constitute the Purchase Facility (collectively, the "Purchase Facility Agreements"), the Subsidiary could receive $125.0 million of cumulative purchase price (as more fully described below) on sales of timeshare receivables to the owner's trust on a revolving basis, as the principal balance of receivables sold amortizes, in transactions through April 16, 2003 (subject to certain conditions as more fully described in the Purchase Facility Agreements). The Purchase Facility has detailed requirements with respect to the eligibility of receivables for purchase and fundings under the Purchase Facility are subject to certain conditions precedent. Under the Purchase Facility, a variable purchase price of 85.00% of the principal balance of the receivables sold, subject to certain terms and conditions, is paid at closing in cash. The balance of the purchase price will be deferred until such time as ING has received a specified return and all servicing, custodial, agent and similar fees and expenses have been paid. ING shall earn a return equal to the London Interbank Offered Rate ("LIBOR") plus 1.00%, subject to use of alternate return rates in certain circumstances. In addition, ING will receive a 0.25% facility fee during the term of the facility. The Purchase Facility also provides for the sale of land notes receivable, under modified terms.

The Company acts as servicer under the Purchase Facility for a fee. The Purchase Facility Agreements include various conditions to purchase, covenants, trigger events and other provisions customary for a transaction of this type. ING's obligation to purchase under the Purchase Facility may terminate upon the occurrence of specified events. These specified events, some of which are subject to materiality qualifiers and cure periods, include, without limitation, (1) a breach by the Company of the representations or warranties in the Purchase Facility Agreements, (2) a failure by the Company to perform its covenants in the Purchase Facility Agreements, including, without limitation, a failure to pay principal or interest due to ING, (3) the commencement of a bankruptcy proceeding or the like with respect to the Company, (4) a material adverse change to the Company since December 31, 2001, (5) the amount borrowed under the Purchase Facility exceeding the borrowing base, (6) significant delinquencies or defaults on the receivables sold, (7) a payment default by the Company under any other borrowing arrangement of $5 million or more (a "Significant Arrangement"), or an event of default under any indenture, facility or agreement that results in a default under any Significant Arrangement, (8) a default or breach under any other agreement beyond the applicable grace period if such default or breach (a) involves the failure to make a payment in excess of 5% of the Company's tangible net worth or (b) causes, or permits the holder of indebtedness to cause, an amount in excess of 5% of the Company's tangible net worth to become due, (9) the Company's tangible net worth not equaling at least $110 million plus 50% of net income and 100% of the proceeds from new equity financing following the first closing under the Purchase Facility, (10) the ratio of the Company's debt to tangible net worth exceeding 6 to 1, or (11) the failure of the Company to perform its servicing obligations.

Through November 25, 2002, the Company sold $145.7 million of aggregate principal balance of notes receivable under the Purchase Facility for a cumulative purchase price of $123.9 million.

On December 13, 2002, IFM, an affiliate of ING, consummated a $170.2 million private offering and sale of timeshare loan-backed securities on behalf of the Company (the "2002 Term Securitization"). The $181.0 million in aggregate principal of timeshare receivables included in the 2002 Term Securitization included qualified receivables from three sources: 1) $119.2 million in aggregate principal of receivables that were previously sold to ING under the Purchase Facility; 2) $54.2 million in aggregate principal of receivables that were previously sold to GE and Barclays under a previous timeshare receivables purchase facility (the "GE/Barclays Facility"); and 3) $7.6 million in aggregate principal of receivables that were previously hypothecated with GE under a timeshare receivables warehouse facility (the "GE Warehouse Facility"). The proceeds from the 2002 Term Securitization were used to pay ING, GE and Barclays all amounts outstanding under the Purchase Facility, the GE/Barclays Facility and the GE Warehouse Facility. The Company received net cash proceeds of $2.1 million, Timeshare Interests with a carrying value of $1.4 million, timeshare notes receivable with an estimated net realizable value of $3.1 million and

recorded a retained interest in the future cash flows from the 2002 Term Securitization of $36.1 million. The Company also recognized a gain of $4.7 million in connection with the 2002 Term Securitization.

As a result of the 2002 Term Securitization, the Subsidiary may sell additional notes receivable for a cumulative purchase price of up to $75.0 million under the Purchase Facility, on a revolving basis, prior to April 16, 2003, at 85% of the principal balance, subject to the eligibility requirements and certain conditions precedent. On December 23, 2002, the Company sold $22.1 million of aggregate principal balance of notes receivable under the Purchase Facility for a purchase price of $18.7 million. On March 19, 2003, the Company sold $28.7 million of aggregate principal balance of notes receivable under the Purchase Facility for a purchase price of $24.4 million. As of March 24, 2003, the Subsidiary could sell an additional $32.6 million under the Purchase Facility. The Company is currently negotiating an increase and extension of the Purchase Facility to $125.0 million cumulative purchase price, on a revolving basis, through April 16, 2004. There can be no assurances that such an increase and extension will be obtained on attractive terms if at all.

In addition to the Purchase Facility, the Company is a party to a number of securitization transactions, all of which in the Company's opinion utilize customary structures and terms for transactions of this type. (The ING Purchase Facility discussed above is the only timeshare receivables purchase facility in which the Company currently has the ability to sell receivables, with the Company's ability to sell receivables under prior facilities having expired.) In each securitization, the Company sells receivables to a wholly-owned special purpose entity which, in turn, sells the receivables either directly to third parties or to a trust established for the transaction. In each transaction, the receivables are sold on a non-recourse basis (except for breaches of customary representations and warranties) and the special purpose entity has a retained interest in the receivables sold. The Company has acted as servicer of the receivables pools in each transaction for a fee, with the servicing obligations specified under the applicable transaction documents. Under the terms of the applicable securitization transaction, the cash payments received from obligors on the receivables sold are distributed to the investors (which, depending on the transaction, may acquire the receivables directly or purchase an interest in, or make loans secured by the receivables to, a trust that owns the receivables), parties providing services in connection with the facility, and the Company's special purpose subsidiary as the holder of the retained interest in the receivables according to one of two specified formulas. In general, available funds are applied monthly to pay fees to service providers, interest and principal payments to investors, and distributions in respect of the retained interest in the receivables. Pursuant to the terms of the transaction documents, however, to the extent the portfolio of receivables fails to satisfy specified performance criteria (as may occur due to an increase in default rates or loan loss severity) or there are other trigger events, the funds received from obligors are distributed on an accelerated basis to investors. In effect, during a period in which the accelerated payment formula is applicable, funds go to outside investors until they receive the full amount owed to them and only then are payments made to the Company's subsidiary in its capacity as the holder of the retained interest. Depending on the circumstances and the transaction, the application of the accelerated payment formula may be permanent or temporary until the trigger event is cured. If the accelerated payment formula were to become applicable, the cash flow on the retained interest in the receivables would be reduced until the outside investors were paid or the regular payment formula was resumed. Such a reduction in cash flow could cause a decline in the fair value of the Company's retained interest in the receivables sold. Declines in fair value that are determined to be other than temporary are charged to operations in the current period. In each facility, the failure of the pool of receivables to comply with specified portfolio covenants can create a trigger event, which results in the use of the accelerated payment formula (in certain circumstances until the trigger event is cured and in other circumstances permanently) and, to the extent there was any remaining commitment to purchase receivables from the Company's special purpose subsidiary, the suspension or termination of that commitment. In addition, in each securitization facility certain breaches by the Company of its obligations as servicer or other events allow the investor to cause the servicing to be transferred to a substitute third party servicer. In that case, the Company's obligation to service the receivables would terminate and it would cease to receive a servicing fee.

The Company is seeking new timeshare receivable purchase facilities to replace expiring facilities. As indicated above, the Purchase Facility will expire on April 16, 2003. The Company is currently discussing terms for a potential new timeshare receivable purchase facility with an unaffiliated financial institution and is negotiating an extension and increase to the Purchase Facility. Factors which could adversely impact the Company's ability to obtain new or additional timeshare receivable purchase facilities include, but are not limited to, a downturn in general economic conditions; negative trends in the commercial paper or LIBOR markets; increases in interest rates; a decrease in the number of financial institutions willing to engage in such facilities in the timeshare area; a deterioration in the performance of the Company's timeshare notes receivable or in the performance of portfolios sold in prior transactions, specifically increased delinquency, default and loss severity rates; and a deterioration in the Company's performance generally.

There can be no assurances that the Company will obtain a new purchase facility to replace the Purchase Facility when it is completed or expires. As indicated above, the Company's inability to sell timeshare receivables under a current or future facility could have a material adverse impact on the Company's liquidity and operations.

In February 2003, the Company entered into a $50.0 million revolving timeshare receivables credit facility (the "GMAC Receivables Facility") with Residential Funding Corporation ("RFC"), an affiliate of General Motors Acceptance Corporation. The borrowing period on the GMAC Receivables Facility expires on March 10, 2005, and outstanding borrowings mature no later than March 10, 2012. The GMAC Receivables Facility has detailed requirements with respect to the eligibility of receivables for inclusion and other conditions to funding. The borrowing base under the GMAC Receivables Facility is 90% of the outstanding principal balance of eligible notes arising from the sale of Timeshare Interests. The GMAC Receivables Facility includes affirmative, negative and financial covenants and events of default. All principal and interest payments received on pledged receivables are applied to principal and interest due under the GMAC Receivables Facility. Indebtedness under the facility will bear interest at LIBOR plus 4%. The Company was required to pay an upfront loan fee of $375,000 in connection with the GMAC Receivables Facility. On March 10, 2003, the Company pledged $10.3 million in aggregate principal balance of timeshare receivables under the GMAC Receivables Facility and received $9.3 million in cash borrowings.

RFC has also provided the Company with a $15.0 million acquisition, development and construction revolving credit facility for Bluegreen(R) Resorts (the "GMAC AD&C Facility"). The borrowing period on the GMAC AD&C Facility expires on February 10, 2005 and outstanding borrowings mature no later than February 10, 2009. Principal will be repaid through agreed-upon release prices as Timeshare Interests are sold at the financed resort, subject to minimum required amortization. Indebtedness under the facility will bear interest at LIBOR plus 4.75%. Interest payments are due monthly. The Company was required to pay an upfront loan fee of $112,500 in connection with the GMAC AD&C Facility. As of March 24, 2003, the Company had not borrowed under the GMAC AD&C Facility.

GE has provided the Company with a $28.0 million acquisition and development facility for its timeshare inventories (the "GE A&D Facility"). The borrowing period on the GE A&D Facility has expired and outstanding borrowings mature no later than January 2006. Principal will be repaid through agreed-upon release prices as Timeshare Interests are sold at the financed resort, subject to minimum required amortization. The indebtedness under the facility bears interest at LIBOR plus 3%. On September 14, 1999, the Company borrowed approximately $14.0 million under the GE A&D facility. This borrowing was collateralized by the Company's Lodge Alley Inn(TM) resort and has since been paid in full. On December 20, 1999, the Company borrowed approximately $13.9 million under the acquisition and development facility. The principal of this loan must be repaid by January 1, 2006, through agreed-upon release prices as Timeshare Interests in phase two of the Company's Shore Crest(TM) resort are sold, subject to minimum required amortization. The outstanding balance under the GE A&D Facility at December 31, 2002 was $1.2 million, which was completely repaid by March 24, 2003. The Company is currently negotiating a new acquisition and development credit facility with GE. There can be no assurances that the Company's negotiations will be successful.

On April 8, 2002, the Company entered into a $9.8 million, acquisition and development line-of-credit with Marshall, Miller and Schroeder Investments Corporation ("MM&S"). Borrowings under the line are collateralized by Timeshare Interests in the Company's Solara Surfside(TM) resort in Surfside, Florida (near Miami Beach). Borrowings occur as MM&S directly pays third-party contractors, vendors and suppliers who have been engaged by the Company to perform renovation work on Solara Surfside. The final draw on the loan was released after the completion of all renovation work, in December 2002. Principal is repaid through agreed-upon release prices as Timeshare Interests in Solara Surfside are sold, subject to minimum required amortization. The indebtedness under the facility bears interest at the prime lending rate plus 1.25%, subject to a minimum interest rate of 7.50%, and all amounts borrowed are due no later than April 1, 2004. As of December 31, 2002, $1.5 million was outstanding under the MM&S line-of-credit. As of March 24, 2003, approximately $55,000 was outstanding under the MM&S line-of-credit.

Under an existing, $30.0 million revolving credit facility with Foothill Capital Corporation ("Foothill") primarily for the use of borrowing against Bluegreen Communities receivables, the Company can use up to $10.0 million of the facility for the pledge of timeshare receivables. During the nine months ended December 31, 2002, the Company borrowed $1.7 million under this facility by pledging approximately $1.9 million in aggregate principal of timeshare receivables at a 90% advance rate. See the next paragraph for further details on this facility.

Credit Facilities for Bluegreen(R) Communities' Receivables and Inventories

The Company has a $30.0 million revolving credit facility with Foothill for the pledge of Bluegreen Communities' receivables, with up to $10.0 million of the total facility available for Bluegreen Communities' inventory borrowings and up to $10.0 million of the total facility available for the pledge of Bluegreen Resorts' receivables. The interest rate charged on outstanding borrowings ranges from the prime interest rate plus 0.5% to 1.0%, with 7.0% being the minimum interest rate. At December 31, 2002, the outstanding principal balance under this facility was approximately $5.0 million, $1.4 million of which related to Bluegreen Resorts' receivables borrowings, as discussed above, and $3.6 million of which related to Bluegreen Communities' receivables borrowings. All principal and interest payments received on pledged receivables are applied to principal and interest due under the facility. In March 2003, Foothill extended the Company's ability to borrow under the facility through December 31, 2005, and extended the maturity date to December 31, 2007.

On September 25, 2002, certain direct and indirect wholly-owned subsidiaries of the Company entered into a $50 million revolving credit facility (the "GMAC Communities Facility") with RFC. The Company is the guarantor on the GMAC Communities Facility. The GMAC Communities Facility is secured by the real property home sites (and personal property related thereto) at the following Bluegreen Communities projects of the Company, as well as any Bluegreen Communities projects acquired by the Company with funds borrowed under the GMAC Communities Facility (the "Secured Projects"): Brickshire(TM) (New Kent County, Virginia); Mountain Lakes Ranch(TM) (Bluffdale, Texas); Ridge Lake Shores(TM) (Magnolia, Texas); Riverwood Forest(TM) (Fulshear, Texas); Waterstone(TM) (Boerne, Texas) and Yellowstone Creek Ranch(TM) (Pueblo, Colorado). In addition, the GMAC Communities Facility is secured by the Company's Carolina National(TM) and The Preserve at Jordan Lake(TM) golf courses in Southport, North Carolina and Chapel Hill, North Carolina, respectively. Borrowings under the GMAC Communities Facility can be drawn through September 25, 2004. Principal payments are effected through agreed-upon release prices paid to RFC as home sites in the Secured Projects are sold. The outstanding principal balance of any borrowings under the GMAC Communities Facility must be repaid by September 25, 2006. The interest charged on outstanding borrowings is at the prime lending rate plus 1.00% and will be payable monthly. The Company is required to pay an annual commitment fee equal to 0.33% of the $50 million GMAC Communities Facility amount. The GMAC Communities Facility includes customary conditions to funding, acceleration and event of default provisions and certain financial affirmative and negative covenants. On September 25, 2002, the Company borrowed $11 million under the GMAC Communities Facility and received cash proceeds of approximately $9 million. The $2 million deducted from the cash proceeds related to the repayment of existing debt on the Secured Projects of approximately $1.5 million and debt issuance costs totaling $500,000 including the first annual commitment fee, as described above. The Company uses the proceeds from the GMAC Communities Facility to repay outstanding indebtedness on Bluegreen Communities projects, finance the acquisition and development of Bluegreen Communities projects and for general corporate purposes. As of December 31, 2002, there was $7.5 million outstanding under the GMAC Communities Facility.

The Company is currently negotiating with an unaffiliated financial institution and has received a term sheet regarding a $10 million, revolving line-of-credit that would be collateralized by Bluegreen Communities' receivables. There can be no assurances that this line-of-credit will be obtained on attractive terms or at all.

Over the past several years, the Company has received approximately 90% to 99% of its home site sales proceeds in cash. Accordingly, in recent years the Company has reduced the borrowing capacity under credit agreements secured by Bluegreen Communities' receivables. The Company attributes the significant volume of cash sales to an increased willingness on the part of banks to extend direct customer home site financing. No assurances can be given that local banks will continue to provide such customer financing.

Historically, the Company has funded development for road and utility construction, amenities, surveys and engineering fees from internal operations and has financed the acquisition of Bluegreen Communities properties through seller, bank or financial institution loans. Terms for repayment under these loans typically call for interest to be paid monthly and principal to be repaid through home site releases. The release price is usually defined as a pre-determined percentage of the gross selling price (typically 25% to 55%) of the home sites in the subdivision. In addition, the agreements generally call for minimum cumulative annual amortization. When the Company provides financing for its customers (and therefore the release price is not available in cash at closing to repay the lender), it is required to pay the creditor with cash derived from other operating activities, principally from cash sales or the pledge of receivables originated from earlier property sales.

Unsecured Credit Facility

The Company has a $12.5 million unsecured line-of-credit with Wachovia Bank, N.A. Amounts borrowed under the line bear interest at LIBOR plus 2%. Interest is due monthly and all principal amounts are due on December 31, 2003. The Company is only allowed to borrow under the line-of-credit in amounts less than the remaining availability under its current, active timeshare receivables purchase facility plus availability under certain receivable warehouse facilities, less any outstanding letters of credit. The line-of-credit agreement contains certain covenants and conditions typical of arrangements of this type. As of December 31, 2002, there was no amount outstanding under the line, nor have there been any borrowings under the line through March 24, 2003. This line-of-credit is an important source of short-term liquidity for the Company.

Summary

The Company requires external sources of liquidity in order to support its operations and satisfy its debt and other obligations. The Company's level of debt and debt service requirements have several important effects on its operations, including the following: (i) the Company has significant cash requirements to service debt, reducing funds available for operations and future business opportunities and increasing the Company's vulnerability to adverse economic and industry conditions; (ii) the Company's leveraged position increases its vulnerability to competitive pressures; (iii) the financial covenants and other restrictions contained in the indentures, the credit agreements and other agreements relating to the Company's indebtedness require the Company to meet certain financial tests and restrict its ability to, among other things, borrow additional funds, dispose of assets, make investments or pay cash dividends on, or repurchase, preferred or common stock; and (iv) funds available for working capital, capital expenditures, acquisitions and general corporate purposes may be limited. Certain of the Company's competitors operate on a less leveraged basis and have greater operating and financial flexibility than the Company.

The Company intends to continue to pursue a growth-oriented strategy, particularly with respect to its Bluegreen(R) Resorts business segment. In connection with this strategy, the Company may from time to time acquire, among other things, additional resort properties and completed but unsold Timeshare Interests; land upon which additional resorts may be built; management contracts; loan portfolios of Timeshare Interest mortgages; portfolios which include properties or assets which may be integrated into the Company's operations; interests in joint ventures; and operating companies providing or possessing management, sales, marketing, development, administration and/or other expertise with respect to the Company's operations in the timeshare industry. In addition, the Company intends to continue to focus Bluegreen Communities on larger, more capital intensive projects particularly in those regions where the Company believes the market for its products is strongest, such as new golf communities in the Southeast and other areas and continued growth in the Company's successful regions in Texas.

The Company's material commitments for capital resources as of December 31, 2002, included the required payments due on it's receivable-backed debt, lines of credit and other notes and debentures payable, commitments to complete its timeshare and communities projects based on its sales contracts with customers and commitments under noncancelable operating leases.

The following table summarizes the contractual minimum principal payments required on all of the Company's outstanding debt (including its receivable-backed debt, lines-of-credit and other notes and debentures payable) and its noncancelable operating leases as of December 31, 2002 by period due (in thousands):

Contractual Obligations	Payments Due By Period				
	Total	Less than 1 year	1 - 3 Years	4 - 5 Years	After 5 Years
Receivable-backed notes payable	$ 5,360	$ --	$ 4,989	$ --	$ 371
Lines-of-credit and notes payable	34,409	5,604	20,188	8,059	558
10.50% senior secured notes payable	110,000	--	--	--	110,000
8.25% convertible subordinated debentures	34,371	--	6,371	8,000	20,000
Noncancelable operating leases	15,101	3,444	4,625	2,436	4,596
Total contractual obligations	$199,241	$ 9,048	$ 36,173	$ 18,495	$135,525

The Company intends to use cash flow from operations, including cash received from the sale of timeshare notes receivable, and cash received from new borrowings under existing or future debt facilities in order to satisfy the above principal payments. While the Company believes that it will be able to meet all required debt payments when due, there can be no assurances that this will be the case.

The Company estimates that the total cash required to complete resort buildings in which sales have occurred and resort amenities and other common costs in projects in which sales have occurred is approximately $6.2 million as of December 31, 2002. The Company estimates that the total cash required to complete its Bluegreen(R) Communities projects in which sales have occurred is approximately $28.7 million as of December 31, 2002. These amounts assume that the Company is not obligated to develop any building, project or amenity in which a commitment has not been made through a sales contract to a customer; the Company anticipates that it will incur such obligations in the future. The Company plans to fund these expenditures over the next five years primarily with available capacity on existing or proposed credit facilities and cash generated from operations. There can be no assurances that the Company will be able to obtain the financing or generate the cash from operations necessary to complete the foregoing plans or that actual costs will not exceed those estimated.

The Company believes that its existing cash, anticipated cash generated from operations, anticipated future permitted borrowings under existing or proposed credit facilities and anticipated future sales of notes receivable under the Purchase Facility and one or more replacement facilities the Company will seek to put in place will be sufficient to meet the Company's anticipated working capital, capital expenditure and debt service requirements for the foreseeable future. The Company will be required to renew or replace credit facilities that have expired or that will expire during the next 26 months. The Company will also be required to renew or replace its existing timeshare receivables purchase facility on or before April 16, 2003. The Company will, in the future, also require additional credit facilities or issuances of other corporate debt or equity securities in connection with acquisitions or otherwise. Any debt incurred or issued by the Company may be secured or unsecured, bear fixed or variable rate interest and may be subject to such terms as the lender may require and management deems prudent. There can be no assurances that the credit facilities or receivables purchase facilities which have expired or which are scheduled to expire in the near term will be renewed or replaced or that sufficient funds will be available from operations or under existing, proposed or future revolving credit or other borrowing arrangements or receivables purchase facilities to meet the Company's cash needs, including, without limitation, its debt service obligations. To the extent the Company was not able to sell notes receivable or borrow under such facilities, the Company's ability to satisfy its obligations would be materially adversely affected.

The Company has a large number of credit facilities, indentures, other outstanding debt instruments, and receivables purchase facilities which include customary conditions to funding, eligibility requirements for collateral, cross-default and other acceleration provisions, certain financial and other affirmative and negative covenants, including, among others, limits on the incurrence of indebtedness, limits on the repurchase of securities, payment of dividends, investments in joint ventures and other restricted payments, the incurrence of liens, transactions with affiliates, covenants concerning net worth, fixed charge coverage requirements, debt-to-equity ratios, portfolio performance requirements and events of default or termination. No assurances can be given that such covenants will not limit the Company's ability to raise funds, sell receivables, satisfy or refinance its obligations or otherwise adversely affect the Company's operations. In addition, the Company's future operating performance and ability to meet its financial obligations will be subject to future economic conditions and to financial, business and other factors, many of which will be beyond the Company's control.

The Company's ability to service or to refinance its indebtedness or to obtain additional financing (including its ability to consummate future notes receivable securitizations) depends, among other things, on its future performance, which is subject to a number of factors, including the Company's business, results of operations, leverage, financial condition and business prospects, the performance of its receivables, prevailing interest rates, general economic conditions and perceptions about the residential land and timeshare industries, some of which are beyond the Company's control. If the Company's cash flow and capital resources are insufficient to fund its debt service obligations and support its operations, the Company, among other consequences, may be forced to reduce or delay planned capital expenditures, reduce its financing of sales, sell assets, obtain additional equity capital or refinance or restructure its debt. The Company cannot provide any assurance that it will be able to obtain sufficient external sources of liquidity on attractive terms, or at all. In addition, many of the Company's obligations under our debt arrangements contain cross-default or cross-acceleration provisions. As a result, if the Company defaults under one debt arrangement, other lenders might be able to declare amounts due under their arrangements, which would have a material adverse effect on the Company's business.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Foreign Currency Risk

The Company's total revenues and net assets denominated in a currency other than U.S. dollars during the nine months ended December 31, 2002 were less than 1% of consolidated revenues and consolidated assets, respectively. Sales generated and long-term debt incurred to date by BPNV, the Company's subsidiary in Aruba, are transacted in U.S. dollars. The effects of changes in foreign currency exchange rates have not historically been significant to the Company's operations or net assets.

Interest Rate Risk

The Company sold $125.6 million, $100.9 million and $77.8 million of fixed-rate timeshare notes receivable during the nine months ended December 31, 2002, the year ended March 31, 2002 and the year ended April 1, 2001, respectively, under the Purchase Facility, the 2002 Term Securitization and previous timeshare receivable purchase facilities (see "Credit Facilities for Bluegreen(R) Resorts' Receivables and Inventories" and Note 5 of Notes to Consolidated Financial Statements). The gain on sale recognized by the Company is generally based upon variable interest rates at the time of sale including the prevailing weighted-average term treasury rate, commercial paper rates or LIBOR rates (depending on the purchase facility in effect) and many other factors including, but not limited to the weighted-average coupon rate and remaining contractual life of the loans sold, and assumptions regarding the constant prepayment rate, loss severity, annual default and discount rates. The Company also retains residual interests in pools of fixed and variable rate Bluegreen Communities notes receivable sold in private placement REMIC transactions. The Company believes that it has used conservative assumptions in valuing the residual interests retained in the timeshare and land notes sold through the Purchase Facility and REMIC transactions, respectively, and that such assumptions should mitigate the impact of a hypothetical one-percentage point interest rate change on these valuations. There can be no assurances that the assumptions will prove to be correct.

As of December 31, 2002, the Company had fixed interest rate debt of approximately $149.6 million and floating interest rate debt of approximately $34.6 million. In addition, the Company's notes receivable from timeshare and home site customers were comprised of $54.1 million of fixed rate loans and $6.1 million of notes bearing floating interest rates. The floating interest rates are based either upon the prevailing prime or three-month LIBOR interest rates. For floating rate financial instruments, interest rate changes do not generally affect the market

value of debt but do impact future earnings and cash flows, assuming other factors are held constant. Conversely, for fixed rate financial instruments, interest rate changes do affect the market value of debt but do not impact earnings or cash flows.

A hypothetical one-percentage point increase in the prevailing prime or LIBOR rates, as applicable, would decrease after-tax earnings of the Company by an immaterial amount per year, based on the impact of increased interest expense on variable rate debt, partially offset by the increased interest income on variable rate Bluegreen Communities notes receivable and cash and cash equivalents. A similar change in the interest rate would decrease the total fair value of the Company's fixed rate debt, excluding the Company's 8.25% convertible, subordinated debentures (the "Debentures") and the Notes, by an immaterial amount. The fact that the Debentures are publicly traded and convertible into the Company's common stock makes it impractical to estimate the effect of the hypothetical change in interest rates on the fair value of the Debentures. In addition, the fact that the Notes (see "Note Offering") are publicly traded in the over-the-counter market makes it impractical to estimate the effect of the hypothetical change in interest rates on the fair value of the Notes. Due to the non-interest related factors involved in determining the fair value of these publicly traded securities, their fair values have historically demonstrated increased, decreased or at times contrary relationships to changes in interest rates as compared to other types of fixed-rate debt securities. These analyses do not consider the effects of the reduced level of overall economic activity that could exist in such an environment. Further, in the event of such a change, management may likely take actions to mitigate its exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, the sensitivity analysis assumes no changes in the Company's financial structure.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

BLUEGREEN(R) CORPORATION

CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	December 31, 2002	March 31, 2002
ASSETS		
Cash and cash equivalents (including restricted cash of approximately $20.6 million and $27.7 million at December 31, 2002 and March 31, 2002, respectively)	$ 46,905	$ 48,715
Contracts receivable, net	16,230	21,818
Notes receivable, net	61,795	55,648
Prepaid expenses	11,630	11,634
Inventory, net	173,131	187,688
Retained interests in notes receivable sold	44,228	38,560
Property and equipment, net	51,787	49,338
Intangible assets	10,838	--
Goodwill	2,431	2,431
Other assets	15,017	19,329
Total assets	$ 433,992	$ 435,161
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable	$ 5,878	$ 4,700
Accrued liabilities and other	31,537	39,112
Deferred income	19,704	5,043
Deferred income taxes	31,208	28,299
Receivable-backed notes payable	5,360	14,628
Lines-of-credit and notes payable	34,409	40,262
10.50% senior secured notes payable	110,000	110,000
8.00% convertible subordinated notes payable to related parties	--	6,000
8.25% convertible subordinated debentures	34,371	34,371
Total liabilities	272,467	282,415
Minority interest	3,242	3,090
Commitments and contingencies		
Shareholders' Equity		
Preferred stock, $.01 par value, 1,000 shares authorized; none issued	--	--
Common stock, $.01 par value, 90,000 shares authorized; 27,343 and 27,059 shares issued at December 31, 2002 and March 31, 2002, respectively	273	271
Additional paid-in capital	123,535	122,734
Treasury stock, 2,756 common shares at both December 31, 2002 and March 31, 2002, at cost	(12,885)	(12,885)
Accumulated other comprehensive income, net of income taxes	460	2,433
Retained earnings	46,900	37,103
Total shareholders' equity	158,283	149,656
Total liabilities and shareholders' equity	$ 433,992	$ 435,161

See accompanying notes to consolidated financial statements.

BLUEGREEN(R) CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
		(Unaudited)		
Revenues:				
Sales	$ 222,655	$ 184,703	$ 240,628	$ 229,874
Other resort and golf operations	27,048	19,184	25,470	24,649
Interest income	12,235	11,855	15,447	17,317
Gain on sales of notes receivable	10,035	4,214	6,280	3,281
	271,973	219,956	287,825	275,121
Cost and expenses:				
Cost of sales	77,923	64,133	86,525	78,795
Cost of other resort and golf operations	26,895	17,844	23,544	24,951
Selling, general and administrative expenses	128,308	106,345	140,244	147,592
Interest expense	9,824	10,129	13,017	15,494
Provision for loan losses	2,832	3,683	4,851	4,887
Other expense	1,520	277	162	400
	247,302	202,411	268,343	272,119
Income before provision for income taxes and minority interest	24,671	17,545	19,482	3,002
Provision for income taxes	8,793	6,755	7,501	1,156
Minority interest in income (loss) of consolidated subsidiary	502	107	249	(871)
Income before cumulative effect of change in accounting principle	15,376	10,683	11,732	2,717
Cumulative effect of change in accounting principle, net of income taxes (see Note 1)	(5,929)	--	--	--
Minority interest in cumulative effect of change in accounting principle, net of income taxes	(350)	--	--	--
Net income	$ 9,797	$ 10,683	$ 11,732	$ 2,717
Earnings per common share:				
Basic:				
Income before cumulative effect of change in accounting principle	$ .63	$ .44	$ .48	$ .11
Cumulative effect of change in accounting principle, net of income taxes and minority interest	(.23)	--	--	--
Net income	$ .40	$ .44	$ .48	$ .11
Diluted:				
Income before cumulative effect of change in accounting principle	$ .58	$ .41	$ .46	$ .11
Cumulative effect of change in accounting principle, net of income taxes and minority interest	(.19)	--	--	--
Net income	$ .39	$ .41	$ .46	$ .11
Pro forma effects of retroactive application of change in accounting principle:				
Net income		$ 7,571	$ 7,484	$ 1,634
Basic earnings per share		$ .31	$ .31	$ .07
Diluted earnings per share		$ .30	$ .31	$ .07
Weighted-average number of common and common equivalent shares:				
Basic	24,472	24,240	24,256	24,242
Diluted	28,783	29,968	29,993	24,316

See accompanying notes to consolidated financial statements.

BLUEGREEN(R) CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)

	Common Shares Issued	Common Stock	Additional Paid-in Capital	Treasury Stock at Cost	Accumulated Other Comprehensive Income, Net of Income Taxes	Retained Earnings	Total
Balance at April 3, 2000	26,935	$ 269	$ 122,533	$ (12,313)	$ 901	$ 22,654	$ 134,044
Net income	--	--	--	--	--	2,717	2,717
Net unrealized gains on retained interests in notes receivable sold, net of income taxes	--	--	--	--	570	--	570
Comprehensive income							3,287
Shares issued to employees and directors upon exercise of stock options	11	--	28	--	--	--	28
Income tax benefit from stock options exercised	--	--	3	--	--	--	3
Shares repurchased for treasury stock	--	--	--	(572)	--	--	(572)
Balance at April 1, 2001	26,946	269	122,564	(12,885)	1,471	25,371	136,790
Net income	--	--	--	--	--	11,732	11,732
Net unrealized gains on retained interests in notes receivable sold, net of income taxes	--	--	--	--	962	--	962
Comprehensive income							12,694
Shares issued to employees and directors upon exercise of stock options	113	2	154	--	--	--	156
Income tax benefit from stock options exercised	--	--	16	--	--	--	16
Balance at March 31, 2002	27,059	271	122,734	(12,885)	2,433	37,103	149,656
Net income	--	--	--	--	--	9,797	9,797
Realization of net unrealized gains on retained interests in notes receivable sold, net of income taxes	--	--	--	--	(1,973)	--	(1,973)
Comprehensive income							7,824
Shares issued to employees and directors upon exercise of stock options	284	2	681	--	--	--	683
Income tax benefit from stock options exercised	--	--	120	--	--	--	120
Balance at December 31, 2002	27,343	$ 273	$ 123,535	$ (12,885)	$ 460	$ 46,900	$ 158,283

See accompanying notes to consolidated financial statements.

BLUEGREEN(R) CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
	(Unaudited)			
Operating activities:				
Net income	$ 9,797	$ 10,683	$ 11,732	$ 2,717
Adjustments to reconcile net income to net cash provided by operating activities:				
Cumulative effect of change in accounting principle, net	5,929	--	--	--
Minority interest in income (loss) of consolidated subsidiary	152	107	249	(871)
Depreciation	4,597	3,857	5,280	4,263
Amortization	5,741	2,225	3,006	2,463
Amortization of discount on note payable	40	310	374	708
Gain on sale of notes receivable	(10,035)	(4,214)	(6,280)	(3,281)
Loss on sale of property and equipment	218	127	166	45
Gain on exchange of REMIC certificates	(409)	--	--	--
Provision for loan losses	2,832	3,683	4,851	4,887
Provision for deferred income taxes	4,127	6,755	7,895	5,801
Interest accretion on investments in securities	(4,417)	(2,615)	(3,754)	(2,627)
Proceeds from sale of notes receivable	72,418	58,158	85,975	73,244
Proceeds from borrowings collateralized by notes receivable	2,746	22,734	23,163	34,634
Payments on borrowings collateralized by notes receivable	(11,681)	(15,227)	(16,600)	(35,964)
Changes in operating assets and liabilities, net of the effects of business acquisitions:				
Contracts receivable	5,655	6,681	(3,311)	(10,588)
Notes receivable	(99,868)	(76,520)	(97,795)	(89,786)
Prepaid expenses	322	1,576	959	(8,592)
Inventory	22,378	3,958	13,542	21,500
Other assets	(4,462)	(4,597)	(4,423)	(1,096)
Accounts payable, accrued liabilities and other	957	1,941	6,621	4,615
Net cash provided by operating activities	7,037	19,622	31,650	2,072
Investing activities:				
Cash received from retained interests in notes receivable sold	14,555	3,552	7,856	6,890
Investment in note receivable	--	(1,685)	(1,685)	(4,711)
Principal payments received on investment in note receivable	--	4,643	4,643	68
Business and minority interest acquisitions	(2,292)	--	--	(250)
Purchases of property and equipment	(4,379)	(10,446)	(12,940)	(9,549)
Proceeds from sales of property and equipment	48	34	44	79
Net cash provided (used) by investing activities	7,932	(3,902)	(2,082)	(7,473)
Financing activities:				
Proceeds from borrowings under line-of-credit facilities and notes payable	18,696	46,548	59,870	11,121
Payments under line-of-credit facilities and notes payable	(27,470)	(62,478)	(79,327)	(29,135)
Payment of 8% convertible, subordinated notes payable to related parties	(6,000)	--	--	--
Payment of debt issuance costs	(2,688)	(1,485)	(1,568)	(1,551)
Proceeds from exercise of employee and director stock options	683	156	156	28
Payments for treasury stock	--	--	--	(572)
Net cash used by financing activities	(16,779)	(17,259)	(20,869)	(20,109)
Net increase (decrease) in cash and cash equivalents	(1,810)	(1,539)	8,699	(25,510)
Cash and cash equivalents at beginning of period	48,715	40,016	40,016	65,526
Cash and cash equivalents at end of period	46,905	38,477	48,715	40,016
Restricted cash and cash equivalents at end of period	(20,551)	(24,456)	(27,669)	(22,363)
Unrestricted cash and cash equivalents at end of period	$ 26,354	$ 14,021	$ 21,046	$ 17,653

BLUEGREEN(R) CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS--(Continued)
(in thousands)

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
	(Unaudited)			
Supplemental schedule of non-cash operating, investing and financing activities				
Inventory acquired through foreclosure or deedback in lieu of foreclosure	$ 3,951	$ 4,349	$ 7,596	$ 5,859
Inventory acquired through financing	$ 2,336	$ --	$ --	$ 8,952
Contribution of timeshare inventory (raw land) by minority interest	$ --	$ --	$ --	$ 3,230
Exchange of REMIC certificates for notes receivable and inventory in connection with termination of REMIC	$ 2,047	$ --	$ --	$ --
Property and equipment acquired through financing	$ 545	$ 353	$ 427	$ 891
Retained interests in notes receivable sold	$ 18,085	$ 13,694	$ 21,207	$ 7,903
Net change in unrealized gains on investments	$ 2,997	$ --	$ 1,557	$ 928
Supplemental schedule of operating cash flow information				
Interest paid, net of amounts capitalized	$(13,455)	$(13,676)	$(11,947)	$(14,474)
Income taxes refunded (paid)	$ (745)	$ 2,261	$ 2,014	$ (316)

See accompanying notes to consolidated financial statements.

1. Significant Accounting Policies

Organization

Bluegreen Corporation (the "Company") is a leading marketer of vacation and residential lifestyle choices through its resort and residential land and golf communities businesses, which are located predominantly in the Southeastern, Southwestern and Midwestern United States. The Company's resort business ("Bluegreen Resorts") acquires, develops and markets Timeshare Interests in resorts generally located in popular, high-volume, "drive-to" vacation destinations. "Timeshare Interests" are of two types: one which entitles the buyer of the points-based Bluegreen Vacation Club(R) (the "Club") product to an annual allotment of "points" in perpetuity (supported by an underlying deeded fixed timeshare week being held in trust for the buyer) and the second which entitles the fixed-week buyer to a fully-furnished vacation residence for an annual one-week period in perpetuity. "Points" may be exchanged by the buyer in various increments for lodging for varying lengths of time in fully-furnished vacation residences at the Company's participating resorts. The Company currently develops, markets and sells Timeshare Interests in 13 resorts located in the United States and Aruba. The Company also markets and sells Timeshare Interests in its resorts at four off-site sales locations. The Company's residential land and golf communities business ("Bluegreen Communities") acquires, develops and subdivides property and markets the subdivided residential home sites to retail customers seeking to build a home in a high quality residential setting, in some cases on properties featuring a golf course and related amenities. During the nine months ended December 31, 2002, sales generated by Bluegreen Resorts and Bluegreen Communities comprised approximately 65% and 35%, respectively, of the Company's total sales. The Company's other resort and golf operations revenues are generated from mini-vacation package sales, timeshare tour sales, resort property management services, resort title services, resort amenity operations, hotel operations and daily-fee golf course operations. The Company also generates significant interest income by providing financing to individual purchasers of Timeshare Interests and, to a nominal extent, home sites sold by Bluegreen Communities.

Principles of Consolidation

The consolidated financial statements include the accounts of Bluegreen Corporation, all of its wholly-owned subsidiaries and entities in which the Company holds a controlling financial interest. The only non-wholly owned subsidiary, Bluegreen/Big Cedar Vacations(TM) LLC (the "Joint Venture"), is consolidated as the Company holds a 51% equity interest in the Joint Venture, has an active role as the day-to-day manager of the Joint Venture's activities and has majority voting control of the Joint Venture's management committee. All significant intercompany balances and transactions are eliminated.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Fiscal Year

On October 14, 2002, the Company's Board of Directors approved a change in the Company's fiscal year from a 52- or 53-week period ending on the Sunday nearest the last day of March in each year to the calendar year ending on December 31, effective for the nine months ended December 31, 2002.

The years ended March 31, 2002 and April 1, 2001 were each 52 weeks long.

Information for the nine months ended December 30, 2001, presented throughout these consolidated financial statements, including in the notes thereto, is unaudited.

Cash and Cash Equivalents

The Company invests cash in excess of immediate operating requirements in short-term time deposits and money market instruments generally with original maturities of three months or less. The Company maintains cash and cash

equivalents with various financial institutions. These financial institutions are located throughout the United States, Canada and Aruba. The Company's policy is designed to limit exposure to any one institution. However, a significant portion of the Company's unrestricted cash is maintained with a single bank and, accordingly, the Company is subject to credit risk. Periodic evaluations of the relative credit standing of financial institutions maintaining Company deposits are performed to evaluate and mitigate, if necessary, credit risk.

Restricted cash consists of funds collected as servicer of notes receivable owned by other parties and customer deposits held in escrow accounts. As of December 31, 2002 and March 31, 2002, the Company held $12.4 million and $19.2 million, respectively, of funds collected as servicer of notes receivable owned by or pledged to other parties, primarily notes receivable previously sold to these other parties by the Company. All such funds are held in separate custodial bank accounts. In the case of notes receivable previously sold, funds collected and held in these accounts are periodically transferred to third-party cash administrators, who in turn make payments to the owners of the notes receivable and to the Company for servicing fees and payments on any retained interests in the notes receivable sold. The Company has recorded a corresponding liability, which is included in accrued liabilities on the consolidated balance sheet, for its restricted cash held in connection with its servicing activities for previously sold notes receivable. In the case of notes receivable previously pledged, funds collected and held in these accounts are periodically transferred to the lenders as payment on the Company's receivable-backed notes payable

Contracts Receivable and Revenue Recognition

In accordance with the requirements of Statement of Financial Accounting Standards ("SFAS") No. 66 "Accounting for Sales of Real Estate", the Company recognizes revenue on retail land sales and sales of Timeshare Interests when a minimum of 10% of the sales price has been received in cash, the legal rescission period has expired, collectibility of the receivable representing the remainder of the sales price is reasonably assured and the Company has completed substantially all of its obligations with respect to any development related to the real estate sold. In cases where all development has not been completed, the Company recognizes revenue in accordance with the percentage-of-completion method of accounting.

Sales which do not meet the criteria for revenue recognition described above are deferred using the deposit method. Under the deposit method, cash received from customers is classified as a refundable deposit in the liability section of the consolidated balance sheets and profit recognition is deferred until the requirements of SFAS No. 66 are met.

Contracts receivable is net of an allowance for cancellations of Bluegreen(R) Communities' sale contracts amounting to approximately $286,000 and $469,000 at December 31, 2002 and March 31, 2002, respectively.

Other resort and golf operations revenues consist primarily of sales and service fees from the activities listed below together with a brief description of the applicable revenue recognition policy:

Activity	Revenue is recognized as:
Mini-vacation package sales	Mini-vacation packages are fulfilled (i.e., guests use mini-vacation packages to stay at a hotel, take a cruise, etc.)
Timeshare tour sales	Timeshare tour sales commissions are earned per contract terms
Resort title fees	Escrow amounts are released and title documents are completed.
Club and other resort management fees	Management services are performed.
Rental commissions	Rental services are provided.
Rental of Company-owned Timeshare Interests	Guests complete stays at the resorts.
Golf course and ski hill daily fees	Services are provided.
Retail merchandise, food and beverage sales	Sales are consummated.

Notes Receivable

Notes receivable are carried at amortized cost. Interest income is suspended on all delinquent notes receivable when principal or interest payments are more than three months contractually past due and not resumed until such loans are less than three months past due. As of December 31, 2002 and March 31, 2002, $9.1 million and $4.5 million, respectively, of notes receivable were more than three months contractually past due and, hence, were not accruing interest income.

The Company typically defaults notes receivable for Club loans after such notes are delinquent for at least 120 days. Other notes receivable are typically defaulted after being delinquent for 60 or 90 days.

The Company considers many factors when establishing and evaluating the adequacy of its reserve for loan losses. These factors include recent and historical default rates, static pool analyses, current delinquency rates, contractual payment terms, loss severity rates along with present and expected economic conditions. The Company examines these factors and adjusts its reserve for loan losses on at least a quarterly basis.

Retained Interest in Notes Receivable Sold

When the Company sells notes receivables either pursuant to its timeshare receivables purchase facilities (more fully described in Note 5) or, in the case of land mortgages receivable, private−placement Real Estate Mortgage Investment Conduits ("REMICs"), it retains subordinated tranches, rights to excess interest spread, servicing rights and in some cases a cash reserve account, all of which are retained interests in the sold notes receivable. Gain or loss on sale of the receivables depends in part on the allocation of the previous carrying amount of the financial assets involved in the transfer between the assets sold and the retained interests based on their relative fair value at the date of transfer. The Company estimates fair value based on the present value of future expected cash flows using management's best estimates of the key assumptions − prepayment rates, loss severity rates, default rates and discount rates commensurate with the risks involved.

The Company's retained interests in notes receivable sold are considered available−for−sale securities and, accordingly, are carried at fair value in accordance with SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities". Accordingly, unrealized holding gains or losses on available−for−sale investments are included in shareholders' equity, net of income taxes. Declines in fair value that are determined to be other than temporary are charged to operations.

Fair value of these securities is initially and periodically measured based on the present value of future expected cash flows estimated using management's best estimates of the key assumptions − prepayment rates, loss severity rates, default rates and discount rates commensurate with the risks involved.

Interest on the Company's securities is accreted using the effective yield method.

Inventory

Inventory consists of completed Timeshare Interests, Timeshare Interests under construction, land held for future timeshare development and residential land acquired or developed for sale. Inventory is carried at the lower of cost, including costs of improvements and amenities incurred subsequent to acquisition, capitalized interest, real estate taxes and other costs incurred during construction, or estimated fair value, less costs to dispose. Home sites and Timeshare Interests reacquired through foreclosure or deedback in lieu of foreclosure are recorded at the lower of fair value, net of costs to dispose, or the original cost of the inventory. The Company periodically evaluates the recovery of the carrying amount of individual resort and residential land properties under the guidelines of SFAS No. 144, "Accounting for the Impairment or Disposal of Long−Lived Assets" (see Note 7).

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on the straight−line method based on the estimated useful lives of the related assets or, in the case of leasehold improvements, over the term of the related lease, if shorter. Depreciation expense includes the amortization of assets recorded under capital leases.

Goodwill and Intangible Assets

The Company adopted the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets" as of April 1, 2002. This statement requires that goodwill and other intangible assets with indefinite lives not be amortized, but rather be tested for impairment on an annual basis. Upon adoption of SFAS No. 142, the Company discontinued amortization of all goodwill. The adoption of SFAS No. 142 did not have a material impact on the Company's financial position or results of operations as of or for the nine months ended December 31, 2002. The Company's intangible assets relate to customer lists and were acquired in connection with the business combination discussed in Note 2. The customer lists are being amortized over approximately a one-year period as the Company directly markets to these customers. During the years ended March 31, 2002 and April 1, 2001, goodwill was amortized over periods ranging from 8 to 25 years using the straight-line method. See Note 9 for further discussion.

Treasury Stock

The Company accounts for repurchases of its common stock using the cost method with common stock in treasury classified in the consolidated balance sheets as a reduction of shareholders' equity.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising expense was $47.9 million and $39.3 million for the nine months ended December 31, 2002 and December 30, 2001, respectively, and was $50.6 million and $54.6 million for the years ended March 31, 2002 and April 1, 2001, respectively. Advertising expense is included in selling, general and administrative expenses in the consolidated statements of income.

Stock-Based Compensation

SFAS No. 123, "Accounting for Stock-Based Compensation", encourages, but does not require companies to record compensation cost for employee stock options at fair value. The Company has elected to continue to account for stock options using the intrinsic value method pursuant to Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related Interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the exercise price of the option.

Pro forma information regarding net income and earnings per share as if the Company had accounted for its employee stock options under the fair value method of SFAS No. 123 is presented below. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for the years ended March 31, 2002 and April 1, 2001, respectively: risk free investment rates of 2.0% and 5.5%; dividend yields of 0% and 0%; a volatility factor of the expected market price of the Company's common stock of .698 and .532; and a weighted average life of the options of 5.0 years and 5.0 years, respectively. There were no stock option grants during the nine months ended December 31, 2002.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The effects of applying SFAS No. 123 for the purpose of providing pro forma disclosures are not likely to be representative of the effects on reported pro forma net income for future years, due to the impact of the staggered vesting periods of the Company's stock option grants. The Company's pro forma information is as follows (in thousands, except per share data).

	Nine Months Ended	Years Ended	
	December 31, 2002	March 31, 2002	April 1, 2001
Net income, as reported in the Consolidated Statements of Income	$ 9,797	$ 11,732	$ 2,717
Pro forma stock-based employee compensation cost, net of tax	(189)	(26)	(844)
Pro forma net income	$ 9,608	$ 11,706	$ 1,873

	Nine Months Ended	Years Ended	
	December 31, 2002	March 31, 2002	December 31, 2002
Earnings per share, as reported in the Consolidated Statements of Income:			
Basic	$ .40	$ .48	$ .11
Diluted	$ .39	$ .46	$ .11
Pro forma earnings per share:			
Basic	$ .39	$ .48	$ .08
Diluted	$ .38	$ .46	$ .08

Cumulative Effect of Change in Accounting Principle

During the years ended March 31, 2002 and April 1, 2001, the Company deferred the costs of generating timeshare tours through telemarketing programs until the earlier of such time as the tours were conducted or the related mini-vacation packages expired, based on an accepted industry accounting principle. Effective April 1, 2002, the Company elected to change its accounting policy to expense such costs as incurred. The Company believes that the new method of accounting for these costs is preferable over the Company's previous method and has been applied prospectively. The Company believes accounting for these costs as period expenses results in improved financial reporting and consistency with the proposed timeshare Statement of Position ("SOP"), "Accounting for Real Estate Time-Sharing Transactions", that was exposed for public comment by the Financial Accounting Standards Board (the "FASB") in February 2003.

The cumulative effect of this change in accounting principle was an additional expense of $9.2 million, net of taxes of $3.3 million and minority interest's share of the loss of $350,000. The cumulative effect of this change in accounting principle reduced diluted earnings per share by $0.19. The effect of adopting this new accounting principle on income before cumulative effect of change in accounting principle and net income for the nine months ended December 31, 2002 was additional expense of approximately $1.2 million or $0.04 per diluted share.

Earnings Per Common Share

Basic earnings per common share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per common share is computed in the same manner as basic earnings per share, but also gives effect to all dilutive stock options using the treasury stock method and includes an adjustment, if dilutive, to both net income and weighted-average common shares outstanding as if the Company's 8.00% convertible subordinated notes payable (after-tax impact of $295,000 on net income and 1.5 million shares) and 8.25% convertible subordinated debentures (after-tax impact of $1.7 million on net income and 4.2 million shares) were converted into common stock at the beginning of the earliest period presented below, for periods during which these convertible debt issues were outstanding. The Company excluded approximately 1.6 million, 2.8 million, 2.5 million and 3.1 million anti-dilutive stock options from its computations of earnings per common share for the nine months ended December 31, 2002, the nine months ended December 30, 2001, the year ended March 31, 2002 and the year ended April 1, 2001, respectively.

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
	(Unaudited)			
Basic earnings per share − numerators:				
Income before cumulative effect of change in accounting principle	$ 15,376	$ 10,683	$ 11,732	$ 2,717
Cumulative effect of change in accounting principle, net of income taxes and minority interest	(5,579)	−−	−−	−−
Net income	$ 9,797	$ 10,683	$ 11,732	$ 2,717
Diluted earnings per share − numerators:				
Income before cumulative effect of change in accounting principle − basic	$ 15,376	$ 10,683	$ 11,732	$ 2,717
Effect of dilutive securities (net of income tax effects)	1,379	1,529	2,039	−−
Income before cumulative effect of change in accounting principle − diluted	16,755	12,212	13,771	2,717
Cumulative effect of change in accounting principle, net of income taxes and minority interest	(5,579)	−−	−−	−−
Net income − diluted	$ 11,176	$ 12,212	$ 13,771	$ 2,717
Denominator:				
Denominator for basic earnings per share−weighted−average shares	24,472	24,240	24,256	24,242
Effect of dilutive securities:				
Stock options	140	26	35	74
Convertible securities	4,171	5,702	5,702	−−
Dilutive potential common shares	4,311	5,728	5,737	74
Denominator for diluted earnings per share−adjusted weighted−average shares and assumed conversions	28,783	29,968	29,993	24,316
Basic earnings per common share:				
Income before cumulative effect of change in accounting principle	$ .63	$ .44	$ .48	$ .11
Cumulative effect of change in accounting principle, net of income taxes and minority interest	(.23)	−−	−−	−−
Net income	$ .40	$ .44	$ .48	$ .11
Diluted earnings per common share:				
Income before cumulative effect of change in accounting principle	$ .58	$ .41	$ .46	$ .11
Cumulative effect of change in accounting principle, net of income taxes and minority interest	(.19)	−−	−−	−−
Net income	$ .39	$ .41	$ .46	$ .11

Comprehensive Income

SFAS No. 130, "Reporting Comprehensive Income", requires unrealized gains or losses on the Company's available−for−sale securities to be included in other comprehensive income. Comprehensive income is shown as a subtotal within the consolidated statements of shareholders' equity in each year presented.

Recent Accounting Pronouncements

The Company adopted SFAS No. 141, "Business Combinations," and SFAS No. 142, "Accounting for Goodwill and Other Intangible Assets," during the nine months ended December 31, 2002. Under the new rules, goodwill and intangible assets deemed to have indefinite lives are no longer to be amortized but are instead subject to annual impairment tests in accordance with SFAS No. 142. Other intangible assets will continue to be amortized over their useful lives. The Company applied the new rules on accounting for goodwill and other intangible assets effective April 1, 2002. Application of the nonamortization provisions of SFAS No. 142 resulted in an increase to net income of approximately $114,000 (less than $0.01 per share) during the nine months ended December 31, 2002. The Company did not incur any impairment charges as a result of adopting SFAS No. 142 during the nine months ended December 31, 2002.

The Company adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," during the nine months ended December 31, 2002. The FASB's new rules on asset impairment supersede SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and provide a single accounting model for long-lived assets to be disposed of. The adoption of the new statement did not have an impact on the Company's financial position or results of operations as of and for the nine months ended December 31, 2002.

The Company adopted SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 62, Amendment of FASB Statement No. 13, and Technical Corrections" during the nine months ended December 31, 2002. SFAS No. 145 requires gains and losses on extinguishments of debt to be classified as income or loss from continuing operations rather than as extraordinary items as previously required under SFAS No. 4. Extraordinary treatment will be required for certain extinguishments as provided in APB Opinion No. 30. SFAS No. 145 also amends SFAS No. 13 to require certain modifications to capital leases be treated as a sale-leaseback and modifies the accounting for sub-leases when the original lessee remains a secondary obligor (or guarantor). SFAS No. 145 was effective for transactions occurring after May 15, 2002, and did not have a material impact on the Company's financial position or results of operations as of and for the nine months ended December 31, 2002.

The Company adopted SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure" during the nine months ended December 31, 2002. SFAS No. 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition to SFAS No. 123's fair value method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123 and APB Opinion No. 28, "Interim Financial Reporting," to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. SFAS No. 148 does not require companies to account for employee stock options using the fair value method proscribed by SFAS No. 123. The adoption of the new statement did not have an impact on the Company's financial position or results of operations as of and for the nine months ended December 31, 2002.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. This statement is effective for the Company's fiscal year ending December 31, 2003. The statement is not expected to have a material impact on the results of operations or financial position of the Company.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 nullifies Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. SFAS No. 146 is effective for exit or disposal activities that are initiated after December 31, 2002, and is not expected to have a material impact on the results of operations or financial position of the Company.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 requires that certain guarantees be initially recorded at fair value, which is different from the general current practice of recording a liability only when a loss is probable and reasonably estimable. FIN 45 also requires a guarantor to make significant new disclosures for virtually all guarantees. The Company adopted the disclosure requirements

under FIN 45 for the year ended December 31, 2002 and will adopt the initial recognition and initial measurement provisions for any guarantees issued or modified after December 31, 2002. The adoption of FIN 45 is not expected to have a material impact on the results of operations or financial position of the Company.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities − an interpretation of ARB No. 51" ("FIN 46"), which addresses consolidation of variable interest entities. FIN 46 expands the criteria for consideration in determining whether a variable interest entity should be consolidated by a business entity, and requires existing unconsolidated variable interest entities (which include, but are not limited to, Special Purpose Entities, or SPEs) to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. This interpretation applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. It applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The adoption of FIN 46 is not expected to have a material impact on the results of operations or financial position of the Company.

In February 2003, the FASB released for public comment an exposure draft of an American Institute of Certified Public Accountants ("AICPA") SOP, "Accounting for Real Estate Time−Sharing Transactions." The proposed SOP, if adopted by the FASB, would primarily impact the Company's recognition of certain sales of Timeshare Interests and the manner in which the Company accounts for the cost of sales of Timeshare Interests. Currently, it appears that a final pronouncement on timeshare transactions would not be effective for the Company until the year ending December 31, 2005. The Company has not as yet evaluated the impact of the proposed SOP on its results of operations or financial position.

Reclassifications

Certain reclassifications of prior period amounts have been made to conform to the current year presentation.

2. Acquisition

On October 2, 2002, Leisure Plan(TM), Inc., a wholly−owned subsidiary (the "Subsidiary") of the Company, acquired substantially all of the assets and assumed certain liabilities (the "Acquisition") of TakeMeOnVacation(TM), LLC; RVM Promotions, LLC; and RVM Vacations, LLC (collectively, "TMOV"). The Subsidiary was a newly−formed entity with no prior operations. As part of the Acquisition, the Subsidiary agreed to pay to TMOV:

- $2.3 million, which was paid in cash at the closing of the Acquisition on October 2, 2002 (including a $292,000 payment for certain refundable deposits);
- $500,000 payable in cash on March 31, 2003; and
- Additional contingent consideration up to a maximum amount of $12.5 million through December 31, 2007, based on the Subsidiary's Net Operating Profit (as that term is defined in Section 1.49 of the Asset Purchase Agreement), as follows:

  (i) 75% of the Subsidiary's Net Operating Profit, until the cumulative amount paid under this clause is $2.5 million;

  (ii)with respect to additional Net Operating Profit not included in the calculation under clause (i), 50% of the Subsidiary's Net Operating Profit, until the cumulative amount paid under this clause (ii) is $5.0 million; and

  (iii) with respect to additional Net Operating Profit not included in the calculation under clauses (i) and (ii), 25% of the Subsidiary's Net Operating Profit, until the cumulative amount paid under this clause (iii) is $5.0 million.

Applicable payments will be made after the end of each calendar year, commencing with the year ending December 31, 2003. Should any additional contingent consideration be paid (over the $500,000 payable on March 31, 2003), the Company will recognize that amount as goodwill. In addition to the purchase price, the Subsidiary assumed certain liabilities of TMOV.

The $2.3 million paid at the closing was funded from the Company's operations. The Company anticipates that the Subsidiary will pay the contingent

consideration, if earned pursuant to the Asset Purchase Agreement, from operations. The Company has guaranteed the payment by the Subsidiary if earned by TMOV

pursuant to the Asset Purchase Agreement. The Company, if made to pay the contingent consideration, expects that it would fund the additional consideration from operations or from borrowings under one or more of the Company's existing or future credit facilities or timeshare receivable purchase facilities or from a combination thereof.

TMOV generates sales leads for Timeshare Interest sales utilizing various marketing strategies. Through the application of a proprietary computer software system, these leads are then contacted and given the opportunity to purchase mini−vacation packages. These packages sometimes combine hotel stays, cruises and gift premiums. Buyers of these mini−vacation packages are then usually required to participate in a timeshare sales presentation. The Subsidiary intends to use the assets acquired to generate sales prospects for the Company's timeshare sales business and for sales prospects that will be sold to other timeshare developers.

The assets acquired include prospects that purchased mini−vacation packages from TMOV. These prospects will become sales leads for timeshare interest sales for pre−determined, third−party developers when these vacations are taken. Additional assets acquired include customer lists for future mini−vacation package sales, property and equipment (including the aforementioned computer software system), trademarks and servicemarks and accounts receivable. The liabilities assumed include trade accounts payable and commissions payable related to the assets acquired. As a result of the acquisition, the Company recognized a nominal amount of negative goodwill, which has been accrued as contingent consideration.

The effective date of the Acquisition is deemed to be September 30, 2002, in accordance with the Asset Purchase Agreement. The Acquisition was accounted for using the purchase method; therefore the results of operations of the Subsidiary have been included in the Company's consolidated results for the three months ended December 31, 2002.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed in the Acquisition as of September 30, 2002:

As of September 30, 2002

(in thousands)

Prepaid expenses		$ 318
Property and equipment		2,388
Intangible assets:		
Customer list − vacation packages sold (a)	13,654	
Customer list − telemarketing leads (b)	316	
		13,970
Other assets		802
Total assets acquired		17,478
Accounts payable and accrued liabilities		1,829
Deferred income (c)		12,290
Deferred income taxes		506
Total liabilities assumed		14,625
Net assets acquired		$ 2,853

(a) − To be amortized as the vacation packages are fulfilled or expire. This amortization period is estimated to be approximately one year.

(b) − To be amortized as the telemarketing leads are used. This amortization period is estimated to be approximately four months.

(c) − To be recognized as other resort operations revenues as the vacation packages are fulfilled or expire. The recognition period is estimated to be approximately one year.

Supplemental pro forma information presenting the results of operations for the nine months ended December 31, 2002 and the year ended March 31, 2002 as though the Acquisition had occurred at the beginning of each respective period is as follows (in thousands, except per share data):

(Unaudited)	Nine Months Ended December 31, 2002	Year Ended March 31, 2002
Total revenues	$ 294,134	$ 312,552
Income before cumulative effect of change in accounting principle	15,719	8,621
Net income	10,140	8,621
Basic earnings per common share:		
Income before cumulative effect of change in accounting principle	$ .64	$ .36
Cumulative effect of change in accounting principle, net of income taxes	(.23)	--
Net income	$ .41	$ .36
Diluted earnings per common share:		
Income before cumulative effect of change in accounting principle	$ .59	$ .35
Cumulative effect of change in accounting principle, net of income taxes	(.19)	--
Net income	$ .40	$ .35

3. Joint Ventures

On June 16, 2000, a wholly-owned subsidiary of the Company entered into an agreement with Big Cedar(R) L.L.C. ("Big Cedar"), an affiliate of Bass Pro(R), Inc. ("Bass Pro"), to form the Joint Venture, a timeshare development, marketing and sales company. The Joint Venture is developing, marketing and selling Timeshare Interests in a 300-unit, wilderness-themed resort adjacent to the Big Cedar Lodge, a luxury hotel resort owned by Big Cedar, on the shores of Table Rock Lake in Ridgedale, Missouri. During the year ended April 1, 2001, the Company made an initial cash capital contribution to the Joint Venture of approximately $3.2 million, in exchange for a 51% ownership interest in the Joint Venture. In exchange for a 49% interest in the Joint Venture, Big Cedar has contributed approximately 46 acres of land with a fair market value of $3.2 million to the Joint Venture. See Note 4 regarding payment of profit distributions to Big Cedar.

In addition to its 51% ownership interest, the Company also receives a quarterly management fee from the Joint Venture equal to 3% of the Joint Venture's net sales in exchange for the Company's involvement in the day-to-day operations of the Joint Venture. The Company also services the Joint Venture's note receivable in exchange for a servicing fee.

Based on the Company's role as the day-to-day manager of the Joint Venture, its majority control of the Joint Venture's Management Committee and its controlling financial interest in the Joint Venture, the accounts of the Joint Venture are included in the Company's consolidated financial statements.

During the nine months ended December 31, 2002 and the years ended March 31, 2002 and April 1, 2001, the Joint Venture paid approximately $577,000, $785,000 and $354,000, respectively, to Bass Pro and affiliates for construction management services and furniture and fixtures in connection with the development of the Joint Venture's timeshare resort and sales office. In addition, the Joint Venture paid Big Cedar and affiliates approximately $993,000, $925,000 and $51,000 for gift certificates and hotel lodging during the nine months ended December 31, 2002, and the years ended March 31, 2002 and April 1, 2001, respectively, in connection with the Joint Venture's timeshare marketing activities.

On December 15, 1997, the Company invested $250,000 of capital in Bluegreen(R) Properties N.V. ("BPNV"), an entity organized in Aruba that previously had no operations, in exchange for a 50% ownership interest. Concurrently, the Company and an affiliate of the other 50% owner of BPNV (who is not an affiliate of the Company), each loaned BPNV $3 million pursuant to promissory notes due on December 15, 2000 and bearing

interest at the prime rate plus 1%. BPNV then acquired from a third party approximately 8,000 unsold timeshare intervals at the La Cabana Beach & Racquet Club(TM), a fully developed timeshare resort in Oranjestad, Aruba, in exchange for $6 million cash and the assumption of approximately $16.6 million of interest-free debt from a bank in Aruba. The debt was recorded by BPNV at approximately $12.5 million, which reflects a discount based on an imputed interest rate of 12%. The debt was repaid by December 31, 2002, through release-prices as intervals were sold, subject to minimum monthly principal payments of approximately $278,000.

On August 25, 2000, the Company acquired the 50% minority ownership interest in BPNV. The minority interest was acquired for $250,000 in cash, which approximated the book value of the minority interest on the acquisition date. Subsequent to the acquisition, the Company also repaid the $3.0 million loan to an affiliate of the former joint venture partner in BPNV and wrote off approximately $368,000 of forgiven accrued interest. The Company now owns 100% of BPNV.

4. Marketing Agreement

On June 16, 2000, the Company entered into an exclusive, 10-year marketing agreement with Bass Pro(R), a privately-held retailer of fishing, marine, hunting, camping and sports gear. Bass Pro is an affiliate of Big Cedar(R) (see Note 3). Pursuant to the agreement, the Company has the right to market its Timeshare Interests at each of Bass Pro's national retail locations (currently consisting of 15 stores), in Bass Pro's catalogs and on its web site. The Company also has access to Bass Pro's customer lists. In exchange for these services, the Company agreed to pay Bass Pro a commission ranging from 3.5% to 7.0% on each sale of a Timeshare Interest, net of cancellations and defaults, that is made to a customer as a result of one of the Bass Pro marketing channels described above (the "Commission"). The amount of the Commission is dependent on the level of additional marketing efforts required by the Company to convert the prospect into a sale and a defined time frame for such marketing efforts. There is no Commission paid to Bass Pro on sales made by the Joint Venture.

On June 16, 2000, the Company prepaid $9.0 million to Bass Pro (the "Prepayment"). The Prepayment is amortized from future Commissions earned by Bass Pro and future member distributions otherwise payable to Big Cedar from the earnings of the Joint Venture as a member thereof. No additional Commissions or member distributions will be paid in cash to Bass Pro or Big Cedar, respectively, until the Prepayment has been fully utilized. The Company periodically evaluates the Prepayment for any indications of impairment. The Prepayment is included in prepaid expenses on the Consolidated Balance Sheets. As of December 31, 2002 and March 31, 2002, the unamortized balance of the Prepayment was approximately $8.5 million and $8.9 million, respectively.

During the nine months ended December 31, 2002 and the years ended March 31, 2002 and April 1, 2001, the Company paid Bass Pro Trademarks L.L.C., an affiliate of Bass Pro, approximately $19,000, $333,000 and $35,000, respectively, for advertising services.

5. Notes Receivable and Note Receivable Sale Facilities

The table below sets forth additional information relating to the Company's notes receivable (in thousands).

	December 31, 2002	March 31, 2002
Notes receivable secured by Timeshare Interests ..	$ 53,029	$ 50,892
Notes receivable secured by land	11,559	7,079
Other notes receivable	1,896	1,884
Notes receivable, gross	66,484	59,855
Reserve for loan losses	(4,689)	(4,207)
Notes receivable, net	$ 61,795	$ 55,648

The weighted-average interest rate on notes receivable from customers was 14.4% and 14.7% at December 31, 2002 and March 31, 2002, respectively. All of the Company's timeshare loans bear interest at fixed rates. The average interest rate charged on loans secured by Timeshare Interests was 15.3% and 15.4% at December 31, 2002 and March 31, 2002, respectively. Approximately 53.0% of the Company's notes receivable secured by land bear interest at variable rates, while approximately 47.0% bear interest at fixed rates. The average interest rate charged on loans secured by land was 10.2% and 11.1% at December 31, 2002 and March 31, 2002, respectively.

The Company's timeshare receivables are generally secured by property located in Tennessee, Missouri, Wisconsin, Florida, Virginia and South Carolina. The majority of Bluegreen(R) Communities' notes receivable are secured by home sites in Texas.

The table below sets forth activity in the reserve for loan losses (in thousands).

Reserve for loan losses, April 2, 2001	$ 3,586
Provision for loan losses	4,851
Charge-offs	(4,230)
Reserve for loan losses, March 31, 2002	4,207
Provision for loan losses	2,832
Charge-offs	(2,350)
Reserve for loan losses, December 31, 2002	$ 4,689

Installments due on notes receivable held by the Company during each of the five fiscal years subsequent to December 31, 2002, and thereafter, are set forth below (in thousands).

2003	$ 6,994
2004	5,890
2005	7,077
2006	5,868
2007	8,616
Thereafter	32,039
Total	$66,484

The GE/Barclays Purchase Facility

In October 2000, the Company executed agreements for a timeshare receivables purchase facility (the "GE/Barclays Purchase Facility") with two financial institutions, including Barclays Bank, PLC (the "Senior Purchaser") and GE (the "Subordinated Purchaser") (collectively, the "Purchasers"). The GE/Barclays Purchase Facility utilized an owner's trust structure, pursuant to which the Company sold $95.4 million aggregate principal amount of timeshare receivables to a special purpose finance subsidiary of the Company (the "Subsidiary") and the Subsidiary sold the receivables to an owner's trust, which fully utilized the GE/Barclays Purchase Facility. Receivables were sold without recourse except for breaches of customary representations and warranties at the time of sale. Under the GE/Barclays Purchase Facility, a purchase price equal to 95.00% (subject to adjustment in 0.50% increments down to 87.50% depending on the difference between the weighted-average interest rate on the notes receivable sold and the sum of the returns to the Purchasers plus the servicing fee, as more fully defined below) of the principal balance of the receivables sold was paid at closing in cash. For eligible notes generated by BPNV, the Company's subsidiary in Aruba, the purchase price paid in cash at closing was equal to 85.00% (subject to adjustment in 0.50% increments down to 77.00% depending on the difference between the weighted-average interest rate on the notes receivable sold and the sum of the returns to the Purchasers plus the servicing fee) of the principal balance of the receivables sold. The balance of the purchase price was to be deferred until such time as the Purchasers had received a specified return, all servicing, custodial and similar fees and expenses had been paid and a cash reserve account had been funded. The 95.00% purchase price was funded 71.58% by the Senior Purchaser and 28.42% by the Subordinated Purchaser. For the Aruba receivables, the 85.00% purchase price was funded 70.00% by the Senior Purchaser and 30.00% by the Subordinated Purchaser. The Senior Purchaser earned a return equal to the rate equivalent to its borrowing cost (based on then applicable commercial paper rates) plus 0.60%, subject to use of alternate return rates in certain circumstances. The Subordinated Purchaser earned a return equal to one-month LIBOR plus 4.00%, subject to use of alternate return rates in certain circumstances. The Company acted as servicer under the GE/Barclays Purchase Facility for a fee equal to 1.5% of the principal amount of the receivables serviced, and was required to make advances to the Purchasers to the extent it believed such advances were recoverable. The GE/Barclays Purchase Facility Agreement included various conditions to purchase, covenants, trigger events and other provisions customary for a transaction of this type.

During the years ended March 31, 2002 and April 1, 2001, the Company sold approximately $17.6 million and $77.7 million, respectively, in aggregate principal amount of timeshare receivables under the GE/Barclays Purchase Facility for aggregate purchase prices of $16.8 million and $73.2 million, respectively, and recognized aggregate gains of $978,000 and $3.3 million, respectively. As a result of all receivables sold under the GE/Barclays

Purchase Facility, the Company recorded aggregate retained interests in notes receivable sold of $10.3 million and servicing assets totaling $726,000.

See the discussion regarding the 2002 Term Securitization (as defined below), for further discussion of the GE/Barclays Purchase Facility.

The ING Purchase Facility

In June 2001, the Company executed agreements for a new timeshare receivables purchase facility (the "ING Purchase Facility") with Credit Suisse First Boston ("CSFB") acting as the initial purchaser. In April 2002, ING Capital, LLC ("ING"), an affiliate of ING Bank N.V., acquired and assumed CSFB's rights, obligations and commitments as initial purchaser in the ING Purchase Facility by purchasing the outstanding principal balance under the facility of $64.9 million from CSFB. In connection with its assumption of the ING Purchase Facility, ING expanded and extended the ING Purchase Facility's size and term. The ING Purchase Facility utilizes an owner's trust structure, pursuant to which the Company sells receivables to a special purpose finance subsidiary of the Company (the "Finance Subsidiary") and the Finance Subsidiary sells the receivables to an owners' trust without recourse to the Company or the Finance Subsidiary except for breaches of customary representations and warranties at the time of sale. The Company did not enter into any guarantees in connection with the ING Purchase Facility. Pursuant to the agreements that constitute the ING Purchase Facility (collectively, the "Purchase Facility Agreements"), the Finance Subsidiary could receive $125.0 million of cumulative purchase price (as more fully described below) on sales of timeshare receivables to the owner's trust on a revolving basis, as the principal balance of receivables sold amortizes, in transactions through April 16, 2003 (subject to certain conditions as more fully described in the Purchase Facility Agreements). The ING Purchase Facility has detailed requirements with respect to the eligibility of receivables for purchase and fundings under the ING Purchase Facility are subject to certain conditions precedent. Under the ING Purchase Facility, a variable purchase price expected to approximate 85.00% of the principal balance of the receivables sold, subject to certain terms and conditions, is paid at closing in cash. The balance of the purchase price will be deferred until such time as ING has received a specified return and all servicing, custodial, agent and similar fees and expenses have been paid. ING shall earn a return equal to the London Interbank Offered Rate ("LIBOR") plus 1.00%, subject to use of alternate return rates in certain circumstances. In addition, ING will receive a 0.25% facility fee during the term of the facility. The ING Purchase Facility also provides for the sale of land notes receivable, under modified terms.

ING's obligation to purchase under the ING Purchase Facility may terminate upon the occurrence of specified events. These specified events, some of which are subject to materiality qualifiers and cure periods, include, without limitation, (1) a breach by the Company of the representations or warranties in the Purchase Facility Agreements, (2) a failure by the Company to perform its covenants in the Purchase Facility Agreements, including, without limitation, a failure to pay principal or interest due to ING, (3) the commencement of a bankruptcy proceeding or the like with respect to the Company, (4) a material adverse change to the Company since December 31, 2001, (5) the amount borrowed under the ING Purchase Facility exceeding the borrowing base, (6) significant delinquencies or defaults on the receivables sold, (7) a payment default by the Company under any other borrowing arrangement of $5 million or more (a "Significant Arrangement"), or an event of default under any indenture, facility or agreement that results in a default under any Significant Arrangement, (8) a default or breach under any other agreement beyond the applicable grace period if such default or breach (a) involves the failure to make a payment in excess of 5% of the Company's tangible net worth or (b) causes, or permits the holder of indebtedness to cause, an amount in excess of 5% of the Company's tangible net worth to become due, (9) the Company's tangible net worth not equaling at least $110 million plus 50% of net income and 100% of the proceeds from new equity financing following the first closing under the ING Purchase Facility, or (10) the ratio of the Company's debt to tangible net worth exceeding 6 to 1, or (11) the failure of the Company to perform its servicing obligations.

The Company acts as servicer under the ING Purchase Facility for a fee. The Purchase Facility Agreement includes various conditions to purchase, covenants, trigger events and other provisions customary for a transaction of this type.

During the year ended March 31, 2002, the Company sold $83.2 million of aggregate principal balance of notes receivable under the ING Purchase Facility for a cumulative purchase price of $70.7 million. In connection with these sales, the Company recognized an aggregate $5.2 million gain and recorded retained interests in notes receivable sold of $18.8 million and servicing assets totaling $800,000.

From April 1, 2002 through November 25, 2002, the Company sold $62.5 million of aggregate principal balance of notes receivable under the ING Purchase Facility for a cumulative purchase price of $51.6 million.

On December 13, 2002, ING Financial Markets, LLC ("IFM"), an affiliate of ING, consummated a $170.2 million private offering and sale of timeshare loan-backed securities on behalf of the Company (the "2002 Term Securitization"). The $181.0 million in aggregate principal of timeshare receivables included in the 2002 Term Securitization included qualified receivables from three sources: 1) $119.2 million in aggregate principal of receivables that were previously sold to ING under the ING Purchase Facility; 2) $54.2 million in aggregate principal of receivables that were previously sold under the GE/Barclays Purchase Facility; and 3) $7.6 million in aggregate principal of receivables that were previously hypothecated with GE under a timeshare receivables warehouse facility (the "GE Warehouse Facility"). The proceeds from the 2002 Term Securitization were used to pay ING, GE and Barclays all amounts then outstanding under the ING Purchase Facility, the GE/Barclays Purchase Facility and the GE Warehouse Facility. The Company received net cash proceeds of $2.1 million, Timeshare Interests with a carrying value of $1.4 million, timeshare notes receivable with an estimated net realizable value of $3.1 million and recorded a retained interest in the future cash flows from the 2002 Term Securitization of $36.1 million. The Company also recognized a gain of $4.7 million in connection with the 2002 Term Securitization, which has been included in gain on sales of notes receivable on the consolidated income statement, and recorded a servicing asset of $2.1 million, which has been included in other assets on the consolidated balance sheet.

As a result of the 2002 Term Securitization, the Finance Subsidiary may sell additional notes receivable for a cumulative purchase price of up to $75.0 million under the ING Purchase Facility, on a revolving basis, prior to April 16, 2003, at 85% of the principal balance, subject to the eligibility requirements and certain conditions precedent. On December 23, 2002, the Company sold $22.1 million of aggregate principal balance of notes receivable under the ING Purchase Facility for a purchase price of $18.7 million. As a result of sales of notes receivable under the ING Purchase Facility during the nine months ended December 31, 2002, the Company recognized gains of $5.3 million and recorded retained interests in notes receivable sold and servicing assets of $18.1 million and $864,000, respectively. As of December 31, 2002, the Finance Subsidiary could sell an additional $56.3 million under the ING Purchase Facility.

The following assumptions were used to measure the initial fair value of the retained interests for the above sales under the ING Purchase Facility and the 2002 Term Securitization: Prepayment rates ranging from 17% to 11% per annum as the portfolios mature; loss severity rate of 45%; default rates ranging from 7% to 1% per annum as the portfolios mature; and discount rates ranging from 14% to 11%.

Other Notes Receivable

On June 26, 2001, the Company loaned $1.7 million to the Casa Grande Resort Cooperative Association I (the "Association"), the property owners' association controlled by the timeshare owners at the La Cabana Beach and Racquet Club(TM) resort in Aruba. This unsecured loan bears interest at Prime plus 1%, payable in semi-annual installments and matures on June 26, 2003.

On December 15, 2000, the Company loaned $4.7 million to Napa Partners, LLC ("Napa"), a real estate company in Napa, California (the "Napa Loan"). Napa used the proceeds to acquire approximately 32 acres of undeveloped land in Napa, California. On January 4, 2001, Napa repaid approximately $68,000 in principal of the Napa Loan. In May 2001, Napa repaid the remaining outstanding principal balance on the Napa Loan and all accrued interest.

6. Retained Interests in Notes Receivable Sold and Servicing Assets

Retained Interests in Notes Receivable Sold

The Company's retained interests in notes receivable sold, which are classified as available-for-sale investments, and associated unrealized gains and losses are set forth below (in thousands).

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
December 31, 2002				
1996 REMIC retained interests	$ 1,028	$ 43	$ --	$ 1,071
GE/Wachovia Purchase Facility retained interest	1,231	705	--	1,936
ING Purchase Facility retained interest (see Note 5)	4,662	--	--	4,662
2002 Term Securitization retained interest (see Note 5)	36,559	--	--	36,559
Total	$43,480	$ 748	$ --	$44,228

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
March 31, 2002				
1995 REMIC retained interest	$ 2,066	$ 442	$ --	$ 2,508
1996 REMIC retained interests	1,248	65	--	1,313
GE/Wachovia Purchase Facility retained interest	4,462	--	96	4,366
GE/Barclays Purchase Facility retained interest (see Note 5)	9,201	2,198	--	11,399
ING Purchase Facility retained interest (see Note 5)	17,602	1,372	--	18,974
Total	$34,579	$ 4,077	$ 96	$38,560

Contractual maturities as of December 31, 2002, are set forth below (in thousands), based on the final maturity dates of the underlying notes receivable sold:

	Amortized Cost	Fair Value
After one year but within five	$ 2,259	$ 3,007
After five years but within ten	41,221	41,221
Total	$43,480	$44,228

The following assumptions were used to measure the fair value of the above retained interests: prepayment rates ranging from 23% to 11% per annum as the portfolios mature; loss severity rates of 25% to 45%; default rates ranging from 9% to 0.75% per annum as the portfolios mature; and discount rates ranging from 11% to 15%.

The following table shows the hypothetical fair value of the Company's retained interests in notes receivable sold based on a 10% and a 20% adverse change in each of the assumptions used to measure the fair value of those retained interests (the impacts on the fair value of the 1996 REMIC retained interest were not material) (in thousands):

Assumption		Hypothetical Fair Value at December 31, 2002 of: GE/Wachovia Purchase Facility Retained Interest	ING Purchase Facility Retained Interest	2002 Term Securitization Retained Interest
Prepayment rate:	10% adverse change	$1,913	$4,581	$35,832
	20% adverse change	1,896	4,502	35,153
Loss severity rate:	10% adverse change	1,744	4,555	35,588
	20% adverse change	1,552	4,448	34,616
Default rate:	10% adverse change	1,727	4,486	35,130
	20% adverse change	1,520	4,310	33,661
Discount rate:	10% adverse change	1,924	4,487	35,390
	20% adverse change	1,910	4,321	34,275

The table below summarizes certain cash flows received from and (paid to) special purpose finance subsidiaries of the Company (in thousands):

	Nine Months Ended December 31, 2002	Year Ended March 31, 2002
Proceeds from new sales of receivables	$ 72,418	$ 85,975
Collections on previously sold receivables	(55,253)	(61,862)
Servicing fees received	2,498	2,693
Purchases of foreclosed assets	(614)	(632)
Resales of foreclosed assets	(13,298)	(4,403)
Remarketing fees received	5,723	1,812
Cash received on investment in securities	14,555	7,856
Cash paid to fund required reserve accounts	(1,865)	--

Quantitative information about the portfolios of notes receivable previously sold without recourse in which the Company holds the above retained interests as investments in securities is as follows (in thousands):

	As of December 31, 2002		For the nine months ended December 31, 2002
	Total Principal Amount of Loans	Principal Amount of Loans More Than 60 Days Past Due	Credit Losses, Net of Recoveries
1996 REMIC - land mortgages	2,043	112	1
GE/Wachovia Purchase Facility - timeshare receivables	29,002	1,912	--
ING Purchase Facility - timeshare receivables	21,797	--	589
2002 Term Securitization - timeshare receivables	176,094	4,413	--

The net unrealized gain on available-for-sale securities, presented as a separate component of shareholders' equity, is net of income taxes of approximately $288,000, $1.6 million and $953,000 as of December 31, 2002, March 31, 2002 and April 1, 2001, respectively.

In connection with the 2002 Term Securitization (see Note 5), the Company recognized a $4.7 million gain and reversed previously recorded unrealized gains related to the GE/Barclays Purchase Facility and the ING Purchase Facility totaling $3.6 million.

During the nine months ended December 31, 2002, the Company exchanged its retained interest in a 1995 REMIC transaction for the underlying mortgages. The 1995 REMIC retained interest was exchanged in connection with the termination of the REMIC, as all of the senior 1995 REMIC security holders had received all of the required cash flows pursuant to the terms of their REMIC certificates. The Company realized a $409,000 gain on the exchange, based on the net realizable value of the mortgages received and the amortized cost of the retained interest. The Company had previously recorded an unrealized gain of $244,000 on this available-for-sale security.

Servicing Assets

The changes in the Company's servicing assets, included in other assets in the Consolidated Balance Sheets, for the nine months ended December 31, 2002, and the year ended March 31, 2002, were as follows (in thousands):

Balance at April 2, 2001	$ 562
Additions	932
Less: amortization	(305)
Balance at March 31, 2002	1,189
Additions	2,981
Less: Disposal in 2002 Term Securitization (see Note 5)	(1,504)
Less: amortization	(372)
Balance at December 31, 2002	$ 2,294

The estimated fair value of the servicing assets approximated their carrying amounts as of December 31, 2002 and March 31, 2002. Fair value is estimated by discounting estimated future cash flows from the servicing assets using discount rates and the other assumptions used to measure the fair value of the Company's retained interests for portfolios of notes receivable sold. A valuation allowance is recorded where the fair value of the servicing assets is below the related carrying amount. As of December 31, 2002 and March 31, 2002, no such valuation allowance was necessary.

7. Inventory

The Company's net inventory holdings, summarized by division, are set forth below (in thousands).

	December 31, 2002	March 31, 2002
Bluegreen(R)Resorts	$ 71,097	$ 86,288
Bluegreen Communities	102,034	101,400
	$173,131	$187,688

Bluegreen Resorts inventory as of December 31, 2002, consisted of land inventory of $9.4 million, $27.0 million of construction-in-progress and $34.7 million of completed units. Bluegreen Resorts inventory as of March 31, 2002, consisted of land inventory of $10.0 million, $31.0 million of construction-in-progress and $45.3 million of completed units.

Interest capitalized during the nine months ended December 31, 2002, the nine months ended December 30, 2001, the year ended March 31, 2002 and year ended April 1, 2001, totaled approximately $4.7 million, $6.1 million, $8.0 million and $7.5 million, respectively. Interest expense in the consolidated statements of income is net of capitalized interest.

During the nine months ended December 31, 2002, the year ended March 31, 2002 and year ended April 1, 2001, the Company recognized impairment charges of $750,000, $4.1 million and $2.0 million, respectively, on the Company's Crystal Cove(TM) residential land project in Rockwood, Tennessee. These impairment charges are included in cost of sales in the consolidated statements of income. Certain aspects of the Crystal Cove project have required

changes in planned development methods, which are expected to be more costly than the Company's original estimates. The fair value of the Crystal Cove project was determined based on the estimated aggregate retail sales prices of the home sites in the project.

8. Property and Equipment

The table below sets forth the property and equipment held by the Company (in thousands).

	Useful Life	December 31, 2002	March 31, 2002
Office equipment, furniture and fixtures	3–14 years	$ 27,348	$ 23,225
Golf course land, land improvements, buildings and equipment	10–30 years	25,958	24,958
Land, buildings and building improvements	10–30 years	12,119	11,171
Leasehold improvements	3–14 years	5,152	5,245
Aircraft	3–5 years	1,285	1,070
Vehicles and equipment	3–5 years	694	618
		72,556	66,287
Accumulated depreciation and amortization of leasehold improvements		(20,769)	(16,949)
Total		$ 51,787	$ 49,338

9. Goodwill and Intangible Assets

The table below sets forth the intangible assets held by the Company as of or for the nine months ended December 31, 2002 (in thousands).

	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:		
Customer list – vacation packages sold	$ 13,654	$ (2,883)
Customer list – telemarketing leads	316	(249)
	$ 13,970	$ (3,132)
Aggregate amortization expense	$ 3,132	
Estimated amortization expense:		
For the year ended December 31, 2003	$ 10,838	

Goodwill was $2.4 million at both December 31, 2002 and March 31, 2002. All goodwill relates to Bluegreen(R) Resorts.

See also Note 2, for further discussion of intangible assets acquired during the nine months ended December 31, 2002.

10. Receivable–Backed Notes Payable

In connection with the 2002 Term Securitization (see Note 5), the Company paid the $7.1 million balance outstanding under the GE Warehouse Facility. The GE Warehouse Facility expired on April 16, 2002.

The Company has a $30.0 million revolving credit facility with Foothill Capital Corporation ("Foothill") for the pledge of Bluegreen Communities' receivables, with up to $10.0 million of the total facility available for Bluegreen Communities' inventory borrowings and up to $10.0 million of the total facility available for the pledge of Bluegreen Resorts' receivables. The interest rate charged on outstanding borrowings ranges from prime plus 0.5% to 1.0%, with 7.0% being the minimum interest rate. At December 31, 2002, the outstanding principal balance under this facility was approximately $5.0 million, $1.4 million of which related to Bluegreen Resorts' receivables borrowings and $3.6 million of which related to Bluegreen Communities' receivables borrowings. At March 31, 2002, the outstanding principal balance under this facility was approximately $4.1 million, all of which related to Bluegreen Communities' receivables borrowings. All principal and interest payments received on pledged receivables are applied to principal

and interest due under the facility. The ability to borrow under the facility expires on December 31, 2003. Any outstanding indebtedness is due on December 31, 2005.

The remaining $370,000 of receivable-backed notes payable balances is related to notes receivable sold by RDI Group(TM), Inc. ("RDI") with recourse, prior to the acquisition of RDI by the Company in September 1997.

At December 31, 2002, $7.1 million in notes receivable secured the Company's $5.4 million in receivable-backed notes payable.

11. Lines-of-Credit and Notes Payable

The Company has outstanding borrowings with various financial institutions and other lenders, which have been used to finance the acquisition and development of inventory and to fund operations. Financial data related to the Company's borrowing facilities is set forth below (in thousands).

	December 31, 2002	March 31, 2002
Lines-of-credit secured by inventory and golf courses with a carrying value of $97.2 million at December 31, 2002. Interest rates range from 4.38% to 7.50% at December 31, 2002 and from 4.88% to 6.00% at March 31, 2002. Maturities range from March 2003 to September 2006	$24,522	$27,954
Notes and mortgage notes secured by certain inventory, property and equipment and investments with an aggregate carrying value of $13.5 million at December 31, 2002. Interest rates ranging from 4.25% to 10.00% at December 31, 2002 and from 4.75% to 12.00% at March 31, 2002. Maturities range from April 2003 to September 2015	8,600	10,977
Unsecured notes payable to former stockholders of RDI. Interest rate of 9.00%. Matured in October 1999 (see Note 16)	1,000	1,000
Lease obligations with imputed interest rates ranging from 2.89% to 5.75%. Maturities range from May 2003 to February 2005	287	331
Total	$34,409	$40,262

The table below sets forth the contractual minimum principal payments required on the Company's lines-of-credit and notes payable for each of the five fiscal years subsequent to December 31, 2002. Such minimum contractual payments may differ from actual payments due to the effect of principal payments required on a home site or timeshare interval release basis for certain of the above obligations (in thousands).

2003	$ 5,604
2004	15,799
2005	4,389
2006	7,772
2007	287
Thereafter	558
Total	$34,409

The following is a discussion of the Company's significant credit facilities and material new borrowings during the year ended December 31, 2002:

The Company has a $35.0 million revolving credit facility, the draw period for which ended in March 2002, with Finova Capital Corporation. The Company used this facility to finance the acquisition and development of Bluegreen(R) Communities projects. The facility is secured by the real property (and personal property related thereto) with respect to which borrowings are made. The interest charged on outstanding borrowings is prime plus 1.25%. On September 14, 1999, in connection with the acquisition of 1,550 acres adjacent to Bluegreen Communities' Lake Ridge(TM) at Joe Pool Lake project in Dallas, Texas ("Lake Ridge II"), the Company borrowed approximately $12.0 million under the revolving credit facility. Principal payments are effected through agreed-upon release prices as home

sites in Lake Ridge(TM) II and in another recently purchased section of Lake Ridge are sold. The principal of this loan must be repaid by September 14, 2004. On October 6, 1999, in connection with the acquisition of 6,966 acres for Bluegreen(R) Communities' Mystic Shores(TM) project in Canyon Lake, Texas, the Company borrowed $11.9 million under the revolving credit facility. On May 5, 2000, the Company borrowed an additional $2.1 million under this facility in order to purchase an additional 435 acres for the Mystic Shores project. Principal payments on these loans are effected through agreed-upon release prices as home sites in Mystic Shores are sold. The principal under the $11.9 million and $2.1 million loans for Mystic Shores must be repaid by October 6, 2004 and May 5, 2004, respectively. The aggregate outstanding balance on the revolving credit facility was $14.4 million at December 31, 2002

On September 25, 2002, certain direct and indirect wholly-owned subsidiaries of the Company entered into a $50 million revolving credit facility (the "GMAC Facility") with Residential Funding Corporation ("RFC"), an affiliate of General Motors Acceptance Corporation. The Company is the guarantor on the GMAC Facility. The GMAC Facility is secured by the real property home sites (and personal property related thereto) at the following residential land projects of the Company, as well as any residential land projects acquired by the Company with funds borrowed under the GMAC Facility (the "Secured Projects"): Brickshire(TM) (New Kent County, Virginia); Mountain Lakes Ranch(TM) (Bluffdale, Texas); Ridge Lake Shores(TM) (Magnolia, Texas); Riverwood Forest(TM) (Fulshear, Texas); Waterstone(TM) (Boerne, Texas) and Yellowstone Creek Ranch(TM) (Pueblo, Colorado). In addition, the Facility is secured by the Company's Carolina National(TM) and The Preserve at Jordan Lake(TM) golf courses in Southport, North Carolina and Chapel Hill, North Carolina, respectively. Borrowings under the GMAC Facility, which are subject to certain conditions, can be made through September 25, 2004. Principal payments are effected through agreed-upon release prices paid to RFC as home sites in the Secured Projects are sold. The outstanding principal balance of any borrowings under the GMAC Facility must be repaid by September 25, 2006. The interest charged on outstanding borrowings is prime plus 1.00% and is payable monthly. The Company is required to pay an annual commitment fee equal to 0.33% of the $50 million GMAC Facility amount. The GMAC Facility documents include customary conditions to funding, acceleration provisions and certain financial affirmative and negative covenants. On September 25, 2002, the Company borrowed $11 million under the GMAC Facility and received cash proceeds of approximately $9 million. The $2 million deducted from the cash proceeds related to the repayment of existing debt on the Secured Projects of approximately $1.5 million and debt issuance costs totaling $500,000 including the first annual commitment fee, as described above. The Company intends to use the proceeds from the GMAC Facility to repay outstanding indebtedness on Bluegreen(R) Communities' projects, finance the acquisition and development of Bluegreen Communities' projects and for general corporate purposes. As of December 31, 2002, $7.5 million was outstanding under the GMAC Facility.

On September 24, 1999, the Company obtained a $4.2 million line-of-credit with Branch Banking and Trust Company for the purpose of developing a golf course on the Brickshire property (the "Golf Course Loan"). During the years ended March 31, 2002 and April 1, 2001, the Company borrowed $1.4 million and $2.6 million, respectively, under the Golf Course Loan. The outstanding balances under the Golf Course Loan bears interest at prime plus 0.5% and interest is due monthly. Principal payments are payable in equal monthly installments of $35,000. The principal must be repaid by October 1, 2005. The loan is secured by the Brickshire golf course property. As of December 31, 2002, $3.4 million was outstanding under the Golf Course Loan.

In October 2002, the Company borrowed $2.3 million from Bank One, in connection with the acquisition of 2,463 acres of land for Bluegreen Communities. Bluegreen Communities is developing its Silver Lakes Ranch(TM) community on this land. Principal payments of approximately $195,000 and interest at the prime lending rate are due quarterly. The final maturity of this note payable is October 2005. As of December 31, 2002, $2.2 million was outstanding under this loan.

During the nine months ended September 29, 2002, the Company borrowed $7.7 million under a $9.8 million, acquisition and development line-of-credit with Marshall, Miller and Schroeder Investments Corporation ("MM&S"). Borrowings under the line are collateralized by Timeshare Interests in the Company's Solara Surfside(TM) resort in Surfside, Florida (near Miami Beach). Borrowings occurred as MM&S directly paid third-party contractors, vendors and suppliers who were engaged by the Company to perform renovation work on Solara Surfside. The final draw on the loan was released during December 2002. Principal is repaid through agreed-upon release prices as Timeshare Interests in Solara Surfside are sold, subject to minimum required amortization. The indebtedness under the facility bears interest at the prime lending rate plus 1.25%, subject to a minimum interest rate of 7.50%, and all amounts borrowed are due no later than April 1, 2004, however the loan will be paid in full on March 31, 2003, due to the minimum required amortization. The outstanding balance on the MM&S loan was $1.5

million as of December 31, 2002.

In addition, GE has provided the Company with a $28.0 million acquisition and development facility for its timeshare inventories (the "A&D Facility"). The draw down period on the A&D Facility has expired and outstanding borrowings under the A&D Facility mature no later than July 2006. Principal will be repaid through agreed−upon release prices as Timeshare Interests are sold at the financed resorts, subject to minimum required amortization. The indebtedness under the facility bears interest at LIBOR plus 3%. On September 14, 1999, the Company borrowed approximately $14.0 million under the A&D facility. The outstanding principal of this loan was paid in full during the nine months ended December 31, 2002, through agreed−upon release prices as Timeshare Interests in the Company's Lodge Alley Inn(TM) resort in Charleston, South Carolina were sold, subject to minimum required amortization. On December 20, 1999, the Company borrowed approximately $13.9 million under the acquisition and development facility. The principal of this loan must be repaid by January 1, 2006, through agreed−upon release prices as Timeshare Interests in the Company's Shore Crest(TM) II resort are sold, subject to minimum required amortization. The outstanding balance under the A&D Facility at December 31, 2002 was $1.2 million.

On August 2, 2001, the Company obtained a revolving line−of−credit with IndyMac Bank F.S.B. ("IndyMac") for the purpose of developing the Company's golf course community in Chapel Hill, North Carolina known as The Preserve at Jordan Lake(TM). The draw down period on the IndyMac line−of−credit has expired. Through March 2002, the Company borrowed an aggregate $7.9 million under the line−of−credit, on a revolving basis. The outstanding balances under the line−of−credit bore interest at prime plus 1.0%, which was due monthly. Principal payments were effected through agreed−upon release prices as home sites in The Preserve at Jordan Lake were sold. The outstanding balance under the IndyMac line−of−credit was paid in full during the nine months ended December 31, 2002.

The Company has a $12.5 million unsecured line−of−credit with Wachovia Bank, N.A. Amounts borrowed under the line bear interest at LIBOR plus 2%. Interest is due monthly and all principal amounts are due on December 31, 2003. The Company is only allowed to borrow under the line−of−credit in amounts less than the remaining availability under its current, active timeshare receivables purchase facility plus availability under certain receivable warehouse facilities, less any outstanding letters of credit. The line−of−credit agreement contains certain covenants and conditions typical of arrangements of this type. As of December 31, 2002, there was no amount outstanding under the line.

12. Note Offering

On April 1, 1998, the Company consummated a private placement offering (the "Offering") of $110 million in aggregate principal amount of 10.50% senior secured notes due April 1, 2008 (the "Notes"). Interest on the Notes is payable semiannually on April 1 and October 1 of each year. The Notes are redeemable at the option of the Company, in whole or in part, in cash, on or after April 1, 2003, together with accrued and unpaid interest, if any, to the date of redemption at the following redemption prices: 2003 − 105.25%; 2004 − 103.50%; 2005 − 101.75% and 2006 and thereafter − 100.00%. The Notes are senior obligations of the Company and rank pari passu in right of payment with all existing and future senior indebtedness of the Company and rank senior in right of payment to all existing and future subordinated obligations of the Company. None of the assets of Bluegreen(R) Corporation secure its obligations under the Notes, and the Notes are effectively subordinated to secured indebtedness of the Company to any third party to the extent of assets serving as security therefor.

The Notes are unconditionally guaranteed, jointly and severally, by each of the Company's existing and future subsidiaries (the "Subsidiary Guarantors"), with the exception of the Joint Venture, BPNV, Resort Title Agency(TM), Inc., any special purpose finance subsidiary, any subsidiary which is formed and continues to operate for the limited purpose of holding a real estate license and acting as a broker, and certain other subsidiaries which have individually less than $50,000 of assets (collectively, "Non−Guarantor Subsidiaries").

Each of the Note guarantees covers the full amount of the Notes and each of the Subsidiary Guarantors is 100% owned, directly or indirectly, by the Company. The Note guarantees are senior obligations of each Subsidiary Guarantor and rank pari passu in right of payment with all existing and future senior indebtedness of each such Subsidiary Guarantor and senior in right of payment to all existing and future subordinated indebtedness of each such Subsidiary Guarantor. The Note guarantees of certain Subsidiary Guarantors are secured by a first (subject to customary exceptions) mortgage or similar instrument (each, a "Mortgage") on certain Bluegreen(R) Communities properties of such Subsidiary Guarantors (the "Pledged Properties"). Absent the occurrence and the continuance of an event of default, the Notes trustee is required to release its lien on the Pledged Properties as property is sold and the Trustee does not have a lien on the proceeds of any such sale. As of December 31, 2002, the Pledged Properties had an aggregate carrying value of approximately $9.7 million. The Notes' indenture includes certain negative covenants including restrictions on the incurrence of debt and liens and on payments of cash dividends.

Supplemental financial information for Bluegreen Corporation, its combined Non-Guarantor Subsidiaries and its combined Subsidiary Guarantors is presented below:

CONDENSED CONSOLIDATING BALANCE SHEETS
(IN THOUSANDS)

	DECEMBER 31, 2002				
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELIMINATIONS	CONSOLIDATED
ASSETS					
Cash and cash equivalents	$ 22,373	$ 17,951	$ 6,581	$ --	$ 46,905
Contracts receivable, net		1,457	14,773	--	16,230
Intercompany receivable	101,549			(101,549)	
Notes receivable, net	1,740	9,434	50,621	--	61,795
Inventory, net		19,440	153,691	--	173,131
Retained interests in notes receivable sold		44,228		--	44,228
Investments in subsidiaries	7,730		3,230	(10,960)	
Property and equipment, net	9,791	1,959	40,037	--	51,787
Other assets	6,576	1,792	31,548	--	39,916
Total assets	$ 149,759	$ 96,261	$ 300,481	$(112,509)	$ 433,992
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Accounts payable, accrued liabilities and other	$ 8,510	$ 22,485	$ 26,124	$ --	$ 57,119
Intercompany payable		8,392	93,157	(101,549)	
Deferred income taxes	(19,344)	24,706	25,846	--	31,208
Lines-of-credit and notes payable	3,384	3,000	33,385	--	39,769
10.50% senior secured notes payable	110,000	--	--	--	110,000
8.25% convertible subordinated debentures	34,371	--	--	--	34,371
Total liabilities	136,921	58,583	178,512	(101,549)	272,467
Minority interest				3,242	3,242
Total shareholders' equity	12,838	37,678	121,969	(14,202)	158,283
Total liabilities and shareholders' equity	$ 149,759	$ 96,261	$ 300,481	$(112,509)	$ 433,992

	MARCH 31, 2002				
	BLUEGREEN(R) CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELIMINATIONS	CONSOLIDATED
ASSETS					
Cash and cash equivalents	$ 18,611	$ 21,575	$ 8,529	$ --	$ 48,715
Contracts receivable, net	--	605	21,213	--	21,818
Intercompany receivable	113,436	--	--	(113,436)	--
Notes receivable, net	1,749	6,367	47,532	--	55,648
Inventory, net	--	19,456	168,232	--	187,688
Retained interests in notes receivable sold	--	38,560	--	--	38,560
Investments in subsidiaries	7,730	--	3,230	(10,960)	--
Property and equipment, net	10,009	2,017	37,312	--	49,338
Other assets	6,968	2,663	23,763	--	33,394
Total assets	$ 158,503	$ 91,243	$ 309,811	$(124,396)	$ 435,161
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Accounts payable, accrued liabilities and other	$ 11,074	$ 21,138	$ 16,643	$ --	$ 48,855
Intercompany payable	--	12,267	101,169	(113,436)	--
Deferred income taxes	(18,799)	23,173	23,925	--	28,299
Lines-of-credit and notes payable	3,476	5,649	45,765	--	54,890
10.50% senior secured notes payable	110,000	--	--	--	110,000
8.00% convertible subordinated notes payable to related parties	6,000	--	--	--	6,000
8.25% convertible subordinated debentures	34,371	--	--	--	34,371
Total liabilities	146,122	62,227	187,502	(113,436)	282,415
Minority interest	--	--		3,090	3,090
Total shareholders' equity	12,381	29,016	122,309	(14,050)	149,656
Total liabilities and shareholders' equity	$ 158,503	$ 91,243	$ 309,811	$(124,396)	$ 435,161

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(IN THOUSANDS)

	NINE MONTHS ENDED DECEMBER 31, 2002				
	BLUEGREEN(R) CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELIMINATIONS	CONSOLIDATED
REVENUES					
Sales	$ --	$ 18,561	$ 204,094	$ --	$ 222,655
Other resort and golf operations	--	1,901	25,147	--	27,048
Management fees	24,148	--	--	(24,148)	--
Interest income	239	5,652	6,344	--	12,235
Gain on sales of notes receivable	--	10,035	--	--	10,035
	24,387	36,149	235,585	(24,148)	$ 271,973
COSTS AND EXPENSES					
Cost of sales	--	5,103	72,820	--	77,923
Cost of other resort and golf operations	--	782	26,113	--	26,895
Management fees	--	589	23,559	(24,148)	--
Selling, general and administrative expenses	17,518	11,204	99,586	--	128,308
Interest expense	7,389	319	2,116	--	9,824
Provision for loan losses	--	399	2,433	--	2,832
Other expense (income)	(137)	1,156	501	--	1,520
	24,770	19,552	227,128	(24,148)	247,302
Income (loss) before income taxes and minority interest	(383)	16,597	8,457	--	24,671
Provision (benefit) for income taxes	(137)	5,348	3,582	--	8,793
Minority interest in income of consolidated subsidiary	--	--	--	502	502
Income (loss) before cumulative effect of change in accounting principle	(246)	11,249	4,875	(502)	15,376
Cumulative effect of change in accounting principle, net of income taxes	--	(714)	(5,215)	--	(5,929)
Minority interest in cumulative effect of change in accounting principle, net of income taxes	--	--	--	(350)	(350)
Net income (loss)	$ (246)	$ 10,535	$ (340)	$ (152)	$ 9,797

(UNAUDITED)

NINE MONTHS ENDED DECEMBER 30, 2001

	BLUEGREEN(R) CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELIMINATIONS	CONSOLIDATED
REVENUES					
Sales	$ --	$ 14,540	$ 170,163	$ --	$ 184,703
Management fees	20,293	--	--	(20,293)	--
Other resort and golf operations revenue	--	2,600	16,584	--	19,184
Interest income	477	3,446	7,932	--	11,855
Gain on sale of notes receivable	--	4,214	--	--	4,214
	20,770	24,800	194,679	(20,293)	219,956
COST AND EXPENSES					
Cost of sales	--	4,603	59,530	--	64,133
Cost of other resort and golf operations	--	1,152	16,692	--	17,844
Management fees	--	825	19,468	(20,293)	--
Selling, general and administrative expenses	18,461	8,620	79,264	--	106,345
Interest expense	6,252	460	3,417	--	10,129
Provision for loan losses	--	140	3,543	--	3,683
Other expense (income)	10	775	(508)	--	277
	24,723	16,575	181,406	(20,293)	202,411
Income (loss) before income taxes	(3,953)	8,225	13,273	--	17,545
Provision (benefit) for income taxes	(1,522)	3,226	5,051	--	6,755
Minority interest in income of consolidated subsidiary	--	--	--	107	107
Net income (loss)	$ (2,431)	$ 4,999	$ 8,222	$ (107)	$ 10,683

YEAR ENDED MARCH 31, 2002

	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELIMINATIONS	CONSOLIDATED
REVENUES					
Sales	$ --	$ 21,604	$219,024	$ --	$ 240,628
Other resort and golf operations	--	3,943	21,527	--	25,470
Management fees	26,133	--	--	(26,133)	--
Interest income	564	4,968	9,915	--	15,447
Gain on sales of notes receivable	--	6,280	--	--	6,280
	26,697	36,795	250,466	(26,133)	287,825
COSTS AND EXPENSES					
Cost of sales	--	6,606	79,919	--	86,525
Cost of other resort and golf operations	--	1,532	22,067	--	23,599
Management fees	--	1,086	25,047	(26,133)	--
Selling, general and administrative expenses	25,686	12,234	102,269	--	140,189
Interest expense	8,371	578	4,068	--	13,017
Provision for loan losses	--	242	4,609	--	4,851
Other expense (income)	(239)	1,105	(704)	--	162
	33,818	23,383	237,275	(26,133)	268,343
Income (loss) before income taxes and minority interest	(7,121)	13,412	13,191	--	19,482
Provision (benefit) for income taxes	(2,742)	4,846	5,397	--	7,501
Minority interest in income of consolidated subsidiary	--	--	--	249	249
Net income (loss)	$ (4,379)	$ 8,566	$ 7,794	$ (249)	$ 11,732

	YEAR ENDED APRIL 1, 2001				
	BLUEGREEN(R) CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELIMINATIONS	CONSOLIDATED
REVENUES					
Sales	$ 58	$ 11,107	$ 218,709	$ --	$ 229,874
Other resort and golf operations	--	3,508	21,141	--	24,649
Management fees	25,163	--	--	(25,163)	--
Interest income	1,378	4,155	11,784	--	17,317
Gain on sales of notes receivable	--	3,281	--	--	3,281
	26,599	22,051	251,634	(25,163)	275,121
COSTS AND EXPENSES					
Cost of sales	--	3,270	75,525	--	78,795
Cost of other resort and golf operations	--	1,577	23,374	--	24,951
Management fees	--	--	25,163	(25,163)	--
Selling, general and administrative expenses	27,085	7,138	113,369	--	147,592
Interest expense	10,189	941	4,364	--	15,494
Provision for loan losses	--	69	4,818	--	4,887
Other expense (income)	44	885	(529)	--	400
	37,318	13,880	246,084	(25,163)	272,119
Income (loss) before income taxes and minority interest	(10,719)	8,171	5,550	--	3,002
Provision (benefit) for income taxes	(4,127)	3,644	1,639	--	1,156
Minority interest in loss of consolidated subsidiary	--	--	--	(871)	(871)
Net income (loss)	$ (6,592)	$ 4,527	$ 3,911	$ 871	$ 2,717

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	NINE MONTHS ENDED DECEMBER 31, 2002				
	BLUEGREEN(R) CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELIMINATIONS	CONSOLIDATED
Operating activities:					
Net cash provided (used) by operating activities	$ 10,471	$(14,917)	$ 11,483	$ --	$ 7,037
Investing activities:					
Cash received from retained interests in notes receivable sold	--	14,555	--	--	14,555
Investment in subsidiary	(100)	--	--	100	--
Business acquisition	--	--	(2,292)	--	(2,292)
Purchases of property and equipment	(1,285)	(315)	(2,779)	--	(4,379)
Proceeds from sales of property and equipment	--	--	48	--	48
Net cash provided (used) by investing activities	(1,385)	14,240	(5,023)	100	7,932
Financing activities:					
Proceeds from borrowings under line-of-credit facilities and notes payable	--	--	18,696	--	18,696
Payments under line-of-credit facilities and notes payable	(7)	(1,692)	(25,771)	--	(27,470)
Payment of 8% convertible, subordinated notes payable to related parties	(6,000)	--	--	--	(6,000)
Payment of debt issuance costs	--	(1,355)	(1,333)	--	(2,688)
Proceeds from capitalization of subsidiary	--	100	--	(100)	--
Proceeds from exercise of employee and director stock options	683	--	--	--	683
Net cash used by financing activities	(5,324)	(2,947)	(8,408)	(100)	(16,779)
Net (decrease) increase in cash and cash equivalents	3,762	(3,624)	(1,948)	--	(1,810)
Cash and cash equivalents at beginning of year	18,611	21,575	8,529	--	48,715
Cash and cash equivalents at end of year	22,373	17,951	6,581	--	46,905
Restricted cash and cash equivalents at end of year .	(173)	(13,797)	(6,581)	--	(20,551)
Unrestricted cash and cash equivalents at end of year	$ 22,200	$ 4,154	$ --	$ --	$ 26,354

(UNAUDITED)

	NINE MONTHS ENDED DECEMBER 30, 2001			
	BLUEGREEN(R) CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	CONSOLIDATED
Operating activities:				
Net cash provided (used) by operating activities	$ (3,095)	$ 3,556	$ 19,161	$ 19,622
Investing activities:				
Purchases of property and equipment	(1,999)	(1,104)	(7,343)	(10,446)
Sales of property and equipment	3	--	31	34
Cash received from retained interests in notes receivable sold	--	3,552	--	3,552
Investment in note receivable	(1,685)	--	--	(1,685)
Principal payments received on investment in note receivable	4,643	--	--	4,643
Net cash provided (used) by investing activities	962	2,448	(7,312)	(3,902)
Financing activities:				
Proceeds from borrowings under line-of-credit facilities and other notes payable	40,375	--	6,173	46,548
Payments under line-of-credit facilities and other notes payable	(40,626)	(2,979)	(18,873)	(62,478)
Payment of debt issuance costs	(93)	(1,114)	(278)	(1,485)
Proceeds from the exercise of employee and director stock options	156	--	--	156
Net cash used by financing activities	(188)	(4,093)	(12,978)	(17,259)
Net increase (decrease) in cash and cash equivalents	(2,321)	1,911	(1,129)	(1,539)
Cash and cash equivalents at beginning of period	13,290	17,125	9,601	40,016
Cash and cash equivalents at end of period	10,969	19,036	8,472	38,477
Restricted cash and cash equivalents at end of period	--	(17,459)	(6,997)	(24,456)
Unrestricted cash and cash equivalents at end of period	$ 10,969	$ 1,577	$ 1,475	$ 14,021

	YEAR ENDED MARCH 31, 2002			
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	CONSOLIDATED
Operating activities:				
Net cash provided by operating activities	$ 5,261	$ 3,107	$ 23,282	$ 31,650
Investing activities:				
Cash received from retained interests in notes receivable sold	--	7,856	--	7,856
Investment in note receivable	(1,685)	--	--	(1,685)
Principal payments received on investment in note receivable	4,643	--	--	4,643
Purchases of property and equipment	(2,722)	(1,472)	(8,746)	(12,940)
Proceeds from sales of property and equipment	4	--	40	44
Net cash (used) provided by investing activities	240	6,384	(8,706)	(2,082)
Financing activities:				
Proceeds from borrowings under line-of-credit facilities and notes payable	50,225	--	9,645	59,870
Payments under line-of-credit facilities and notes payable	(50,447)	(3,876)	(25,004)	(79,327)
Payment of debt issuance costs	(114)	(1,165)	(289)	(1,568)
Proceeds from exercise of employee and director stock options	156	--	--	156
Net cash used by financing activities	(180)	(5,041)	(15,648)	(20,869)
Net increase (decrease) in cash and cash equivalents	5,321	4,450	(1,072)	8,699
Cash and cash equivalents at beginning of year	13,290	17,125	9,601	40,016
Cash and cash equivalents at end of year	18,611	21,575	8,529	48,715
Restricted cash and cash equivalents at end of year	--	(20,199)	(7,470)	(27,669)
Unrestricted cash and cash equivalents at end of year	$ 18,611	$ 1,376	$ 1,059	$ 21,046

	YEAR ENDED APRIL 1, 2001				
	BLUEGREEN(R) CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELIMINATIONS	CONSOLIDATED
Operating activities:					
Net cash provided (used) by operating activities	$(24,250)	$ 2,312	$ 24,010	$ --	$ 2,072
Investing activities:					
Cash received from retained interests in notes receivable sold	--	6,890	--	--	6,890
Investment in note receivable	(4,711)	--	--	--	(4,711)
Principal payments received on investment in note receivable	68	--	--	--	68
Acquisition of minority interest	--	--	(250)	--	(250)
Investment in joint venture	--	--	(3,230)	3,230	--
Purchases of property and equipment	(1,539)	(739)	(7,271)	--	(9,549)
Proceeds from sales of property and equipment	--	--	79	--	79
Net cash (used) provided by investing activities	(6,182)	6,151	(10,672)	3,230	(7,473)
Financing activities:					
Proceeds from borrowings under line-of-credit facilities and notes payable	6,500	645	3,976	--	11,121
Payments under line-of-credit facilities and notes payable	(5,282)	(6,303)	(17,550)	--	(29,135)
Payment of debt issuance costs	(45)	(1,368)	(138)	--	(1,551)
Proceeds from capitalization of joint venture	--	3,230	--	(3,230)	--
Proceeds from exercise of employee and director stock options	28	--	--	--	28
Payments for treasury stock	(572)	--	--	--	(572)
Net cash (used) provided by financing activities	629	(3,796)	(13,712)	(3,230)	(20,109)
Net (decrease) increase in cash and cash equivalents	(29,803)	4,667	(374)	--	(25,510)
Cash and cash equivalents at beginning of year	43,093	12,458	9,975	--	65,526
Cash and cash equivalents at end of year	13,290	17,125	9,601	--	40,016
Restricted cash and cash equivalents at end of year .	--	(15,961)	(6,402)	--	(22,363)
Unrestricted cash and cash equivalents at end of year	$ 13,290	$ 1,164	$ 3,199	$ --	$ 17,653

13. Convertible Subordinated Notes Payable and Debentures

Notes Payable

On September 11, 2002, the Company's 8% convertible subordinated promissory notes in the aggregate principal amount of $6 million were paid in full to two former members of the Company's Board of Directors and an affiliate of a former member of the Board of Directors.

Debentures

The Company had $34.4 million of its 8.25% Convertible Subordinated Debentures (the "Debentures") outstanding at both December 31, 2002 and March 31, 2002. The Debentures are convertible at any time prior to maturity (2012), unless previously redeemed, into common stock of the Company at a current conversion price of $8.24 per share, subject to adjustment under certain conditions. The Debentures are redeemable at any time, at the Company's option, in whole or in part at 100% of the face amount. The Company is obligated to redeem annually 10% of the principal amount of the Debentures originally issued, commencing May 15, 2003, net of previous redemptions of approximately $5.6 million (therefore the first actual redemptions will occur on May 15, 2004). Such redemptions are calculated to retire 90% of the principal amount of the Debentures prior to maturity. The Debentures are unsecured and subordinated to all senior indebtedness of the Company. Interest is payable semi-annually on May 15 and November 15.

Under financial covenants of the Indenture pursuant to which the Debentures were issued, the Company is required to maintain net worth of not less than $29.0 million. Should net worth fall below $29.0 million for two consecutive quarters, the Company is required to make an offer to purchase 20% of the outstanding Debentures at par, plus accrued interest.

14. Fair Value of Financial Instruments

In estimating the fair values of its financial instruments, the Company used the following methods and assumptions:

Cash and cash equivalents: The amounts reported in the Consolidated Balance Sheets for cash and cash equivalents approximate fair value.

Contracts receivable: The amounts reported in the Consolidated Balance Sheets for contracts receivable approximate fair value. Contracts receivable are non−interest bearing and generally convert into cash or an interest−bearing mortgage note receivable within thirty days.

Notes receivable: The amounts reported in the Consolidated Balance Sheets for notes receivable approximate fair value based on discounted future cash flows using current rates at which similar loans with similar maturities would be made to borrowers with similar credit risk.

Retained interests in notes receivable sold: Retained interests in notes receivable sold are carried at fair value based on discounted cash flow analyses.

Lines−of−credit, notes payable and receivable−backed notes payable: The amounts reported in the Consolidated Balance Sheets approximate their fair value for indebtedness that provides for variable interest rates. The fair value of the Company's fixed−rate indebtedness was estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

10.50% senior secured notes payable: The fair value of the Company's 10.50% senior secured notes is based on the quoted market price in the over−the−counter bond market.

8.00% convertible subordinated notes payable to related parties: The fair value of the Company's $6 million notes was estimated using a discounted cash flow analysis, based on the Company's incremental borrowing rate at March 31, 2002, for similar types of borrowing arrangements.

8.25% convertible subordinated debentures: The fair value of the Company's 8.25% convertible subordinated debentures is based on the quoted market price as reported on the New York Stock Exchange.

	December 31, 2002		March 31, 2002	
(in thousands)	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Cash and cash equivalents	$ 46,905	$ 46,905	$ 48,715	$ 48,715
Contracts receivable, net	16,230	16,230	21,818	21,818
Notes receivable, net	61,795	61,795	55,648	55,648
Retained interests in notes receivable sold	44,228	44,228	38,560	38,560
Lines−of−credit, notes payable, and receivable−backed notes payable	39,769	39,837	54,890	54,890
10.50% senior secured notes payable	110,000	90,200	110,000	85,800
8.00% convertible subordinated notes payable to related parties	−−	−−	6,000	6,084
8.25% convertible subordinated debentures	34,371	29,215	34,371	25,091

15. Common Stock and Stock Option Plans

Treasury Stock

During the year ended April 1, 2001, the Company repurchased approximately 198,000 common shares at an aggregate cost of $572,000 under a repurchase plan approved by the Company's Board of Directors during the year ended March 28, 1999 and expanded during the year ended April 2, 2000. No common stock was repurchased during the nine months ended December 31, 2002 or the year ended March 31, 2002.

Stock Option Plans

Under the Company's employee stock option plans, options can be granted with various vesting periods. All options granted to employees prior to December 31, 2002, vest ratably over a five-year period and expire ten years from the date of grant. All options were granted at exercise prices that either equaled or exceeded fair market value at the respective dates of grant.

The stock option plan covering the Company's non-employee directors provides for the grant to the Company's non-employee directors (the "Outside Directors") of non-qualified stock options. All options granted to Outside Directors prior to December 31, 2002 vest ratably over a three-year period and expire ten years from the date of grant. Due to a "change in control" provision in the Outside Directors' stock option agreements, all outstanding Outside Directors options as of April 10, 2002 immediately vested when Levitt Companies, LLC ("Levitt"), a subsidiary of BankAtlantic Bancorp, Inc. (NYSE: BBX), acquired an aggregate of approximately 8 million shares of the Company's outstanding common stock from certain real estate funds associated with Morgan Stanley Dean Witter and Company and Grace Brothers, Ltd. in private transactions. As a result of these purchases, combined with prior holdings in the Company, Levitt and BankAtlantic Bancorp, Inc. now own approximately 40% of the Company's outstanding common stock.

A summary of stock option activity related to the Company's Employee and Outside Directors Plans is presented below (in thousands, except per share data).

	Number of Shares Reserved	Outstanding Options	Exercise Price Per Share	Number of Shares Exercisable
Employee Stock Option Plans				
Balance at April 3, 2000 ...	3,645	2,829	$1.25–$9.50	1,288
Granted ...	--	60	$2.26–$3.00	
Forfeited ...	(5)	(185)	$3.13–$8.50	
Exercised ...	(11)	(11)	$3.13	
Balance at April 1, 2001 ...	3,629	2,693	$1.25–$9.50	1,637
Granted ...	--	50	$2.29	
Forfeited ...	(81)	(654)	$2.29–$9.50	
Exercised ...	(78)	(78)	$1.25–$1.46	
Balance at March 31, 2002 ..	3,470	2,011	$1.46–$9.50	1,457
Forfeited ...	(10)	(145)	$2.60–$8.50	
Exercised ...	(72)	(72)	$1.46–$3.13	
Balance at December 31, 2002	3,388	1,794	$2.26–$9.50	1,489
Outside Directors Plans				
Balance at April 3, 2000 ..	903	613	$1.46–$9.31	408
Granted ...	--	105	$2.88	
Balance at April 1, 2001 ...	903	718	$1.46–$9.31	503
Granted ...	--	120	$2.11	
Forfeited ...	(2)	(30)	$2.88	
Exercised ...	(36)	(36)	$1.46	
Balance at March 31, 2002 ..	865	772	$1.77–$9.31	562
Forfeited ...	--	(45)	$2.88–$5.94	
Exercised ...	(212)	(212)	$1.77–$3.50	
Balance at December 31, 2002	653	515	$2.11–$9.31	515

The weighted-average exercise prices and weighted-average remaining contractual lives of the Company's outstanding stock options at December 31, 2002 (grouped by range of exercise prices) were:

	Number of Options	Number of Vested Options	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Weighted-Average Exercise Price (vested only)
	(In 000's)				
Employees:					
$2.26-$3.13	470	384	5	$2.88	$3.01
$3.58-$4.88	598	567	3	$4.18	$4.14
$8.50-$9.50	726	538	6	$9.21	$9.26
	1,794	1,489			

	Number of Options	Number of Vested Options	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Weighted-Average Exercise Price (vested only)
	(In 000's)				
Directors:					
$2.11	30	30	9	$2.11	$2.11
$2.82-$3.80	305	305	3	$3.27	$3.27
$5.94	90	90	4	$5.94	$5.94
$9.31	90	90	4	$9.31	$9.31
	515	515			

Common Stock Reserved For Future Issuance

As of December 31, 2002, common stock reserved for future issuance was comprised of shares issuable (in thousands):

Upon conversion of 8.25% debentures	4,171
Upon exercise of employee stock options	3,388
Upon exercise of outside director stock options	653
	8,212

16. Commitments and Contingencies

At December 31, 2002, the estimated cost to complete development work in subdivisions or resorts from which lots or Timeshare Interests have been sold totaled $34.9 million. Development is estimated to be completed within the next three fiscal years and thereafter as follows: 2003--$27.6 million, 2004--$3.0 million, 2005--$2.5 million, Thereafter--$1.8 million.

The Company leases certain office space and equipment under various noncancelable operating leases. Certain of these leases contain stated escalation clauses while others contain renewal options.

Rent expense for the nine months ended December 31, 2002, the year ended March 31, 2002 and the year ended April 1, 2001, totaled approximately $3.6 million, $4.4 million and $4.2 million, respectively.

Lease commitments under these noncancelable operating leases for each of the five fiscal years subsequent to December 31, 2002, and thereafter are as follows (in thousands):

2003	$ 3,444
2004	2,799
2005	1,826
2006	1,341
2007	1,095
Thereafter	4,596
Total future minimum lease payments	$15,101

The Company has $1.4 million in outstanding commitments under stand-by letters of credit with banks, primarily related to obtaining an insurance bond regarding the development of project expected to be acquired during the year ending December 31, 2003, by Bluegreen(R) Communities.

In the ordinary course of its business, the Company from time to time becomes subject to claims or proceedings relating to the purchase, subdivision, sale and/or financing of real estate. Additionally, from time to time, the Company becomes involved in disputes with existing and former employees. The Company believes that substantially all of the claims and proceedings are incidental to its business.

On August 21, 2000, the Company received a Notice of Field Audit Action (the "Notice") from the State of Wisconsin Department of Revenue (the "DOR") alleging that two subsidiaries now owned by the Company failed to collect and remit sales and use taxes to the State of Wisconsin during the period from January 1, 1994 through September 30, 1997 totaling $1.9 million. The majority of the assessment is based on the subsidiaries not charging sales tax to purchasers of Timeshare Interests at the Company's Christmas Mountain Village(TM) resort. In addition to the assessment, the Notice indicated that interest would be charged, but no penalties would be assessed. As of December 31, 2002, aggregate interest was approximately $1.8 million. The Company filed a Petition for Redetermination (the "Petition") on October 19, 2000, and, if the Petition is unsuccessful, the Company intends to vigorously appeal the assessment. The Company acquired the subsidiaries that were the subject of the Notice in connection with the acquisition of RDI on September 30, 1997. Under the RDI purchase agreement, the Company has the right to set off payments owed by the Company to RDI's former stockholders pursuant to a $1.0 million outstanding note payable balance and to make a claim against such stockholders for $500,000 previously paid for any breach of representations and warranties. (One of the former RDI stockholders is currently employed by the Company in a key management position.) The Company has notified the former RDI stockholders that it intends to exercise these rights to mitigate any settlement with the DOR in this matter. In addition, the Company believes that, if necessary, amounts paid to the State of Wisconsin pursuant to the Notice, if any, may be further funded through collections of sales tax from the consumers who effected the assessed timeshare sales with RDI without paying sales tax on their purchases. Based on management's assessment of the Company's position in the Petition, the Company's right of set off with the former RDI stockholders and other factors discussed above, management does not believe that the possible sales tax pursuant to the Notice will have a material adverse impact on the Company's results of operations or financial position, and therefore no amounts have been accrued related to this matter.

17. Income Taxes

The provision for income taxes consists of the following (in thousands):

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
		(Unaudited)		
Federal:				
Current	$ 4,666	$ --	$ (394)	$(4,645)
Deferred	3,792	6,114	7,254	5,481
	8,458	6,114	6,860	836
State and other:				
Current	--	--	--	--
Deferred	335	641	641	320

	335	641	641	320
Total	$ 8,793	$ 6,755	$ 7,501	$ 1,156

The reasons for the difference between the provision for income taxes and the amount that results from applying the federal statutory tax rate to income before provision for income taxes and minority interest are as follows (in thousands):

	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
		(Unaudited)		
Income tax expense at statutory rate	$8,635	$6,141	$6,819	$1,051
Effect of state taxes, net of federal tax benefit	158	614	682	105
	$8,793	$6,755	$7,501	$1,156

At December 31, 2002 and March 31, 2002, deferred income taxes consist of the following components (in thousands):

	December 31, 2002	March 31, 2002
Deferred federal and state tax liabilities (assets):		
Installment sales treatment of notes	$ 68,500	$ 53,115
Deferred federal and state loss carryforwards/AMT credits	(38,939)	(29,588)
Book over tax carrying value of retained interests in notes receivable sold	6,587	2,863
Book reserves for loan losses and inventory	(5,271)	(3,972)
Deferral of telemarketing costs incurred	--	2,431
Tax over book depreciation	1,411	1,721
Other	(1,080)	1,729
Deferred income taxes	$ 31,208	$ 28,299
Total deferred federal and state tax liabilities	$ 81,385	$ 62,286
Total deferred federal and state tax assets	(50,177)	(33,987)
Deferred income taxes	$ 31,208	$ 28,299

The Company has available net operating loss carryforwards of $84.3 million, which expire in 2021, 2022 and 2023, and alternative minimum tax credit carryforwards of $6.9 million, that never expire.

18. Employee Retirement Savings Plan

The Company's Employee Retirement Plan is a code section 401(k) Retirement Savings Plan (the "Plan"). All employees at least 21 years of age with one year of employment with the Company are eligible to participate in the Plan. During the nine months ended December 31, 2002, the Company did not make a matching contribution to the Plan, but has accrued approximately $270,000 for a matching contribution to be determined and paid in April 2003 related to the Plan's fiscal year ended December 31, 2002. During the year ended March 31, 2002, the Plan was amended when the Company agreed to make a minimum matching contribution to the Plan of $226,000, which was equivalent to 50% of the first 3% of each participating employee's contribution to the Plan. During the year ended April 1, 2001, employer contributions to the Plan were at the sole discretion of the Company and no such contributions were made.

19. Business Segments

The Company has two reportable business segments. Bluegreen(R) Resorts develops, markets and sells Timeshare Interests in the Company's resorts, primarily through the Club, and provides resort management services to resort property owners associations and Bluegreen Communities acquires large tracts of real estate, which are subdivided, improved (in some cases to include a golf course on the property) and sold, typically on a retail basis as home sites. The Company's reportable segments are business units that offer different products. The reportable segments are each managed separately because they sell distinct

products with different development, marketing and selling methods.

The Company evaluates performance and allocates resources based on field operating profit. Field operating profit is operating profit prior to the allocation of corporate overhead, interest income, gain on sale of receivables, other income, provision for loan losses, interest expense, income taxes, minority interest and cumulative effect of change in accounting principle. Inventory is the only asset that the Company evaluates on a segment basis – all other assets are only evaluated on a consolidated basis. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies (see Note 1).

Required disclosures for the Company's business segments are as follows (in thousands):

As of and for the nine months ended December 31, 2002

	Bluegreen(R) Resorts	Bluegreen Communities	Totals
Sales	$144,026	$ 78,629	$222,655
Other resort and golf operations revenues	23,520	3,528	27,048
Depreciation expense	2,100	1,053	3,153
Field operating profit	17,218	13,570	30,788
Inventory	71,097	102,034	173,131
As of and for the nine months ended December 30, 2001 (Unaudited)			
Sales	$110,846	$ 73,857	$184,703
Other resort and golf operations revenues	17,475	1,709	19,184
Depreciation expense	1,820	802	2,622
Field operating profit	14,970	14,209	29,179
Inventory	88,726	105,299	194,025
As of and for the year ended March 31, 2002			
Sales	$144,226	$96,402	$240,628
Other resort and golf operations revenues	23,149	2,321	25,470
Depreciation expense	2,532	1,077	3,609
Field operating profit	19,729	15,415	35,144
Inventory	86,288	101,400	187,688
As of and for the year ended April 1, 2001			
Sales	$140,975	$ 88,899	$229,874
Other resort and golf operations revenues	22,762	1,887	24,649
Depreciation expense	1,986	873	2,859
Field operating profit	9,724	12,991	22,715
Inventory	97,012	96,622	193,634

Reconciliations to Consolidated Amounts

Field operating profit for reportable segments reconciled to consolidated income before provision for income taxes and minority interest (in thousands):

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
	(Unaudited)			
Field operating profit for reportable segments	$ 30,788	$ 29,179	$ 35,144	$ 22,715
Interest income	12,235	11,855	15,447	17,317
Gain on sales of notes receivable	10,035	4,214	6,280	3,281
Other expense	(1,520)	(277)	(162)	(400)
Corporate general and administrative expenses	(14,211)	(13,614)	(19,359)	(19,530)
Interest expense	(9,824)	(10,129)	(13,017)	(15,494)
Provision for loan losses	(2,832)	(3,683)	(4,851)	(4,887)
Consolidated income before provision for income taxes and minority interest	$ 24,671	$ 17,545	$ 19,482	$ 3,002

Depreciation expense for reportable segments reconciled to consolidated depreciation expense (in thousands):

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
	(Unaudited)			
Depreciation expense for reportable segments	$3,153	$2,622	$3,609	$2,859
Depreciation expense for corporate fixed assets	1,444	1,235	1,671	1,404
Consolidated depreciation expense	$4,597	$3,857	$5,280	$4,263

Assets for reportable segments reconciled to consolidated assets (in thousands):

	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
	(Unaudited)			
Inventory for reportable segments	$173,131	$194,025	$187,688	$193,634
Assets not allocated to reportable segments	260,861	238,663	247,473	226,047
Total assets	$433,992	$432,688	$435,161	$419,681

Geographic Information

Sales by geographic area are as follows (in thousands):

	Nine Months Ended		Year Ended	
	December 31, 2002	December 30, 2001	March 31, 2002	April 1, 2001
	(Unaudited)			
United States	$216,973	$176,846	$230,179	$219,885
Aruba	5,671	7,849	10,441	9,964
Canada	11	8	8	25
Consolidated totals	$222,655	$184,703	$240,628	$229,874

Inventory by geographic area is as follows (in thousands):

	December 31, 2002	March 31, 2002
United States	$163,606	$177,575
Aruba	9,521	10,107
Canada	4	6
Consolidated totals	$173,131	$187,688

20. Quarterly Financial Information (Unaudited)

Summarized quarterly financial information for the nine months ended December 31, 2002 and the year ended March 31, 2002, is presented below (in thousands, except for per share information). Each quarter presented reflects the results of operations for a 13−week period.

	Three Months Ended		
	June 30, 2002	September 29, 2002	December 31, 2002
	(Restated)	(Restated)	
Sales	$ 71,113	$ 83,386	$ 68,156
Gross profit	46,146	54,377	44,209
Income before cumulative effect of change in accounting principle	4,159	5,080	6,137
Net income (loss)	(1,420)	5,080	6,137
Earnings per common share before cumulative effect of change in accounting principle:			
Basic	0.17	0.21	0.25
Diluted	0.17	0.19	0.23
Earnings (loss) per common share:			
Basic	(0.06)	0.21	0.25
Diluted	(0.06)	0.19	0.23

	Three Months Ended			
	July 1, 2001	September 30, 2001	December 30, 2001	March 31, 2002
Sales	$60,183	$69,235	$55,285	$55,925
Gross profit	40,112	45,157	35,301	33,533
Net income	4,135	4,577	1,972	1,048
Earnings per common share:				
Basic	0.17	0.19	0.08	0.04
Diluted	0.16	0.17	0.08	0.04

Income before cumulative effect of change in accounting principle and net income (loss) for the three months ended June 30, 2002 and September 29, 2002, as presented above, has been restated from the amounts previously disclosed in the Company's Quarterly Reports on Form 10-Q for those periods to reflect the impact of the change in accounting principle discussed in Note 1. Net income as previously disclosed in the Company's Quarterly Reports on Form 10-Q reconciled to the restated amounts above for the three month periods ended June 30, 2002 and September 29, 2002, is as follows (in thousands, except per share data):

	Three Months Ended	
	June 30, 2002	September 29, 2002
Net income, as previously reported	$ 5,158	$ 5,723
Impact of expensing telemarketing costs that were previously deferred in the computation of net income, as previously reported, net of income taxes and minority interest	(999)	(643)
Income before cumulative effect of change in accounting principle	4,159	5,080
Cumulative effect of change in accounting principle, net of income taxes and minority interest	(5,579)	--
Net income (loss), as restated	$(1,420)	$ 5,080
Earnings per common share, as previously reported:		
Basic	$ 0.21	$ 0.23
Diluted	0.19	0.21
Earnings (loss) per common share, as restated:		
Basic	(0.06)	0.21
Diluted	(0.06)	0.19

21. Subsequent Event

In February 10, 2003, the Company entered into a $50.0 million revolving timeshare receivables credit facility (the "GMAC Receivables Facility") with RFC. The borrowing period on the GMAC Receivables Facility expires on March 10, 2005, and outstanding borrowings mature no later than March 10, 2012. The GMAC Receivables Facility has detailed requirements with respect to the eligibility of receivables for inclusion and other conditions to funding. The borrowing base under the GMAC Receivables Facility is 90% of the outstanding principal balance of eligible notes arising from the sale of Timeshare Interests. The GMAC Receivables Facility includes affirmative, negative and financial covenants and events of default. All principal and interest payments received on pledged receivables are applied to principal and interest due under the GMAC Receivables Facility. Indebtedness under the facility will bear interest at LIBOR plus 4%. The Company was required to pay an upfront loan fee of $375,000 in connection with the GMAC Receivables Facility.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Shareholders
Bluegreen Corporation

We have audited the accompanying consolidated balance sheets of Bluegreen Corporation as of December 31, 2002 and March 31, 2002, and the related consolidated statements of income, shareholders' equity and cash flows for the nine-month period ended December 31, 2002 and each of the two years in the period ended March 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bluegreen Corporation at December 31, 2002 and March 31, 2002, and the consolidated results of its operations and its cash flows for the nine-month period ended December 31, 2002 and each of the two years in the period ended March 31, 2002, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the consolidated financial statements, in the nine-month period ended December 31, 2002, the Company changed its method of accounting for the cost associated with generating timeshare tours.

ERNST & YOUNG LLP

West Palm Beach, Florida
January 24, 2003, except for Note 21, as to which the date is February 10, 2003

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

For information with respect to the Company's Directors, see the information provided under the headings "Proposal 1 − Election of Nominees for Director" and "Certain Relationships and Other Transactions" in the Proxy Statement, which sections are incorporated herein by reference.

The following table sets forth certain information regarding the executive officers of the Company as of March 1, 2002.

Name	Age	Position
George F. Donovan	64	President and Chief Executive Officer
John F. Chiste	46	Senior Vice President, Chief Financial Officer and Treasurer
Daniel C. Koscher	45	Senior Vice President − President, Bluegreen(R)Communities
John M. Maloney, Jr.	41	Senior Vice President − President, Bluegreen Resorts
Mark T. Ryall	43	Senior Vice President and Chief Information Officer
Allan J. Herz	43	Vice President and Director of Mortgage Operations
Susan J. Milanese	43	Vice President and Director of Human Resources and Administration
Anthony M. Puleo	34	Vice President and Chief Accounting Officer
Randi S. Tompkins	42	Vice President, Director of Corporate Legal Affairs and Clerk

George F. Donovan joined the Company as a Director in 1991 and was appointed President and Chief Operating Officer in October 1993. He became Chief Executive Officer in December 1993. Mr. Donovan has served as an officer of a number of other recreational real estate corporations, including Leisure Management International, of which he was President from 1991 to 1993, and Fairfield Communities, Inc., of which he was President from April 1979 to December 1985. Mr. Donovan holds a B.S. in Electrical Engineering and is a Registered Resort Professional.

John F. Chiste joined the Company in July 1997 as Treasurer and Chief Financial Officer. In 1998, Mr. Chiste was also named Senior Vice President. From January 1997 to June 1997, Mr. Chiste was the Chief Financial Officer of Compscript, Inc., an entity that provides institutional pharmacy services to long−term health care facilities. From December 1992 to January 1997, he served as the Chief Financial Officer, Secretary and Treasurer of Computer Integration Corporation, a publicly−held distribution company that provides information products and services to corporations nationwide. From 1983 through 1992, Mr. Chiste held various positions with Ernst & Young LLP, most recently serving as a Senior Manager. Mr. Chiste holds a B.B.A. in Accounting and is a Certified Public Accountant.

Daniel C. Koscher joined the Company in 1986. During his tenure, he has

served in various financial management positions including Chief Accounting Officer and Vice President and Director of Planning/Budgeting. In 1996, he became Senior Vice President − President, Bluegreen Communities. Prior to his employment with the Company, Mr. Koscher was employed by the William Carter Company, a manufacturing company located in Needham, Massachusetts. He has also been employed by Cipher Data Products, Inc., a computer peripheral manufacturer located in San Diego, California, as well as the State of Nevada as an audit agent. Mr. Koscher holds an M.B.A. along with a B.B.A. in Accounting and is a Registered Resort Professional.

John M. Maloney, Jr. joined the Company in May 2001 as Senior Vice President of Operations and Business Development for Bluegreen Resorts. In May 2002, Mr. Maloney was named Senior Vice President of the Company and President of Bluegreen Resorts. From 1997 to 2000 Mr. Maloney served in various positions with ClubCorp, most recently as the Senior Vice President of Sales and Marketing for the Owners Club by ClubCorp. From 1994 to 1997, Mr. Maloney held various positions with Hilton Grand Vacations Company, most recently as the Director of Sales and Marketing for the South Florida area. Mr. Maloney holds a bachelors degree in Economics.

Mark T. Ryall joined the Company in October 2000 as Chief Information Officer. In November 2000, Mr. Ryall was also named Senior Vice President. From 1997 through 2000, Mr. Ryall was Vice President and Chief Information Officer at AHL Services, Inc., a publicly held provider of outsourcing solutions based in Atlanta, Georgia. From 1990 to 1997, Mr. Ryall served as Group Project Manager, Management Information Systems, at Ryder System, Inc., a publicly held provider of logistics, supply chain and transportation management solutions worldwide, based in

Miami, Florida. From 1983 through 1990, Mr. Ryall held various positions with Andersen Consulting, an international technology−consulting firm now known as Accenture. Mr. Ryall holds a B.S.B.A. in Financial Management and an M.B.A.

Allan J. Herz joined the Company in 1992 and was named Director of Mortgage Operations in September 1992. Mr. Herz was also elected Vice President in 1993. From 1982 to 1992, Mr. Herz worked for AmeriFirst Federal Savings Bank based in Miami, Florida. During his 10−year tenure with the bank, he held various lending positions, the most recent being Division Vice President in Consumer Lending. Mr. Herz holds a B.B.A. and an M.B.A.

Susan J. Milanese joined the Company in 1988. During her tenure, she has held various management positions in the Company including Assistant to the Chief Financial Officer, Divisional Controller and Director of Accounting. In 1995, she was elected Vice President and Director of Human Resources and Administration. From 1983 to 1988, Ms. Milanese was employed by General Electric Company in various financial management positions including the corporate audit staff. Ms. Milanese holds a B.B.A. in Accounting.

Anthony M. Puleo joined the Company in October 1997 as Chief Accounting Officer. In 1998, Mr. Puleo was also elected Vice President. From December 1990 through October 1997, Mr. Puleo held various positions with Ernst & Young LLP, most recently serving as a Senior Manager in the Assurance and Advisory Business Services group. Mr. Puleo holds a B.B.A. in Accounting and is a Certified Public Accountant.

Randi S. Tompkins joined the Company in 1998 as Assistant Director of Legal Affairs and was elected Vice President and Director of Corporate Legal Affairs and Clerk in 2002. From March 1995 to October 1998, Ms. Tompkins was a sole practitioner attorney, specializing in commercial transactions and commercial and residential real estate matters. Concurrent with her law practice, Ms. Tompkins owned and operated a real estate title insurance company. From 1989 to 1994, Ms. Tompkins was an attorney with the law firm of Michael S. Weiner and Associates. Ms. Tompkins holds a B.A. in American Studies along with a J.D.

The Company's By−Laws provide that, except as otherwise provided by law or the charter and by−laws of the Company, the President, Treasurer and the Clerk hold office until the first meeting of the Board of Directors following the next annual meeting of shareholders and until their respective successors are chosen and qualified and that all other officers hold office for the same period unless a shorter time is specified in the vote appointing such officer or officers.

Section 16 Compliance

The information provided under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION.

The information provided under the headings "Proposal 1− Election of Nominees for Director," "Board of Directors and its Committees," "Compensation Committee Report on Executive Compensation", "Compensation of Chief Executive Officer", "Executive Compensation" and "Certain Relationships and Other Transactions" in the Company's Proxy Statement is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information provided under the heading "Proposal 1 − Election of Nominees for Director" in the Proxy Statement is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information provided under the headings "Proposal 1 − Election of Nominees for Director," "Executive Compensation" and "Certain Relationships and Other Transactions" in the Proxy Statement is incorporated herein by reference.

Item 14. CONTROLS AND PROCEDURES.

In March 2003, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rule 13a−14 and 15d−14(c). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that

our disclosure controls and procedures are effective to assure that the Company records, processes, summarizes and reports in a timely manner the material information that must be included in the Company's reports that are filed with or submitted to the Securities and Exchange Commission.

In addition, there have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Management, including the Chief Executive Officer and Chief Financial Officer, does not expect that the Company's disclosure controls and procedures and internal controls will prevent all error and all improper conduct. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of improper conduct, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

Further, the design of any system of controls also is based in part upon assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Chief Executive Officer and Chief Financial Officer Certifications

Appearing immediately following the "Signatures" section of this report, there are Certifications of the principal executive officer and the principal financial officer. The Certifications are required in accordance with Section 302 of the Sarbanes-Oxley Act of 2002. This Item of this report, which you are currently reading, is the information concerning the evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)(1) and (a)(2) List of Financial Statements and Schedules.

1. The following Consolidated Financial Statements and Notes thereto of the Company and its subsidiaries and the report of independent certified public accountants relating thereto, are included in Item 8.

   Consolidated Balance Sheets as of December 31, 2002 and March 31, 2002

   Consolidated Statements of Income for the nine months ended December 31, 2002, the nine months ended December 30, 2001 and each of the two years in the period ended March 31, 2002

   Consolidated Statements of Shareholders' Equity for the nine months ended December 31, 2002 and each of the two years in the period ended March

31, 2002

Consolidated Statements of Cash Flows for the nine months ended December 31, 2002, the nine months ended December 30, 2001 and each of the two years in the period ended March 31, 2002

Notes to Consolidated Financial Statements

Report of Independent Certified Public Accountants

2. All financial statement schedules are omitted because they are not applicable, are not present in amounts sufficient to require submission of the schedules or the required information is presented in the Consolidated Financial Statements or related notes.

(a)(3) List of Exhibits.

The exhibits which are filed with this Annual Report on Form 10-KT or which are incorporated herein by reference are set forth in the Exhibit Index which appears at pages 92 through 98 hereof and are incorporated herein by reference.

(b) Reports on Form 8-K.

On October 17, 2002, the Company filed a Current Report on Form 8-K dated October 2, 2002, reporting the acquisition of substantially all of the assets and certain liabilities of TakeMeOnVacation(TM), LLC, RVM Promotions, LLC and RVM Vacations, LLC, discussed in Note 2 of Notes to Condensed Consolidated Financial Statements. This event was reported under Item 2, "Acquisition of Assets." This same Form 8-K also reported the Company's change in fiscal year end under Item 8, "Change in Fiscal Year" and discussed above under Item 5, "Other Information."

On December 16, 2002, the Company filed an amendment to the aforementioned Form 8-K, which included the following Combined Financial Statements and Notes thereto of TMOV and the report of independent certified public accountants relating thereto:

- Combined Balance Sheet as of December 31, 2001
- Combined Statement of Income for the year ended December 31, 2001
- Combined Statement of Members' Deficit for the year ended December 31, 2001
- Combined Statement of Cash Flows for the year ended December 31, 2001
- Notes to Combined Financial Statements

The amendment also included pro forma financial information regarding the acquisition of TMOV, as required under Article 11 of Regulation S-X.

(c) Exhibits.

See (a)(3) above.

(d) Financial Statement Schedules.

All financial statement schedules are omitted because they are not applicable, are not present in amounts sufficient to require submission of the schedules or the required information is presented in the Consolidated Financial Statements or related notes.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BLUEGREEN(R) CORPORATION
(Registrant)

Date: March 25, 2003 By: /S/ GEORGE F. DONOVAN
George F. Donovan,
President and Chief Executive Officer

Date: March 25, 2003 By: /S/ JOHN F. CHISTE
John F. Chiste,
Senior Vice President, Treasurer and
Chief Financial Officer
(Principal Financial Officer)

Date: March 25, 2003 By: /S/ ANTHONY M. PULEO
Anthony M. Puleo,
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 25th day of March, 2003.

Signature	Title
/S/ GEORGE F. DONOVAN George F. Donovan	President, Chief Executive Officer and Director
/S/ JOHN F. CHISTE John F. Chiste	Senior Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)
/S/ ANTHONY M. PULEO Anthony M. Puleo	Vice President and Chief Accounting Officer (Principal Accounting Officer)
/S/ ALAN B. LEVAN Alan B. Levan	Chairman of the Board of Directors
/S/ JOHN E. ABDO John E. Abdo	Vice Chairman of the Board of Directors
/S/ NORMAN H. BECKER Norman H. Becker	Director
/S/ JOHN LAGUARDIA John Laguardia	Director
/S/ J. LARRY RUTHERFORD J. Larry Rutherford	Director
/S/ ARNOLD SEVELL Arnold Sevell	Director

I, George F. Donovan, certify that:

1. I have reviewed this transitional annual report on Form 10-KT of Bluegreen(R) Corporation;

2. Based on my knowledge, this transitional annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this transitional annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this transitional annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this transitional annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this transitional annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within ninety (90) days prior to the filing date of this transitional annual report (the "Evaluation Date"); and

   c) presented in this transitional annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this transitional annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 25, 2003

/S/ GEORGE F. DONOVAN
_____
George F. Donovan
Chief Executive Officer

I, John F. Chiste, certify that:

1. I have reviewed this transitional annual report on Form 10-KT of Bluegreen(R) Corporation;

2. Based on my knowledge, this transitional annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this transitional annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this transitional annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this transitional annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this transitional annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within ninety (90) days prior to the filing date of this transitional annual report (the "Evaluation Date"); and

   c) presented in this transitional annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this transitional annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 25, 2003

/S/ JOHN F. CHISTE
_____
John F. Chiste
Chief Financial Officer

EXHIBIT INDEX

Number		Description
3.1	–	Restated Articles of Organization, as amended (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the year ended March 31, 1996).
3.2	–	Restated and amended By–laws of the Registrant (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated September 29, 2002).
4.4	–	Specimen of Common Stock Certificate (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the year ended April 2, 2000).
4.6	–	Form of Indenture dated as of May 15, 1987 relating to the Company's 8.25% Convertible Subordinated Debentures Due 2012, including Form of Debenture (incorporated by reference to exhibit of same designation to Registration Statement on Form S–1, File No. 33–13753).
4.7	–	Indenture dated as of April 1, 1998 by and among the Registrant, certain subsidiaries of the Registrant, and SunTrust Bank, Central Florida, National Association, as trustee, for the 10 1/2% Senior Secured Notes due 2008. (incorporated by reference to exhibit of same designation to Registration Statement on Form S–4, File No. 333–50717).
4.8	–	First Supplemental Indenture dated as of March 15, 1999 by and among the Registrant, certain subsidiaries of the Registrant, and SunTrust Bank, Central Florida, National Association, as trustee, for the 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the fiscal year ended March 28, 1999).
4.9	–	Second Supplemental Indenture dated as of December 31, 2000 by and among the Registrant, certain subsidiaries of the Registrant, and SunTrust Bank, Central Florida, National Association, as trustee, for the 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the fiscal year ended March 31, 2002).
4.10	–	Third Supplemental Indenture dated as of October 31, 2001 by and among the Registrant, certain subsidiaries of the Registrant, and SunTrust Bank, Central Florida, National Association, as trustee, for the 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the fiscal year ended March 31, 2002).
4.11	–	Fourth Supplemental Indenture dated as of December 31, 2001 to the Indenture Dated as of April 1, 1998 among the Registrant, certain of its subsidiaries and SunTrust Bank (formerly SunTrust Bank, Central Florida, National Association), as Notes Trustee, relating to the Company's $110 million aggregate principal amount of 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated December 30, 2001).
4.12	–	Fifth Supplemental Indenture dated as of July 31, 2002 to the Indenture Dated as of April 1, 1998 among the Registrant, certain of its subsidiaries and SunTrust Bank (formerly SunTrust Bank, Central Florida, National Association), as Notes Trustee, relating to the Company's $110 million aggregate principal amount of 10 1/2% Senior Secured Notes due 2008.

10.24 – Form of Agreement dated June 27, 1989 between the Registrant and Peoples Heritage Savings Bank relating to sale of mortgage notes receivable (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the fiscal year ended April 2, 1989).

10.78 – Registrant's 1988 Amended Outside Director's Stock Option Plan (incorporated by reference to exhibit to Registration Statement on Form S–8, File No. 33–61687).

10.79 – Registrant's 1998 Non–Employee Director Stock Option Plan (incorporated by reference to exhibit 10.131 to Annual report on Form 10–K for the year ended March 29, 1998).

10.80 – Registrant's 1995 Stock Incentive Plan, as amended (incorporated by reference to exhibit 10.79 to Annual Report on Form 10–K for the fiscal year ended March 29, 1998).

10.81 – Registrant's Retirement Savings Plan (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the fiscal year ended March 31, 2002).

10.98 – Pooling and Servicing Agreement dated as of June 15, 1995, among Patten Receivables Finance Corporation X, the Registrant, Patten Corporation REMIC Trust, Series 1995–1 and First Trust National Association, as Trustee (incorporated by reference to exhibit to Current Report on Form 8–K dated July 12, 1995).

10.99 – Pooling and Servicing Agreement dated as of April 15, 1996, among Bluegreen Receivables Finance Corporation I, the Registrant, Bluegreen Corporation REMIC Trust, Series 1996–1 and First Trust National Association, as Trustee (incorporated by reference to exhibit to Current Report on Form 8–K dated May 15, 1996).

10.100 – Pooling and Servicing Agreement dated as of November 15, 1996, among Bluegreen Receivables Finance Corporation II, the Registrant, Bluegreen Corporation REMIC Trust, Series 1996–2 and First Trust National Association, as Trustee (incorporated by reference to exhibit to Current Report on Form 8–K dated December 11, 1996).

10.102 – Amended and Restated Sale and Contribution Agreement dated as of October 1, 1999 by and among Bluegreen Corporation Receivables Finance Corporation III and BRFC III Deed Corporation (incorporated by reference to exhibit 10.103 to Quarterly Report on Form 10–Q dated January 2, 2000).

10.104 – Amended and Restated Asset Purchase Agreement dated as of October 1, 1999 by and among Bluegreen Corporation, Bluegreen Receivables Finance Corporation III, BRFC III Deed Corporation, Heller Financial Inc., Vacation Trust, Inc. and U.S. Bank National Association, as cash administrator, including Definitions Annex (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated January 2, 2000).

10.105 – Sale and Contribution Agreement dated as of September 1, 2000, among the Registrant and Bluegreen Receivables Finance Corporation IV (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated October 1, 2000).

10.106 – Sale and Servicing Agreement dated as of September 1, 2000, among the Registrant, BXG Receivables Owner Trust 2000, Bluegreen Receivables Finance Corporation IV, Concord Servicing Corporation, Vacation Trust, Inc., U.S. Bank Trust National Association, Heller Financial, Inc. and Barclays Bank PLC (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated October 1, 2000).

10.107 – Indenture dated as of September 1, 2000, between BXG Receivables Owner Trust 2000 and U.S. Bank Trust National Association (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated October 1, 2000).

10.108 – BXG Receivables Owner Trust 2000 Definitions Annex dated as of September 1, 2000 (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated October 1, 2000).

10.109	–	Class A Note dated as of October 16, 2000, among BXG Receivables Owner Trust 2000, U.S. Bank Trust National Association and Barclays Bank PLC (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated October 1, 2000).
10.110	–	Class B Note dated as of October 16, 2000, among BXG Receivables Owner Trust 2000, U.S. Bank Trust National Association and Heller Financial, Inc. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated October 1, 2000).
10.111	–	Amended and Restated Sale and Servicing Agreement dated April 17, 2002, among the Registrant, Bluegreen Receivables Finance Corporation V, BXG Receivables Note Trust 2001–A, Concord Servicing Corporation, Vacation Trust, Inc. and U.S. Bank Trust National Association (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the fiscal year ended March 31, 2002).
10.112	–	Amended and Restated Note Purchase Agreement dated April 17, 2002, among the Registrant, Bluegreen Receivables Finance Corporation V, BXG Receivables Note Trust 2001–A, the Purchasers Parties Hereto and ING Capital LLC (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the fiscal year ended March 31, 2002).
10.113	–	Amended and Restated Indenture dated April 17, 2002, between BXG Receivables Note Trust 2001–A and U.S. Bank Trust National Association (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the fiscal year ended March 31, 2002).
10.114	–	Amended and Restate Trust Agreement dated April 17, 2002, by and among Bluegreen Receivables Finance Corporation V, GSS Holdings, Inc. and Wilmington Trust Company (incorporated by reference to exhibit of same designation to Annual Report on Form 10–K for the fiscal year ended March 31, 2002).
10.115	–	Purchase and Contribution Agreement dated November 15, 2002, by and among the Registrant and Bluegreen Receivables Finance Corporation VI.
10.116	–	Sale Agreement dated November 15, 2002, by and among Bluegreen Receivables Finance Corporation VI and BXG Receivables Note Trust 2002–A.
10.117	–	Transfer Agreement dated November 15, 2002, by and among the Registrant, BXG Receivables Owner Trust 2000 and Bluegreen Receivables Finance Corporation VI.
10.118	–	Transfer Agreement dated November 15, 2002, by and among the Registrant, BXG Receivables Note Trust 2001–A and Bluegreen Receivables Finance Corporation VI.
10.119	–	Note Purchase Agreement dated December 3, 2002, between BXG Receivables Note Trust 2002–A and ING Financial Markets LLC.
10.120	–	Trust Agreement dated November 15, 2002, by and among Bluegreen Receivables Finance Corporation VI, GSS Holdings, Inc. and Wilmington Trust Company.
10.121	–	Indenture dated November 15, 2002, between the Registrant, BXG Receivables Note Trust 2002–A, Vacation Trust, Inc., Concord Servicing Corporation and U.S. Bank National Association.

10.122 – Exchange and Registration Rights Agreement dated April 1, 1998, by and among the Registrant and the persons named therein, relating to the 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit 10.123 to Registration Statement on Form S-4, File No. 333-50717).

10.123 – Employment Agreement between George F. Donovan and the Company dated December 19, 2001 (incorporated by reference to exhibit 10.124 to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.124 – Promissory Note dated July 1, 2002 between George F. Donovan and Bluegreen Corporation (incorporated by reference to exhibit 10.148 to Quarterly Report on Form 10-Q dated June 30, 2002).

10.125 – Employment Agreement between John F. Chiste and the Company dated December 27, 2001 (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.126 – Employment Agreement between Daniel C. Koscher and the Company dated May 22, 2002 (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.127 – Amended and Restated Credit Facility Agreement entered into as of April 16, 1998 between Finova Capital Corporation and the Registrant (incorporated by reference to exhibit 10.129 to Registration Statement on Form S-4, File No. 333-50717).

10.128 – Second Amended and Restated Credit Facility Agreement entered into as of September 14, 1999, between Finova Capital Corporation and the Registrant (incorporated by reference to exhibit 10.130 to Quarterly Report on Form 10-Q dated October 3, 1999).

10.129 – Amended and Restated Loan and Security Agreement dated as of September 23, 1997 between Foothill Capital Corporation and the Registrant (incorporated by reference to exhibit 10.130 to Registration Statement on Form S-4, File No. 333-50717).

10.130 – Amendment Number One to Loan and Security Agreement dated December 1, 2000, by and between the Registrant and Foothill Capital Corporation (incorporated by reference to exhibit 10.140 to Quarterly Report on Form 10-Q dated December 31, 2000).

10.131 – Amendment Number Two to Loan and Security Agreement dated as of November 9, 2001, by and between the Registrant and Foothill Capital Corporation (incorporated by reference to exhibit 10.133 to Quarterly Report on Form 10-Q dated December 31, 2001).

10.132 – Amendment Number Three to Loan and Security Agreement dated August 28, 2002, by and between the Registrant and Foothill Capital Corporation (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated September 29, 2002).

10.133 – Loan and Security Agreement dated October 20, 1998, by the Registrant and Bluegreen Resorts, Inc. as Borrowers and Heller Financial, Inc. as Lender (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated December 27, 1998).

10.134 – Amended and Restated Loan and Security Agreement dated as of June 30, 1999, among the Registrant, Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit 10.138 to Quarterly Report on Form 10-Q dated July 2, 2000).

10.135 – Amended and Restated Loan and Security Agreement dated as of June 29, 2000, among the Registrant, Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit 10.139 to Quarterly Report on Form 10-Q dated July 2, 2000).

10.136 – Third Amendment to Amended and Restated Loan and Security Agreement dated as of October 16, 2000, among the Registrant, Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit 10.140 to Quarterly Report on Form 10-Q dated October 1, 2000).

10.137 – Fourth Amendment to Amended and Restated Loan and Security Agreement dated as of October 16, 2001, among the Registrant, Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated September 30, 2001).

10.138 – Fifth Amendment to Amended and Restated Loan and Security Agreement dated as of February 16, 2002, among the Registrant, Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.139 – Master Bluegreen Resort Loan Facility dated October 20, 1998, by and between the Registrant and Heller Financial, Inc. (incorporated by reference to exhibit 10.134 to Quarterly Report on Form 10-Q dated December 27, 1998).

10.140 – Acquisition Cost Reimbursement Loan Agreement dated as of September 14, 1999, by and between Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit 10.135 to Quarterly Report on Form 10-Q dated October 3, 1999).

10.141 – Acquisition and Construction Cost Reimbursement Loan Agreement dated as of December 1, 1999, by and between Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit 10.136 to Quarterly Report on Form 10-Q dated January 2, 2000).

10.142 – Letter dated December 1, 1999, amending the Master Bluegreen Resort Facility, dated as of October 20, 1998, between Bluegreen Corporation and Heller Financial, Inc. (incorporated by reference to exhibit 10.137 to Quarterly Report on Form 10-Q dated January 2, 2000).

10.145 – Loan Agreement dated as of September 24, 1999, between Bluegreen Properties of Virginia, Inc. and Branch Banking and Trust Company (incorporated by reference to exhibit 10.140 to Quarterly Report on Form 10-Q dated October 3, 1999).

10.146 – Construction Loan Agreement dated April 8, 2002, between Bluegreen Vacations Unlimited, Inc. and Marshall, Miller & Shroeder Investments Corporation (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated June 30, 2002).

10.147 – Promissory Note dated April 8, 2002, between Bluegreen Vacations Unlimited, Inc. and Marshall, Miller & Shroeder Investments Corporation (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated June 30, 2002).

10.149 – Loan Agreement dated as of September 25, 2002, between Bluegreen Corporation of the Rockies, Bluegreen Golf Clubs, Inc., Bluegreen Properties of Virginia, Inc., Bluegreen Southwest One, L.P. and Residential Funding Corporation (incorporated by reference to exhibit of same designation to Current Report on Form 8-K dated September 25, 2002).

10.150 – Revolving Promissory Note dated as of September 25, 2002, between Bluegreen Corporation of the Rockies, Bluegreen Golf Clubs, Inc., Bluegreen Properties of Virginia, Inc., Bluegreen Southwest One, L.P. and Residential Funding Corporation (incorporated by reference to exhibit of same designation to Current Report on Form 8-K dated September 25, 2002).

10.153 – Second Amended and Restated Loan Agreement dated December 31, 2002 by and among the Registrant, certain subsidiaries of the Registrant and Wachovia Bank, National Association, for the $12.5 million, unsecured, revolving line-of-credit due December 31, 2003.

10.154 – Second Amended and Restated Promissory Note dated December 31, 2002 by and among the Registrant, certain subsidiaries of the Registrant and Wachovia Bank, National Association, for the $12.5 million, unsecured, revolving line-of-credit due December 31, 2003.

10.155 – Loan Agreement dated February 10, 2003, between Bluegreen Vacations Unlimited, Inc. and Residential Funding Corporation.

10.156 – Revolving Promissory Note (AD&C Loan) dated February 10, 2003, between Bluegreen Vacations Unlimited, Inc. and Residential Funding Corporation.

10.157 – Loan and Security Agreement dated February 10, 2003, between the Registrant, Residential Funding Corporation, Bluegreen Vacations Unlimited, Inc. and Bluegreen/Big Cedar Vacations, LLC.

10.158 – Revolving Promissory Note (Receivables Loan) dated February 10, 2003, between the Registrant, Residential Funding Corporation, Bluegreen Vacations Unlimited, Inc. and Bluegreen/Big Cedar Vacations, LLC.

10.159 – Full Guaranty dated February 10, 2003, by the Registrant in favor of Residential Funding Corporation.

10.200 – Marketing and Promotions Agreement dated as of June 16, 2000, by and between Big Cedar L.L.C., Bass Pro, Inc., Bluegreen Vacations Unlimited, Inc. and Bluegreen/Big Cedar Vacations, LLC. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.201 – Advertising Advance Loan dated as of June 16, 2000 by and between Big Cedar L.L.C., as Maker, and Bluegreen Vacations Unlimited, Inc., as Holder (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.202 – Website Hyperlink License Agreement dated as of June 16, 2000 by and between Bluegreen Vacations Unlimited, Inc. (as User), Bass Pro, Inc. and Bass Pro Outdoors Online, L.L.C. (as Owners) (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.203 – Website Hyperlink License Agreement dated as of June 16, 2000 by and between Bluegreen Vacations Unlimited, Inc. (as Owner), Bass Pro, Inc. and Bass Pro Outdoors Online, L.L.C. (as Users) (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.204	–	Contribution Agreement dated as of June 16, 2000 by and between Bluegreen Vacations Unlimited, Inc. and Big Cedar L.L.C. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated July 2, 2000).
10.205	–	Operating Agreement of Bluegreen/Big Cedar Vacations, LLC dated as of June 16, 2000 by and among Bluegreen Vacations Unlimited, Inc. and Big Cedar L.L.C. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated July 2, 2000).
10.206	–	Administrative Services Agreement dated as of June 16, 2000 by and among Bluegreen/Big Cedar Vacations, LLC and Bluegreen Vacations Unlimited, Inc. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated July 2, 2000).
10.207	–	Servicing Agreement dated as of June 16, 2000 by and among the Registrant, Bluegreen/Big Cedar Vacations, LLC and Big Cedar L.L.C. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10–Q dated July 2, 2000).
10.208	–	Asset Purchase Agreement dated as of September 30, 2002, by and among TakeMeOnVacation, LLC, RVM Promotions, LLC, RVM Vacations, LLC and Leisure Plan, Inc. (incorporated by reference to exhibit of same designation to Current Report on Form 8–K dated October 2, 2002).
18	–	Letter re: Change in Accounting Principle.
21.1	–	List of Subsidiaries.
23.1	–	Consent of Ernst & Young LLP.
99.1	–	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002

EXHIBIT 4.12

BLUEGREEN CORPORATION,
as Issuer,

CERTAIN OF ITS SUBSIDIARIES SPECIFIED HEREIN,
as Subsidiary Guarantors

and

SUNTRUST BANK (formerly SUNTRUST BANK,
CENTRAL FLORIDA, NATIONAL ASSOCIATION),
as Notes Trustee

FIFTH SUPPLEMENTAL INDENTURE

Dated as of July 31, 2002

To

The Indenture Dated as of April 1, 1998
Among Bluegreen Corporation,
Certain of its Subsidiaries and SunTrust Bank (formerly SunTrust Bank,
Central Florida, National Association), as Notes Trustee,
Relating to $110 Million Aggregate Principal Amount of
10 1/2% Senior Secured Notes due 2008

FIFTH SUPPLEMENTAL INDENTURE

THIS FIFTH SUPPLEMENTAL INDENTURE (the "Supplemental Indenture") is made as of the 31st day of July, 2002, among Bluegreen Corporation, a Massachusetts corporation (the "Company"), the Subsidiary Guarantors (as defined in the Indenture defined below), and SunTrust Bank (formerly SunTrust Bank, Central Florida, National Association, a national banking association), in its capacity as trustee (the "Notes Trustee").

WHEREAS, the Company, the Subsidiary Guarantors and the Notes Trustee heretofore executed and delivered an Indenture, dated as of April 1, 1998, as amended and supplemented by a First Supplemental Indenture thereto dated as of March 15, 1999, as further amended and supplemented by a Second Supplemental Indenture thereto dated as of December 31, 2000, as further amended and supplemented by a Third Supplemental Indenture thereto dated as of October 31, 2001 and as further amended and supplemented by a Fourth Supplemental Indenture thereto dated as of December 31, 2001 (as so amended and supplemented, the "Indenture"); and

WHEREAS, pursuant to the Indenture, the Company issued and the Notes Trustee authenticated and delivered $110 million aggregate principal amount of the Issuer's 10 1/2% Senior Secured Notes due 2008 (the "Initial Notes"); and

WHEREAS, pursuant to an exchange offer registered with the Securities and Exchange Commission on a Registration Statement No. 333-51717 on Form S-4, the Company offered to, and did, exchange $110 million in aggregate principal amount of its 10 1/2% Senior Secured Notes due 2008 (the "Exchange Notes" and, together with the Initial Notes, the "Notes") for $110 million in aggregate principal amount of the Initial Notes; and

WHEREAS, the Initial Notes were, and the Exchange Notes are, unconditionally guaranteed on a senior basis by the Subsidiary Guarantors; and

WHEREAS, Section 9.01 of the Indenture provides that the Company and the Subsidiary Guarantors, when authorized by Board Resolutions of their respective Boards of Directors, and the Notes Trustee may amend or supplement the Indenture without the consent of any Noteholder, among other reasons, to add further guarantees with respect to the Notes and to cure any ambiguity, omission, defect or inconsistency, provided that such amendment or supplement does not adversely affect the rights of any Noteholder in any respect; and

WHEREAS, the Company has heretofore delivered or is delivering contemporaneously herewith to the Notes Trustee (i) a copy of Board Resolutions authorizing the execution, delivery and performance of this Supplemental Indenture, (ii) an Officers' Certificate in compliance with and to the effect set forth in Sections 1.01, 7.02, 9.01, 9.06 and 12.04 of the Indenture, and (iii) an Opinion of Counsel in compliance with and to the effect set forth in Sections 1.01, 7.02, 9.01, 9.06 and 12.04 of the Indenture; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Supplemental Indenture and to make this Supplemental Indenture valid and binding have been complied with or have been done or performed;

NOW, THEREFORE, in consideration of the foregoing and notwithstanding any provision of the Indenture which, absent this Supplemental Indenture, might operate to limit such action, the Company, the Subsidiary Guarantors and the Notes Trustee agree as follows for the equal and ratable benefit of the Noteholders.

ARTICLE 1
DEFINITIONS

SECTION 1.01. General. For all purposes of the Indenture and this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the words "herein", "hereof" and "hereunder" and other words of similar import refer to the Indenture and this Supplemental Indenture as a whole and not to any particular Article, Section or subdivision; and

(b) capitalized terms used but not defined herein shall have the meaning assigned to them in the Indenture.

ARTICLE 2
ADDITIONAL GUARANTORS

SECTION 2.01. Additional Guarantors. Pursuant to Section 10.07 of the Indenture, each of the Additional Guarantors hereby expressly assumes the obligations of, and otherwise agrees to perform all of the duties of, a Subsidiary Guarantor under the Indenture, subject to the terms and conditions thereof, as of the date set forth opposite the name of such Additional Guarantor on Schedule A hereto.

ARTICLE 3
MISCELLANEOUS

SECTION 3.01. Effectiveness. This Supplemental Indenture shall become effective, as of its effective date, upon its execution and delivery by the Company, the Subsidiary Guarantors and the Notes Trustee. Upon the execution and delivery of this Supplemental Indenture by the Company, the Subsidiary Guarantors and the Notes Trustee, the Indenture shall be supplemented in accordance herewith, and this Supplemental Indenture shall form a part of the Indenture for all purposes, and every Note heretofore or hereafter authenticated and delivered under the Indenture shall be bound thereby.

SECTION 3.02. Indenture Remains in Full Force and Effect. All provisions in the Indenture shall remain in full force and effect, and, except as expressly supplemented and amended hereby, shall remain unchanged.

SECTION 3.03. Indenture and Supplemental Indenture Construed Together. This Supplemental Indenture is an indenture supplemental to and in implementation of the Indenture and the Indenture and this Supplemental Indenture shall henceforth be read and construed together.

SECTION 3.04. Confirmation and Preservation of Indenture. The Indenture, as supplemented by this Supplemental Indenture, is in all respects confirmed and preserved.

SECTION 3.05. Conflict with Trust Indenture Act. If any provision of this Supplemental Indenture limits, qualifies or conflicts with any provision of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), that is required under the Trust Indenture Act to be part of and govern any provision of this Supplemental Indenture, the provision of the Trust Indenture Act shall control. If any provision of this Supplemental Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the provision of the Trust Indenture Act shall be deemed to apply to the Indenture as so modified or to be excluded by this Supplemental Indenture, as the case may be.

SECTION 3.06. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 3.07. Headings. The Article and Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 3.08. Benefits of Supplemental Indenture, etc. Nothing in this Supplemental Indenture or the Notes, express or implied, shall give to any Person, other than the parties hereto and thereto and their successors hereunder and thereunder and the Noteholders, any benefit of any legal or equitable right, remedy or claim under the Indenture, this Supplemental Indenture or the Notes.

SECTION 3.09. Successors. All agreements of the Company and the Subsidiary Guarantors in this Supplemental Indenture shall bind their respective successors. All agreements of the Notes Trustee in this Supplemental Indenture shall bind its successors.

SECTION 3.10. Trustee Not Responsible for Recitals. The recitals contained herein shall be taken as the statements of the Company and the Subsidiary Guarantors, and the Notes Trustee assumes no responsibility for their correctness. The Notes Trustee shall not be liable or responsible for the validity or sufficiency of this Supplemental Indenture.

SECTION 3.11. Certain Duties and Responsibilities of the Notes Trustee. In entering into this Supplemental Indenture, the Notes Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Notes Trustee, whether or not elsewhere herein so provided.

SECTION 3.12. Governing Law. The internal law of the State of New York shall govern and be used to construe this Supplemental Indenture.

SECTION 3.13. Counterpart Originals. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be original, but all of them together represent the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date and year first written above.

SIGNATURES

BLUEGREEN CORPORATION

By: /s/ RANDI S. TOMPKINS

_____
Name: Randi S. Tompkins
Title: Vice President & Clerk

BLUEGREEN HOLDING CORPORATION
(TEXAS)

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

PROPERTIES OF THE SOUTHWEST ONE, INC.

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

BLUEGREEN SOUTHWEST ONE, L.P.
By its General Partner, Bluegreen
Southwest Land, Inc.

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

BLUEGREEN ASSET MANAGEMENT
CORPORATION

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

BLUEGREEN CORPORATION OF TENNESSEE

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

BLUEGREEN CORPORATION OF THE
ROCKIES

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

BLUEGREEN PROPERTIES OF VIRGINIA, INC.

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

BLUEGREEN RESORTS INTERNATIONAL,
INC.

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: President

CAROLINA NATIONAL GOLF CLUB, INC.

By: /s/ RANDI S. TOMPKINS
_____

Name: Randi S. Tompkins
Title: Vice President

LEISURE CAPITAL CORPORATION

By: /s/ RANDI S. TOMPKINS
_____

Name: Randi S. Tompkins
Title: Vice President

BLUEGREEN WEST CORPORATION

By: /s/ RANDI S. TOMPKINS
_____

Name: Randi S. Tompkins
Title: Vice President

BG/RDI ACQUISITION CORP.

By: /s/ RANDI S. TOMPKINS
_____

Name: Randi S. Tompkins
Title: President

BLUEGREEN VACATIONS UNLIMITED, INC.

By: /s/ JOHN MALONEY
_____

Name: John Maloney
Title: Vice President

BLUEGREEN SOUTHWEST LAND, INC.

By: /s/ RANDI S. TOMPKINS
_____

Name: Randi S. Tompkins
Title: Vice President

BLUEGREEN CAROLINA LANDS, LLC

By: /s/ RANDI S. TOMPKINS
_____

Name: Randi S. Tompkins
Title: Vice President

BLUEGREEN RESORTS MANAGEMENT, INC.

By: /s/ RANDI S. TOMPKINS
_____

Name: Randi S. Tompkins
Title: Vice President

JORDAN LAKE PRESERVE CORPORATION

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

LEISURE COMMUNICATION NETWORK, INC.

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

MANAGED ASSETS CORPORATION

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

TRAVELHEADS, INC.

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: President

ENCORE REWARDS, INC.

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

LEISUREPATH, INC.

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: President

CATAWBA FALLS, LLC

By: /s/ RANDI S. TOMPKINS
_____
Name: Randi S. Tompkins
Title: Vice President

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SUNTRUST BANK, As Trustee

By: /s/ LISA DERRYBERRY
_____
Name: Lisa Derryberry

Title: Vice President

SCHEDULE A

ADDITIONAL GUARANTORS

Name	Date
Leisurepath, Inc.	July 31, 2002
Catawba Falls, LLC	July 31, 2002

Exhibit 10.115

(Bluegreen to Depositor)

PURCHASE AND CONTRIBUTION AGREEMENT

This PURCHASE AND CONTRIBUTION AGREEMENT (this "Agreement"), dated as of November 15, 2002, is by and among Bluegreen Corporation, a Massachusetts corporation ("Bluegreen" or the "Seller") and Bluegreen Receivables Finance Corporation VI, a Delaware corporation (the "Company" or "Purchaser") and their respective permitted successors and assigns.

WITNESSETH:

WHEREAS, on the date hereof, (i) the Seller desires to sell, and the Purchaser desires to purchase certain Timeshare Loans originated by the Seller (the "Timeshare Loans") and (ii) Bluegreen, as the sole shareholder of the Purchaser, desires to make a contribution of capital pursuant to the terms hereof;

WHEREAS, concurrently herewith, Company, as seller, intends to enter into that certain Sale Agreement dated as of November 15, 2002 (the "Sale Agreement"), by and between the Company, as depositor (in such capacity, the "Depositor") and BXG Receivables Note Trust 2002−A, a Delaware business trust, (the "Issuer") pursuant to which the Company intends to sell the Timeshare Loans, together with certain other timeshare loans, to the Issuer pursuant to the terms thereof;

WHEREAS, on the Closing Date, the Company intends to enter into that certain Indenture dated as of November 15, 2002 (the "Indenture"), by and among the Issuer, Bluegreen, as servicer (in such capacity, the "Servicer"), Vacation Trust, Inc., a Florida corporation, as club trustee (the "Club Trustee"), and U.S. Bank National Association, as indenture trustee (the "Indenture Trustee"), paying agent and custodian, whereby the Issuer will pledge the Timeshare Loans and other related assets to the Indenture Trustee to secure the Issuer's 4.580% Timeshare Loan−Backed Notes, Series 2002−A, Class A, 4.740% Timeshare Loan−Backed Notes, Series 2002−A, Class B, 5.735% Timeshare Loan−Backed Notes, Series 2002−A, Class C and 7.750% Timeshare Loan−Backed Notes, Series 2002−A, Class D (collectively, the "Notes");

WHEREAS, Bluegreen may, and in certain circumstances will be required to cure, repurchase or substitute and provide Qualified Substitute Timeshare Loans for Defective Timeshare Loans, previously sold to the Purchaser hereunder and pledged to the Indenture Trustee pursuant to the Indenture; and

WHEREAS, the Purchaser, as Depositor, may, at the direction of Bluegreen, be required to exercise Bluegreen's option to purchase or substitute Upgraded Club Loans or Defaulted Timeshare Loans previously sold to the Issuer and pledged to the Indenture Trustee pursuant to the Indenture.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

SECTION 1. Definitions; Interpretation. Capitalized terms used but not defined herein shall have the meanings specified in "Standard Definitions" attached hereto as Annex A.

SECTION 2. Acquisition of Timeshare Loans and Contribution of Capital.

(a) (i) Timeshare Loans and Contribution of Capital. On the Closing Date, by execution of this Agreement, the Seller hereby agrees to sell in part and contribute in part to the Purchaser, in return for the Timeshare Loan

Acquisition Price for each of the Timeshare Loans and all of the common stock of the Company, and hereby transfers, assigns, sells and grants to the Purchaser, without recourse (except as provided in Section 6 and Section 8 hereof), any and all of the Seller's right, title and interest in and to (i) the Timeshare Loans listed on Schedule III hereto, (ii) the Receivables in respect of the Timeshare Loans due after the related Cut-Off Date, (iii) the related Timeshare Loan Documents (excluding any rights as developer or declarant under the Timeshare Declaration, the Timeshare Program Consumer Documents or the Timeshare Program Governing Documents), (iv) all Related Security in respect of each Timeshare Loan and (v) all income, payments, proceeds and other benefits and rights related to any of the foregoing (the property in clauses (i)-(v), being the "Assets"). Upon such contribution, sale and transfer, the ownership of each Timeshare Loan and all collections allocable to principal and interest thereon since the related Cut-Off Date and all other property interests or rights conveyed pursuant to and referenced in this Section 2(a)(i) shall immediately vest in the Purchaser, its successors and assigns. The Seller shall not take any action inconsistent with such ownership nor claim any ownership interest in any Timeshare Loan for any purpose whatsoever other than for federal and state income tax reporting, if applicable. The parties to this Agreement hereby acknowledge that the "credit risk" of the Timeshare Loans conveyed hereunder shall be borne by the Purchaser and its subsequent assignees.

(b) Delivery of Timeshare Loan Documents. In connection with the contribution, sale, transfer, assignment and conveyance of the Timeshare Loans hereunder, the Seller hereby agrees to deliver or cause to be delivered to the Custodian all related Timeshare Loan Files and to the Servicer all related Timeshare Loan Servicing Files.

(c) Collections. The Seller shall deposit or cause to be deposited all collections in respect of the Timeshare Loans received by the Seller or its Affiliates after the related Cut-Off Date in the Lockbox Account.

(d) Limitation of Liability. Neither the Purchaser nor any subsequent assignee of the Purchaser shall have any obligation or liability with respect to any Timeshare Loan nor shall the Purchaser or any subsequent assignee have any liability to any Obligor in respect of any Timeshare Loan. No such obligation or liability is intended to be assumed by the Purchaser or any subsequent assignee herewith and any such liability is hereby expressly disclaimed.

SECTION 3. Intended Characterization; Grant of Security Interest. It is the intention of the parties hereto that each transfer of Timeshare Loans to be made pursuant to the terms hereof shall constitute a sale, in part, and a capital contribution, in part, by the Seller to the Purchaser and not a loan secured by the Timeshare Loans. In the event, however, that a court of competent jurisdiction were to hold that any such transfer constitutes a loan and not a sale and contribution, it is the intention of the parties hereto that the Seller shall be deemed to have granted to the Purchaser as of the date hereof a first priority perfected security interest in all of the Seller's right, title and interest in, to and under the Assets specified in Section 2 hereof and that with respect to such conveyance, this Agreement shall constitute a security agreement under applicable law. In the event of the characterization of any such transfer as a loan, the amount of interest payable or paid with respect to such loan under the terms of this Agreement shall be limited to an amount which shall not exceed the maximum non-usurious rate of interest allowed by the applicable state law or any applicable law of the United States permitting a higher maximum non-usurious rate that preempts such applicable state law, which could lawfully be contracted for, charged or received (the "Highest Lawful Rate"). In the event any payment of interest on any such loan exceeds the Highest Lawful Rate, the parties hereto stipulate that (a) to the extent possible given the term of such loan, such excess amount previously paid or to be paid with respect to such loan be applied to reduce the principal balance of such loan, and the provisions thereof immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder and (b) to the extent that the reduction of the principal balance of, and the amounts collectible under, such loan and the reformation of the provisions thereof described in the immediately preceding clause (a) is not possible given the term of such loan, such excess amount will be deemed to have been paid with respect to such loan as a result of an error and upon discovery of such error or upon notice thereof by

any party hereto such amount shall be refunded by the recipient thereof.

The characterization of the Seller as "debtor" and the Purchaser as "secured party" in any such financing statement required hereunder is solely for protective purposes and shall in no way be construed as being contrary to the intent of the parties that this transaction be treated as a sale and contribution to the Purchaser of the Seller's entire right, title and interest in and to the Assets.

Each of the Seller, Club Trust, Club Trustee and any of their Affiliates hereby agrees to make the appropriate entries in its general accounting records to indicate that the Timeshare Loans have been transferred to the Purchaser and its subsequent assignees.

SECTION 4. Conditions Precedent to Acquisition of Timeshare Loans by the Purchaser. The obligations of the Purchaser to purchase any Timeshare Loans hereunder shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of the Seller contained in Section 5 and in Schedule I hereof, and all information provided in the Schedule of Timeshare Loans related thereto shall be true and correct as of the Closing Date or Transfer Date, as applicable, and the

Seller shall have delivered to the Purchaser, the Issuer, the Indenture Trustee and the Initial Purchaser an Officer's Certificate to such effect.

(b) On or prior to the Closing Date or a Transfer Date, as applicable, the Seller shall have delivered or shall have caused the delivery of (i) the related Timeshare Loan Files to the Custodian and the Custodian shall have delivered a receipt therefore pursuant to the Custodial Agreement and (ii) the Timeshare Loan Servicing Files to the Servicer.

(c) The Seller shall have delivered or caused to be delivered all other information theretofore required or reasonably requested by the Purchaser to be delivered by the Seller or performed or caused to be performed all other obligations required to be performed as of the Closing Date or the Transfer Date, as the case may be, including all filings, recordings and/or registrations as may be necessary in the reasonable opinion of the Purchaser, the Issuer or the Indenture Trustee to establish and preserve the right, title and interest of the Purchaser, the Issuer or the Indenture Trustee, as the case may be, in the related Timeshare Loans.

(d) On or before the Closing Date, the Issuer, the Servicer, the Club Trustee, the Backup Servicer and the Indenture Trustee shall have entered into the Indenture.

(e) The Notes shall be issued and sold on the Closing Date, the Issuer shall receive the full consideration due it upon the issuance of the Notes, and the Issuer, at the direction of the Purchaser, shall have applied such consideration, to the extent necessary, to pay the Timeshare Loan Acquisition Price for each Timeshare Loan.

(f) Each Timeshare Loan conveyed on a Transfer Date shall satisfy each of the criteria specified in the definition of "Qualified Substitute Timeshare Loan" and each of the conditions herein and in the Indenture for substitution of Timeshare Loans shall have been satisfied.

(g) The Purchaser shall have received such other certificates and opinions as it shall reasonably request.

SECTION 5. Representations and Warranties and Certain Covenants of the Seller.

(a) The Seller represents and warrants to the Purchaser and the Indenture Trustee for the benefit of the Noteholders, as of the Closing Date (with respect to the Timeshare Loans transferred on the Closing Date) and on each Transfer Date (with respect to Qualified Substitute Timeshare Loans transferred on such Transfer Date) as follows:

(i) Due Incorporation; Valid Existence; Good Standing. It is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation; and is duly qualified to do

business as a foreign corporation and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations under this Agreement makes such qualification necessary, except where the failure to be so qualified will not have a material adverse effect on its business or its ability to perform its obligations under this

Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans.

(ii) Possession of Licenses, Certificates, Franchises and Permits. It holds, and at all times during the term of this Agreement will hold, all material licenses, certificates, franchises and permits from all governmental authorities necessary for the conduct of its business, and has received no notice of proceedings relating to the revocation of any such license, certificate, franchise or permit, which singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially and adversely affect its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans.

(iii) Corporate Authority and Power. It has, and at all times during the term of this Agreement will have, all requisite corporate power and authority to own its properties, to conduct its business, to execute and deliver this Agreement and all documents and transactions contemplated hereunder and to perform all of its obligations under this Agreement and any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder. The Seller has all requisite corporate power and authority to acquire, own, transfer and convey the Timeshare Loans to the Purchaser.

(iv) Authorization, Execution and Delivery Valid and Binding. This Agreement and all other Transaction Documents and instruments required or contemplated hereby to be executed and delivered by the Seller have been duly authorized, executed and delivered by the Seller and, assuming the due execution and delivery by, the other party or parties hereto and thereto, constitute legal, valid and binding agreements enforceable against the Seller in accordance with their respective terms subject, as to enforceability, to bankruptcy, insolvency, reorganization, liquidation, dissolution, moratorium and other similar applicable laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy, insolvency, reorganization, liquidation or dissolution, as applicable, of the Seller and to general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law. This Agreement constitutes a valid transfer of the Seller's interest in the Timeshare Loans to the Purchaser or, in the event of the characterization of any such transfer as a loan, the valid creation of a first priority perfected security interest in the Timeshare Loans in favor of the Purchaser.

(v) No Violation of Law, Rule, Regulation, etc. The execution, delivery and performance by the Seller of this Agreement and any other Transaction Document to which it is a party do not and will not (A) violate any of the provisions of its articles of incorporation or bylaws, (B) violate any provision of any law, governmental rule or regulation currently in effect applicable to it or its properties or by which the Seller or its properties may be bound or affected, including, without limitation, any bulk transfer laws, where such violation would have a material adverse effect on its ability to perform its

obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or

thereunder or the validity or enforceability of the Timeshare Loans, (C) violate any judgment, decree, writ, injunction, award, determination or order currently in effect applicable to it or its properties or by which the Seller or its properties are bound or affected, where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans, (D) conflict with, or result in a breach of, or constitute a default under, any of the provisions of any indenture, mortgage, deed of trust, contract or other instrument to which it is a party or by which it is bound where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of Timeshare Loans or (E) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, mortgage, deed of trust, contract or other instrument.

(vi) Governmental Consent. No consent, approval, order or authorization of, and no filing with or notice to, any court. or other Governmental Authority in respect of the Seller is required which has not been obtained in connection with the authorization, execution, delivery or performance by the Seller of this Agreement or any of the other Transaction Documents to which it is a party or under the transactions contemplated hereunder or thereunder, including, without limitation, the transfer of the Timeshare Loans and the creation of the security interest of the Purchaser therein pursuant to Section 3 hereof.

(vii) Defaults. It is not in default under any material agreement, contract, instrument or indenture to which it is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body, in each case, which would have a material adverse effect on the transactions contemplated hereunder or on its business, operations, financial condition or assets, and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body.

(viii) Insolvency. It is solvent and will not be rendered insolvent by the transfer of the Timeshare Loans hereunder. On the Closing Date, it will not engage in any business or transaction the result of which would cause the property remaining with it to constitute an unreasonably small amount of capital.

(ix) Pending Litigation or Other Proceedings. Other than as described in the Offering Circular, there is no pending or, to the its Knowledge, threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting it which, if decided adversely, would materially and adversely affect (A) its condition (financial or otherwise), business or operations, (B)

its ability to perform its obligations under, or the validity or enforceability of, this Agreement or any other documents or transactions contemplated under this Agreement, (C) any Timeshare Loan or title of any Obligor to any related Timeshare Property or (D) the Purchaser's or any of its assigns' ability to foreclose or otherwise enforce the liens of the Mortgage Notes and the rights of the Obligors to use and occupy the related Timeshare Properties.

(x) Information. No document, certificate or report furnished or required to be furnished by or on behalf of the Seller pursuant to this Agreement, in its capacity as Seller, contains or will contain when furnished any untrue statement of a material fact or fails or will fail to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which it was made. There are no facts known to the Seller which, individually or in the aggregate, materially adversely affect, or which (aside from general economic trends) may reasonably be expected to materially adversely affect in the future, the financial condition or assets or business of the Seller, or which may impair the ability of the Seller to perform its

obligations under this Agreement, which have not been disclosed herein or therein or in the certificates and other documents furnished to the Purchaser by or on behalf of the Seller specifically for use in connection with the transactions contemplated hereby or thereby.

(xi) Foreign Tax Liability. It is not aware of any Obligor under a Timeshare Loan who has withheld any portion of payments due under such Timeshare Loan because of the requirements of a foreign taxing authority, and no foreign taxing authority has contacted it concerning a withholding or other foreign tax liability.

(xii) No Deficiency Accumulation. It has no outstanding "accumulated funding deficiency" (as such term is defined under ERISA and the Code) with respect to any "employee benefit plan" (as such term is defined under ERISA) sponsored by it.

(xiii) Taxes. It has filed all tax returns (federal, state and local) which it reasonably believes are required to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges due from it or is contesting any such tax, assessment or other governmental charge in good faith through appropriate proceedings or except where the failure to file or pay will not have a material adverse effect on the rights and interests of the Purchaser. It knows of no basis for any material additional tax assessment for any fiscal year for which adequate reserves have not been established. It intends to pay all such taxes, assessments and governmental charges when due.

(xiv) Place of Business. The principal place of business and chief executive office where the Seller keeps its records concerning the Timeshare Loans will be 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431 (or such other place specified by the Seller by written notice to the Purchaser and the Indenture Trustee). The Seller is a corporation formed under the laws of the Commonwealth of Massachusetts.

(xv) Securities Laws. It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No portion of the Timeshare Loan Acquisition Price for each of the Timeshare Loans will be used by it to acquire any security in any transaction which is subject to Section 13 or Section 14 of the Securities Exchange Act of 1934, as amended.

(xvi) Bluegreen Vacation Club. With respect to the Club Loans:

(A) The Club Trust Agreement, of which a true and correct copy is attached hereto as Exhibit B is in full force and effect; and a certified copy of the Club Trust Agreement has been delivered to the Indenture Trustee together with all amendments and supplements in respect thereof;

(B) The arrangement of contractual rights and obligations (duly established in accordance with the Club Trust Agreement under the laws of the State of Florida) was established for the purpose of holding and preserving certain property for the benefit of the Beneficiaries referred to in the Club Trust Agreement. The Club Trustee has all necessary trust and other authorizations and powers required to carry out its obligations under the Club Trust Agreement in the State of Florida and in all other states in which it owns Resort Interests. The Club is not a corporation or business trust under the laws of the State of Florida. The Club is not taxable as an association, corporation or business trust under federal law or the laws of the State of Florida;

(C) The Club Trustee is a corporation duly formed, validly existing and in good standing under the laws of the State of Florida. The Club Trustee is authorized to transact business in no other state. The Club Trustee is not an affiliate of the Servicer for purposes of Chapter 721, Florida Statutes and is in compliance with the requirements of such Chapter 721 requiring that it be independent of the Servicer;

(D) The Club Trustee had all necessary corporate power

to execute and deliver, and has all necessary corporate power to perform its obligations under this Agreement, the other Transaction Documents to which it is a party, the Club Trust Agreement and the Club Management Agreement. The Club Trustee possesses all requisite franchises, operating rights, licenses, permits, consents, authorizations, exemptions and orders as are necessary to discharge its obligations under the Club Trust Agreement;

(E) The Club Trustee holds all right, title and interest in and to all of the Timeshare Properties related to the Club Loans solely for the benefit of the Beneficiaries referred to in, and subject in each case to the provisions of, the Club Trust Agreement and the other documents and agreements related thereto. Except with respect to the Mortgages, the Club Trustee has permitted none of such related

Timeshare Loans to be made subject to any lien or encumbrance during the time it has been a part of the trust estate under the Club Trust Agreement;

(F) There are no actions, suits, proceedings, orders or injunctions pending against the Club or the Club Trustee, at law or in equity, or before or by any governmental authority which, if adversely determined, could reasonably be expected to have a material adverse effect on the Trust Estate or the Club Trustee's ability to perform its obligations under the Transaction Documents;

(G) Neither the Club nor the Club Trustee has incurred any indebtedness for borrowed money (directly, by guarantee, or otherwise);

(H) All ad valorem taxes and other taxes and assessments against the Club and/or its trust estate have been paid when due and neither the Servicer nor the Club Trustee knows of any basis for any additional taxes or assessments against any such property. The Club has filed all required tax returns and has paid all taxes shown to be due and payable on such returns, including all taxes in respect of sales of Owner Beneficiary Rights (as defined in the Club Trust Agreement) and Vacation Points;

(I) The Club and the Club Trustee are in compliance in all material respects with all applicable laws, statutes, rules and governmental regulations applicable to it and in compliance with each material instrument, agreement or document to which it is a party or by which it is bound, including, without limitation, the Club Trust Agreement;

(J) Except as expressly permitted in the Club Trust Agreement, the Club Trustee has maintained the One-to-One Beneficiary to Accommodation Ratio (as such terms are defined in the Club Trust Agreement);

(K) Bluegreen Vacation Club, Inc. is a non-stock corporation duly formed, validly existing and in good standing under the laws of the State of Florida;

(L) Upon purchase of the Club Loans and related Trust Estate hereunder, the Purchaser is an "Interest Holder Beneficiary" under the Club Trust Agreement and each of the Club Loans constitutes "Lien Debt", "Purchase Money Lien Debt" and "Owner Beneficiary Obligations" under the Club Trust Agreement; and

(M) Except as disclosed to the Indenture Trustee in writing, each Mortgage associated with a Club Loan and granted by the Club Trustee or the Obligor on the related Club Loan, as applicable, has been duly executed, delivered and recorded by or pursuant to the instructions of the Club Trustee under the Club Trust Agreement and such Mortgage is valid and binding and effective to create the lien and security interests in favor of the Indenture Trustee (upon assignment

thereof to the Indenture Trustee). Each of such Mortgages was granted in connection with the financing of a sale of a Resort Interest.

(b) The Seller hereby makes the representations and warranties relating to the Timeshare Loans contained in Schedule I hereto for the benefit of the Purchaser, the Issuer and the Indenture Trustee for the benefit of the Noteholders as of the Closing Date (with respect to each Timeshare Loan transferred on the Closing Date) and as of each Transfer Date (with respect to each Qualified Substitute Timeshare Loan transferred on such Transfer Date), as applicable.

(c) It is understood and agreed that the representations and warranties set forth in this Section 5 shall survive the sale and contribution of each Timeshare Loan to the Purchaser and any assignment of such Timeshare Loans by the Purchaser and shall continue so long as any such Timeshare Loans shall remain outstanding or until such time as such Timeshare Loans are repurchased, purchased or a Qualified Substitute Timeshare Loan is provided pursuant to Section 6 hereof. The Seller acknowledges that it has been advised that the Purchaser intends to assign all of its right, title and interest in and to each Timeshare Loan and its rights and remedies under this Agreement to the Issuer. The Seller agrees that, upon any such assignment, the Purchaser and any of its assignees may enforce directly, without joinder of the Purchaser (but subject to any defense that the Seller may have under this Agreement) all rights and remedies hereunder.

(d) With respect to any representations and warranties contained in Section 5 which are made to the Seller's Knowledge, if it is discovered that any representation and warranty is inaccurate and such inaccuracy materially and adversely affects the value of a Timeshare Loan or the interests of the Purchaser or any subsequent assignee thereof, then notwithstanding such lack of Knowledge of the accuracy of such representation and warranty at the time such representation or warranty was made (without regard to any Knowledge qualifiers), such inaccuracy shall be deemed a breach of such representation or warranty for purposes of the repurchase or substitution obligations described in Sections 6(a)(i) or (ii) below.

SECTION 6. Repurchases and Substitutions.

(a) Mandatory Repurchases and Substitutions for Breaches of Representations and Warranties. Upon the receipt of notice by the Seller of a breach of any of the representations and warranties in Section 5 hereof (on the date on which such representation or warranty was made) which materially and adversely affects the value of a Timeshare Loan or the interests of the Purchaser or any subsequent assignee of the Purchaser (including the Issuer and the Indenture Trustee on behalf of the Noteholders) therein, the Seller shall, within 60 days of receipt of such notice, cure in all material respects the circumstance or condition which has caused such representation or warranty to be incorrect or either (i) repurchase the Purchaser's interest in such Defective Timeshare Loan from the Purchaser at the Repurchase Price or (ii) provide one or more Qualified Substitute Timeshare Loans and pay the related Substitution Shortfall Amounts, if any.

(b) Optional Purchases or Substitutions of Upgraded Club Loans. The Depositor hereby irrevocably grants to the Seller any options to repurchase or substitute Upgraded Club Loans it has under the Sale Agreement, the Transfer Agreements and as described in the

following sentence. With respect to Upgraded Club Loans, on any date, the Seller shall have the option, but not the obligation, to either (i) pay the Repurchase Price for a related Upgraded Club Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for a related Upgraded Timeshare Loan and pay the related Substitution Shortfall Amounts, if any; provided, however, that the Seller's option to substitute one or more Qualified Substitute Timeshare Loan for a related Upgraded Club Loan is limited on any

date to (x) 20% of the sum of the Cut−Off Date Aggregate Loan Balance of the Timeshare Loans on the Closing Date less (y) the Loan Balances of all Upgraded Club Loans previously substituted by the Seller on the related substitution dates pursuant to this Agreement, the Sale Agreement and/or the Transfer Agreements. To the extent that Bluegreen shall elect to substitute Qualified Substitute Timeshare Loans for an Upgraded Timeshare Loan, Bluegreen agrees to use best efforts to cause each such Qualified Substitute Timeshare Loan to be a timeshare loan for which the related Obligor has previously effected an upgrade.

(c) Optional Purchases and Substitutions of Defaulted Timeshare Loans. The depositor hereby irrevocably grants to the Seller any options to repurchase or substitute Defaulted Club Loans it has under the Sale Agreement, the Transfer Agreements and as described in the following sentence. With respect to Defaulted Timeshare Loans on any date, the Seller will have the option, but not the obligation, to either (i) purchase a related Defaulted Timeshare Loan subject to the lien of the Indenture at the Repurchase Price for such related Defaulted Timeshare Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for such related Defaulted Timeshare Loan and pay the related Substitution Shortfall Amounts, if any; provided, however, that the Seller's option to purchase a related Defaulted Timeshare Loan or to substitute one or more Qualified Substitute Timeshare Loans for a related Defaulted Timeshare Loan is limited on any date to the Optional Purchase Limit and the Optional Substitution Limit, respectively. The Seller may irrevocably waive its option to purchase or substitute a related Defaulted Timeshare Loan by delivering to the Indenture Trustee a Waiver Letter in the form of Exhibit A attached hereto.

(d) Payment of Repurchase Prices and Substitution Shortfall Amounts. The Seller hereby agrees to remit or cause to be remitted all amounts in respect of Repurchase Prices and Substitution Shortfall Amounts payable during the related Due Period in immediately available funds to the Indenture Trustee to be deposited in the Collection Account on the related Transfer Date in accordance with the provisions of the Indenture. In the event that more than one Timeshare Loan is substituted pursuant to Sections 6(a), (b) or (c) hereof on any Transfer Date, the Substitution Shortfall Amounts and the Loan Balances of Qualified Substitute Timeshare Loans shall be calculated on an aggregate basis for all substitutions made on such Transfer Date.

(e) Schedule of Timeshare Loans. The Seller hereby agrees, on each date on which a Timeshare Loan has been repurchased, purchased or substituted, to provide or cause to be provided to the Purchaser, the Issuer and the Indenture Trustee with an electronic supplement to Schedule III hereto and the Schedule of Timeshare Loans reflecting the removal and/or substitution of Timeshare Loans and subjecting any Qualified Substitute Timeshare Loans to the provisions of this Agreement.

(f) Qualified Substitute Timeshare Loans. On the related Transfer Date, the Seller hereby agrees to deliver or to cause the delivery of the Timeshare Loan Files relating to the Qualified Substitute Timeshare Loans to the Indenture Trustee or to the Custodian, at the direction of the Indenture Trustee, in accordance with the provisions of the Indenture. As of such related Transfer Date, the Seller does hereby transfer, assign, sell and grant to the Purchaser; without recourse (except as provided in Section 6 and Section 8 hereof), any and all of the Seller's right, title and interest in and to (i) each Qualified Substitute Timeshare Loan conveyed to the Purchaser on such Transfer Date, (ii) the Receivables in respect of the Qualified Substitute Timeshare Loans due after the related Cut−Off Date, (iii) the related Timeshare Loan Documents (excluding any rights as developer or declarant under the Timeshare Declaration, the Timeshare Program Consumer Documents or the Timeshare Program Governing Documents), (iv) all Related Security in respect of such Qualified Substitute Timeshare Loans and (v) all income, payments, proceeds and other benefits and rights related to any of the foregoing. Upon such sale, the ownership of each Qualified Substitute Timeshare Loan and all collections allocable to principal and interest thereon since the related Cut−Off Date and all other property interests or rights conveyed pursuant to and referenced in this Section 6(f) shall immediately vest in the Purchaser, its successors and assigns. The Seller shall not take any action inconsistent with such ownership nor claim any ownership interest in any Qualified Substitute Timeshare Loan for any purpose whatsoever other than consolidated financial and federal and state income tax reporting. The Seller agrees that such Qualified Substitute Timeshare Loans shall be subject to the provisions of this Agreement.

(g) Officer's Certificate. The Seller shall, on each related

Transfer Date, certify or cause to be certified in writing to the Purchaser, the Issuer and the Indenture Trustee that each new Timeshare Loan meets all the criteria of the definition of "Qualified Substitute Timeshare Loan" and that (i) the Timeshare Loan Files for such Qualified Substitute Timeshare Loans have been delivered to the Custodian, and (ii) the Timeshare Loan Servicing Files for such Qualified Substitute Timeshare Loans have been delivered to the Servicer.

(h) Release. In connection with any repurchase, purchase or substitution of one or more Timeshare Loans contemplated by this Section 6, upon satisfaction of the conditions contained in this Section 6, the Purchaser, the Issuer and the Indenture Trustee shall execute and deliver or shall cause the execution and delivery of such releases and instruments of transfer or assignment presented to it by the Seller, in each case without recourse, as shall be necessary to vest in the Seller or its designee the legal and beneficial ownership of such Timeshare Loans. The Purchaser, the Issuer and the Indenture Trustee shall cause the Custodian to release the related Timeshare Loan Files to the Seller or its designee and the Servicer to release the related Timeshare Loan Servicing Files to the Seller or its designee.

(i) Sole Remedy. It is understood and agreed that the obligations of the Seller contained in Section 6(a) to cure a material breach, or to repurchase or substitute Defective Timeshare Loans and the obligation of the Seller to indemnify pursuant to Section 8, shall constitute the sole remedies available to the Purchaser or its subsequent assignees for the breaches of any its representation or warranty contained in Section 5 and such remedies are not intended to and do not constitute "credit recourse" to the Seller.

SECTION 7. Additional Covenants of the Seller. The Seller hereby covenants and agrees with the Purchaser as follows:

(a) It shall comply with all applicable laws, rules, regulations and orders applicable to it and its business and properties except where the failure to comply will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans.

(b) It shall preserve and maintain its existence (corporate or otherwise), rights, franchises and privileges in the jurisdiction of its organization and except where the failure to so preserve and maintain will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans.

(c) On or prior to the Closing Date or a Transfer Date, as applicable, it shall indicate in its and its Affiliates' computer files and other records that each Timeshare Loan has been sold to the Purchaser.

(d) It shall respond to any inquiries with respect to ownership of a Timeshare Loan by stating that such Timeshare Loan has been sold to the Purchaser and that the Purchaser is the owner of such Timeshare Loan.

(e) On or prior to the Closing Date, it shall file or cause to be filed, at its own expense, financing statements in favor of the Purchaser, and, if applicable, the Issuer and the Indenture Trustee on behalf of the Noteholders, with respect to the Timeshare Loans, in the form and manner reasonably requested by the Purchaser or its assigns. The Seller shall deliver file-stamped copies of such financing statements to the Purchaser, the Issuer and the Indenture Trustee on behalf of the Noteholders.

(f) It agrees from time to time to, at its expense, promptly execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that the Purchaser, the Issuer or the Indenture Trustee may reasonably request, to perfect, protect or more fully evidence the sale and contribution of the Timeshare Loans to the Purchaser, or to enable the Purchaser to exercise and enforce its rights and remedies hereunder or under any Timeshare Loan including, but not limited to, powers of attorney, UCC financing statements and assignments of mortgage. It hereby appoints the Purchaser, the Issuer and the Indenture Trustee as attorneys-in-fact, which appointment is coupled with an interest and is therefore irrevocable, to act on behalf and in the name of the Seller under this

Section 7(f).

(g) Any change in the legal name of the Seller and any use by it of any tradename, fictitious name, assumed name or "doing business as" name occurring after the Closing Date shall be promptly disclosed to the Purchaser and the Indenture Trustee in writing.

(h) Upon the discovery or receipt of notice by a Responsible Officer of the Seller of a breach of any of its representations or warranties and covenants contained herein, the Seller shall promptly disclose to the Purchaser, the Issuer and the Indenture Trustee, in reasonable detail, the nature of such breach.

(i) In the event that the Seller shall receive any payments in respect of a Timeshare Loan after the Closing Date or Transfer Date, as applicable (including any insurance proceeds that are not payable to the related Obligor), the Seller shall, within two (2) Business Days of receipt, transfer or cause to be transferred, such payments to the Lockbox Account.

(j) The Seller will keep its principal place of business and chief executive office and the office where it keeps its records concerning the Timeshare Loan at the address of Bluegreen listed herein.

(k) In the event that the Seller or the Purchaser or any assignee of the Purchaser should receive actual notice of any transfer taxes arising out of the transfer, assignment and conveyance of a Timeshare Loan to the Purchaser, on written demand by the Purchaser, or upon the Seller otherwise being given notice thereof, the Seller shall pay, and otherwise indemnify and hold the Purchaser, or any subsequent assignee harmless, on an after−tax basis, from and against any and all such transfer taxes.

(l) The Seller authorizes the Purchaser, the Issuer and the Indenture Trustee to file continuation statements, and amendments thereto, relating to the Timeshare Loans and all payments made with regard to the related Timeshare Loans without the signature of the Seller where permitted by law. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law. The Purchaser confirms that it is not its present intention to file a photocopy or other reproduction of this Agreement as a financing statement, but reserves the right to do so if, in its good faith determination, there is at such time no reasonable alternative remaining to it.

SECTION 8. Indemnification.

(a) The Seller agrees to indemnify the Purchaser, the Issuer, the Indenture Trustee, the Noteholders and the Initial Purchaser (collectively, the "Indemnified Parties") against any and all claims, losses, liabilities, (including reasonable legal fees and related costs) that the Purchaser, the Issuer, the Indenture Trustee, the Noteholders or the Initial Purchaser may sustain directly related to any breach of the representations and warranties of the Seller under Section 5 hereof (the "Indemnified Amounts") excluding, however (i) Indemnified Amounts to the extent resulting from the gross negligence or willful misconduct on the part of such Indemnified Party; (ii) any recourse for any uncollectible Timeshare Loan not related to a breach of representation or warranty; (iii) recourse to the Seller for a Defective Timeshare Loan so long as the same is cured, substituted or repurchased pursuant to Section 6 hereof, (iv) income, franchise or similar taxes by such Indemnified Party arising out of or as a result of this Agreement or the transfer of the Timeshare Loans; (v) Indemnified Amounts attributable to any violation by an Indemnified Party of any requirement of law related to an Indemnified Party; or (vi) the operation or administration of the Indemnified Party generally and not related to the

enforcement of this Agreement. The Seller shall (A) promptly notify the Purchaser and the Indenture Trustee if a claim is made by a third party with respect to this Agreement or the Timeshare Loans, and relating to (i) the failure by the Seller to perform its duties in accordance with the terms of this Agreement or (ii) a breach of the Seller's representations, covenants and warranties contained in this Agreement, (B) assume (with the consent of the Purchaser, the Issuer, the Indenture Trustee, the Noteholders or the Initial Purchaser, as applicable, which consent shall not be unreasonably withheld) the defense of any such claim and (C) pay all expenses in connection therewith, including legal counsel fees and promptly pay, discharge and satisfy any judgment, order or decree which may be entered against it or the Purchaser, the Issuer, the Indenture Trustee, the Noteholders or the Initial Purchaser in respect of such claim. If the Seller shall have made any indemnity payment pursuant to this Section 8 and the recipient thereafter collects from another Person any amount relating to the matters covered by the foregoing indemnity, the recipient shall promptly repay such amount to the Seller.

(b) The obligations of the Seller under this Section 8 to indemnify the Purchaser, the Issuer, the Indenture Trustee, the Noteholders and the Initial Purchaser shall survive the termination of this Agreement and continue until the Notes are paid in full or otherwise released or discharged.

SECTION 9. No Proceedings. The Seller hereby agrees that it will not, directly or indirectly, institute, or cause to be instituted, or join any Person in instituting, against the Purchaser or any Association, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law so long as there shall not have elapsed one year plus one day since the latest maturing Notes issued by the Issuer.

SECTION 10. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing and mailed or telecommunicated, or delivered as to each party hereto, at its address set forth below or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall not be effective until received by the party to whom such notice or communication is addressed.

Seller

Bluegreen Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431
Attention: Allan Herz, Vice President
Telecopier: (561) 912-7915

Purchaser

Bluegreen Receivables Finance Corporation VI
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Attention: Terry Jones, President
Telecopier: (561) 912-8121

SECTION 11. No Waiver; Remedies. No failure on the part of the Seller, the Purchaser or any assignee thereof to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any other remedies provided by law.

SECTION 12. Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Purchaser and their respective successors and assigns. Any assignee of the Purchaser shall be an express third party beneficiary of this Agreement, entitled to directly enforce this Agreement. The Seller may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of the Purchaser and any assignee thereof. The Purchaser may, and intends to, assign all of its rights hereunder to the Issuer and the Seller consents to any such assignment. This Agreement shall create and constitute the continuing obligations of the

parties hereto in accordance with its terms, and shall remain in full force and effect until its termination; provided, however, that the rights and remedies with respect to any breach of any representation and warranty made by the Seller pursuant to Section 5 and the repurchase or substitution and indemnification obligations shall be continuing and shall survive any termination of this Agreement but such rights and remedies may be enforced only by the Purchaser, the Issuer and the Indenture Trustee.

SECTION 13. Amendments; Consents and Waivers. No modification, amendment or waiver of, or with respect to, any provision of this Agreement, and all other agreements, instruments and documents delivered thereto, nor consent to any departure by the Seller from any of the terms or conditions thereof shall be effective unless it shall be in writing and signed by each of the parties hereto, the written consent of the Indenture Trustee on behalf of the Noteholders is given and confirmation from the Rating Agencies, that such action will not result in a downgrade, withdrawal or qualification of any rating assigned to a Class of Notes is received. The Seller shall provide the Indenture Trustee and the Rating Agencies with such proposed modifications, amendments or waivers. Any waiver or consent shall be effective only in the specific instance and for the purpose for which given. No consent to or demand by the Seller in any case shall, in itself, entitle it to any other consent or further notice or demand in similar or other circumstances. The Seller acknowledges that in connection with the intended assignment by the Purchaser of all of its right, title and interest in and to each Timeshare Loan to the Issuer, the Issuer intends to issue the Notes, the proceeds of which will be used by the Issuer to purchase the Timeshare Loans from the Purchaser under the terms of the Sale Agreement.

SECTION 14. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation, shall not in any way be affected or impaired thereby in any other jurisdiction. Without limiting the generality of the foregoing, in the event that a Governmental Authority determines that the Purchaser may not purchase or acquire Timeshare Loans, the transactions evidenced hereby shall constitute a loan and not a purchase and sale and contribution to capital, notwithstanding the

otherwise applicable intent of the parties hereto, and the Seller shall be deemed to have granted to the Purchaser as of the date hereof, a first priority perfected security interest in all of the Seller's right, title and interest in, to and under such Timeshare Loans and the related property as described in Section 2 hereof.

SECTION 15. GOVERNING LAW; CONSENT TO JURISDICTION.

(A) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW.

(B) THE PARTIES TO THIS AGREEMENT HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY AND EACH PARTY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO THE ADDRESS SET FORTH ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID. THE PARTIES HERETO EACH WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION 15 SHALL AFFECT THE RIGHT OF THE PARTIES TO THIS AGREEMENT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY OF THEM TO BRING ANY ACTION OR PROCEEDING IN THE COURTS OF ANY OTHER JURISDICTION.

SECTION 16. Heading. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 17. Execution in Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when

so executed shall be deemed to be an original and both of which when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI, as Purchaser

By: /s/ Terry Jones
_____
Name: Terry Jones
Title: President

BLUEGREEN CORPORATION, as Seller

By: /s/ John F. Chiste
_____
Name: John F. Chiste
Title: Senior Vice President

Agreed and acknowledged as to the last paragraph of Section 3 herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By:
_____
Name:
Title:

[Signature Page to the Purchase and Contribution Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI, as Purchaser

By:
_____
Name: Terry Jones
Title: President

BLUEGREEN CORPORATION, as Seller

By:
_____
Name: John F. Chiste
Title: Senior Vice President

Agreed and acknowledged as to the last paragraph of Section 3 herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By: /s/ Shari A. Basye
_____
Name: Shari A. Basye
Title: Secretary/Treasurer

[Signature Page to the Purchase and Contribution Agreement]

Annex A

Standard Definitions

Annex A

EXECUTION COPY

STANDARD DEFINITIONS

"ACH Form" shall mean the ACH authorization form executed by Obligors substantially in the form attached as Exhibit C to each of the Transfer Agreement, the Sale Agreement and the Purchase Agreement.

"Act" shall have the meaning specified in Section 1.4 of the Indenture.

"Additional Servicing Compensation" shall mean any late fees related to late payments on the Timeshare Loans, any non-sufficient funds fees, any processing fees and any Liquidation Expenses collected by the Servicer and any unpaid out-of-pocket expenses incurred by the Servicer during the related Due Period.

"Adjusted Note Balance" shall equal, for any Class of Notes, the Outstanding Note Balance of such Class of Notes immediately prior to such Payment Date, less any Note Balance Write-Down Amounts previously applied in respect of such Class of Notes; provided, however, to the extent that for purposes of consents, approvals, voting or other similar act of the Noteholders under any of the Transaction Documents, "Adjusted Note Balance" shall exclude Notes which are held by Bluegreen or any Affiliate thereof.

"Administration Agreement" shall mean the administration agreement, dated as of November 15, 2002, by and among the Administrator, the Owner Trustee, the Issuer and the Indenture Trustee, as amended from time to time in accordance with the terms thereof.

"Administrator" shall mean Bluegreen or any successor under the Administration Agreement.

"Administrator Fee" shall equal on each Payment Date an amount equal to the product of (i) one-twelfth and (ii) (A) if Bluegreen or an affiliate thereof is the Administrator, $1,000.00 and (B) if WTC is the Administrator, $20,000.00.

"Adverse Claim" shall mean any claim of ownership or any lien, security interest, title retention, trust or other charge or encumbrance, or other type of preferential arrangement having the effect or purpose of creating a lien or security interest, other than the interests created under the Indenture in favor of the Indenture Trustee and the Noteholders.

"Affiliate" shall mean any Person: (a) which directly or indirectly controls, or is controlled by, or is under common control with such Person; (b) which directly or indirectly beneficially owns or holds five percent (5%) or more of the voting stock of such Person; or (c) for which five percent (5%) or more of the voting stock of which is directly or indirectly beneficially owned or held by such Person; provided, however, that under no circumstances shall the Trust Company be deemed to be an Affiliate of the Issuer, the Depositor or the Owner, nor shall any of such parties be deemed to be an Affiliate of the Trust Company. The term "control" means the possession, directly or indirectly, of the

power to direct or cause the direction of the

management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Initial Note Balance" is equal to the sum of the Initial Note Balances for all Classes of Notes.

"Aggregate Loan Balance" means the sum of the Loan Balances for all Timeshare Loans (except Defaulted Timeshare Loans).

"Aggregate Outstanding Note Balance" is equal to the sum of the Outstanding Note Balances for all Classes of Notes.

"Aruba Assignment" shall mean the assignment, dated as of November 15, 2002, between the Aruba Originator and Bluegreen pursuant to which the Aruba Originator has assigned all right, title and interest in each Aruba Loan (that is not an ING Facility Loan or Heller Facility Loan) to Bluegreen.

"Aruba Loan" shall mean a Timeshare Loan originated by the Aruba Originator and evidenced by a Finance Agreement.

"Aruba Originator" shall mean Bluegreen Properties, N.V., an Aruba corporation.

"Aruba Share Certificate" shall mean a share certificate issued by the timeshare cooperative association of La Cabana Beach Resort & Racquet Club in Aruba, which entitles the owner thereof the right to use and occupy a fixed Unit at a fixed period of time each year at the La Cabana Beach Resort & Racquet Club in Aruba.

"Assignment of Mortgage" shall mean, with respect to a Club Loan, a written assignment of one or more Mortgages from the related Originator or Seller to the Indenture Trustee, for the benefit of the Noteholders, relating to one or more Timeshare Loans in recordable form, and signed by an Authorized Officer of all necessary parties, sufficient under the laws of the jurisdiction wherein the related Timeshare Property is located to give record notice of a transfer of such Mortgage and its proceeds to the Indenture Trustee.

"Association" shall mean the not−for−profit corporation or cooperative association responsible for operating a Resort.

"Assumption Date" shall have the meaning specified in the Backup Servicing Agreement.

"Authorized Officer" shall mean, with respect to any corporation, limited liability company or partnership, the Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer, Managing Member and each other officer of such corporation or limited liability company or the general partner of such partnership specifically authorized in resolutions of the Board of Directors of such corporation or managing member of such limited liability company to sign agreements,

instruments or other documents in connection with this Indenture on behalf of such corporation, limited liability company or partnership, as the case may be.

"Available Funds" shall mean for any Payment Date, (A) all funds on deposit in the Collection Account after making all transfers and deposits required from (i) the Lockbox Account pursuant to the Lockbox Agreement, (ii) the General Reserve Account pursuant to Section 3.2(b) of the Indenture, (iii) the Closing Date Delinquency Reserve Account pursuant to Section 3.2(d) of the Indenture, (iv) the Club Originator or the Depositor, as the case may be, pursuant to Section 4.4 of the Indenture, and (v) the Servicer pursuant to the

Indenture, plus (B) all investment earnings on funds on deposit in the Collection Account from the immediately preceding Payment Date through such Payment Date, less (C) amounts on deposit in the Collection Account related to collections related to any Due Periods subsequent to the Due Period related to such Payment Date, less (D) any Additional Servicing Compensation on deposit in the Collection Account.

"Backup Servicer" shall mean Concord Servicing Corporation, an Arizona corporation, and its permitted successors and assigns.

"Backup Servicing Agreement" shall mean the backup servicing agreement, dated as of November 15, 2002, by and among the Issuer, the Depositor, the Servicer, the Backup Servicer and the Indenture Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

"Backup Servicing Fee" shall on each Payment Date (so long as Concord Servicing Corporation is the Backup Servicer), be equal to (A) prior to the removal or resignation of Bluegreen, as Servicer, the greater of (i) $750.00 and (ii) the product of (x) $0.075 and (y) the number of Timeshare Loans in the Trust Estate and (B) after the removal or resignation of Bluegreen, as Servicer, an amount equal to the product of (i) one-twelfth of 2.00% and (ii) the Aggregate Loan Balance as of the first day of the related Due Period.

"Bankruptcy Code" shall mean the federal Bankruptcy Code, as amended (Title 11 of the United States Code).

"Beneficiary" shall be as defined in the Club Trust Agreement.

"Benefit Plan" shall mean an "employee benefit plan" as defined in Section 3(3) of ERISA, or any other "plan" as defined in Section 4975(e)(1) of the Code, that is subject to the prohibited transaction rules of ERISA or of Section 4975 of the Code or any plan that is subject to any substantially similar provision of federal, state or local law.

"Bluegreen" shall mean Bluegreen Corporation, a Massachusetts corporation, and its permitted successors and assigns.

"Bluegreen Loans" shall mean certain Timeshare Loans that were sold by Bluegreen to the Depositor pursuant to the Purchase Agreement.

"Book-Entry Note" shall mean a beneficial interest in the Notes, ownership and transfers of which shall be made through book-entries by the Depository.

"Business Day" shall mean any day other than (i) a Saturday, a Sunday, or (ii) a day on which banking institutions in New York City, Wilmington, Delaware, the State of Florida, the city in which the Servicer is located or the city in which the Corporate Trust Office of the Indenture Trustee is located are authorized or obligated by law or executive order to be closed.

"BXG Trust 2000" shall mean the BXG Receivables Owner Trust 2000, a Delaware statutory trust formed to purchase and finance the Heller Facility Loans.

"BXG Trust 2000 Transfer Agreement" shall mean the transfer agreement, dated as of November 15, 2002, by and among Bluegreen, the Depositor and BXG Trust 2000 pursuant to which the Heller Facility Loans are sold to the Depositor.

"BXG Trust 2001-A" shall mean the BXG Receivables Note Trust 2001-A, a Delaware statutory trust formed to purchase and finance the ING Facility Loans.

"BXG Trust 2001-A Transfer Agreement" shall mean the transfer agreement, dated as of November 15, 2002, by and among Bluegreen, the Depositor and BXG Trust 2001-A pursuant to which the ING Facility Loans are sold to the Depositor.

"Cash Accumulation Event" shall exist on any Determination Date, if (A) for the last three Due Periods, the average Delinquency Level for Timeshare Loans that are 61 days or more delinquent is equal to or greater than 6%, or (B) for the last six Due Periods, the average Default Level is equal to or greater than 12%, or (C) the Cumulative Default Level is equal to or greater than the

applicable Cumulative Default Percentage, or (D) four or more of the Bluegreen Developed Resorts have their respective ratings from RCI or II, as applicable, downgraded below the related rating that was assigned thereto on the Closing Date, or (E) the Servicer (if Bluegreen) fails to have at least $75,000,000 in financing facilities in place. A Cash Accumulation Event shall be deemed to be continuing until the earlier of (A) the immediately following Determination Date upon which none of the events described in this paragraph exists and (B) the day on which the Outstanding Note Balance of each Class of Notes has been reduced to zero.

"Cede & Co." shall mean the initial registered holder of the Notes, acting as nominee of The Depository Trust Company.

"Certificate" shall mean a Trust Certificate or a Residual Interest Certificate, as applicable.

"Certificate Distribution Account" shall have the meaning specified in Section 5.01 of the Trust Agreement.

"Certificate of Trust" shall mean the Certificate of Trust in the form attached as Exhibit A to the Trust Agreement.

"Certificateholders" shall mean the holders of the Trust Certificate and Residual Interest Certificate.

"Class" shall mean, as the context may require, any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes.

"Class A Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class B Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class C Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class D Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class D Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(c) of the Indenture.

"Class D Reserve Account Required Balance" shall mean for any Payment Date, the lesser of (A) 1.00% of the Cut-Off Date Aggregate Loan Balance and (B) the Outstanding Note Balance off the Class D Notes on such Payment Date.

"Closing Date" shall mean December 13, 2002.

"Closing Date Delinquency Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(d) of the Indenture.

"Closing Date Delinquency Reserve Account Initial Deposit" shall mean an amount equal to the product of (i) 50% and (ii) the sum of the Loan Balances of all Timeshare Loans which were 31 days or more delinquent on the Initial Cut-Off Date that are still delinquent on the Closing Date.

"Club" shall mean Bluegreen Vacation Club Trust, doing business as Bluegreen Vacation Club, formed pursuant to the Club Trust Agreement.

"Club Loan" shall mean a Timeshare Loan originated by the Club Originator and evidenced by a Mortgage Note and secured by a first Mortgage on a fractional fee simple timeshare interest in a Unit.

"Club Management Agreement" shall mean that certain Amended and Restated Management Agreement between the Club Managing Entity and the Club Trustee, dated as of May 18, 1994, as amended from time to time.

"Club Managing Entity" shall mean Bluegreen Resorts Management, Inc., a Delaware corporation, in its capacity as manager of the Club and owner of the Club's reservation system, and its permitted successors and assigns.

"Club Originator" shall mean Bluegreen, in its capacity as an Originator.

"Club Trust Agreement" shall mean, collectively, that certain Bluegreen Vacation Club Trust Agreement, dated as of May 18, 1994, by and between the Developer and the Club Trustee, as amended, restated or otherwise modified from time to time, together with all other agreements, documents and instruments governing the operation of the Club.

"Club Trustee" shall mean Vacation Trust, Inc., a Florida corporation, in its capacity as trustee under the Club Trust Agreement, and its permitted successors and assigns.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and any successor statute, together with the rules and regulations thereunder.

"Collection Account" shall mean the account established and maintained by the Indenture Trustee pursuant to Section 3.2(a) of the Indenture.

"Collection Policy" shall mean the collection policies of the initial servicer in effect on the Closing Date, as may be amended from time to time in accordance with the Servicing Standard.

"Completed Unit" shall mean a Unit at a Resort which has been fully constructed and furnished, has received a valid permanent certificate of occupancy, is ready for occupancy and is subject to a time share declaration.

"Confidential Information" means information obtained by any Noteholder including, without limitation, the Preliminary Confidential Offering Circular dated October 23, 2002 or the Confidential Offering Circular dated December 3, 2002 related to the Notes and the Transaction Documents, that is proprietary in nature and that was clearly marked or labeled as being confidential information of the Issuer, the Servicer or their Affiliates, provided that such term does not include information that (a) was publicly known or otherwise known to the Noteholder prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Noteholder or any Person acting on its behalf, (c) otherwise becomes known to the Noteholder other than through disclosure by the Issuer, the Servicer or their Affiliates or (d) any other public disclosure authorized by the Issuer or the Servicer.

"Continued Errors" shall have the meaning specified in Section 5.4 of the Indenture.

"Corporate Trust Office" shall mean the office of the Indenture Trustee located in the State of Minnesota, which office is at the address set forth in Section 13.3 of the Indenture.

"Credit Policy" shall mean the credit and underwriting policies of the Originators in effect on the Closing Date.

"Cumulative Default Level" shall mean for any Determination Date, an amount equal to the sum of the Loan Balances of all Timeshare Loans that became Defaulted Timeshare Loans since the Closing Date (other than Defaulted Timeshare Loans that subsequently become current) divided by the Cut-Off Date Aggregate Loan Balance (expressed as a percentage). For purposes of this definition "Timeshare Loan" shall include those timeshare loans that have been released from the Lien of the Indenture pursuant to Section 4.5(c) of the Indenture.

"Cumulative Default Percentage" shall equal 10% on or before December 1, 2003; 14% on or before December 1, 2004; 18% on or before December 1, 2005; 20% on or before December 1, 2006 and 22% thereafter.

"Custodial Agreement" shall mean the custodial agreement, dated as

of November 15, 2002 by and among the Issuer, the Depositor, the Servicer, the Backup Servicer, and the Indenture Trustee and Custodian, as the same may be amended, supplemented or otherwise modified from time to time providing for the custody and maintenance of the Timeshare Loan Documents relating to the Timeshare Loans.

"Custodian" shall mean U.S. Bank National Association, a national banking association, or its permitted successors and assigns.

"Custodian Fees" shall mean for each Payment Date, the fee payable by the Issuer to the Custodian in accordance with the Custodial Agreement.

"Cut-Off Date" shall mean, with respect to (i) the Initial Timeshare Loans, the Initial Cut-Off Date, and (ii) any Qualified Substitute Timeshare Loan, the related Subsequent Cut-Off Date.

"Cut-Off Date Aggregate Loan Balance" shall mean the aggregate of the Loan Balances of all Timeshare Loans as of the Initial Cut-Off Date.

"Cut-Off Date Loan Balance" shall mean the Loan Balance of a Timeshare Loan on the related Cut-Off Date.

"Default" shall mean an event which, but for the passage of time, would constitute an Event of Default under the Indenture.

"Default Level" shall mean for any Due Period, the product of (i) 12 and (ii) the sum of the Loan Balances of Timeshare Loans that became Defaulted Timeshare Loans during such Due Period less the Loan Balances of Defaulted Timeshare Loans that subsequently became current during such Due Period divided by the Aggregate Loan Balance on the first day of such Due Period (expressed as a percentage).

"Defaulted Timeshare Loan" is any Timeshare Loan for which any of the earliest following events may have occurred: (i) the Servicer has commenced cancellation or forfeiture or deletion actions on the related Timeshare Loan after collection efforts have failed in accordance with its credit and collection policies, (ii) as of the last day of any Due Period, all or part of a scheduled payment under the Timeshare Loan is more than 120 days delinquent from the due

date, (iii) the related Timeshare Loan otherwise ceases to be an Eligible Timeshare Loan or (iv) the Servicer obtains actual knowledge that a bankruptcy event has occurred with respect to the related Obligor.

"Defective Timeshare Loan" shall have the meaning specified in Section 4.4 of the Indenture.

"Deferred Interest Amount" shall mean, with respect to a Class of Notes and a Payment Date, the sum of (i) interest accrued at the related Note Rate during the related Interest Accrual Period on such Note Balance Write-Down Amounts applied in respect of such Class and (ii) any unpaid Deferred Interest Amounts from any prior Payment Date, together with interest thereon at the applicable Note Rate from the date any such Note Balance Write-Down Amount was applied in respect of such Class, to the extent permitted by law.

"Definitive Note" shall have the meaning specified in Section 2.2 of the Indenture.

"Delinquency Event" shall have occurred if the average Delinquency Level over the last five Due Periods for Timeshare Loans that are 31 days or more delinquent is equal to or greater than 7%. A Delinquency Event shall be deemed to exist and be continuing until the average Delinquency Level over the last five Due Periods for Timeshare Loans that are 31 days or more delinquent is less than 7% for three consecutive Due Periods.

"Delinquency Level" shall mean for any Due Period, an amount equal to the sum of the Loan Balances of Timeshare Loans (other than Defaulted Timeshare Loans) that are the specified number of days delinquent on the last day of such Due Period divided by the Aggregate Loan Balance on the first day of such Due Period (expressed as a percentage).

"Delinquency Reserve Amount" shall mean, for any Payment Date, the

product of (i) if (A) no Delinquency Event exists and is continuing, 3.00% or (B) a Delinquency Event exists and is continuing, 5.00%, and (ii) the aggregate of the Loan Balances of all Timeshare Loans subject to the lien of the Indenture (as of the end of the related Due Period).

"Depositor" shall mean Bluegreen Receivables Finance Corporation VI, a Delaware Corporation, and its permitted successors and assigns.

"Depository" shall mean an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. The initial Depository shall be The Depository Trust Company.

"Depository Agreement" shall mean the letter of representations dated as of December 13, 2002, by and among the Issuer, the Indenture Trustee and the Depository.

"Depository Participant" shall mean a broker, dealer, bank, other financial institution or other Person for whom from time to time a Depository effects book-entry transfers and pledges securities deposited with the Depository.

"Determination Date" shall mean the day that is five Business Days prior to such Payment Date.

"Developer" shall mean Bluegreen Vacations Unlimited, Inc., a Florida corporation, and its permitted successors and assigns.

"DTC" shall mean The Depository Trust Company, and its permitted successors and assigns.

"Due Period" shall mean with respect to any Payment Date, the period from the 16th day of the second preceding calendar month to the 15th day of the preceding calendar month; for the Initial Payment Date, the period from and including November 16, 2002 to December 15, 2002.

"Eligible Bank Account" shall mean a segregated account, which may be an account maintained with the Indenture Trustee, which is either (a) maintained with a depositary institution or trust company whose long-term unsecured debt obligations are rated at least "A" by Fitch and "A2" by Moody's and whose short-term unsecured obligations are rated at least "A-1" by Fitch and "P-1" by Moody's; or (b) a trust account or similar account maintained at the corporate trust department of the Indenture Trustee.

"Eligible Investments" shall mean one or more of the following:

(a) obligations of, or guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States;

(b) federal funds, certificates of deposit, time deposits and bankers' acceptances, each of which shall not have an original maturity of more than 90 days, of any depository institution or trust company incorporated under the laws of the United States or any state; provided that the long-term unsecured debt obligations of such depository institution or trust company at the date of acquisition thereof have been rated by each Rating Agency in one of the three highest rating categories available from S&P and no lower than A2 by Moody's; and provided, further, that the short-term obligations of such depository institution or trust company shall be rated in the highest rating category by such Rating Agency;

(c) commercial paper or commercial paper funds (having original maturities of not more than 90 days) of any corporation incorporated under the laws of the United States or any state thereof; provided that any such commercial paper or commercial paper funds shall be rated in the highest short-term rating category by each Rating Agency; and

(d) any no-load money market fund rated (including money market funds managed or advised by the Indenture Trustee or an Affiliate thereof) in the highest short-term rating category or equivalent highest long-term rating category

by each Rating Agency; provided that, Eligible Investments purchased from funds in the Eligible Bank Accounts shall include only such obligations or securities that either may be redeemed daily or mature no later than the Business Day next preceding the next Payment Date;

(e) demand and time deposits in, certificates of deposit of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company (including the Indenture Trustee or any Affiliate of the Indenture Trustee, acting in its commercial capacity) incorporated under the laws of the United States of America or any State thereof and subject to supervision and examination by federal and/or state authorities, so long as, at the time of such investment, the commercial paper or other short-term deposits of such depository institution or trust company are rated at least P-1 by Moody's and at least A-1 by SP

and provided, further, that (i) no instrument shall be an Eligible Investment if such instrument evidences a right to receive only interest payments with respect to the obligations underlying such instrument, and (ii) no Eligible Investment may be purchased at a price in excess of par. Eligible Investments may include those Eligible Investments with respect to which the Indenture Trustee or an Affiliate thereof provides services.

"Eligible Owner Trustee" shall have the meaning specified in Section 10.01 of the Trust Agreement.

"Eligible Timeshare Loan" shall mean a Timeshare Loan which meets all of the criteria set forth in Schedule I of the Sale Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Errors" shall have the meaning specified in Section 5.4 of the Indenture.

"Event of Default" shall have the meaning specified in Section 6.1 of the Indenture.

"Finance Agreement" shall mean a purchase and finance agreement between an Obligor and the Aruba Originator pursuant to which such Obligor finances the purchase of Aruba Share Certificates.

"Foreclosure Properties" shall have the meaning specified in Section 5.3(b) of the Indenture.

"General Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(b) of the Indenture.

"General Reserve Account Initial Deposit" shall mean an amount equal to 1.00% of the Cut-Off Date Aggregate Loan Balance.

"General Reserve Account Required Balance" shall mean (a) if no Cash Accumulation Event has occurred, the greater of (i) 3.00% of the sum of the Aggregate Loan Balance and the aggregate Loan Balance of Defaulted Timeshare Loans subject to the lien of the Indenture (as of the end of the related Due Period) and (ii) 1.50% of the Cut-Off Date Aggregate Loan Balance or (b) if a Cash Accumulation Event has occurred, 3.00% of the Cut-Off Date Aggregate Loan Balance.

"Global Note" shall have the meaning specified in Section 2.2 of the Indenture.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Grant" shall mean to grant, bargain, convey, assign, transfer, mortgage, pledge, create and grant a security interest in and right of set-off against, deposit, set over and confirm.

"Heller Assignment Agreement" shall mean the assignment agreement, dated as of November 15, 2002, by and among BXG Trust 2000 and Bluegreen.

"Heller Facility Loans" shall mean certain Timeshare Loans that were previously sold to BXG Trust 2000 pursuant to that certain Sale and Servicing Agreement, dated as of September 1, 2000, by and among BXG Trust 2000, Bluegreen Receivables Finance Corporation IV, Bluegreen, Concord Servicing Corporation, Vacation Trust, Inc., U.S. Bank Trust National Association, Heller Financial, Inc. and Barclays Bank PLC.

"Heller Loan Agreement" shall mean the Amended and Restated Loan and Security Agreement, dated as of June 30, 1999, by and between Bluegreen, the Developer and Heller Financial, Inc., as amended from time to time.

"Highest Lawful Rate" shall have the meaning specified in Section 3 of the Sale Agreement.

"Holder" or "Noteholder" shall mean a holder of a Class A Note, a Class B Note, a Class C Note or a Class D Note.

"II" shall mean Interval International, Inc.

"Indenture" shall mean the indenture, dated as of November 15, 2002, by and among the Issuer, the Club Trustee, the Servicer, the Backup Servicer and the Indenture Trustee.

"Indenture Trustee" shall mean U.S. Bank National Association, a national banking association, not in its individual capacity but solely as Indenture Trustee under the Indenture, and any successor as set forth in Section 7.9 of the Indenture.

"Indenture Trustee Fee" shall mean for each Payment Date, the sum of (A) $875.00 and (B) until the Indenture Trustee shall become the successor Servicer, the greater of

(A) the product of one-twelfth of 0.0175% and the Aggregate Loan Balance as of the first day of the related Due Period and (B) $1,500.00.

"ING Assignment Agreement" shall mean the assignment agreement, dated as of November 15, 2002 by and among BXG Trust 2001-A and Bluegreen.

"ING Facility Loans" shall mean certain Timeshare Loans that were previously sold to BXG Trust 2001-A pursuant to that certain Amended and Restated Sale and Servicing Agreement dated as of April 17, 2002, by and among Bluegreen Receivables Finance Corporation V, BXG Trust 2001-A, Bluegreen, Concord Servicing Corporation, Vacation Trust, Inc. and U.S. Bank National Association.

"Initial Cut-Off Date" shall mean the close of business on November 15, 2002.

"Initial Note Balance" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, $86,899,000, $21,724,000, $23,535,000 and $38,018,000, respectively.

"Initial Payment Date" shall mean the Payment Date occurring in January 2003.

"Initial Purchaser" shall mean ING Financial Markets LLC.

"Intended Tax Characterization" shall have the meaning specified in Section 4.2(b) of the Indenture.

"Interest Accrual Period" shall mean with respect to (i) any Payment Date other than the Initial Payment Date, the period from the 16th day of the second preceding calendar month to the 15th day of the preceding calendar month and (ii) the Initial Payment Date, the period from and including the Closing Date through December 15, 2002.

"Interest Distribution Amount" shall equal, for a Class of Notes and on any Payment Date, the sum of (i) interest accrued during the related Interest Accrual Period at the related Note Rate on the Outstanding Note Balance of such Class of Notes immediately prior to such Payment Date (or, if any Note Balance Write-Down Amounts have been applied to such Class of Notes, the Adjusted Note Balance of such Class of Notes) and (ii) the amount of unpaid Interest Distribution Amounts from prior Payment Dates for such Class of Notes, plus, to the extent permitted by applicable law, interest on such unpaid amount at the related Note Rate. The Interest Distribution Amount shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Issuer" shall mean BXG Receivables Note Trust 2002-A, a statutory trust formed under the laws of the State of Delaware pursuant to the Trust Agreement.

"Issuer Order" shall mean a written order or request delivered to the Indenture Trustee and signed in the name of the Issuer by an Authorized Officer of the Issuer or Administrator.

"Knowledge" shall mean (a) as to any natural Person, the actual awareness of the fact, event or circumstance at issue or receipt of notification by proper delivery of such fact, event or circumstance and (b) as to any Person that is not a natural Person, the actual awareness of the fact, event or circumstance at issue by a Responsible Officer of such Person or receipt, by a Responsible Officer of such Person, of notification by proper delivery of such fact, event or circumstance.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment for security, security interest, claim, participation, encumbrance, levy, lien or charge.

"Liquidation" means with respect to any Timeshare Loan, the sale or compulsory disposition of the related Timeshare Property, following foreclosure, forfeiture or other enforcement action or the taking of a deed-in-lieu of foreclosure, to a Person other than the Servicer or an Affiliate thereof.

"Liquidation Expenses" shall mean, with respect to a Defaulted Timeshare Loan, as of any date of determination, any out-of-pocket expenses (exclusive of overhead expenses) incurred by the Servicer in connection with the performance of its obligations under Section 5.3(b) in the Indenture, including, but not limited to, (i) any foreclosure or forfeiture and other repossession expenses incurred with respect to such Timeshare Loan, (ii) actual commissions and marketing and sales expenses incurred by the Servicer with respect to the remarketing of the related Timeshare Property and (iii) any other fees and expenses reasonably applied or allocated in the ordinary course of business with respect to the Liquidation of such Defaulted Timeshare Loan (including any assessed and unpaid Association fees and real estate taxes).

"Liquidation Proceeds" means with respect to the Liquidation of any Timeshare Loan, the amounts actually received by the Servicer in connection with such Liquidation.

"Loan Balance" shall mean, for any date of determination, the outstanding principal balance due under or in respect of a Timeshare Loan (including a Defaulted Timeshare Loan).

"Lockbox Account" shall mean the account maintained pursuant to the Lockbox Agreement, which shall be a non-interest bearing account.

"Lockbox Agreement" shall mean the lockbox agreement, dated as of November 15, 2002, by and among the Issuer, the Indenture Trustee and the Lockbox Bank.

"Lockbox Bank" shall mean Fleet National Bank, a national banking association.

"Lockbox Fee" shall mean on each Payment Date, the fee payable by

the Issuer to the Lockbox Bank in accordance with the Lockbox Agreement.

"Misdirected Deposits" shall mean such payments that have been deposited to the Collection Account in error.

"Monthly Servicer Report" shall have the meaning specified in Section 5.5 of the Indenture.

"Moody's" shall mean Moody's Investors Service, Inc.

"Mortgage" shall mean, with respect to a Club Loan, any purchase money mortgage, deed of trust, purchase money deed of trust or mortgage deed creating a first lien on a Timeshare Property to secure debt granted by the Club Trustee on behalf of an Obligor to the Club Originator with respect to the purchase of such Timeshare Property and/or the contribution of the same to the Club and otherwise encumbering the related Timeshare Property to secure payments or other obligations under such Timeshare Loan.

"Mortgage Note" shall mean, with respect to a Club Loan, the original, executed promissory note evidencing the indebtedness of an Obligor under a Club Loan, together with any rider, addendum or amendment thereto, or any renewal, substitution or replacement of such note.

"Net Liquidation Proceeds" shall mean with respect to a Liquidation, the positive difference between Liquidation Proceeds and Liquidation Expenses.

"New Servicing Fee Proposal" shall have the meaning specified in Section 5.4 of the Indenture.

"Note Balance Write–Down Amount" shall mean with respect to any Payment Date, an amount equal to the excess, if any, of the Aggregate Outstanding Note Balance (immediately after the distribution of Available Funds and any amounts paid to the Class D Noteholders from the Class D Reserve Account on such Payment Date) over the Aggregate Loan Balance as of the end of the Due Period related to such Payment Date.

"Note Owner" shall mean, with respect to a Book–Entry Note, the Person who is the beneficial owner of such Book–Entry Note, as reflected on the books of the Depository or on the books of a Person maintaining an account with such Depository (directly or as an indirect participant, in accordance with the rules of such Depository).

"Note Purchase Agreement" shall mean that certain note purchase agreement dated the Closing Date, between the Initial Purchaser and the Issuer.

"Note Rate" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, 4.580%, 4.740%, 5.735% and 7.750%, respectively.

"Note Register" shall have the meaning specified in Section 2.4(a) of the Indenture.

"Note Registrar" shall have the meaning specified in Section 2.4(a) of the Indenture.

"Noteholder" shall mean any holder of a Note of any Class.

"Notes" shall mean collectively, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"Obligor" shall mean the related obligor under a Timeshare Loan.

"Officer's Certificate" shall mean a certificate executed by a Responsible Officer of the related party.

"Opinion of Counsel" shall mean a written opinion of counsel, in each case acceptable to the addressees thereof.

"Optional Purchase Limit" shall mean, on any date, an amount equal to (x) 15% of the Cut-Off Date Aggregate Loan Balance less (y) the aggregate Loan Balances (as of the related purchase dates or release dates, as applicable) of all Defaulted Timeshare Loans (a) previously purchased by the Club Originator pursuant to the Sale Agreement, the Purchase Agreement or any of the Transfer Agreements and (b) previously released pursuant to Section 4.5(c) of the Indenture.

"Optional Redemption Date" shall mean the first date in which the Aggregate Outstanding Note Balance is less than or equal to 10% of the Aggregate Initial Note Balance of all Classes of Notes.

"Optional Substitution Limit" shall mean, on any date, an amount equal to (x) 20% of the Cut-Off Date Aggregate Loan Balance less (y) the aggregate Loan Balances (as of the related Transfer Dates) of all Defaulted Timeshare Loans previously substituted by the Club Originator pursuant to the Sale Agreement, the Purchase Agreement or the any of the Transfer Agreements.

"Originator" shall mean either the Club Originator or the Aruba Originator.

"Outstanding" shall mean, with respect to the Notes, as of any date of determination, all Notes theretofore authenticated and delivered under the Indenture except:

(a) Notes theretofore canceled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;

(b) Notes or portions thereof for whose payment money in the necessary amount has been theretofore irrevocably deposited with the Indenture Trustee in trust for the holders of such Notes; and

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Notes are held by a Person in whose hands the Note is a valid obligation; provided, however, that in determining whether the holders of the requisite percentage of the Outstanding Note Balance of the Notes have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in

determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Notes that a Responsible Officer of the Indenture Trustee actually has notice are so owned shall be so disregarded.

"Outstanding Note Balance" shall mean as of any date of determination and Class of Notes, the Initial Note Balance of such Class of Notes less the sum of Principal Distribution Amounts actually distributed to the Holders of such Class of Notes as of such date; provided, however, to the extent that for purposes of consents, approvals, voting or other similar act of the Noteholders under any of the Transaction Documents, "Outstanding Note Balance" shall exclude Notes which are held by Bluegreen or any Affiliate thereof.

"Owner" shall mean the owner of the Trust Certificate issued by the Issuer pursuant to the Trust Agreement, which shall be GSS Holdings, Inc.

"Owner Beneficiary" shall have the meaning specified in the Club Trust Agreement.

"Owner Beneficiary Agreement" shall mean the purchase agreement entered into by each obligor and the Developer with respect to the Club Loans.

"Owner Beneficiary Rights" shall have the meaning specified in the Club Trust Agreement.

"Owner Trustee" shall mean Wilmington Trust Company, a Delaware banking corporation, or any successor thereof, acting not in its individual capacity but solely as owner trustee under the Trust Agreement.

"Owner Trustee Corporate Trust Office" shall mean Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19801.

"Owner Trustee Fee" shall mean for each Payment Date an amount equal to the product of (i) one-twelfth and (ii)(A) prior to the Owner Trustee becoming successor Administrator, $6,000.00 and (B) upon the Owner Trustee becoming successor Administrator, $5,000.00.

"Paying Agent" shall mean any Person authorized under the Indenture to make the distributions required under Sections 3.4 of the Indenture, which such Person initially shall be the Indenture Trustee.

"Payment Date" shall mean the 1st day of each month, or, if such date is not a Business Day, then the next succeeding Business Day, commencing on the Initial Payment Date.

"Payment Default Event" shall have occurred if (i) each Class of Notes shall become due and payable pursuant to Section 6.2(a) of the Indenture or (ii) each Class of Notes shall otherwise become due and payable following an Event of Default under the Indenture and the Indenture Trustee has, in its good faith judgment, determined that the value of the assets comprising the Trust Estate is less than the Aggregate Outstanding Note Balance.

"Percentage Interest" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, 48%, 12%, 13% and 21%, respectively.

"Permitted Liens" shall mean (a) with respect to Timeshare Loans in the Trust Estate, Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable, (ii) Liens in favor of the Depositor and the Issuer created pursuant to the Transaction Documents, and (iii) Liens in favor of the Trust and the Indenture Trustee created pursuant to the Indenture; (b) with respect to the related Timeshare Property, materialmen's, warehousemen's, mechanic's and other Liens arising by operation of law in the ordinary course of business for sums not due, (ii) Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable, (iii) Liens in favor of the Depositor pursuant to Transfer Agreements and the Purchase Agreement, and (iv) the Obligor's interest in the Timeshare Property under the Timeshare Loan whether pursuant to the Club Trust Agreement or otherwise; and (c) with respect to Timeshare Loans and Related Security in the Trust Estate, any and all rights of the Beneficiaries referred to in the Club Trust Agreement under such Club Trust Agreement.

"Person" means an individual, general partnership, limited partnership, limited liability partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority, or other entity of whatever nature.

"Predecessor Servicer Work Product" shall have the meaning specified in Section 5.4(b) of the Indenture.

"Principal Distribution Amount" shall equal for any Payment Date and Class of Notes, the sum of the following:

(i) the product of (a) such Class' Percentage Interest and (b) the amount of principal collected in respect of each Timeshare Loan during the related Due Period (including, but not limited to, principal in respect of scheduled payments, partial prepayments, prepayments in full, liquidations, Substitution Shortfall Amounts and Repurchase Prices, if any, but excluding principal received in respect of Timeshare Loans that became Defaulted Timeshare Loans during prior Due Periods that have not been released from the lien of the Indenture) or, if the Cut-Off Date for a Timeshare Loan shall have occurred during the related Due Period, the amount of principal collected in respect of such Timeshare Loan after such Cut-Off Date, and

(ii) the product of (a) such Class' Percentage Interest and (b) the aggregate Loan Balance of all Timeshare Loans which became

Defaulted Timeshare Loans during the related Due Period, less the sum of (x) the aggregate Loan Balance of all Qualified Substitute Timeshare Loans which were conveyed to the Trust Estate in respect of Defaulted Timeshare Loans during the related Due Period, (y) the principal portion of Repurchase

Prices paid in respect of Defaulted Timeshare Loans during the related Due Period, and (z) the principal portion of Net Liquidation Proceeds received during the related Due Period, and

(iii) any unpaid Principal Distribution Amounts for such Class from prior Payment Dates.

"Purchase Agreement" shall mean the purchase and contribution agreement, dated as of November 15, 2002, between the Club Originator and the Depositor pursuant to which such Club Originator sells Timeshare Loans to the Depositor.

"Qualified Substitute Timeshare Loan" shall mean a Timeshare Loan (i) that, when aggregated with other Qualified Substitute Timeshare Loans being substituted on such Transfer Date, has a Loan Balance, after application of all payments of principal due and received during or prior to the month of substitution, not in excess of the Loan Balance of the Timeshare Loan being substituted on the related Transfer Date, (ii) that complies, as of the related Transfer Date, with each of the representations and warranties contained in the Transfer Agreements and Purchase Agreement, including that such Qualified Substitute Timeshare Loan is an Eligible Timeshare Loan, (iii) that shall not cause the weighted average coupon rate of the Timeshare Loans to be less than 15.25% after such substitution, (iv) that shall not cause the weighted average months of seasoning on the Timeshare Loans to be less than 16 months after such substitution, and (v) that does not have a stated maturity greater than 12 months prior to the Stated Maturity.

"Rating Agency" shall mean Moody's and S&P.

"RCI" shall mean Resorts Condominium International, Inc.

"Receivables" means the payments required to be made pursuant to a Timeshare Loan.

"Receivables Collateral" shall have the meaning specified in Section 3 of the Sale Agreement.

"Record Date" shall mean, with respect to any Payment Date, the close of business on the last Business Day of the calendar month immediately preceding the month such Payment Date occurs.

"Redemption Date" shall mean with respect to the redemption of the Notes on or after the Optional Redemption Date, the date fixed pursuant to Section 10.1 of the Indenture.

"Redemption Price" shall mean, with respect to each Class of Notes, the sum of the Outstanding Note Balance of such Class of Notes, together with interest accrued thereon at the applicable Note Rate up to and including the Redemption Date.

"Related Security" shall mean with respect to any Timeshare Loan, (i) all of the Issuer's interest in the Timeshare Property arising under or in connection with the related

Mortgage, Owner Beneficiary Rights, Vacation Points and the related Timeshare Loan Files, (ii) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Timeshare

Loan, together with all mortgages, assignments and financing statements signed by the Club Trustee on behalf of an Obligor describing any collateral securing such Timeshare Loan, (iii) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Timeshare Loan, and (iv) all other security and books, records and computer tapes relating to the foregoing.

"Repurchase Price" shall mean with respect to any Timeshare Loan to be purchased by the Club Originator pursuant to the Transfer Agreements, the Sale Agreement or the Purchase Agreement, an amount equal to the Loan Balance of such Timeshare Loan as of the date of such purchase or repurchase, together with all accrued and unpaid interest on such Timeshare Loan at the related Timeshare Loan Rate to, but not including, the due date in the then current Due Period.

"Request for Release" shall be a request for release of Timeshare Loan Documents in the form required by the Custodial Agreement.

"Required Payments" shall mean each of the items described in (i) through (xv) of Section 3.4 of the Indenture.

"Reservation System": The reservation system utilized by the Club and owned by the Club Managing Entity and operated by Resort Condominium International, Inc. or the services contracted by the Club Managing Entity with a third party.

"Residual Interest Certificate" shall mean the certificate issued under the Trust Agreement, which represents the economic residual interest of the Trust formed thereunder.

"Residual Interest Owner" shall mean the owner of the Residual Interest Certificate issued by the Issuer pursuant to the Trust Agreement, which shall initially be the Depositor.

"Resort" shall mean any of the following resorts: MountainLoft(TM), Laurel Crest(TM), Shore Crest(TM) Vacation Villas, Harbour Lights(TM), The Lodge Alley Inn(TM), The Falls Village(TM), Christmas Mountain Village(TM), Orlando's Sunshine(TM) Resort, Solara Surfside(TM) Condominium, Shenendoah Crossing(TM) Farm & Country Club and La Cabana Beach Resort & Racquet Club.

"Resort Interests" shall mean as defined in the Club Trust Agreement.

"Responsible Officer" shall mean (a) when used with respect to the Owner Trustee or the Indenture Trustee, any officer assigned to the Owner Trustee Corporate Trust Office or the Corporate Trust Office, respectively, including any Managing Director, Vice President, Assistant Vice President, Secretary, Assistant Secretary, Assistant Treasurer, any trust officer or any other officer such Person customarily performing functions similar to those performed by any of the above designated officers, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and

familiarity with the particular subject; (b) when used with respect to the Servicer, the Chief Financial Officer, a Vice President, an Assistant Vice President, the Chief Accounting Officer or the Secretary of the Servicer; and (c) with respect to any other Person, the chairman of the board, chief financial officer, the president, a vice president, the treasurer, an assistant treasurer, the secretary, an assistant secretary, the controller, general partner, trustee or the manager of such Person.

"S&P" shall mean Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Sale Agreement" shall mean that certain sale agreement, dated as of November 15, 2002, between the Depositor and the Issuer pursuant to which the Depositor sells Timeshare Loans to the Issuer.

"Schedule of Timeshare Loans" shall mean the list of Timeshare Loans delivered pursuant to the Sale Agreement, as amended from time to time to reflect repurchases, substitutions and Qualified Substitute Timeshare Loans conveyed pursuant to the terms of the Indenture, which list shall set forth the following information with respect to each Timeshare Loan as of the related Cut-Off Date, as applicable, in numbered columns:

1	Name of Obligor
2	Condo Ref/Loan Number
3	Interest Rate Per Annum
4	Date of Origin
5	Maturity
6	Sales Price
7	Monthly Payment
8	Original Loan Balance
9	Original Term
10	Outstanding Loan Balance
11	Down Payment
12	First payment date

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Sellers" shall mean with respect to (i) the Purchase Agreement, Bluegreen, (ii) the BXG Trust 2001−A Transfer Agreement, BXG Trust 2001−A and (iii) the BXG Trust 2000 Transfer Agreement, BXG Trust 2000.

"Sequential Pay Event" shall mean either a Payment Default Event or a Trust Estate Liquidation Event.

"Servicer" shall mean Bluegreen in its capacity as servicer under the Indenture, the Backup Servicing Agreement and the Custodial Agreement, and its permitted successors and assigns.

"Servicer Event of Default" shall have the meaning specified in Section 5.4 of the Indenture.

"Servicing Fee" shall mean for any Payment Date, the product of (i)(A) if Bluegreen or an affiliate thereof is Servicer, one−twelfth of 1.50% and (B) if the Indenture Trustee is the successor Servicer, one−twelfth of 2.05%, and (ii) the Aggregate Loan Balance as of the first day of the related Due Period; provided that if the Indenture Trustee is the successor Servicer, it shall, after payment of the Backup Servicing Fee, be entitled to a minimum monthly payment of $5,500.00.

"Servicing Officer" shall mean those officers of the Servicer involved in, or responsible for, the administration and servicing of the Timeshare Loans, as identified on the list of Servicing Officers furnished by the Servicer to the Indenture Trustee and the Noteholders from time to time.

"Servicing Standard" shall mean, with respect to the Servicer and the Backup Servicer a servicing standard which complies with applicable law, the terms of the respective Timeshare Loans and, to the extent consistent with the foregoing, in accordance with the customary standard of prudent servicers of loans secured by timeshare interests similar to the Timeshare Properties, but in no event lower than the standards employed by it when servicing loans for its own account or other third parties, but, in any case, without regard for (i) any relationship that it or any of its Affiliates may have with the related Obligor, and (ii) its right to receive compensation for its services hereunder or with respect to any particular transaction.

"Servicer Termination Costs" shall mean any extraordinary out−of−pocket expenses incurred by the Indenture Trustee associated with the transfer of servicing.

"Similar Law" shall mean the prohibited transaction rules under ERISA or section 4975 of the Code or any substantially similar provision of federal, state or local law.

"Stated Maturity" shall mean the Payment Date occurring in September 2014.

"Statutory Trust Statute" shall mean the Delaware Statutory Trust Act, Chapter 38 of Title 12 of the Delaware Code, 12 Del. C.[section]3801, et seq., as the same may be amended from time to time.

"Subsequent Cut−Off Date" shall mean with respect to any Transfer Date, (i) the close of business on the last day of the Due Period immediately preceding such Transfer Date or (ii) such other date designated by the Servicer.

"Substitution Shortfall Amount" shall mean with respect to any Transfer Date, an amount equal to the excess of the aggregate Loan Balances of the substituted Timeshare Loans over the aggregate Loan Balances of the Qualified Substitute Timeshare Loans.

"Timeshare Declaration" shall mean the declaration or other document recorded in the real estate records of the applicable municipality or government office where a Resort is

located for the purpose of creating and governing the rights of owners of Timeshare Properties related thereto, as it may be in effect from time to time.

"Timeshare Loan" shall mean a Club Loan, Aruba Loan, or a Qualified Substitute Timeshare Loan, subject to the lien of the Indenture. As used in the Transaction Documents, the term "Timeshare Loan" shall include the related Mortgage Note, Mortgage, the Finance Agreement and other Related Security contained in the related Timeshare Loan Documents.

"Timeshare Loan Acquisition Price" shall mean with respect to any Timeshare Loan, an amount equal to the Loan Balance of such Timeshare Loan plus accrued and unpaid interest thereon up to and including the Initial Cut–Off Date.

"Timeshare Loan Documents" shall mean with respect to each Timeshare Loan and each Obligor, the related (i) Timeshare Loan Files, and (ii) Timeshare Loan Servicing Files.

"Timeshare Loan Files" shall mean, with respect to a Timeshare Loan, the Timeshare Loan and all documents related to such Timeshare Loan, including:

1. with respect to a Club Loan, the original Mortgage Note with the related allonge or other assignment attached as required by the Custodial Agreement, signed (which may be by facsimile) by an Authorized Officer of the Club Originator or the Indenture Trustee or other party as appropriate and showing a complete chain of endorsements from the original payee of the Mortgage Note to the Indenture Trustee: "Pay to the order of _____, without recourse representation or warranty";

2. with respect to a Club Loan, the original recorded or unrecorded Mortgage with evidence of delivery for filing (or, if the original of the recorded or unrecorded Mortgage is not available, a copy of such recorded or unrecorded Mortgage (with evidence of delivery for filing), in each case certified by an Authorized Officer of the Club Originator to be a true and correct copy);

3. with respect to a Club Loan, an original recorded or unrecorded Assignment of Mortgage (which may be a part of a blanket assignment of more than one Club Loan), from the Club Originator to the Indenture Trustee, with evidence of proper recordation, if applicable, signed by an Authorized Officer of the Club Originator (or evidence from a third party that such assignment has been submitted for recordation);

4. with respect to a Club Loan, the UCC financing statement, if any, evidencing that the security interest granted under such Timeshare Loan, if any, has been perfected under applicable state law;

5. with respect to a Club Loan, a copy of any recorded or unrecorded warranty deed transferring legal title to the related Timeshare Property to the Club Trustee;

6. with respect to a Club Loan, an original lender's title insurance policy or title commitment or master policy referencing such Timeshare Loan and covering the Indenture Trustee for the benefit of the Noteholders;

7. the original of any related assignment or guarantee or, if such original is unavailable, a copy thereof certified by an Authorized Officer of the Club Originator to be a true and correct copy, current and historical computerized data files;

8. the original of any assumption agreement or any refinancing agreement;

9. all related owner beneficiary agreements, finance applications (including related Finance Agreements, if applicable), ACH forms, sale and escrow documents executed and delivered by the related Obligor with respect to the purchase of a Timeshare Property;

10. all other papers and records of whatever kind or description, whether developed or originated by an Originator or another Person, required to document, service or enforce a Timeshare Loan; and

11. any additional amendments, supplements, extensions, modifications or waiver agreements required to be added to the Timeshare Loans Files pursuant to the Indenture, the Credit Policy or the other Transaction Documents.

"Timeshare Loan Rate" shall mean with respect to any Timeshare Loan, the specified coupon rate thereon.

"Timeshare Loan Servicing Files" shall mean with respect to each Timeshare Loan and each Obligor, the portion of the Timeshare Loan Files necessary for the Servicer to service such Timeshare Loan including but not limited to (i) the original truth−in−lending disclosure statement executed by such Obligor, as applicable, (ii) all writings pursuant to which such Timeshare Loan arises or which evidences such Timeshare Loan and not delivered to the Custodian, (iii) all papers and computerized records customarily maintained by the Servicer in servicing timeshare loans comparable to the Timeshare Loans in accordance with the Servicing Standard and (iv) each Timeshare Program Consumer Document and Timeshare Program Governing Document Declaration, if applicable, related to the applicable Timeshare Property.

"Timeshare Program" shall mean the program under which (1) an Obligor has purchased a Timeshare Property and (2) an Obligor shares in the expenses associated with the operation and management of such program.

"Timeshare Program Consumer Documents" shall mean, as applicable, the Owner Beneficiary Agreement, Finance Agreement, Mortgage Note, Mortgage, credit disclosures, rescission right notices, final subdivision public reports/prospectuses/public offering statements, the Timeshare Project exchange affiliation agreement and other documents, disclosures and

advertising materials used or to be used by an Originator in connection with the sale of Timeshare Properties.

"Timeshare Program Governing Documents" shall mean the articles of organization or articles of incorporation of each Association, the rules and regulations of each Association, the Timeshare Program management contract between each Association and a management company, and any subsidy agreement by which an Originator is obligated to subsidize shortfalls in the budget of a Timeshare Program in lieu of paying assessments, as they may be from time to time in effect and all amendments, modifications and restatements of any of the foregoing.

"Timeshare Projects" shall mean the part of the Resorts described in Exhibit C to the Sale Agreement related to any Timeshare Loan.

"Timeshare Property" shall mean (i) with respect to a Club Loan, a fractional fee simple timeshare interest in a Unit in a Resort entitling the

related Obligor to the use and occupancy of a Unit at the Resort for a specified period of time each year or every other year in perpetuity and (ii) with respect to an Aruba Loan, shares in the related Association at the La Cabana Beach Resort & Racquet Club in Aruba entitling the related Obligor to the use and occupancy of a fixed Unit at such Resort for a fixed period of time each year or every other year for the duration of the long-term lease of such resort.

"Transaction Documents" shall mean the Indenture, the Purchase Agreement, the Transfer Agreements, the Sale Agreement, the Lockbox Agreement, the Backup Servicing Agreement, the Administration Agreement, the Custodial Agreement, the Note Purchase Agreement and all other agreements, documents or instruments delivered in connection with the transactions contemplated thereby.

"Transfer Agreements" shall mean the BXG Trust 2000 Transfer Agreement and the BXG Trust 2001-A Transfer Agreement.

"Transfer Date" shall mean the date on which the Club Originator or the Depositor, as the case may be, substitutes one or more Timeshare Loans in accordance with Section 4.4 of the Indenture.

"Treasury Regulations" shall mean the regulations, included proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

"Trust" shall mean the Issuer.

"Trust Accounts" shall mean collectively, the Lockbox Account, the Collection Account and the General Reserve Account, the Class D Reserve Account and the Closing Date Delinquency Reserve Account.

"Trust Agreement" shall mean the trust agreement, dated as of November 15, 2002, by and among Bluegreen Receivables Finance Corporation VI, GSS Holdings, Inc. and Wilmington Trust Company.

"Trust Certificate" shall mean the certificate issued under the Trust Agreement, which represents the sole equity interest in the Trust formed hereunder.

"Trust Company" shall have the meaning specified in the Trust Agreement.

"Trust Estate" shall have the meaning specified in the Granting Clause of the Indenture.

"Trust Estate Liquidation Event" shall have the meaning specified in Section 6.6(b) of the Indenture.

"Trust Paying Agent" shall have the meaning specified in Section 3.13 of the Trust Agreement.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

"Unit(s)": One individual air-space condominium unit, cabin, villa, cottage or townhome within a Resort, together with all furniture, fixtures and furnishings therein, and together with any and all interests in common elements appurtenant thereto, as provided in the related Timeshare Program Governing Documents.

"Upgraded Club Loan" shall mean either (A) a Club Loan for which the related Obligor has elected to (i) reconvey the existing Club Property to the Developer in exchange for a new Club property, and (ii) cancel such Club Loan in exchange for a new Timeshare Loan from the Club Originator secured by such new Club Property, or (B) a Club Loan for which the related Obligor has elected to (i) acquire additional Club Property and (ii) cancel such Club Loan in exchange for a new Timeshare Loan secured by the existing Club Property and the additional Timeshare Property.

"Vacation Points" shall have the meaning specified in the Club Trust Agreement.

Schedule I

Representations and Warranties of the Seller Regarding the Timeshare Loans

With respect to each Timeshare Loan, as of the related Closing Date or Transfer Date, as applicable:

(a) except if such Timeshare Loan is listed on Schedule II(a) hereof, payments due under the Timeshare Loan are fully−amortizing and payable in level monthly installments;

(b) payment obligations under the Timeshare Loan bear a fixed rate of interest;

(c) the Obligor thereunder has made a down payment by cash, check or credit card of at least 10% percent of the actual purchase price (including closing costs) of the Timeshare Property (which cash down payment may, in the case of Upgraded Club Loans only, be represented by the principal payments on such Timeshare Loan since its date of origination) and no part of such payment has been made or loaned to Obligor by Bluegreen or an Affiliate thereof,

(d) as of the related Cut−Off Date, no principal or interest due with respect to the Timeshare Loan is sixty (60) days or more Delinquent;

(e) the Obligor is not an Affiliate of Bluegreen or any Subsidiary; provided, that solely for the purposes of this representation, a relative of an employee and employees of Bluegreen or any Subsidiary (or any of its Affiliates) shall not be deemed to be an "Affiliate";

(f) immediately prior to the conveyance of the Timeshare Loan to the Purchaser, the Seller will own full legal and equitable title to such Timeshare Loan, and the Timeshare Loan (and the related Timeshare Property) is free and clear of adverse claims, liens and encumbrances and is not subject to claims of rescission, invalidity, unenforceability, illegality, defense, offset, abatement, diminution, recoupment, counterclaim or participation or ownership interest in favor of any other Person;

(g) the Timeshare Loan (other than an Aruba Loan) is secured directly by a first priority Mortgage on the related purchased Timeshare Property;

(h) with respect to each Club Loan, the Timeshare Property mortgaged by or at the direction of the related Obligor constitutes a fractional fee simple timeshare interest in real property at the related Resort that entitles the holder of the interest to the use of a specific property for a specified number of days each year or every other year; the related Mortgage has been delivered for filing and recordation with all appropriate governmental authorities in all jurisdictions in which such Mortgage is required to be filed and recorded to create a valid, binding and

enforceable first Lien on the related Timeshare Property and such Mortgage creates a valid, binding and enforceable first Lien on the related Timeshare Property, subject only to Permitted Liens; and the Seller is in compliance with any Permitted Lien respecting the right to the use of such Timeshare Property; each of the Assignments of Mortgage and each related endorsement of the related Mortgage Note constitutes a duly executed, legal, valid, binding and enforceable assignment or endorsement, as the case may be, of such related Mortgage and related Mortgage Note, and all monies due or to become due thereunder, and all proceeds thereof;

(i) with respect to the Obligor and a particular Timeshare Property purchased by such Obligor, there is only one original Mortgage and Mortgage Note, in the case of a Club Loan, and, only one Finance Agreement, in the case of an Aruba Loan; all parties to the related Mortgage and the related Mortgage Note (and, in the case of an Aruba Loan, Finance Agreement) had legal capacity to enter into such Timeshare Loan Documents and to execute and deliver such related Timeshare Loan Documents, and such related Timeshare Loan Documents have been duly and properly executed by such parties; any amendments to such related Timeshare Loan Documents required as a result of any mergers involving the Seller or its predecessors, to maintain the rights of the Seller or its predecessors thereunder as a mortgagee (or a Seller, in the case of the Aruba Loan) have been completed;

(j) at the time the related Originator originated such Timeshare Loan to the related Obligor, such Originator had full power and authority to originate such Timeshare Loan and the Obligor had good and indefeasible fee title or good and marketable fee simple title, or, in the case of an Aruba Loan, a cooperative interest, as applicable, to the Timeshare Property related to such Timeshare Loan, free and clear of all Liens, except for Permitted Liens;

(k) the related Mortgage (or, in the case of an Aruba Loan, the related Finance Agreement) contains customary and enforceable provisions so as to render the rights and remedies of the holder thereof adequate for the realization against the related Timeshare Property of the benefits of the security interests or lender's contractual rights intended to be provided thereby, including (a) if the Mortgage is a deed of trust, by trustee's sale, including power of sale, (b) otherwise by judicial foreclosure or power of sale and/or (c) termination of the contract, forfeiture of Obligor deposits and payments towards the related Timeshare Loan and expulsion from the related Association; in the case of the Club Loans, there is no exemption available to the related Obligor which would interfere with the mortgagee's right to sell at a trustee's sale or power of sale or right to foreclose such related Mortgage, as applicable;

(l) the related Mortgage Note is not and has not been secured by any collateral except the Lien of the related Mortgage;

(m) if a Mortgage secures a Timeshare Loan, the title to the related Timeshare Property is insured (or a binding commitment for title insurance, not subject to any conditions other than standard conditions applicable to all binding commitments, has been issued) under a mortgagee title insurance policy issued by a title insurer qualified to do business in the jurisdiction where the related Timeshare Property is located in a form generally acceptable to prudent originators of similar mortgage loans, insuring the Seller or its predecessor and its successors and assigns, as to the first priority mortgage Lien of the related Mortgage in an amount equal to the outstanding Loan Balance of such Timeshare Loan, and otherwise in form and substance acceptable to the Indenture Trustee; the Seller or its assignees is a named insured of such mortgagee's title insurance policy; such mortgagee's title insurance policy is in full force and effect; no claims have been made under such mortgagee's title insurance policy and no prior holder of such Timeshare Loan has done or omitted to do anything which would impair the coverage of such mortgagee's title insurance policy; no premiums for such mortgagee's title insurance policy, endorsements and all special endorsements are past due;

(n) the Seller has not taken (or omitted to take), and has no notice that the related Obligor has taken (or omitted to take), any action that would impair or invalidate the coverage provided by any hazard, title or other insurance policy on the related Timeshare Property;

(o) all applicable intangible taxes and documentary stamp taxes were paid as to the related Timeshare Loan;

(p) the proceeds of the Timeshare Loan have been fully disbursed, there is no obligation to make future advances or to lend additional funds under the originator's commitment or the documents and instruments

evidencing or securing the Timeshare Loan and no such advances or loans have been made since the origination of the Timeshare Loan;

(q) the terms of each Timeshare Loan Document has not been impaired, waived, altered or modified in any respect, except (x) by written instruments which are part of the related Timeshare Loan Documents or (y) in accordance with the Credit Policy or the Servicing Standard (provided that no Timeshare Loan has been impaired, waived, altered, or modified in any respect more than once). No other instrument has been executed or agreed to which would effect any such impairment, waiver, alteration or modification; the Obligor has not been released from liability on or with respect to the Timeshare Loan, in whole or in part; if required by law or prudent originators of similar loans in the jurisdiction where the related Timeshare Property is located, all waivers, alterations and modifications have been filed and/or recorded in all places necessary to perfect, maintain and continue a valid first priority Lien of the related Mortgage, subject only to Permitted Liens;

(r) other than if it is an Aruba Loan, the Timeshare Loan is principally and directly secured by an interest in real property;

(s) the Timeshare Loan was originated by one of the Seller's Affiliates in the normal course of its business; the Timeshare Loan originated by the Seller's Affiliates was underwritten in accordance with its underwriting guidelines; to the Seller's Knowledge, the origination, servicing and collection practices used by the Seller's Affiliates with respect to the Timeshare Loan have been in all respects, legal, proper, prudent and customary;

(t) the related Timeshare Loan is assignable to and by the obligee and its successors and assigns and the related Timeshare Property is assignable upon liquidation of the related Timeshare Loan, without the consent of any other Person (including any Association, condominium association, homeowners' or timeshare association);

(u) the related Mortgage is and will be prior to any Lien on, or other interests relating to, the related Timeshare Property;

(v) to the Seller's Knowledge, there are no delinquent or unpaid taxes, ground rents (if any), water charges, sewer rents or assessments outstanding with respect to any of the Timeshare Properties, nor any other outstanding Liens or charges affecting the Timeshare Properties that would result in the imposition of a Lien on the Timeshare Property affecting the Lien of the related Mortgage or otherwise materially affecting the interests of the Indenture Trustee on behalf of the Noteholders in the related Timeshare Loan;

(w) other than with respect to delinquent payments of principal or interest 60 (sixty) or fewer days past due as of the Cut-Off Date, there is no default, breach, violation or event of acceleration existing under the Mortgage, the related Mortgage Note or any other document or instrument evidencing, guaranteeing, insuring or otherwise securing the related Timeshare Loan, and no event which, with the lapse of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration thereunder; and the Seller has not waived any such material default, breach, violation or event of acceleration under the Finance Agreement, Mortgage, the Mortgage Note or any such other document or instrument, as applicable;

(x) neither the Obligor nor any other Person has the right, by statute, contract or otherwise, to seek the partition of the Timeshare Property;

(y) the Timeshare Loan has not been satisfied, canceled, rescinded or subordinated, in whole or in part; no portion of the Timeshare Property has been released from the Lien of the related Mortgage, in whole or in part; no instrument has been executed that would effect any such satisfaction, cancellation, rescission, subordination or release; the terms of the related Mortgage do not provide for a release of any

portion of the Timeshare Property from the Lien of the related Mortgage except upon the payment of the Timeshare Loan in full;

(z) the Seller and any of its Affiliates and, to the Seller's Knowledge, each other party which has had an interest in the Timeshare Loan is (or, during the period in which such party held and disposed of such interest, was) in compliance with any and all applicable filing, licensing and "doing business" requirements of the laws of the state wherein the Timeshare Property is located to the extent necessary to permit the Seller to maintain or defend actions or proceedings with respect to the Timeshare Loan in all appropriate forums in such state without any further act on the part of any such party;

(aa) there is no current obligation on the part of any other person (including any buy down arrangement) to make payments on behalf of the Obligor in respect of the Timeshare Loan;

(bb) the related Association was duly organized and are validly existing; a manager (the "Manager") manages such Resort and performs services for the Associations, pursuant to an agreement between the Manager and the respective Associations, such contract being in full force and effect; to the Seller's Knowledge the Manager and the Associations have performed, in all material respects all obligations under such agreement and are not in default under such agreement;

(cc) the related Resort is insured in the event of fire, earthquake, or other casualty for the full replacement value thereof, and in the event that the Timeshare Property should suffer any loss covered by casualty or other insurance, upon receipt of any insurance proceeds, the Associations at the Resorts (other than at the La Cabana Beach Resort & Racquet Club in Aruba) are required, during the time such Timeshare Property is covered by such insurance, under the applicable governing instruments either to repair or rebuild the portions of the Timeshare Project in which the Timeshare Property is located or to pay such proceeds to the holders of any related Mortgage secured by a timeshare estate in the portions of the Timeshare Project in which the Timeshare Property is located; the Resort (other than the La Cabana Beach Resort & Racquet Club in Aruba), if located in a designated flood plain, maintains flood insurance in an amount not less than the maximum level available under the National Flood Insurance Act of 1968, as amended; each Resort has business interruption insurance and general liability insurance in such amounts generally acceptable in the industry; each Resort's insurance policies are in full force and effect with a generally acceptable insurance carrier;

(dd) the related Mortgage gives the obligee and its successors and assigns the right to receive and direct the application of insurance and condemnation proceeds received in respect of the related Timeshare Property, except where the related condominium declarations, timeshare declarations or applicable state law provide

that insurance and condemnation proceeds be applied to restoration of the improvements;

(ee) each rescission period applicable to the related Timeshare Loan has expired;

(ff) no selection procedures were intentionally utilized by the Seller in selecting the Timeshare Loan which the Seller knew were materially adverse to the Purchaser, the Indenture Trustee or the Noteholders;

(gg) the Units related to the Timeshare Loan in the related Resort have

been completed in all material respects as required by applicable state and local laws, free of all defects that could give rise to any claims by the related Obligors under home warranties or applicable laws or regulations, whether or not such claims would create valid offset rights under the law of the State in which the Resort is located; to the extent required by applicable law, valid certificates of occupancy for such Units have been issued and are currently outstanding; the Seller or any of its Affiliates have complied in all material respects with all obligations and duties incumbent upon the developers under the related timeshare declaration (each a "Declaration"), as applicable, or similar applicable documents for the related Resort; no practice, procedure or policy employed by the related Association in the conduct of its business violates any law, regulation, judgment or agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire, health, sanitation, air pollution, ecological, environmental and toxic wastes, applicable to such Association which, if enforced, would reasonably be expected to (a) have a material adverse impact on such Association or the ability of such Association to do business, (b) have a material adverse impact on the financial condition of such Association, or (c) constitute grounds for the revocation of any license, charter, permit or registration which is material to the conduct of the business of such Association; the related Resort and the present use thereof does not violate any applicable environmental, zoning or building laws, ordinances, rules or regulations of any governmental authority, or any covenants or restrictions of record, so as to materially adversely affect the value or use of such Resort or the performance by the related Association of its obligations pursuant to and as contemplated by the terms and provisions of the related Declaration; there is no condition presently existing, and to the Seller's Knowledge, no event has occurred or failed to occur prior to the date hereof, concerning the related Resort relating to any hazardous or toxic materials or condition, asbestos or other environmental or similar matters which would reasonably be expected to materially and adversely affect the present use of such Resort or the financial condition or business operations of the related Association, or the value of the Notes;

(hh) except if such Timeshare Loan is listed on Schedule II(hh) hereof, the original Loan Balance of such Timeshare Loan does not exceed $25,000;

(ii) payments with respect to the Timeshare Loan are to be in legal tender of the United States;

(jj) all monthly payments made on the Timeshare Loan have been made by the Obligor and not by the Seller or any Affiliate of the Seller on the Obligor's behalf;

(kk) the Timeshare Loan relates to a Resort;

(ll) the Timeshare Loan constitutes either "chattel paper", a "general intangible" or an "instrument" as defined in the UCC as in effect in all applicable jurisdictions;

(mm) the sale, transfer and assignment of the Timeshare Loan and the Related Security does not contravene or conflict with any law, rule or regulation or any contractual or other restriction, limitation or encumbrance, and the sale, transfer and assignment of the Timeshare Loan and Related Security does not require the consent of the Obligor;

(nn) each of the Timeshare Loan, the Related Security, related Assignment of Mortgage, related Mortgage, related Mortgage Note, related Finance Agreement and each other related Timeshare Loan Document are in full force and effect, constitute the legal, valid and binding obligation of the Obligor thereof enforceable against such Obligor in accordance with its terms subject to the effect of bankruptcy, fraudulent conveyance or transfer, insolvency, reorganization, assignment, liquidation, conservatorship or moratorium, and is not subject to any dispute, offset, counterclaim or defense whatsoever;

(oo) the Timeshare Loan relates to a Completed Unit and the Related Security do not, and the origination of each Timeshare Loan did not, contravene in any material respect any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to usury, retail installment sales, truth in lending, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no party thereto has been or is in violation of any such law, rule or regulation in any material respect if such violation would impair the collectibility of such Timeshare Loan and the Related Security; no Timeshare Loan was originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, conveyance or assignment of such Timeshare Loan would be unlawful, void or voidable;

(pp) to the Seller's Knowledge, (i) no bankruptcy is currently existing with respect to the Obligor, (ii) the Obligor is not insolvent and (iii) the Obligor is not an Affiliate of the Seller;

(qq) except if such Timeshare Loan is listed on Schedule II(qq) hereof, the Timeshare Loan shall not have a Timeshare Loan Rate less than 12.90% per annum;

(rr) except if such Timeshare Loan is listed on Schedule II(rr) hereof, the Obligor has made at least two (2) month's aggregate required payments with respect to the Timeshare Loan (not including any down payment);

(ss) if a Resort (other than the La Cabana Beach Resort & Racquet Club in Aruba) is subject to a construction loan, the construction lender shall have signed and delivered a non-disturbance agreement (which may be contained in such lender's mortgage) pursuant to which such construction lender agrees not to foreclose on any Timeshare Properties relating to a Timeshare Loan which have been sold pursuant to this Agreement;

(tt) the Timeshare Properties and the related Resorts are free of material damage and waste and are in good repair and fully operational; there is no proceeding pending or threatened for the total or partial condemnation of or affecting any Timeshare Property or taking of the Timeshare Property by eminent domain; the Timeshare Properties and the Resorts in which the Timeshare Properties are located are lawfully used and occupied under applicable law by the owner thereof;

(uu) the portions of the Resorts in which the Timeshare Properties are located which represent the common facilities are free of material damage and waste and are in good repair and condition, ordinary wear and tear excepted;

(vv) no foreclosure or similar proceedings have been instituted and are continuing with respect to any Timeshare Loan or the related Timeshare Property;

(ww) with respect to the Aruba Loans only, Bluegreen shall own, directly or indirectly, 100% of the economic and voting interests of the Aruba Originator;

(xx) the Timeshare Loan does not have an original term to maturity in excess of 120 months;

(yy) to the Seller's Knowledge, the capital reserves and maintenance fee levels of the Associations related to the Resorts are adequate in light of the operating requirements of such Associations;

(zz) except as required by law, the Timeshare Loan may not be assumed without the consent of the obligee;

(aaa) for each Club Loan, the Obligor under the Timeshare Loan has not had its rights under the Club Trust Agreement suspended;

(bbb) the payments under the Timeshare Loan are not subject to withholding taxes imposed by any foreign governments;

(ccc) each entry with respect to the Timeshare Loan as set forth on Schedule II and Schedule III hereof is true and correct. Each entry with respect to a Qualified

Substitute Timeshare Loan as set forth on Schedule II and Schedule III hereof, as revised, is true and correct;

(ddd) If the Timeshare Loan relates to a Timeshare Property located in Aruba, a notice has been mailed or will be mailed by December 31, 2002 (with respect to Timeshare Loans sold on the Closing Date) or within 30 days of the Transfer Date, as applicable, to the related Obligor indicating that such Timeshare Loan has been transferred to the Purchaser and will ultimately be transferred to the Issuer and pledged to the Indenture Trustee for the benefit of the Noteholders; and

(eee) No broker is, or will be, entitled to any commission or compensation in connection with the transfer of the Timeshare Loans hereunder.

(fff) if the related Obligor is paying its scheduled payments by pre-authorized debit or charge, such Obligor has executed an ACH Form substantially in the form attached hereto as Exhibit C, and such ACH Form is included in the related Timeshare Loan File.

EXECUTION COPY
(Depositor to Issuer)

SALE AGREEMENT

This SALE AGREEMENT (this "Agreement"), dated as of November 15, 2002, is by and among Bluegreen Receivables Finance Corporation VI, a Delaware corporation (the "Depositor"), and BXG Receivables Note Trust 2002-A, a statutory trust formed under the laws of the State of Delaware (the "Issuer"), and their respective permitted successors and assigns.

WITNESSETH:

WHEREAS, on the Closing Date, (i) the Depositor intends to sell and the Issuer intends to purchase the Timeshare Loans, and (ii) the Issuer intends to pledge such Timeshare Loans to U.S. Bank National Association, a national banking association, as Indenture Trustee (the "Indenture Trustee"), pursuant to an indenture, dated as of November 15, 2002 (the "Indenture"), by and among the Issuer, Bluegreen Corporation ("Bluegreen" or the "Club Originator"), a Massachusetts corporation, in its capacity as Servicer (the "Servicer"), Vacation Trust, Inc., a Florida corporation, as Club Trustee (the "Club Trustee") and the Indenture Trustee, to secure the Issuer's 4.580% Timeshare Loan-Backed Notes, Series 2002-A, Class A, 4.740% Timeshare Loan-Backed Notes, Series 2002-A, Class B, 5.735% Timeshare LoanBacked Notes, Series 2002-A, Class C and 7.750% Timeshare Loan-Backed Notes, Series 2002A, Class D (collectively, the "Notes");

WHEREAS, the Depositor may, and in certain circumstances will be required to cure, repurchase or substitute and provide Qualified Substitute Timeshare Loans for Defective Timeshare Loans, previously sold to the Issuer hereunder and pledged to the Indenture Trustee pursuant to the Indenture; and

WHEREAS, the Depositor may, at the direction of the Club Originator, be required to exercise the Club Originator's option to purchase or substitute Upgraded Club Loans or Defaulted Timeshare Loans previously sold to the Issuer hereunder and pledged to the Indenture Trustee pursuant to the Indenture.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

SECTION 1. Definitions; Interpretation. Capitalized terms used but not defined herein shall have the meanings specified in "Standard Definitions" attached hereto as Annex A.

SECTION 2. Acquisition of Timeshare Loans.

(a) (i) Timeshare Loans. On the Closing Date, by execution of this Agreement and in return for the Timeshare Loan Acquisition Price for each of the Timeshare Loans, the

Depositor does hereby transfer, assign, sell and grant to the Issuer, without recourse (except as provided in Section 6 and Section 8 hereof), any and, all of the Depositor's right, title and interest in and to (i) the Timeshare Loans listed on Schedule III hereto, (ii) the Receivables in respect of the Timeshare Loans due after the related Cut-Off Date, (iii) the related Timeshare Loan Documents (excluding any rights as developer or declarant under the Timeshare Declaration, the Timeshare Program Consumer Documents or the Timeshare Program Governing Documents), (iv) all Related Security in respect of each Timeshare Loan, (v) the Depositor's rights and remedies under the related Purchase Agreement and Transfer Agreements including, but not limited to, its rights with respect to the representations and warranties of the Club Originator therein, together with all rights of the Depositor with respect to any breach thereof

including any right to require the Club Originator to cure, repurchase or substitute any Defective Timeshare Loans in accordance with the provisions of the Transfer Agreements and Purchase Agreement, and (vi) all income, payments, proceeds and other benefits and rights related to any of the foregoing (the property in clauses (i)–(vi), being the "Assets"). Upon such sale and transfer, the ownership of each Timeshare Loan and all collections allocable to principal and interest thereon since the related Cut–Off Date and all other property interests or rights conveyed pursuant to and referenced in this Section 2(a)(i) shall immediately vest in the Issuer, its successors and assigns. The Depositor shall not take any action inconsistent with such ownership nor claim any ownership interest in any Timeshare Loan for any purpose whatsoever other than for federal and state income tax reporting, if applicable. The parties to this Agreement hereby acknowledge that the "credit risk" of the Timeshare Loans conveyed hereunder shall be borne by the Issuer and its subsequent assignees.

(b) Delivery of Timeshare Loan Documents. In connection with the sale, transfer, assignment and conveyance of any Timeshare Loans hereunder, the Issuer hereby directs the Depositor and the Depositor hereby agrees to deliver or cause to be delivered to the Custodian all related Timeshare Loan Files and to the Servicer all related Timeshare Loan Servicing Files.

(c) Collections. The Depositor shall deposit or cause to be deposited all collections in respect of the Timeshare Loans received by the Depositor or its Affiliates (other than the Issuer) after the related Cut–Off Date in the Lockbox Account.

(d) Limitation of Liability. None of the Issuer, the Depositor or any subsequent assignee of the Issuer shall have any obligation or liability with respect to any Timeshare Loan nor shall the Issuer, the Depositor or any subsequent assignee have any liability to any Obligor in respect of any Timeshare Loan. No such obligation or liability is intended to be assumed by the Issuer, the Depositor or any subsequent assignee herewith and any such liability is hereby expressly disclaimed.

SECTION 3. Intended Characterization; Grant of Security Interest. It is the intention of the parties hereto that each transfer of Timeshare Loans to be made pursuant to the terms hereof shall constitute a sale by the Depositor to the Issuer and not a loan secured by the Timeshare Loans. In the event, however, that a court of competent jurisdiction were to hold that any such transfer constitutes a loan and not a sale, it is the intention of the parties hereto that the Depositor shall be deemed to have granted to the Issuer as of the date hereof a first priority perfected security interest in all of Depositor's right, title and interest in, to and under the Assets

specified in Section 2 hereof and that with respect to such conveyance, this Agreement shall constitute a security agreement under applicable law. In the event of the characterization of any such transfer as a loan, the amount of interest payable or paid with respect to such loan under the terms of this Agreement shall be limited to an amount which shall not exceed the maximum non–usurious rate of interest allowed by the applicable state law or any applicable law of the United States permitting a higher maximum non–usurious rate that preempts such applicable state law, which could lawfully be contracted for, charged or received (the "Highest Lawful Rate"). In the event any payment of interest on any such loan exceeds the Highest Lawful Rate, the parties hereto stipulate that (a) to the extent possible given the term of such loan, such excess amount previously paid or to be paid with respect to such loan be applied to reduce the principal balance of such loans, and the provisions thereof immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder and (b) to the extent that the reduction of the principal balance of, and the amounts collectible under, such loan and the reformation of the provisions thereof described in the immediately preceding clause (a) is not possible given the term of such loan, such excess amount will be deemed to have been paid with respect to such loan as a result of an error and upon discovery of such error or upon notice thereof by any party hereto such amount shall be refunded by the recipient thereof.

The characterization of the Depositor as "debtor" and the Issuer as "secured party" in any such financing statement required hereunder is solely for protective purposes and shall in no way be construed as being contrary to the

intent of the parties that this transaction be treated as a sale to the Issuer of such Depositor's entire right, title and interest in and to the Assets.

Each of the Club Trustee, Club Trust, the Depositor and any of their Affiliates hereby agrees to make the appropriate entries in its general accounting records and to indicate that the Timeshare Loans have been transferred to the Indenture Trustee and constitute part of the Issuer's estate in accordance with the terms of the Trust created under the Trust Agreement.

SECTION 4. Conditions Precedent to Acquisition of Timeshare Loans by the Issuer. The obligations of the Issuer to purchase any Timeshare Loans hereunder shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of the Depositor contained in Section 5 and in Schedule I hereof, and all information provided in the Schedule of Timeshare Loans related thereto shall be true and correct as of the Closing Date or Transfer Date, as applicable, and the Depositor shall have delivered to the Issuer, the Indenture Trustee and the Initial Purchaser an Officer's Certificate to such effect.

(b) On or prior to the Closing Date or a Transfer Date, as applicable, the Depositor shall have delivered or shall have caused the delivery of (i) the related Timeshare Loan Files to the Custodian and the Custodian shall have delivered a receipt therefore pursuant to the Custodial Agreement and (ii) the Timeshare Loan Servicing Files to the Servicer.

(c) The Depositor shall have delivered or cause to be delivered all other information theretofore required or reasonably requested by the Issuer to be delivered by the Depositor or performed or cause to be performed all other obligations required to be performed as of the Closing Date or the Transfer Date, as the case may be, including all filings, recordings and/or registrations as may be necessary in the reasonable opinion of the Issuer or the Indenture Trustee to establish and preserve the right, title and interest of the Issuer or the Indenture Trustee, as the case may be, in the related Timeshare Loans.

(d) On or before the Closing Date, the Issuer, the Servicer, the Club Trustee, the Backup Servicer and the Indenture Trustee shall have entered into the Indenture.

(e) The Notes shall be issued and sold on the Closing Date, the Issuer shall receive the full consideration due it upon the issuance of the Notes, and the Issuer shall have applied such consideration, to the extent necessary, to pay the Timeshare Loan Acquisition Price for each Timeshare Loan.

(f) Each Timeshare Loan conveyed on a Transfer Date shall satisfy each of the criteria specified in the definition of "Qualified Substitute Timeshare Loan" and each of the conditions herein and in the Indenture for substitution of Timeshare Loans shall have been satisfied.

(g) The Issuer shall have received such other certificates and opinions as it shall be reasonably request.

SECTION 5. Representations and Warranties and Certain Covenants of the Depositor.

(a) The Depositor represents and warrants to the Issuer and the Indenture Trustee for the benefit of the Noteholders, as of the Closing Date (with respect to the Timeshare Loans transferred on the Closing Date) and on each Transfer Date (with respect to Qualified Substitute Timeshare Loans transferred on such Transfer Date) as follows:

(i) Due Incorporation; Valid Existence; Good Standing. The Depositor is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation; and is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations under this Agreement makes such qualification necessary, except where the failure to be so qualified will not have a material adverse effect on the business of the Depositor or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the

validity or enforceability of the Timeshare Loans.

(ii) Possession of Licenses, Certificates, Franchises and Permits. The Depositor holds, and at all times during the term of this Agreement will hold, all material licenses, certificates, franchises and permits from all governmental authorities necessary

for the conduct of its business, and has received no notice of proceedings relating to the revocation of any such license, certificate, franchise or permit, which singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially and adversely affect its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans.

(iii) Corporate Authority and Power. The Depositor has, and at all times during the term of this Agreement will have, all requisite corporate power and authority to own its properties, to conduct its business, to execute and deliver this Agreement and all documents and transactions contemplated hereunder and to perform all of its obligations under this Agreement and any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder. The Depositor has all requisite corporate power and authority to acquire, own, transfer and convey the Timeshare Loans to the Issuer.

(iv) Authorization, Execution and Delivery Valid and Binding. This Agreement and all other Transaction Documents and instruments required or contemplated hereby to be executed and delivered by the Depositor have been duly authorized, executed and delivered by the Depositor and, assuming the due execution and delivery by, the other party or parties hereto and thereto, constitute legal, valid and binding agreements enforceable against the Depositor in accordance with their respective terms subject, as to enforceability, to bankruptcy, insolvency, reorganization, liquidation, dissolution, moratorium and other similar applicable laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy, insolvency, reorganization, liquidation or dissolution, as applicable, of the Depositor and to general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law. This Agreement constitutes a valid transfer of the Depositor's interest in the Timeshare Loans to the Issuer or, in the event of the characterization of any such transfer as a loan, the valid creation of a first priority perfected security interest in the Timeshare Loans in favor of the Issuer.

(v) No Violation of Law, Rule, Regulation, etc. The execution, delivery and performance by the Depositor of this Agreement and any other Transaction Document to which the Depositor is a party do not and will not (A) violate any of the provisions of the articles of incorporation or bylaws of the Depositor, (B) violate any provision of any law, governmental rule or regulation currently in effect applicable to the Depositor or its properties or by which the Depositor or its properties may be bound or affected, including, without limitation, any bulk transfer laws, where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans, (C) violate any judgment, decree, writ, injunction, award, determination or order currently in effect applicable to the Depositor or its properties or by which the Depositor or its properties are bound or affected, where such violation would have a material adverse effect on its ability to perform its obligations under this

Agreement or any other Transaction Document to which it is a party or

under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans, (D) conflict with, or result in a breach of, or constitute a default under, any of the provisions of any indenture, mortgage, deed of trust, contract or other instrument to which the Depositor is a party or by which it is bound where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of Timeshare Loans or (E) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, mortgage, deed of trust, contract or other instrument.

(vi) Governmental Consent. No consent, approval, order or authorization of, and no filing with or notice to, any court or other Governmental Authority in respect of the Depositor is required which has not been obtained in connection with the authorization, execution, delivery or performance by the Depositor of this Agreement or any of the other Transaction Documents to which it is a party or under the transactions contemplated hereunder or thereunder, including, without limitation, the transfer of the Timeshare Loans and the creation of the security interest of the Issuer therein pursuant to Section 3 hereof.

(vii) Defaults. The Depositor is not in default under any material agreement, contract, instrument or indenture to which the Depositor is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body, in each case, which would have a material adverse effect on the transactions contemplated hereunder or on the business, operations, financial condition or assets of the Depositor, and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body.

(viii) Insolvency. The Depositor is solvent and will not be rendered insolvent by the transfer of the Timeshare Loans hereunder. On the Closing Date, the Depositor will not engage in any business or transaction the result of which would cause the property remaining with the Depositor to constitute an unreasonably small amount of capital.

(ix) Pending Litigation or Other Proceedings. Other than as described in the Offering Circular, there is no pending or, to the Depositor's Knowledge, threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting the Depositor which, if decided adversely, would materially and adversely affect (A) the condition (financial or otherwise), business or operations of the Depositor, (B) the ability of the Depositor to perform its obligations under, or the validity or enforceability of, this Agreement or any other documents or transactions contemplated under this Agreement, (C) any Timeshare Loan or title of any Obligor to any related Timeshare Property or (D) the Issuer's or the

Indenture Trustee's ability to foreclose or otherwise enforce the liens of the Mortgage Notes and the rights of the Obligors to use and occupy the related Timeshare Properties.

(x) Information. No document, certificate or report furnished or required to be furnished by or on behalf of the Depositor pursuant to this Agreement, in its capacity as Depositor, contains or will contain when furnished any untrue statement of a material fact or fails or will fail to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which it was made. There are no facts known to the Depositor which, individually or in the aggregate, materially adversely affect, or which (aside from general economic trends) may reasonably be expected to materially adversely affect in the future, the financial condition or assets or business of the Depositor, or which may impair the ability of the Depositor to perform its obligations under this Agreement, which have not been disclosed herein or therein or in the certificates and other documents furnished to the Issuer by or on behalf of the Depositor specifically for use in connection with the transactions contemplated

hereby or thereby.

(xi) Foreign Tax Liability. The Depositor is not aware of any Obligor under a Timeshare Loan who has withheld any portion of payments due under such Timeshare Loan because of the requirements of a foreign taxing authority, and no foreign taxing authority has contacted the Depositor concerning a withholding or other foreign tax liability.

(xii) No Deficiency Accumulation. The Depositor has no outstanding "accumulated funding deficiency" (as such term is defined under ERISA and the Code) with respect to any "employee benefit plan" (as such term is defined under ERISA) sponsored by the Depositor.

(xiii) Taxes. The Depositor has filed all tax returns (federal, state and local) which it reasonably believes are required to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges due from the Depositor or is contesting any such tax, assessment or other governmental charge in good faith through appropriate proceedings or except where the failure to file or pay will not have a material adverse effect on the rights and interests of the Issuer or any of its subsequent assignees. The Depositor knows of no basis for any material additional tax assessment for any fiscal year for which adequate reserves have not been established. The Depositor intends to pay all such taxes, assessments and governmental charges when due.

(xiv) Place of Business. The principal place of business and chief executive office where the Depositor keeps its records concerning the Timeshare Loans will be 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431 (or such other place specified by the Depositor by written notice to the Issuer and the Indenture Trustee). The Depositor is a corporation formed under the laws of the State of Delaware.

(xv) Securities Laws. The Depositor is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No portion of the Timeshare Loan Acquisition Price for each of the Timeshare Loans will be used by the Depositor to acquire any security in any transaction which is subject to Section 13 or Section 14 of the Securities Exchange Act of 1934, as amended.

(xvi) Bluegreen Vacation Club. With respect to the Club Loans:

(A) The Club Trust Agreement, of which a true and correct copy is attached hereto as Exhibit B is in full force and effect and a certified copy of the Club Trust Agreement has been delivered to the Indenture Trustee together with all amendments and supplements in respect thereof;

(B) The arrangement of contractual rights and obligations (duly established in accordance with the Club Trust Agreement under the laws of the State of Florida) was established for the purpose of holding and preserving certain property for the benefit of the Beneficiaries referred to in the Club Trust Agreement. The Club Trustee has all necessary trust and other authorizations and powers required to carry out its obligations under the Club Trust Agreement in the State of Florida and in all other states in which it owns Resort Interests. The Club is not a corporation or business trust under the laws of the State of Florida. The Club is not taxable as an association, corporation or business trust under federal law or the laws of the State of Florida;

(C) The Club Trustee is a corporation duly formed, validly existing and in good standing under the laws of the State of Florida. The Club Trustee is authorized to transact business in no other state. The Club Trustee is not an affiliate of the Servicer for purposes of Chapter 721, Florida Statutes and is in compliance with the requirements of such Chapter 721 requiring that it be independent of the Servicer;

(D) The Club Trustee had all necessary corporate power to execute and deliver, and has all necessary corporate power to

perform its obligations under this Agreement, the other Transaction Documents to which it is a party, the Club Trust Agreement and the Club Management Agreement. The Club Trustee possesses all requisite franchises, operating rights, licenses, permits, consents, authorizations, exemptions and orders as are necessary to discharge its obligations under the Club Trust Agreement;

(E) The Club Trustee holds all right, title and interest in and to all of the Timeshare Properties related to the Club Loans solely for the benefit of the Beneficiaries referred to in, and subject in each case to the provisions of, the Club Trust Agreement and the other documents and agreements related thereto. Except with respect to the Mortgages, the Club Trustee has permitted none of such related

Timeshare Loans to be made subject to any lien or encumbrance during the time it has been a part of the trust estate under the Club Trust Agreement;

(F) There are no actions, suits, proceedings, orders or injunctions pending against the Club or the Club Trustee, at law or in equity, or before or by any governmental authority which, if adversely determined, could reasonably be expected to have a material adverse effect on the Trust Estate or the Club Trustee's ability to perform its obligations under the Transaction Documents;

(G) Neither the Club nor the Club Trustee has incurred any indebtedness for borrowed money (directly, by guarantee, or otherwise);

(H) All ad valorem taxes and other taxes and assessments against the Club and/or its trust estate have been paid when due and neither the Servicer nor the Club Trustee knows of any basis for any additional taxes or assessments against any such property. The Club has filed all required tax returns and has paid all taxes shown to be due and payable on such returns, including all taxes in respect of sales of Owner Beneficiary Rights (as defined in the Club Trust Agreement) and Vacation Points;

(I) The Club and the Club Trustee are in compliance in all material respects with all applicable laws, statutes, rules and governmental regulations –applicable to it and in compliance with each material instrument, agreement or document to which it is a party or by which it is bound, including, without limitation, the Club Trust Agreement;

(J) Except as expressly permitted in the Club Trust Agreement, the Club Trustee has maintained the One–to–One Beneficiary to Accommodation Ratio (as such terms are defined in the Club Trust Agreement);

(K) Bluegreen Vacation Club, Inc. is a non–stock corporation duly formed, validly existing and in good standing under the laws of the State of Florida;

(L) Upon purchase of the Club Loans and related Trust Estate hereunder, the Issuer is an "Interest Holder Beneficiary" under the Club Trust Agreement and each of the Club Loans constitutes "Lien Debt", "Purchase Money Lien Debt" and "Owner Beneficiary Obligations" under the Club Trust Agreement; and

(M) Except as disclosed to the Indenture Trustee in writing, each Mortgage associated with a Club Loan and granted by the Club Trustee or the Obligor on the related Club Loan, as applicable, has been duly executed, delivered and recorded by or pursuant to the instructions of the Club Trustee under the Club Trust Agreement and such Mortgage is valid and binding and effective to create the lien and security interests in favor of the Indenture Trustee (upon assignment

thereof to the Indenture Trustee). Each of such Mortgages was granted in connection with the financing of a sale of a Resort Interest.

(b) The Depositor hereby represents and warrants to the Issuer and the Indenture Trustee that it has entered into the Transfer Agreements and Purchase Agreement, that the Club Originator has made the representations and warranties in the Transfer Agreements and Purchase Agreement as set forth therein, that such representations and warranties run to and are for the benefit of the Depositor, the Issuer, the Indenture Trustee and the Noteholders, and that pursuant to Section 2 hereof, the Depositor has transferred and assigned to the Issuer all rights and remedies of the under the Transfer Agreements and Purchase Agreement.

(c) The Transfer, Agreements and Purchase Agreement, including the other Transaction Documents contemplated thereby, are the only agreements pursuant to which the Depositor acquires ownership of the Timeshare Loans. To the Knowledge of the Depositor, the representations and warranties of Club Originator under the Transfer Agreements and Purchase Agreement are true and correct.

(d) In consideration of Sections 5(b) and (c) above, the Depositor hereby makes the representations and warranties relating to the Timeshare Loans contained in Schedule I hereto for the benefit of the Issuer and the Indenture Trustee for the benefit of the Noteholders as of the Closing Date (with respect to each Timeshare Loan transferred on the Closing Date) and as of each Transfer Date (with respect to each Qualified Substitute Timeshare Loan transferred on such Transfer Date), as applicable.

(e) It is understood and agreed that the representations and warranties set forth in this Section 5 shall survive the sale of each Timeshare Loan to the Issuer and any assignment of such Timeshare Loan by the Issuer to the Indenture Trustee on behalf of the Noteholders and shall continue so long as any such Timeshare Loans shall remain outstanding or until such time as such Timeshare Loans are repurchased, purchased or a Qualified Substitute Timeshare Loan is provided pursuant to Section 6 hereof. The Depositor acknowledges that it has been advised that the Issuer intends to assign all of its right, title and interest in and to each Timeshare Loan and its rights and remedies under this Agreement to the Indenture Trustee on behalf of the Noteholders. The Depositor agrees that, upon any such assignment, the Indenture Trustee may enforce directly, without joinder of the Issuer (but subject to any defense that the Depositor may have under this Agreement) all rights and remedies hereunder.

(f) With respect to any representations and warranties contained in Section 5 which are made to the Depositor's Knowledge, if it is discovered that any representation and warranty is inaccurate and such inaccuracy materially and adversely affects the value of a Timeshare Loan or the interests of the Issuer or any subsequent assignee thereof, then notwithstanding the such lack of Knowledge of the accuracy of such representation and warranty at the time such representation or warranty was made (without regard to any Knowledge qualifiers), such inaccuracy shall be deemed a breach of such representation or warranty for purposes of the repurchase or substitution obligations described in Sections 6(a)(i) or (ii) below.

SECTION 6. Repurchases and Substitutions.

(a) Mandatory Repurchases and Substitutions for Breaches of Representations and Warranties. Upon the receipt of notice by the Depositor of a breach of any of the representations and warranties in Section 5 hereof (on the date on which such representation or warranty was made) which materially and adversely affects the value of a Timeshare Loan or the interests of the Issuer or any subsequent assignee of the Issuer (including the Indenture Trustee on behalf of the Noteholders) therein, the Depositor shall, within 60 days of receipt of such notice, cure in all material respects the circumstance or condition which has caused such representation or warranty to be incorrect or either (i) repurchase the Issuer's interest in such Defective Timeshare Loan

from the Issuer at the Repurchase Price or (ii) provide one or more Qualified Substitute Timeshare Loans and pay the related Substitution Shortfall Amounts, if any. It is understood and agreed that the Depositor shall have the right and will enforce such right to require the Club Originator to repurchase or substitute a Defective Timeshare Loan in the event of a breach of any of the representations and warranties in Section 5 hereof which materially and adversely affects the value of a Timeshare Loan or the interests of the Issuer or any subsequent assignee of the Issuer (including the Indenture Trustee on behalf of the Noteholders) in accordance with the provisions of the Transfer Agreements and Purchase Agreement.

(b) Optional Purchases or Substitutions of Upgraded Club Loans. The Issuer acknowledges that pursuant to the Purchase Agreement and each Transfer Agreement, the Depositor has irrevocably granted the Club Originator any options to repurchase or substitute Upgraded Club Loans it has thereunder. With respect to Upgraded Club Loans, on any date, the Club Originator shall have the option, but not the obligation, to either (i) pay the Repurchase Price for an Upgraded Club Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for an Upgraded Timeshare Loan and pay the related Substitution Shortfall Amounts, if any; provided, however, that the Club Originator's option to substitute one or more Qualified Substitute Timeshare Loans for an Upgraded Club Loan is limited on any date to (x) 20% o of the sum of the Cut−Off Date Aggregate Loan Balance of the Timeshare Loans on the Closing Date less (y) the Loan Balances of all Upgraded Club Loans previously substituted by the Club Originator on the related substitution dates pursuant to this Agreement, the Purchase Agreement or the Transfer Agreements.

(c) Optional Purchases and Substitutions of Defaulted Timeshare Loans. The Issuer acknowledges that pursuant to the Purchase Agreement and each Transfer Agreement, the Depositor has irrevocably granted the Club Originator any options to repurchase or substitute Defaulted Timeshare Loans it has thereunder. With respect to any Defaulted Timeshare Loans, on any date, the Club Originator will have the option, but not the obligation, to either (i) purchase a Defaulted Timeshare Loan subject to the lien of the Indenture at the Repurchase Price for such Defaulted Timeshare Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for such Defaulted Timeshare Loan and pay the related Substitution Shortfall Amounts, if any; provided, however, that the Club Originator's option to purchase a Defaulted Timeshare Loan or to substitute one or more Qualified Substitute Timeshare Loans for a Defaulted Timeshare Loan is limited on any date to the Optional Purchase Limit and the Optional Substitution Limit, respectively. The Club Originator may irrevocably waive its option to purchase or substitute a Defaulted Timeshare Loan by delivering or causing to deliver to the Indenture Trustee a Waiver Letter in the form of Exhibit A attached hereto.

(d) Payment of Repurchase Prices and Substitution Shortfall Amounts. The Issuer hereby directs and the Depositor hereby agrees to remit or cause to be remitted all amounts in respect of Repurchase Prices and Substitution Shortfall Amounts payable during the related Due Period in immediately available funds to the Indenture Trustee to be deposited in the Collection Account on the related Transfer Date in accordance with the provisions of the Indenture. In the event that more than one Timeshare Loan is substituted pursuant to Sections 6(a), (b) or (c) hereof on any Transfer Date, the Substitution Shortfall Amounts and the Loan Balances of Qualified Substitute Timeshare Loans shall be calculated on an aggregate basis for all substitutions made on such Transfer Date.

(e) Schedule of Timeshare Loans. The Issuer hereby directs and the Depositor hereby agrees, on each date on which a Timeshare Loan has been repurchased, purchased or substituted, to provide or cause to be provided to the Issuer and the Indenture Trustee with a electronic supplement to Schedule III hereto and the Schedule of Timeshare Loans reflecting the removal and/or substitution of Timeshare Loans and subjecting any Qualified Substitute Timeshare Loans to the provisions of this Agreement.

(f) Qualified Substitute Timeshare Loans. On the related Transfer Date, the Issuer hereby directs and the Depositor hereby agrees to deliver or to cause the delivery of the Timeshare Loan Files relating to the Qualified Substitute Timeshare Loans to the Indenture Trustee or to the Custodian, at the direction of the Indenture Trustee, in accordance with the provisions of the Indenture. As of such related Transfer Date, the Depositor does hereby transfer, assign, sell and grant to the Issuer, without recourse (except as provided in

Section 6 and Section 8 hereof), any and all of the Depositor's right, title and interest in and to (i) each Qualified Substitute Timeshare Loan conveyed to the Issuer on such Transfer Date, (ii) the Receivables in respect of the Qualified Substitute Timeshare Loans due after the related Cut−Off Date, (iii) the related Timeshare Loan Documents (excluding any rights as developer or declarant under the Timeshare Declaration, the Timeshare Program Consumer Documents or the Timeshare Program Governing Documents), (iv) all Related Security in respect of such Qualified Substitute Timeshare Loans, (v) the Depositor's rights and remedies under the related Purchase Agreement and Transfer Agreement with respect to such Qualified Substitute Timeshare Loan, and (vi) all income, payments, proceeds and other benefits and rights related to any of the foregoing. Upon such sale, the ownership of each Qualified Substitute Timeshare Loan and all collections allocable to principal and interest thereon since the related Cut−Off Date and all other property interests or rights conveyed pursuant to and referenced in this Section 6(f) shall immediately vest in the Issuer, its successors and assigns. The Depositor shall not take any action inconsistent with such ownership nor claim any ownership interest in any Qualified Substitute Timeshare Loan for any purpose whatsoever other than consolidated financial and federal and state income tax reporting. The Depositor agrees that such Qualified Substitute Timeshare Loans shall be subject to the provisions of this Agreement.

(g) Officer's Certificate. The Depositor shall, on each related Transfer Date, certify or cause to be certified in writing to the Issuer and the Indenture Trustee that each new Timeshare Loan meets all the criteria of the definition of "Qualified Substitute Timeshare Loan" and that (i) the Timeshare Loan Files for such Qualified Substitute Timeshare Loans have been

delivered to the Custodian, and (ii) the Timeshare Loan Servicing Files for such Qualified Substitute Timeshare Loans have been delivered to the Servicer.

(h) Release. In connection with any repurchase, purchase or substitution of one or more Timeshare Loans contemplated by this Section 6, upon satisfaction of the conditions contained in this Section 6, the Issuer and the Indenture Trustee shall execute and deliver or shall cause the execution and delivery of such releases and instruments of transfer or assignment presented to it by the Depositor, in each case, without recourse, as shall be necessary to vest in the Depositor or its designee the legal and beneficial ownership of such Timeshare Loans. The Issuer and the Indenture Trustee shall cause the Custodian to release the related Timeshare Loan Files to the Depositor or its designee and the Servicer to release the related Timeshare Loan Servicing Files to the Depositor or its designee.

(i) Sole Remedy. It is understood and agreed that the obligations of the Depositor contained in Section 6(a) to cure a material breach, or to repurchase or substitute Defective Timeshare Loans and the obligation of the Depositor to indemnify pursuant to Section 8, shall constitute the sole remedies available to the Issuer or its subsequent assignees for the breaches of any of its representation or warranty contained in Section 5, and such remedies are not intended to and do not constitute "credit recourse" to the Depositor.

SECTION 7. Additional Covenants of the Depositor. The Depositor hereby covenants and agrees with the Issuer as follows:

(a) The Depositor shall comply with all applicable laws, rules, regulations and orders applicable to it and its business and properties except where the failure to comply will not have a material adverse effect on the business of the Depositor or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans.

(b) The Depositor shall preserve and maintain its existence (corporate or otherwise), rights, franchises and privileges in the jurisdiction of its organization and except where the failure to so preserve and maintain will not have a material adverse effect on the business of the Depositor or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Timeshare Loans.

(c) On or prior to the Closing Date or a Transfer Date, as applicable, the Depositor shall indicate in its and its Affiliates' computer

files and other records that each Timeshare Loan has been sold to the Issuer.

(d) The Depositor shall respond to any inquiries with respect to ownership of a Timeshare Loan by stating that such Timeshare Loan has been sold to the Issuer and that the Issuer is the owner of such Timeshare Loan.

(e) On or prior to the Closing Date, the Depositor shall file or cause to be filed, at its own expense, financing statements in favor of the Issuer, and, if applicable, the Indenture Trustee on behalf of the Noteholders, with respect to the Timeshare Loans, meeting the requirements of state law in such manner and in such jurisdictions as are necessary or appropriate to perfect the acquisition of such Timeshare Loans by the Issuer from the Depositor, and shall deliver file-stamped copies of such financing statements to the Issuer and the Indenture Trustee on behalf of the Noteholders.

(f) The Depositor agrees from time to time, at its own expense, to promptly execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that the Issuer or the Indenture Trustee may reasonably request, to perfect, protect or more fully evidence the sale of the Timeshare Loans to the Issuer, or to enable the Issuer or the Indenture Trustee to exercise and enforce its rights and remedies hereunder or under any Timeshare Loan including, but not limited to, powers of attorney, UCC financing statements and assignments of mortgage. The Depositor hereby appoints the Issuer and the Indenture Trustee as attorneys-in-fact, which appointment is coupled with an interest and is therefore irrevocable, to act on behalf and in the name of the Depositor under this Section 7(f).

(g) Any change in the legal name of the Depositor and any use by it of any tradename, fictitious name, assumed name or "doing business as" name occurring after the Closing Date shall be promptly disclosed to the Issuer and the Indenture Trustee in writing.

(h) Upon the discovery or receipt of notice by a Responsible Officer of the Depositor of a breach of any of its representations or warranties and covenants contained herein, the Depositor shall promptly disclose to the Issuer and the Indenture Trustee, in reasonable detail, the nature of such breach.

(i) In the event that the Depositor shall receive any payments in respect of a Timeshare Loan after the Closing Date or Transfer Date, as applicable (including any insurance proceeds that are not payable to the related Obligor), the Depositor shall, within two (2) Business Days of receipt, transfer or cause to be transferred, such payments to the Lockbox Account.

(j) In the event that the Depositor or the Issuer or any assignee of the Issuer should receive actual notice of any transfer taxes arising out of the transfer, assignment and conveyance of a Timeshare Loan to the Issuer, on written demand by the Issuer, or upon the Depositor otherwise being given notice thereof, the Depositor shall pay, and otherwise indemnify and hold the Issuer, or any subsequent assignee harmless, on an after-tax basis, from and against any and all such transfer taxes.

(k) The Depositor will keep its principal place of business and chief executive office and the office where it keeps its records concerning the Timeshare Loans at the address of the Depositor listed herein.

(l) The Depositor authorizes the Issuer and the Indenture Trustee to file continuation statements, and amendments thereto, relating to the Timeshare Loans and all payments made with regard to the related Timeshare Loans without the signature of the

Depositor where permitted by law. A photocopy or other reproduction of this

Agreement shall be sufficient as a financing statement where permitted by law. The Issuer confirms that it is not its present intention to file a photocopy or other reproduction of this Agreement as a financing statement, but reserves the right to do so if, in its good faith determination, there is at such time no reasonable alternative remaining to it.

SECTION 8. Indemnification.

(a) The Depositor agrees to indemnify the Issuer, the Indenture Trustee, the Noteholders and the Initial Purchaser (collectively, the "Indemnified Parties") against any and all claims, losses, liabilities, (including reasonable legal fees and related costs) that the Issuer, the Indenture Trustee, the Noteholders or the Initial Purchaser may sustain directly related to any breach of the representations and warranties of the Depositor under Section 5 hereof (the "Indemnified Amounts") excluding, however (i) Indemnified Amounts to the extent resulting from the gross negligence or willful misconduct on the part of such Indemnified Party; (ii) any recourse for any uncollectible Timeshare Loan not related to a breach of representation or warranty; (iii) recourse to the Depositor for a Defective Timeshare Loan so long as the same is cured, substituted or repurchased pursuant to Section 6 hereof, (iv) income, franchise or similar taxes by such Indemnified Party arising out of or as a result of this Agreement or the transfer of the Timeshare Loans; (v) Indemnified Amounts attributable to any violation by an Indemnified Party of any requirement of law related to an Indemnified Party; or (vi) the operation or administration of the Indemnified Party generally and not related to the enforcement of this Agreement. The Depositor shall (A) promptly notify the Issuer and the Indenture Trustee: if a claim is made by a third party with respect to this Agreement or the Timeshare Loans, and relating to (i) the failure by the Depositor to perform its duties in accordance with the terms of this Agreement or (ii) a breach of the Depositor's representations, covenants and warranties contained in this Agreement, (B) assume (with the consent of the Issuer, the Indenture Trustee, the Noteholders or the Initial Purchaser, as applicable, which consent shall not be unreasonably withheld) the defense of any such claim and (C) pay all expenses in connection therewith, including legal counsel fees and promptly pay, discharge and satisfy any judgment, order or decree which may be entered against it or the Issuer, the Indenture Trustee, the Noteholders or the Initial Purchaser in respect of such claim. If the Depositor shall have made any indemnity payment pursuant to this Section 8 and the recipient thereafter collects from another Person any amount relating to the matters covered by the foregoing indemnity, the recipient shall promptly repay such amount to the Depositor.

(b) The obligations of the Depositor under this Section 8 to indemnify the Issuer, the Indenture Trustee, the Noteholders and the Initial Purchaser shall survive the termination of this Agreement and continue until the Notes are paid in full or otherwise released or discharged.

SECTION 9. No Proceedings. The Depositor hereby agrees that it will not, directly or indirectly, institute, or cause to be instituted, or join any Person in instituting, against the Issuer or any Association, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law so long as there shall not have elapsed one year plus one day since the latest maturing Notes issued by the Issuer.

SECTION 10. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing and mailed or telecommunicated, or delivered as to each party hereto, at its address set forth below or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall not be effective until received by the party to whom such notice or communication is addressed.

Depositor

Bluegreen Receivables Finance Corporation VI
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431
Attention: Terry Jones, President
Telecopier: (561) 912−8121

Issuer

BXG Receivables Note Trust 2002-A
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Attention: Corporate Trust Administration
Telecopier No: (302) 651-8882

SECTION 11. No Waiver; Remedies. No failure on the part of the Depositor, the Issuer or any assignee thereof to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any other remedies provided by law.

SECTION 12. Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Depositor, the Issuer and their respective successors and assigns. Any assignee of the Issuer shall be an express third party beneficiary of this Agreement, entitled to directly enforce this Agreement. The Depositor may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of the Issuer and any assignee thereof. The Issuer may, and intends to, assign all of its rights hereunder to the Indenture Trustee on behalf of the Noteholders and the Depositor consents to any such assignment. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until its termination; provided, however, that the rights and remedies with respect to any breach of any representation and warranty made by the Depositor pursuant to Section 5 and the repurchase or substitution and indemnification obligations shall be continuing and shall survive any termination of this Agreement but such rights and remedies may be enforced only by the Issuer and the Indenture Trustee.

SECTION 13. Amendments; Consents and Waivers. No modification, amendment or waiver of, or with respect to, any provision of this Agreement, and all other agreements, instruments and documents delivered thereto, nor consent to any departure by the Depositor from any of the terms or conditions thereof shall be effective unless it shall be in writing and signed by each of the parties hereto, the written consent of the Indenture Trustee on behalf of the Noteholders is given and confirmation from the Rating Agencies that such action will not result in a downgrade, withdrawal or qualification of any rating assigned to a Class of Notes is received. The Issuer shall provide the Indenture Trustee and the Rating Agencies with such proposed modifications, amendments or waivers. Any waiver or consent shall be effective only in the specific instance and for the purpose for which given. No consent to or demand by the Depositor in any case shall, in itself, entitle it to any other consent or further notice or demand in similar or other circumstances. The Depositor acknowledges that in connection with the intended assignment by the Issuer of all of its right, title and interest in and to each Timeshare Loan to the Indenture Trustee on behalf of the Noteholders, the Issuer intends to issue the Notes, the proceeds of which will be used by the Issuer to purchase the Timeshare Loans hereunder.

SECTION 14. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation, shall not in any way be affected or impaired thereby in any other jurisdiction. Without limiting the generality of the foregoing, in the event that a Governmental Authority determines that the Issuer may not purchase or acquire Timeshare Loans, the transactions evidenced hereby shall constitute a loan and not a purchase and sale, notwithstanding the otherwise applicable intent of the parties hereto, and the Depositor shall be deemed to have granted to the Issuer as of the date hereof, a first priority perfected security interest in all of the Depositor's right, title and interest in, to and under such Timeshare Loans and the related property as described in Section 2 hereof.

SECTION 15. GOVERNING LAW; CONSENT TO JURISDICTION.

(A) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW.

(B) THE PARTIES TO THIS AGREEMENT HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY AND EACH PARTY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO THE ADDRESS SET FORTH ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID. THE PARTIES HERETO EACH WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY

THE COURT. NOTHING IN THIS SECTION 15 SHALL AFFECT THE RIGHT OF THE PARTIES TO THIS AGREEMENT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY OF THEM TO BRING ANY ACTION OR PROCEEDING IN THE COURTS OF ANY OTHER JURISDICTION.

SECTION 16. Heading. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 17. Execution in Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and both of which when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI

By: /s/ Terry Jones
_____
Name: Terry Jones
Title: President

BXG RECEIVABLES NOTE TRUST 2002-A

By: Wilmington Trust Company, as Owner Trustee

By:
_____
Name:
Title:

Agreed and acknowledged as to the last paragraph of Section 3 herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By:
_____

Name:
Title:

[Signature Page to the Sale Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI

By: _____
Name: Terry Jones
Title: President

BXG RECEIVABLES NOTE TRUST 2002-A

By: Wilmington Trust Company, as Owner Trustee

By: /s/ Jeanne M. Oiler
_____
Name: Jeanne M. Oiler
Title: Financial Services Officer

Agreed and acknowledged as to the last paragraph of Section 3 herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By: _____
Name:
Title:

[Signature Page to the Sale Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI

By: _____
Name: Terry Jones
Title: President

BXG RECEIVABLES NOTE TRUST 2002-A

By: Wilmington Trust Company, as Owner Trustee

By:

_____
Name:
Title:

Agreed and acknowledged as to
the last paragraph of Section 3
herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By: /s/ Shari A. Basye
_____
Name: Shari A. Basye
Title: Secretary/Treasurer

[Signature Page to the Sale Agreement]

Annex A
Standard Definitions

Annex A

EXECUTION COPY

STANDARD DEFINITIONS

"ACH Form" shall mean the ACH authorization form executed by Obligors substantially in the form attached as Exhibit C to each of the Transfer Agreement, the Sale Agreement and the Purchase Agreement.

"Act" shall have the meaning specified in Section 1.4 of the Indenture.

"Additional Servicing Compensation" shall mean any late fees related to late payments on the Timeshare Loans, any non-sufficient funds fees, any processing fees and any Liquidation Expenses collected by the Servicer and any unpaid out-of-pocket expenses incurred by the Servicer during the related Due Period.

"Adjusted Note Balance" shall equal, for any Class of Notes, the Outstanding Note Balance of such Class of Notes immediately prior to such Payment Date, less any Note Balance Write-Down Amounts previously applied in respect of such Class of Notes; provided, however, to the extent that for purposes of consents, approvals, voting or other similar act of the Noteholders under any of the Transaction Documents, "Adjusted Note Balance" shall exclude Notes which are held by Bluegreen or any Affiliate thereof.

"Administration Agreement" shall mean the administration agreement, dated as of November 15, 2002, by and among the Administrator, the Owner Trustee, the Issuer and the Indenture Trustee, as amended from time to time in accordance with the terms thereof.

"Administrator" shall mean Bluegreen or any successor under the Administration Agreement.

"Administrator Fee" shall equal on each Payment Date an amount equal to the product of (i) one-twelfth and (ii) (A) if Bluegreen or an affiliate thereof is the Administrator, $1,000.00 and (B) if WTC is the Administrator, $20,000.00.

"Adverse Claim" shall mean any claim of ownership or any lien, security interest, title retention, trust or other charge or encumbrance, or other type of preferential arrangement having the effect or purpose of creating a lien or security interest, other than the interests created under the Indenture in favor of the Indenture Trustee and the Noteholders.

"Affiliate" shall mean any Person: (a) which directly or indirectly controls, or is controlled by, or is under common control with such Person; (b)

which directly or indirectly beneficially owns or holds five percent (5%) or more of the voting stock of such Person; or (c) for which five percent (5%) or more of the voting stock of which is directly or indirectly beneficially owned or held by such Person; provided, however, that under no circumstances shall the Trust Company be deemed to be an Affiliate of the Issuer, the Depositor or the Owner, nor shall any of such parties be deemed to be an Affiliate of the Trust Company. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the

management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Initial Note Balance" is equal to the sum of the Initial Note Balances for all Classes of Notes.

"Aggregate Loan Balance" means the sum of the Loan Balances for all Timeshare Loans (except Defaulted Timeshare Loans).

"Aggregate Outstanding Note Balance" is equal to the sum of the Outstanding Note Balances for all Classes of Notes.

"Aruba Assignment" shall mean the assignment, dated as of November 15, 2002, between the Aruba Originator and Bluegreen pursuant to which the Aruba Originator has assigned all right, title and interest in each Aruba Loan (that is not an ING Facility Loan or Heller Facility Loan) to Bluegreen.

"Aruba Loan" shall mean a Timeshare Loan originated by the Aruba Originator and evidenced by a Finance Agreement.

"Aruba Originator" shall mean Bluegreen Properties, N.V., an Aruba corporation.

"Aruba Share Certificate" shall mean a share certificate issued by the timeshare cooperative association of La Cabana Beach Resort & Racquet Club in Aruba, which entitles the owner thereof the right to use and occupy a fixed Unit at a fixed period of time each year at the La Cabana Beach Resort & Racquet Club in Aruba.

"Assignment of Mortgage" shall mean, with respect to a Club Loan, a written assignment of one or more Mortgages from the related Originator or Seller to the Indenture Trustee, for the benefit of the Noteholders, relating to one or more Timeshare Loans in recordable form, and signed by an Authorized Officer of all necessary parties, sufficient under the laws of the jurisdiction wherein the related Timeshare Property is located to give record, notice of a transfer of such Mortgage and its proceeds to the Indenture Trustee.

"Association" shall mean the not-for-profit corporation or cooperative association responsible for operating a Resort.

"Assumption Date" shall have the meaning specified in the Backup Servicing Agreement.

"Authorized Officer" shall mean, with respect to any corporation, limited liability company or partnership, the Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer, Managing Member and each other officer of such corporation or limited liability company or the general partner of such partnership specifically authorized in resolutions of the Board of Directors of such corporation or managing member of such limited liability company to sign agreements,

instruments or other documents in connection with this Indenture on behalf of such corporation, limited liability company or partnership, as the case may be.

"Available Funds" shall mean for any Payment Date, (A) all funds on deposit in the Collection Account after making all transfers and deposits required from (i) the Lockbox Account pursuant to the Lockbox Agreement, (ii) the General Reserve Account pursuant to Section 3.2(b) of the Indenture, (iii) the Closing Date Delinquency Reserve Account pursuant to Section 3.2(d) of the Indenture, (iv) the Club Originator or the Depositor, as the case may be, pursuant to Section 4.4 of the Indenture, and (v) the Servicer pursuant to the Indenture, plus (B) all investment earnings on funds on deposit in the Collection Account from the immediately preceding Payment Date through such Payment Date, less (C) amounts on deposit in the Collection Account related to collections related to any Due Periods subsequent to the Due Period related to such Payment Date, less (D) any Additional Servicing Compensation on deposit in the Collection Account.

"Backup Servicer" shall mean Concord Servicing Corporation, an Arizona corporation, and its permitted successors and assigns.

"Backup Servicing Agreement" shall mean the backup servicing agreement, dated as of November 15, 2002, by and among the Issuer, the Depositor, the Servicer, the Backup Servicer and the Indenture Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

"Backup Servicing Fee" shall on each Payment Date (so long as Concord Servicing Corporation is the Backup Servicer), be equal to (A) prior to the removal or resignation of Bluegreen, as Servicer, the greater of (i) $750.00 and (ii) the product of (x) $0.075 and (y) the number of Timeshare Loans in the Trust Estate and (B) after the removal or resignation of Bluegreen, as Servicer, an amount equal to the product of (i) one-twelfth of 2.00% and (ii) the Aggregate Loan Balance as of the first day of the related Due Period.

"Bankruptcy Code" shall mean the federal Bankruptcy Code, as amended (Title 11 of the United States Code).

"Beneficiary" shall be as defined in the Club Trust Agreement.

"Benefit Plan" shall mean an "employee benefit plan" as defined in Section 3(3) of ERISA, or any other "plan" as defined in Section 4975(e)(1) of the Code, that is subject to the prohibited transaction rules of ERISA or of Section 4975 of the Code or any plan that is subject to any substantially similar provision of federal, state or local law.

"Bluegreen" shall mean Bluegreen Corporation, a Massachusetts corporation, and its permitted successors and assigns.

"Bluegreen Loans" shall mean certain Timeshare Loans that were sold by Bluegreen to the Depositor pursuant to the Purchase Agreement.

"Book-Entry Note" shall mean a beneficial interest in the Notes, ownership and transfers of which shall be made through book-entries by the Depository.

"Business Day" shall mean any day other than (i) a Saturday, a Sunday, or (ii) a day on which banking institutions in New York City, Wilmington, Delaware, the State of Florida, the city in which the Servicer is located or the city in which the Corporate Trust Office of the Indenture Trustee is located are authorized or obligated by law or executive order to be closed.

"BXG Trust 2000" shall mean the BXG Receivables Owner Trust 2000, a Delaware statutory trust formed to purchase and finance the Heller Facility Loans.

"BXG Trust 2000 Transfer Agreement" shall mean the transfer agreement, dated as of November 15, 2002, by and among Bluegreen, the Depositor and BXG Trust 2000 pursuant to which the Heller Facility Loans are sold to the Depositor.

"BXG Trust 2001-A" shall mean the BXG Receivables Note Trust 2001-A, a Delaware statutory trust formed to purchase and finance the ING Facility Loans.

"BXG Trust 2001-A Transfer Agreement" shall mean the transfer agreement, dated as of November 15, 2002, by and among Bluegreen, the Depositor

and BXG Trust 2001-A pursuant to which the ING Facility Loans are sold to the Depositor.

"Cash Accumulation Event" shall exist on any Determination Date, if (A) for the last three Due Periods, the average Delinquency Level for Timeshare Loans that are 61 days or more delinquent is equal to or greater than 6%, or (B) for the last six Due Periods, the average Default Level is equal to or greater than 12%, or (C) the Cumulative Default Level is equal to or greater than the applicable Cumulative Default Percentage, or (D) four or more of the Bluegreen Developed Resorts have their respective ratings from RCI or II, as applicable, downgraded below the related rating that was assigned thereto on the Closing Date, or (E) the Servicer (if Bluegreen) fails to have at least $75,000,000 in financing facilities in place. A Cash Accumulation Event shall be deemed to be continuing until the earlier of (A) the immediately following Determination Date upon which none of the events described in this paragraph exists and (B) the day on which the Outstanding Note Balance of each Class of Notes has been reduced to zero.

"Cede & Co." shall mean the initial registered holder of the Notes, acting as nominee of The Depository Trust Company.

"Certificate" shall mean a Trust Certificate or a Residual Interest Certificate, as applicable.

"Certificate Distribution Account" shall have the meaning specified in Section 5.01 of the Trust Agreement.

"Certificate of Trust" shall mean the Certificate of Trust in the form attached as Exhibit A to the Trust Agreement.

"Certificateholders" shall mean the holders of the Trust Certificate and Residual Interest Certificate.

"Class" shall mean, as the context may require, any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes.

"Class A Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class B Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class C Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class D Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class D Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(c) of the Indenture.

"Class D Reserve Account Required Balance" shall mean for any Payment Date, the lesser of (A) 1.00% of the Cut-Off Date Aggregate Loan Balance and (B) the Outstanding Note Balance of the Class D Notes on such Payment Date.

"Closing Date" shall mean December 13, 2002.

"Closing Date Delinquency Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(d) of the Indenture.

"Closing Date Delinquency Reserve Account Initial Deposit" shall mean an amount equal to the product of (i) 50% and (ii) the sum of the Loan Balances of all Timeshare Loans which were 31 days or more delinquent on the Initial Cut-Off Date that are still delinquent on the Closing Date.

"Club" shall mean Bluegreen Vacation Club Trust, doing business as Bluegreen Vacation Club, formed pursuant to the Club Trust Agreement.

"Club Loan" shall mean a Timeshare Loan originated by the Club Originator and evidenced by a Mortgage Note and secured by a first Mortgage on a fractional fee simple timeshare interest in a Unit.

"Club Management Agreement" shall mean that certain Amended and

Restated Management Agreement between the Club Managing Entity and the Club Trustee, dated as of May 18, 1994, as amended from time to time.

"Club Managing Entity" shall mean Bluegreen Resorts Management, Inc., a Delaware corporation, in its capacity as manager of the Club and owner of the Club's reservation system, and its permitted successors and assigns.

"Club Originator" shall mean Bluegreen, in its capacity as an Originator.

"Club Trust Agreement" shall mean, collectively, that certain Bluegreen Vacation Club Trust Agreement, dated as of May 18, 1994, by and between the Developer and the Club Trustee, as amended, restated or otherwise modified from time to time, together with all other agreements, documents and instruments governing the operation of the Club.

"Club Trustee" shall mean Vacation Trust, Inc., a Florida corporation, in its capacity as trustee under the Club Trust Agreement, and its permitted successors and assigns.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and any successor statute, together with the rules and regulations thereunder.

"Collection Account" shall mean the account established and maintained by the Indenture Trustee pursuant to Section 3.2(a) of the Indenture.

"Collection Policy" shall mean the collection policies of the initial servicer in effect on the Closing Date, as may be amended from time to time in accordance with the Servicing Standard.

"Completed Unit" shall mean a Unit at a Resort which has been fully constructed and furnished, has received a valid permanent certificate of occupancy, is ready for occupancy and is subject to a time share declaration.

"Confidential Information" means information obtained by any Noteholder including, without limitation, the Preliminary Confidential Offering Circular dated October 23, 2002 or the Confidential Offering Circular dated December 3, 2002 related to the Notes and the Transaction Documents, that is proprietary in nature and that was clearly marked or labeled as being confidential information of the Issuer, the Servicer or their Affiliates, provided that such term does not include information that (a) was publicly known or otherwise known to the Noteholder prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Noteholder or any Person acting on its behalf, (c) otherwise becomes known to the Noteholder other than through disclosure by the Issuer, the Servicer or their Affiliates or (d) any other public disclosure authorized by the Issuer or the Servicer.

"Continued Errors" shall have the meaning specified in Section 5.4 of the Indenture.

"Corporate Trust Office" shall mean the office of the Indenture Trustee located in the State of Minnesota, which office is at the address set forth in Section 13.3 of the Indenture.

"Credit Policy" shall mean the credit and underwriting policies of the Originators in effect on the Closing Date.

"Cumulative Default Level" shall mean for any Determination Date, an amount equal to the sum of the Loan Balances of all Timeshare Loans that became Defaulted Timeshare Loans since the Closing Date (other than Defaulted Timeshare Loans that subsequently become current) divided by the Cut-Off Date Aggregate Loan Balance (expressed as a percentage). For purposes of this definition

"Timeshare Loan" shall include those timeshare loans that have been released from the Lien of the Indenture pursuant to Section 4.5(c) of the Indenture.

"Cumulative Default Percentage" shall equal 10% on or before December 1, 2003; 14% on or before December 1, 2004; 18% on or before December 1, 2005; 20% on or before December 1, 2006 and 22% thereafter.

"Custodial Agreement" shall mean the custodial agreement, dated as of November 15, 2002 by and among the Issuer, the Depositor, the Servicer, the Backup Servicer, and the Indenture Trustee and Custodian, as the same may be amended, supplemented or otherwise modified from time to time providing for the custody and maintenance of the Timeshare Loan Documents relating to the Timeshare Loans.

"Custodian" shall mean U.S. Bank National Association, a national banking association, or its permitted successors and assigns.

"Custodian Fees" shall mean for each Payment Date, the fee payable by the Issuer to the Custodian in accordance with the Custodial Agreement.

"Cut-Off Date" shall mean, with respect to (i) the Initial Timeshare Loans, the Initial Cut-Off Date, and (ii) any Qualified Substitute Timeshare Loan, the related Subsequent Cut-Off Date.

"Cut-Off Date Aggregate Loan Balance" shall mean the aggregate of the Loan Balances of all Timeshare Loans as of the Initial Cut-Off Date.

"Cut-Off Date Loan Balance" shall mean the Loan Balance of a Timeshare Loan on the related Cut-Off Date.

"Default" shall mean an event which, but for the passage of time, would constitute an Event of Default under the Indenture.

"Default Level" shall mean for any Due Period, the product of (i) 12 and (ii) the sum of the Loan Balances of Timeshare Loans that became Defaulted Timeshare Loans during such Due Period less the Loan Balances of Defaulted Timeshare Loans that subsequently became current during such Due Period divided by the Aggregate Loan Balance on the first day of such Due Period (expressed as a percentage).

"Defaulted Timeshare Loan" is any Timeshare Loan for which any of the earliest following events may have occurred: (i) the Servicer has commenced cancellation or forfeiture or deletion actions on the related Timeshare Loan after collection efforts have failed in accordance with its credit and collection policies, (ii) as of the last day of any Due Period, all or part of a scheduled payment under the Timeshare Loan is more than 120 days delinquent from the due

date, (iii) the related Timeshare Loan otherwise ceases to be an Eligible Timeshare Loan or (iv) the Servicer obtains actual knowledge that a bankruptcy event has occurred with respect to the related Obligor.

"Defective Timeshare Loan" shall have the meaning specified in Section 4.4 of the Indenture.

"Deferred Interest Amount" shall mean, with respect to a Class of Notes and a Payment Date, the sum of (i) interest accrued at the related Note Rate during the related Interest Accrual Period on such Note Balance Write-Down Amounts applied in respect of such Class and (ii) any unpaid Deferred Interest Amounts from any prior Payment Date, together with interest thereon at the applicable Note Rate from the date any such Note Balance Write-Down Amount was applied in respect of such Class, to the extent permitted by law.

"Definitive Note" shall have the meaning specified in Section 2.2 of the Indenture.

"Delinquency Event" shall have occurred if the average Delinquency Level over the last five Due Periods for Timeshare Loans that are 31 days or more delinquent is equal to or greater than 7%. A Delinquency Event shall be deemed to exist and be continuing until the average Delinquency Level over the last five Due Periods for Timeshare Loans that are 31 days or more delinquent is less than 7% for three consecutive Due Periods.

"Delinquency Level" shall mean for any Due Period, an amount equal to the sum of the Loan Balances of Timeshare Loans (other than Defaulted Timeshare Loans) that are the specified number of days delinquent on the last day of such Due Period divided by the Aggregate Loan Balance on the first day of such Due Period (expressed as a percentage).

"Delinquency Reserve Amount" shall mean, for any Payment Date, the product of (i) if (A) no Delinquency Event exists and is continuing, 3.00% or (B) a Delinquency Event exists and is continuing, 5.00%, and (ii) the aggregate of the Loan Balances of all Timeshare Loans subject to the lien of the Indenture (as of the end of the related Due Period).

"Depositor" shall mean Bluegreen Receivables Finance Corporation VI, a Delaware Corporation, and its permitted successors and assigns.

"Depository" shall mean an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. The initial Depository shall be The Depository Trust Company.

"Depository Agreement" shall mean the letter of representations dated as of December 13, 2002, by and among the Issuer, the Indenture Trustee and the Depository.

"Depository Participant" shall mean a broker, dealer, bank, other financial institution or other Person for whom from time to time a Depository effects book-entry transfers and pledges securities deposited with the Depository.

"Determination Date" shall mean the day that is five Business Days prior to such Payment Date.

"Developer" shall mean Bluegreen Vacations Unlimited, Inc., a Florida corporation, and its permitted successors and assigns.

"DTC" shall mean The Depository Trust Company, and its permitted successors and assigns.

"Due Period" shall mean with respect to any Payment Date, the period from the 16th day of the second preceding calendar month to the 15th day of the preceding calendar month; for the Initial Payment Date, the period from and including November 16, 2002 to December 15, 2002.

"Eligible Bank Account" shall mean a segregated account, which may be an account maintained with the Indenture Trustee, which is either (a) maintained with a depositary institution or trust company whose long-term unsecured debt obligations are rated at least "A" by Fitch and "A2" by Moody's and whose short-term unsecured obligations are rated at least "A-1" by Fitch and "P-1" by Moody's; or (b) a trust account or similar account maintained at the corporate trust department of the Indenture Trustee.

"Eligible Investments" shall mean one or more of the following:

(a) obligations of, or guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States;

(b) federal funds, certificates of deposit, time deposits and bankers' acceptances, each of which shall not have an original maturity of more than 90 days, of any depository institution or trust company incorporated under the laws of the United States or any state; provided that the long-term unsecured debt obligations of such depository institution or trust company at the date of acquisition thereof have been rated by each Rating Agency in one of the three highest rating categories available from S&P and no lower than A2 by Moody's; and provided, further, that the short-term obligations of such depository institution or trust company shall be rated in the highest rating category by such Rating Agency;

(c) commercial paper or commercial paper funds (having original maturities of not more than 90 days) of any corporation incorporated under the laws of the United States or any state

thereof, provided that any such commercial paper or commercial paper funds shall be rated in the highest short−term rating category by each Rating Agency; and

(d) any no−load money market fund rated (including money market funds managed or advised by the Indenture Trustee or an Affiliate thereof) in the highest short−term rating category or equivalent highest long−term rating category

by each Rating Agency; provided that, Eligible Investments purchased from funds in the Eligible Bank Accounts shall include only such obligations or securities that either may be redeemed daily or mature no later than the Business Day next preceding the next Payment Date;

(e) demand and time deposits in, certificates of deposit of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company (including the Indenture Trustee or any Affiliate of the Indenture Trustee, acting in its commercial capacity) incorporated under the laws of the United States of America or any State thereof and subject to supervision and examination by federal and/or state authorities, so long as, at the time of such investment, the commercial paper or other short−term deposits of such depository institution or trust company are rated at least P−1 by Moody's and at least A−1 by SP

and provided, further, that (i) no instrument shall be an Eligible Investment if such instrument evidences a right to receive only interest payments with respect to the obligations underlying such instrument, and (ii) no Eligible Investment may be purchased at a price in excess of par. Eligible Investments may include those Eligible Investments with respect to which the Indenture Trustee or an Affiliate thereof provides services.

"Eligible Owner Trustee" shall have the meaning specified in Section 10.01 of the Trust Agreement.

"Eligible Timeshare Loan" shall mean a Timeshare Loan which meets all of the criteria set forth in Schedule I of the Sale Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Errors" shall have the meaning specified in Section 5.4 of the Indenture.

"Event of Default" shall have the meaning specified in Section 6.1 of the Indenture.

"Finance Agreement" shall mean a purchase and finance agreement between an Obligor and the Aruba Originator pursuant to which such Obligor finances the purchase of Aruba Share Certificates.

"Foreclosure Properties" shall have the meaning specified in Section 5.3(b) of the Indenture.

"General Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(b) of the Indenture.

"General Reserve Account Initial Deposit" shall mean an amount equal to 1.00% of the Cut−Off Date Aggregate Loan Balance.

"General Reserve Account Required Balance" shall mean (a) if no Cash Accumulation Event has occurred, the greater of (i) 3.00% of the sum of the Aggregate Loan Balance and the aggregate Loan Balance of Defaulted Timeshare

Loans subject to the lien of the Indenture (as of the end of the related Due Period) and (ii) 1.50% of the Cut-Off Date Aggregate Loan Balance or (b) if a Cash Accumulation Event has occurred, 3.00% of the Cut-Off Date Aggregate Loan Balance.

"Global Note" shall have the meaning specified in Section 2.2 of the Indenture.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Grant" shall mean to grant, bargain, convey, assign, transfer, mortgage, pledge, create and grant a security interest in and right of set-off against, deposit, set over and confirm.

"Heller Assignment Agreement" shall mean the assignment agreement, dated as of November 15, 2002, by and among BXG Trust 2000 and Bluegreen.

"Heller Facility Loans" shall mean certain Timeshare Loans that were previously sold to BXG Trust 2000 pursuant to that certain Sale and Servicing Agreement, dated as of September 1, 2000, by and among BXG Trust 2000, Bluegreen Receivables Finance Corporation IV, Bluegreen, Concord Servicing Corporation, Vacation Trust, Inc., U.S. Bank Trust National Association, Heller Financial, Inc. and Barclays Bank PLC.

"Heller Loan Agreement" shall mean the Amended and Restated Loan and Security Agreement, dated as of June 30, 1999, by and between Bluegreen, the Developer and Heller Financial, Inc., as amended from time to time.

"Highest Lawful Rate" shall have the meaning specified in Section 3 of the Sale Agreement.

"Holder" or "Noteholder" shall mean a holder of a Class A Note, a Class B Note, a Class C Note or a Class D Note.

"II" shall mean Interval International, Inc.

"Indenture" shall mean the indenture, dated as of November 15, 2002, by and among the Issuer, the Club Trustee, the Servicer, the Backup Servicer and the Indenture Trustee.

"Indenture Trustee" shall mean U.S. Bank National Association, a national banking association, not in its individual capacity but solely as Indenture Trustee under the Indenture, and any successor as set forth in Section 7.9 of the Indenture.

"Indenture Trustee Fee" shall mean for each Payment Date, the sum of (A) $875.00 and (B) until the Indenture Trustee shall become the successor Servicer, the greater of

(A) the product of one-twelfth of 0.0175% and the Aggregate Loan Balance as of the first day of the related Due Period and (B) $1,500.00.

"ING Assignment Agreement' shall mean the assignment agreement, dated as of November 15, 2002 by and among BXG Trust 2001-A and Bluegreen.

"ING Facility Loans" shall mean certain Timeshare Loans that were previously sold to BXG Trust 2001-A pursuant to that certain Amended and Restated Sale and Servicing Agreement dated as of April 17, 2002, by and among Bluegreen Receivables Finance Corporation V, BXG Trust 2001-A, Bluegreen, Concord Servicing Corporation, Vacation Trust, Inc. and U.S. Bank National Association.

"Initial Cut-Off Date" shall mean the close of business on November 15, 2002.

"Initial Note Balance" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, $86,899,000, $21,724,000, $23,535,000 and $38,018,000, respectively.

"Initial Payment Date" shall mean the Payment Date occurring in

January 2003.

"Initial Purchaser" shall mean ING Financial Markets LLC.

"Intended Tax Characterization" shall have the meaning specified in Section 4.2(b) of the Indenture.

"Interest Accrual Period" shall mean with respect to (i) any Payment Date other than the Initial Payment Date, the period from the 16th day of the second preceding calendar month to the 15th day of the preceding calendar month and (ii) the Initial Payment Date, the period from and including the Closing Date through December 15, 2002.

"Interest Distribution Amount" shall equal, for a Class of Notes and on any Payment Date, the sum of (i) interest accrued during the related Interest Accrual Period at the related Note Rate on the Outstanding Note Balance of such Class of Notes immediately prior to such Payment Date (or, if any Note Balance Write-Down Amounts have been applied to such Class of Notes, the Adjusted Note Balance of such Class of Notes) and (ii) the amount of unpaid Interest Distribution Amounts from prior Payment Dates for such Class of Notes, plus, to the extent permitted by applicable law, interest on such unpaid amount at the related Note Rate. The Interest Distribution Amount shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Issuer" shall mean BXG Receivables Note Trust 2002-A, a statutory trust formed under the laws of the State of Delaware pursuant to the Trust Agreement.

"Issuer Order" shall mean a written order or request delivered to the Indenture Trustee and signed in the name of the Issuer by an Authorized Officer of the Issuer or Administrator.

"Knowledge" shall mean (a) as to any natural Person, the actual awareness of the fact, event or circumstance at issue or receipt of notification by proper delivery of such fact, event or circumstance and (b) as to any Person that is not a natural Person, the actual awareness of the fact, event or circumstance at issue by a Responsible Officer of such Person or receipt, by a Responsible Officer of such Person, of notification by proper delivery of such fact, event or circumstance.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment for security, security interest, claim, participation, encumbrance, levy, lien or charge.

"Liquidation" means with respect to any Timeshare Loan, the sale or compulsory disposition of the related Timeshare Property, following foreclosure, forfeiture or other enforcement action or the taking of a deed-in-lieu of foreclosure, to a Person other than the Servicer or an Affiliate thereof.

"Liquidation Expenses" shall mean, with respect to a Defaulted Timeshare Loan, as of any date of determination, any out-of-pocket expenses (exclusive of overhead expenses) incurred by the Servicer in connection with the performance of its obligations under Section 5.3(b) in the Indenture, including, but not limited to, (i) any foreclosure or forfeiture and other repossession expenses incurred with respect to such Timeshare Loan, (ii) actual commissions and marketing and sales expenses incurred by the Servicer with respect to the remarketing of the related Timeshare Property and (iii) any other fees and expenses reasonably applied or allocated in the ordinary course of business with respect to the Liquidation of such Defaulted Timeshare Loan (including any assessed and unpaid Association fees and real estate taxes).

"Liquidation Proceeds" means with respect to the Liquidation of any Timeshare Loan, the amounts actually received by the Servicer in connection with such Liquidation.

"Loan Balance" shall mean, for any date of determination, the outstanding principal balance due under or in respect of a Timeshare Loan (including a Defaulted Timeshare Loan).

"Lockbox Account" shall mean the account maintained pursuant to the Lockbox Agreement, which shall be a non-interest bearing account.

"Lockbox Agreement" shall mean the lockbox agreement, dated as of November 15, 2002, by and among the Issuer, the Indenture Trustee and the Lockbox Bank.

"Lockbox Bank" shall mean Fleet National Bank, a national banking association.

"Lockbox Fee" shall mean on each Payment Date, the fee payable by the Issuer to the Lockbox Bank in accordance with the Lockbox Agreement.

"Misdirected Deposits" shall mean such payments that have been deposited to the Collection Account in error.

"Monthly Servicer Report" shall have the meaning specified in Section 5.5 of the Indenture.

"Moody's" shall mean Moody's Investors Service, Inc.

"Mortgage" shall mean, with respect to a Club Loan, any purchase money mortgage, deed of trust, purchase money deed of trust or mortgage deed creating a first lien on a Timeshare Property to secure debt granted by the Club Trustee on behalf of an Obligor to the Club Originator with respect to the purchase of such Timeshare Property and/or the contribution of the same to the Club and otherwise encumbering the related Timeshare Property to secure payments or other obligations under such Timeshare Loan.

"Mortgage Note" shall mean, with respect to a Club Loan, the original, executed promissory note evidencing the indebtedness of an Obligor under a Club Loan, together with any rider, addendum or amendment thereto, or any renewal, substitution or replacement of such note.

"Net Liquidation Proceeds" shall mean with respect to a Liquidation, the positive difference between Liquidation Proceeds and Liquidation Expenses.

"New Servicing Fee Proposal" shall have the meaning specified in Section 5.4 of the Indenture.

"Note Balance Write–Down Amount" shall mean with respect to any Payment Date, an amount equal to the excess, if any, of the Aggregate Outstanding Note Balance (immediately after the distribution of Available Funds and any amounts paid to the Class D Noteholders from the Class D Reserve Account on such Payment Date) over the Aggregate Loan Balance as of the end of the Due Period related to such Payment Date.

"Note Owner" shall mean, with respect to a Book–Entry Note, the Person who is the beneficial owner of such Book–Entry Note, as reflected on the books of the Depository or on the books of a Person maintaining an account with such Depository (directly or as an indirect participant, in accordance with the rules of such Depository).

"Note Purchase Agreement" shall mean that certain note purchase agreement dated the Closing Date, between the Initial Purchaser and the Issuer.

"Note Rate" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, 4.580%, 4.740%, 5.735% and 7.750%, respectively.

"Note Register" shall have the meaning specified in Section 2.4(a) of the Indenture.

"Note Registrar" shall have the meaning specified in Section 2.4(a) of the Indenture.

"Noteholder" shall mean any holder of a Note of any Class.

"Notes" shall mean collectively, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"Obligor" shall mean the related obligor under a Timeshare Loan.

"Officer's Certificate" shall mean a certificate executed by a Responsible Officer of the related party.

"Opinion of Counsel" shall mean a written opinion of counsel, in each case acceptable to the addressees thereof.

"Optional Purchase Limit" shall mean, on any date, an amount equal to (x) 15% of the Cut-Off Date Aggregate Loan Balance less (y) the aggregate Loan Balances (as of the related purchase dates or release dates, as applicable) of all Defaulted Timeshare Loans (a) previously purchased by the Club Originator pursuant to the Sale Agreement, the Purchase Agreement or any of the Transfer Agreements and (b) previously released pursuant to Section 4.5(c) of the Indenture.

"0ptional Redemption Date" shall mean the first date in which the Aggregate Outstanding Note Balance is less than or equal to 10% of the Aggregate Initial Note Balance of all Classes of Notes.

"Optional Substitution Limit" shall mean, on any date, an amount equal to (x) 20% of the Cut-Off Date Aggregate Loan Balance less (y) the aggregate Loan Balances (as of the related Transfer Dates) of all Defaulted Timeshare Loans previously substituted by the Club Originator pursuant to the Sale Agreement, the Purchase Agreement or the any of the Transfer Agreements.

"Originator" shall mean either the Club Originator or the Aruba Originator.

"Outstanding" shall mean, with respect to the Notes, as of any date of determination, all Notes theretofore authenticated and delivered under the Indenture except:

(a) Notes theretofore canceled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;

(b) Notes or portions thereof for whose payment money in the necessary amount has been theretofore irrevocably deposited with the Indenture Trustee in trust for the holders of such Notes; and

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Notes are held by a Person in whose hands the Note is a valid obligation; provided, however, that in determining whether the holders of the requisite percentage of the Outstanding Note Balance of the Notes have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in

determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Notes that a Responsible Officer of the Indenture Trustee actually has notice are so owned shall be so disregarded.

"Outstanding Note Balance" shall mean as of any date of determination and Class of Notes, the Initial Note Balance of such Class of Notes less the sum of Principal Distribution Amounts actually distributed to the Holders of such Class of Notes as of such date; provided, however, to the extent that for purposes of consents, approvals, voting or other similar act of the Noteholders under any of the Transaction Documents, "Outstanding Note Balance" shall exclude Notes which are held by Bluegreen or any Affiliate thereof.

"Owner" shall mean the owner of the Trust Certificate issued by the Issuer pursuant to the Trust Agreement, which shall be GSS Holdings, Inc.

"Owner Beneficiary" shall have the meaning specified in the Club Trust Agreement.

"Owner Beneficiary Agreement" shall mean the purchase agreement entered into by each obligor and the Developer with respect to the Club Loans.

"Owner Beneficiary Rights" shall have the meaning specified in the Club Trust Agreement.

"Owner Trustee" shall mean Wilmington Trust Company, a Delaware banking corporation, or any successor thereof, acting not in its individual capacity but solely as owner trustee under the Trust Agreement.

"Owner Trustee Corporate Trust Office" shall mean Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19801.

"Owner Trustee Fee" shall mean for each Payment Date an amount equal to the product of (i) one-twelfth and (ii)(A) prior to the Owner Trustee becoming successor Administrator, $6,000.00 and (B) upon the Owner Trustee becoming successor Administrator, $5,000.00.

"Paying Agent" shall mean any Person authorized under the Indenture to make the distributions required under Sections 3.4 of the Indenture, which such Person initially shall be the Indenture Trustee.

"Payment Date" shall mean the 1st day of each month, or, if such date is not a Business Day, then the next succeeding Business Day, commencing on the Initial Payment Date.

"Payment Default Event" shall have occurred if (i) each Class of Notes shall become due and payable pursuant to Section 6.2(a) of the Indenture or (ii) each Class of Notes shall otherwise become due and payable following an Event of Default under the Indenture and the Indenture Trustee has, in its good faith judgment, determined that the value of the assets comprising the Trust Estate is less than the Aggregate Outstanding Note Balance.

"Percentage Interest" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, 48%, 12%, 13% and 21%, respectively.

"Permitted Liens" shall mean (a) with respect to Timeshare Loans in the Trust Estate, Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable, (ii) Liens in favor of the Depositor and the Issuer created pursuant to the Transaction Documents, and (iii) Liens in favor of the Trust and the Indenture Trustee created pursuant to the Indenture; (b) with respect to the related Timeshare Property, materialmen's, warehousemen's, mechanic's and other Liens arising by operation of law in the ordinary course of business for sums not due, (ii) Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable, (iii) Liens in favor of the Depositor pursuant to Transfer Agreements and the Purchase Agreement, and (iv) the Obligor's interest in the Timeshare Property under the Timeshare Loan whether pursuant to the Club Trust Agreement or otherwise; and (c) with respect to Timeshare Loans and Related Security in the Trust Estate, any and all rights of the Beneficiaries referred to in the Club Trust Agreement under such Club Trust Agreement.

"Person" means an individual, general partnership, limited partnership, limited liability partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority, or other entity of whatever nature.

"Predecessor Servicer Work Product" shall have the meaning specified in Section 5.4(b) of the Indenture.

"Principal Distribution Amount" shall equal for any Payment Date and Class of Notes, the sum of the following:

(i) the product of (a) such Class' Percentage Interest and (b) the amount of principal collected in respect of each Timeshare Loan during the related Due Period (including, but not limited to, principal in respect of scheduled payments, partial prepayments, prepayments in full, liquidations, Substitution Shortfall Amounts and Repurchase Prices, if any, but excluding

principal received in respect of Timeshare Loans that became Defaulted Timeshare Loans during prior Due Periods that have not been released from the lien of the Indenture) or, if the Cut-Off Date for a Timeshare Loan shall have occurred during the related Due Period, the amount of principal collected in respect of such Timeshare Loan after such Cut-Off Date, and

(ii) the product of (a) such Class' Percentage Interest and (b) the aggregate Loan Balance of all Timeshare Loans which became Defaulted Timeshare Loans during the related Due Period, less the sum of (x) the aggregate Loan Balance of all Qualified Substitute Timeshare Loans which were conveyed to the Trust Estate in respect of Defaulted Timeshare Loans during the related Due Period, (y) the principal portion of Repurchase

Prices paid in respect of Defaulted Timeshare Loans during the related Due Period, and (z) the principal portion of Net Liquidation Proceeds received during the related Due Period, and

(iii) any unpaid Principal Distribution Amounts for such Class from prior Payment Dates.

"Purchase Agreement" shall mean the purchase and contribution agreement, dated as of November 15, 2002, between the Club Originator and the Depositor pursuant to which such Club Originator sells Timeshare Loans to the Depositor.

"Qualified Substitute Timeshare Loan" shall mean a Timeshare Loan (i) that, when aggregated with other Qualified Substitute Timeshare Loans being substituted on such Transfer Date, has a Loan Balance, after application of all payments of principal due and received during or prior to the month of substitution, not in excess of the Loan Balance of the Timeshare Loan being substituted on the related Transfer Date, (ii) that complies, as of the related Transfer Date, with each of the representations and warranties contained in the Transfer Agreements and Purchase Agreement, including that such Qualified Substitute Timeshare Loan is an Eligible Timeshare Loan, (iii) that shall not cause the weighted average coupon rate of the Timeshare Loans to be less than 15.25% after such substitution, (iv) that shall not cause the weighted average months of seasoning on the Timeshare Loans to be less than 16 months after such substitution, and (v) that does not have a stated maturity greater than 12 months prior to the Stated Maturity.

"Rating Agency" shall mean Moody's and S&P.

"RCI" shall mean Resorts Condominium International, Inc.

"Receivables" means the payments required to be made pursuant to a Timeshare Loan.

"Receivables Collateral" shall have the meaning specified in Section 3 of the Sale Agreement.

"Record Date" shall mean, with respect to any Payment Date, the close of business on the last Business Day of the calendar month immediately preceding the month such Payment Date occurs.

"Redemption Date" shall mean with respect to the redemption of the Notes on or after the Optional Redemption Date, the date fixed pursuant to Section 10.1 of the Indenture.

"Redemption Price" shall mean, with respect to each Class of Notes, the sum of the Outstanding Note Balance of such Class of Notes, together with interest accrued thereon at the applicable Note Rate up to and including the Redemption Date.

"Related Security" shall mean with respect to any Timeshare Loan, (i) all of the Issuer's interest in the Timeshare Property arising under or in connection with the related

Mortgage, Owner Beneficiary Rights, Vacation Points and the related Timeshare Loan Files, (ii) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Timeshare Loan, together with all mortgages, assignments and financing statements signed by the Club Trustee on behalf of an Obligor describing any collateral securing such Timeshare Loan, (iii) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Timeshare Loan, and (iv) all other security and books, records and computer tapes relating to the foregoing.

"Repurchase Price" shall mean with respect to any Timeshare Loan to be purchased by the Club Originator pursuant to the Transfer Agreements, the Sale Agreement or the Purchase Agreement, an amount equal to the Loan Balance of such Timeshare Loan as of the date of such purchase or repurchase, together with all accrued and unpaid interest on such Timeshare Loan at the related Timeshare Loan Rate to, but not including, the due date in the then current Due Period.

"Request for Release" shall be a request for release of Timeshare Loan Documents in the form required by the Custodial Agreement.

"Required Payments" shall mean each of the items described in (i) through (xv) of Section 3.4 of the Indenture.

"Reservation System": The reservation system utilized by the Club and owned by the Club Managing Entity and operated by Resort Condominium International, Inc. or the services contracted by the Club Managing Entity with a third party.

"Residual Interest Certificate" shall mean the certificate issued under the Trust Agreement, which represents the economic residual interest of the Trust formed thereunder.

"Residual Interest Owner" shall mean the owner of the Residual Interest Certificate issued by the Issuer pursuant to the Trust Agreement, which shall initially be the Depositor.

"Resort" shall mean any of the following resorts: MountainLoft(TM), Laurel Crest(TM), Shore Crest(TM) Vacation Villas, Harbour Lights(TM), The Lodge Alley Inn (TM), The Falls Village(TM), Christmas Mountain Village(TM), Orlando's Sunshine(TM) Resort, Solara Surfside(TM) Condominium, Shenendoah Crossing(TM) Farm & Country Club and La Cabana Beach Resort & Racquet Club.

"Resort Interests" shall mean as defined in the Club Trust Agreement.

"Responsible Officer" shall mean (a) when used with respect to the Owner Trustee or the Indenture Trustee, any officer assigned to the Owner Trustee Corporate Trust Office or the Corporate Trust Office, respectively, including any Managing Director, Vice President, Assistant Vice President, Secretary, Assistant Secretary, Assistant Treasurer, any trust officer or any other officer such Person customarily performing functions similar to those performed by any of the above designated officers, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and

familiarity with the particular subject; (b) when used with respect to the Servicer, the Chief Financial Officer, a Vice President, an Assistant Vice President, the Chief Accounting Officer or the Secretary of the Servicer; and (c) with respect to any other Person, the chairman of the board, chief financial officer, the president, a vice president, the treasurer, an assistant treasurer, the secretary, an assistant secretary, the controller, general partner, trustee or the manager of such Person.

"S&P" shall mean Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Sale Agreement" shall mean that certain sale agreement, dated as

of November 15, 2002, between the Depositor and the Issuer pursuant to which the Depositor sells Timeshare Loans to the Issuer.

"Schedule of Timeshare Loans" shall mean the list of Timeshare Loans delivered pursuant to the Sale Agreement, as amended from time to time to reflect repurchases, substitutions and Qualified Substitute Timeshare Loans conveyed pursuant to the terms of the Indenture, which list shall set forth the following information with respect to each Timeshare Loan as of the related Cut-Off Date, as applicable, in numbered columns:

1 Name of Obligor
2 Condo Ref/Loan Number
3 Interest Rate Per Annum
4 Date of Origin
5 Maturity
6 Sales Price
7 Monthly Payment
8 Original Loan Balance
9 Original Term
10 Outstanding Loan Balance
11 Down Payment
12 First payment date

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Sellers" shall mean with respect to (i) the Purchase Agreement, Bluegreen, (ii) the BXG Trust 2001-A Transfer Agreement, BXG Trust 2001-A and (iii) the BXG Trust 2000 Transfer Agreement, BXG Trust 2000.

"Sequential Pay Event" shall mean either a Payment Default Event or a Trust Estate Liquidation Event.

"Servicer" shall mean Bluegreen in its capacity as servicer under the Indenture, the Backup Servicing Agreement and the Custodial Agreement, and its permitted successors and assigns.

"Servicer Event of Default" shall have the meaning specified in Section 5.4 of the Indenture.

"Servicing Fee" shall mean for any Payment Date, the product of (i)(A) if Bluegreen or an affiliate thereof is Servicer, one-twelfth of 1.50% and (B) if the Indenture Trustee is the successor Servicer, one-twelfth of 2.05%, and (ii) the Aggregate Loan Balance as of the first day of the related Due Period; provided that if the Indenture Trustee is the successor Servicer, it shall, after payment of the Backup Servicing Fee, be entitled to a minimum monthly payment of $5,500.00.

"Servicing Officer" shall mean those officers of the Servicer involved in, or responsible for, the administration and servicing of the Timeshare Loans, as identified on the list of Servicing Officers furnished by the Servicer to the Indenture Trustee and the Noteholders from time to time.

"Servicing Standard" shall mean, with respect to the Servicer and the Backup Servicer, a servicing standard which complies with applicable law, the terms of the respective Timeshare Loans and, to the extent consistent with the foregoing, in accordance with the customary standard of prudent servicers of loans secured by timeshare interests similar to the Timeshare Properties, but in no event lower than the standards employed by it when servicing loans for its own account or other third parties, but, in any case, without regard for (i) any relationship that it or any of its Affiliates may have with the related Obligor, and (ii) its right to receive compensation for its services hereunder or with respect to any particular transaction.

"Servicer Termination Costs" shall mean any extraordinary out-of-pocket expenses incurred by the Indenture Trustee associated with the transfer of servicing.

"Similar Law" shall mean the prohibited transaction rules under ERISA or section 4975 of the Code or any substantially similar provision of federal, state or local law.

"Stated Maturity" shall mean the Payment Date occurring in September

2014.

"Statutory Trust Statute" shall mean the Delaware Statutory Trust Act, Chapter 38 of Title 12 of the Delaware Code, 12 Del. C.[Section]3801, et seq., as the same may be amended from time to time.

"Subsequent Cut-Off Date" shall mean with respect to any Transfer Date, (i) the close of business on the last day of the Due Period immediately preceding such Transfer Date or (ii) such other date designated by the Servicer.

"Substitution Shortfall Amount" shall mean with respect to any Transfer Date, an amount equal to the excess of the aggregate Loan Balances of the substituted Timeshare Loans over the aggregate Loan Balances of the Qualified Substitute Timeshare Loans.

"Timeshare Declaration" shall mean the declaration or other document recorded in the real estate records of the applicable municipality or government office where a Resort is

located for the purpose of creating and governing the rights of owners of Timeshare Properties related thereto, as it may be in effect from time to time.

"Timeshare Loan" shall mean a Club Loan, Aruba Loan, or a Qualified Substitute Timeshare Loan, subject to the lien of the Indenture. As used in the Transaction Documents, the term "Timeshare Loan" shall include the related Mortgage Note, Mortgage, the Finance Agreement and other Related Security contained in the related Timeshare Loan Documents.

"Timeshare Loan Acquisition Price" shall mean with respect to any Timeshare Loan, an amount equal to the Loan Balance of such Timeshare Loan plus accrued and unpaid interest thereon up to and including the Initial Cut-Off Date.

"Timeshare Loan Documents" shall mean with respect to each Timeshare Loan and each Obligor, the related (i) Timeshare Loan Files, and (ii) Timeshare Loan Servicing Files.

"Timeshare Loan Files" shall mean, with respect to a Timeshare Loan, the Timeshare Loan and all documents related to such Timeshare Loan, including:

1. with respect to a Club Loan, the original Mortgage Note with the related allonge or other assignment attached as required by the Custodial Agreement, signed (which may be by facsimile) by an Authorized Officer of the Club Originator or the Indenture Trustee or other party as appropriate and showing a complete chain of endorsements from the original payee of the Mortgage Note to the Indenture Trustee: "Pay to the order of _____, without recourse representation or warranty";

2. with respect to a Club Loan, the original recorded or unrecorded Mortgage with evidence of delivery for filing (or, if the original of the recorded or unrecorded Mortgage is not available, a copy of such recorded or unrecorded Mortgage (with evidence of delivery for filing), in each case certified by an Authorized Officer of the Club Originator to be a true and correct copy);

3. with respect to a Club Loan, an original recorded or unrecorded Assignment of Mortgage (which may be a part of a blanket assignment of more than one Club Loan), from the Club Originator to the Indenture Trustee, with evidence of proper recordation, if applicable, signed by an Authorized Officer of the Club Originator (or evidence from a third party that such assignment has been submitted for recordation);

4. with respect to a Club Loan, the UCC financing statement, if any, evidencing that the security interest granted under such Timeshare Loan, if any, has been perfected under applicable state law;

5. with respect to a Club Loan, a copy of any recorded or unrecorded warranty deed transferring legal title to the

related Timeshare Property to the Club Trustee;

6. with respect to a Club Loan, an original lender's title insurance policy or title commitment or master policy referencing such Timeshare Loan and covering the Indenture Trustee for the benefit of the Noteholders;

7. the original of any related assignment or guarantee or, if such original is unavailable, a copy thereof certified by an Authorized Officer of the Club Originator to be a true and correct copy, current and historical computerized data files;

8. the original of any assumption agreement or any refinancing agreement;

9. all related owner beneficiary agreements, finance applications (including related Finance Agreements, if applicable), ACH forms, sale and escrow documents executed and delivered by the related Obligor with respect to the purchase of a Timeshare Property;

10. all other papers and records of whatever kind or description, whether developed or originated by an Originator or another Person, required to document, service or enforce a Timeshare Loan; and

11. any additional amendments, supplements, extensions, modifications or waiver agreements required to be added to the Timeshare Loans Files pursuant to the Indenture, the Credit Policy or the other Transaction Documents.

"Timeshare Loan Rate" shall mean with respect to any Timeshare Loan, the specified coupon rate thereon.

"Timeshare Loan Servicing Files" shall mean with respect to each Timeshare Loan and each Obligor, the portion of the Timeshare Loan Files necessary for the Servicer to service such Timeshare Loan including but not limited to (i) the original truth–in–lending disclosure statement executed by such Obligor, as applicable, (ii) all writings pursuant to which such Timeshare Loan arises or which evidences such Timeshare Loan and not delivered to the Custodian, (iii) all papers and computerized records customarily maintained by the Servicer in servicing timeshare loans comparable to the Timeshare Loans in accordance with the Servicing Standard and (iv) each Timeshare Program Consumer Document and Timeshare Program Governing Document Declaration, if applicable, related to the applicable Timeshare Property.

"Timeshare Program" shall mean the program under which (1) an Obligor has purchased a Timeshare Property and (2) an Obligor shares in the expenses associated with the operation and management of such program.

"Timeshare Program Consumer Documents" shall mean, as applicable, the Owner Beneficiary Agreement, Finance Agreement, Mortgage Note, Mortgage, credit disclosures, rescission right notices, final subdivision public reports/prospectuses/public offering statements, the Timeshare Project exchange affiliation agreement and other documents, disclosures and

advertising materials used or to be used by an Originator in connection with the sale of Timeshare Properties.

"Timeshare Program Governing Documents" shall mean the articles of organization or articles of incorporation of each Association, the rules and regulations of each Association, the Timeshare Program management contract between each Association and a management company, and any subsidy agreement by

which an Originator is obligated to subsidize shortfalls in the budget of a Timeshare Program in lieu of paying assessments, as they may be from time to time in effect and all amendments, modifications and restatements of any of the foregoing.

"Timeshare Projects" shall mean the part of the Resorts described in Exhibit C to the Sale Agreement related to any Timeshare Loan.

"Timeshare Property" shall mean (i) with respect to a Club Loan, a fractional fee simple timeshare interest in a Unit in a Resort entitling the related Obligor to the use and occupancy of a Unit at the Resort for a specified period of time each year or every other year in perpetuity and (ii) with respect to an Aruba Loan, shares in the related Association at the La Cabana Beach Resort & Racquet Club in Aruba entitling the related Obligor to the use and occupancy of a fixed Unit at such Resort for a fixed period of time each year or every other year for the duration of the long-term lease of such resort.

"Transaction Documents" shall mean the Indenture, the Purchase Agreement, the Transfer Agreements, the Sale Agreement, the Lockbox Agreement, the Backup Servicing Agreement, the Administration Agreement, the Custodial Agreement, the Note Purchase Agreement and all other agreements, documents or instruments delivered in connection with the transactions contemplated thereby.

"Transfer Agreements" shall mean the BXG Trust 2000 Transfer Agreement and the BXG Trust 2001-A Transfer Agreement.

"Transfer Date" shall mean the date on which the Club Originator or the Depositor, as the case may be, substitutes one or more Timeshare Loans in accordance with Section 4.4 of the Indenture.

"Treasury Regulations" shall mean the regulations, included proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

"Trust" shall mean the Issuer.

"Trust Accounts" shall mean collectively, the Lockbox Account, the Collection Account and the General Reserve Account, the Class D Reserve Account and the Closing Date Delinquency Reserve Account.

"Trust Agreement" shall mean the trust agreement, dated as of November 15, 2002, by and among Bluegreen Receivables Finance Corporation VI, GSS Holdings, Inc. and Wilmington Trust Company.

"Trust Certificate" shall mean the certificate issued under the Trust Agreement, which represents the sole equity interest in the Trust formed hereunder.

"Trust Company" shall have the meaning specified in the Trust Agreement.

"Trust Estate" shall have the meaning specified in the Granting Clause of the Indenture.

"Trust Estate Liquidation Event" shall have the meaning specified in Section 6.6(b) of the Indenture.

"Trust Paying Agent" shall have the meaning specified in Section 3.13 of the Trust Agreement.

"UCC" shall mean the Uniform Commercial Code as from time to time in affect in the applicable jurisdiction or jurisdictions.

"Unit(s)": One individual air-space condominium unit, cabin, villa, cottage or townhome within a Resort, together with all furniture, fixtures and furnishings therein, and together with any and all interests in common elements appurtenant thereto, as provided in the related Timeshare Program Governing Documents.

"Upgraded Club Loan" shall mean either (A) a Club Loan for which the related Obligor has elected to (i) reconvey the existing Club Property to the Developer in exchange for a new Club property, and (ii) cancel such Club Loan in exchange for a new Timeshare Loan from the Club Originator secured by such new Club Property, or (B) a Club Loan for which the related Obligor has elected to (i) acquire additional Club Property and (ii) cancel such Club Loan in exchange for a new Timeshare Loan secured by the existing Club Property and the additional Timeshare Property.

"Vacation Points" shall have the meaning specified in the Club Trust Agreement.

Schedule I

Representations and Warranties of the Depositor Regarding the Timeshare Loans

With respect to each Timeshare Loan, as of the related Closing Date or Transfer Date, as applicable:

(a) except if such Timeshare Loan is listed on Schedule 11(a) hereof, payments due under the Timeshare Loan are fully−amortizing and payable in level monthly installments;

(b) payment obligations under the Timeshare Loan bears a fixed rate of interest;

(c) the Obligor thereunder has made a down payment by cash, check or credit card of at least 10% percent of the actual purchase price (including closing costs) of the Timeshare Property (which cash down payment may, in the case of Upgraded Club Loans only, be represented by the principal payments on such Timeshare Loan since its date of origination) and no part of such payment has been made or loaned to Obligor by Bluegreen, the Depositor or an Affiliate thereof;

(d) as of the related Cut−Off Date, no principal or interest due with respect to the Timeshare Loan is sixty (60) days or more Delinquent;

(e) the Obligor is not an Affiliate of Bluegreen or any Subsidiary; provided, that solely for the purposes of this representation, a relative of an employee and employees of Bluegreen or any Subsidiary (or any of its Affiliates) shall not be deemed to be an "Affiliate";

(f) immediately prior to the conveyance of the Timeshare Loan to the Issuer, the Depositor will own full legal and equitable title to such Timeshare Loan, and the Timeshare Loan (and the related Timeshare Property) is free and clear of adverse claims, liens and encumbrances and is not subject to claims of rescission, invalidity, unenforceability, illegality, defense, offset, abatement, diminution, recoupment, counterclaim or participation or ownership interest in favor of any other Person;

(g) the Timeshare Loan (other than an Aruba Loan) is secured directly by a first priority Mortgage on the related purchased Timeshare Property;

(h) with respect to each Club Loan, the Timeshare Property mortgaged by or at the direction of the related Obligor constitutes a fractional fee simple timeshare interest in real property at the related Resort that entitles the holder of the interest to the use of a specific property for a specified number of days each year or every other year; the related Mortgage has been delivered for filing and recordation with all appropriate governmental authorities in all jurisdictions in which such Mortgage is required to be filed and recorded to create a valid, binding and enforceable first Lien on the related Timeshare Property and such Mortgage

creates a valid, binding and enforceable first Lien on the related Timeshare Property, subject only to Permitted Liens; and the Depositor is in compliance with any Permitted Lien respecting the right to the use of such related Timeshare Property; each of the Assignments of Mortgage and each related endorsement of the related Mortgage Note constitutes a duly executed, legal, valid, binding and enforceable assignment or endorsement, as the case may be, of such related Mortgage and related Mortgage Note, and all monies due or to become due thereunder, and all proceeds thereof;

(i) with respect to the Obligor and a particular Timeshare Property purchased by such Obligor, there is only one original Mortgage and Mortgage Note, in the case of a Club Loan, and, only one Finance Agreement, in the case of an Aruba Loan; all parties to the related Mortgage and the related Mortgage Note (and, in the case of an Aruba Loan, Finance Agreement) had legal capacity to enter into such Timeshare Loan Documents and to execute and deliver such related Timeshare Loan Documents, and such related Timeshare Loan Documents have been duly and properly executed by such parties; any amendments to such related Timeshare Loan Documents required as a result of any mergers involving the Depositor or its predecessors, to maintain the rights of the Depositor or its predecessors thereunder as a mortgagee (or a Depositor, in the case of the Aruba Loan) have been completed;

(j) at the time the related Originator originated such Timeshare Loan to the related Obligor, such Originator had full power and authority to originate such Timeshare Loan and the Obligor had good and indefeasible fee title or good and marketable fee simple title, or, in the case of an Aruba Loan, a cooperative interest, as applicable, to the Timeshare Property related to such Timeshare Loan, free and clear of all Liens, except for Permitted Liens;

(k) the related Mortgage (or, in the case of an Aruba Loan, the related Finance Agreement) contains customary and enforceable provisions so as to render the rights and remedies of the holder thereof adequate for the realization against the related Timeshare Property of the benefits of the security interests or lender's contractual rights intended to be provided thereby, including (a) if the Mortgage is a deed of trust, by trustee's sale, including power of sale, (b) otherwise by judicial foreclosure or power of sale and/or (c) termination of the contract, forfeiture of Obligor deposits and payments towards the related Timeshare Loan and expulsion from the related Association; in the case of the Club Loans, there is no exemption available to the related Obligor which would interfere with the mortgagee's right to sell at a trustee's sale or power of sale or right to foreclose such related Mortgage, as applicable;

(l) the related Mortgage Note is not and has not been secured by any collateral except the Lien of the related Mortgage;

(m) if a Mortgage secures a Timeshare Loan, the title to the related Timeshare Property is insured (or a binding commitment for title insurance, not subject to any conditions other than standard conditions applicable to all binding commitments, has been issued) under a mortgagee title insurance policy issued by a title insurer qualified to do business in the jurisdiction where the related Timeshare Property is located in a form generally acceptable to prudent originators of similar mortgage loans, insuring the Depositor or its predecessor and its successors and assigns, as to the first priority mortgage Lien of the related Mortgage in an amount equal to the outstanding Loan Balance of such Timeshare Loan, and otherwise in form and substance acceptable to the Indenture Trustee; the Depositor or its assignee is a named insured of such mortgagee's title insurance policy; such mortgagee's title insurance policy is in full force and effect; no claims have been made under such mortgagee's title insurance policy and no prior holder of such Timeshare Loan has done or omitted to do anything which would impair the coverage of such mortgagee's title insurance policy; no premiums for such mortgagee's title insurance policy, endorsements and all special endorsements are past due;

(n) the Depositor has not taken (or omitted to take), and has no notice that the related Obligor has taken (or omitted to take), any action that would impair or invalidate the coverage provided by any hazard, title or other insurance policy on the related Timeshare Property;

(o) all applicable intangible taxes and documentary stamp taxes were paid as to the related Timeshare Loan;

(p) the proceeds of the Timeshare Loan have been fully disbursed, there is no obligation to make future advances or to lend additional funds under the originator's commitment or the documents and instruments evidencing or securing the Timeshare Loan and no such advances or loans have been made since the origination of the Timeshare Loan;

(q) the terms of each Timeshare Loan Document has not been impaired, waived, altered or modified in any respect, except (x) by written instruments which are part of the related Timeshare Loan Documents or (y) in accordance with the Credit Policy or the Servicing Standard (provided that no Timeshare Loan has been impaired, waived, altered, or modified in any respect more than once). No other instrument has been executed or agreed to which would effect any such impairment, waiver, alteration or modification; the Obligor has not been released from liability on or with respect to the Timeshare Loan, in whole or in part; if required by law or prudent originators of similar loans in the jurisdiction where the related Timeshare Property is located, all waivers, alterations and modifications have been filed and/or recorded in all places necessary to perfect, maintain and continue a valid first priority Lien of the related Mortgage, subject only to Permitted Liens;

(r) other than if it is an Aruba Loan, the Timeshare Loan is principally and directly secured by an interest in real property;

(s) the Timeshare Loan was originated by one of the Depositor's Affiliates in the normal course of its business; the Timeshare Loan originated by the Depositor's Affiliates was underwritten in accordance with its underwriting guidelines; to the Depositor's Knowledge, the origination, servicing and collection practices used by the Depositor's Affiliates with respect to the Timeshare Loan have been in all respects, legal, proper, prudent and customary;

(t) the related Timeshare Loan is assignable to and by the obligee and its successors and assigns and the related Timeshare Property is assignable upon liquidation of the related Timeshare Loan, without the consent of any other Person (including any Association, condominium association, homeowners' or timeshare association);

(u) the related Mortgage is and will be prior to any Lien on, or other interests relating to, the related Timeshare Property;

(v) to the Depositor's Knowledge, there are no delinquent or unpaid taxes, ground rents (if any), water charges, sewer rents or assessments outstanding with respect to any of the Timeshare Properties, nor any other outstanding Liens or charges affecting the Timeshare Properties that would result in the imposition of a Lien on the Timeshare Property affecting the Lien of the related Mortgage or otherwise materially affecting the interests of the Indenture Trustee on behalf of the Noteholders in the related Timeshare Loan;

(w) other than with respect to delinquent payments of principal or interest 60 (sixty) or fewer days past due as of the Cut−Off Date, there is no default, breach, violation or event of acceleration existing under the Mortgage, the related Mortgage Note or any other document or instrument evidencing, guaranteeing, insuring or otherwise securing the related Timeshare Loan, and no event which, with the lapse of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration thereunder; and the Depositor has not waived any such material default, breach, violation or event of acceleration under the Finance Agreement, Mortgage, the Mortgage Note or any such other document or instrument, as applicable;

(x) neither the Obligor nor any other Person has the right, by statute, contract or otherwise, to seek the partition of the Timeshare Property;

(y) the Timeshare Loan has not been satisfied, canceled, rescinded or subordinated, in whole or in part; no portion of the Timeshare Property has been released from the Lien of the related Mortgage, in whole or in part; no instrument has been executed that would effect any such satisfaction, cancellation, rescission, subordination or release; the terms of the related Mortgage do not provide for a release of any

portion of the Timeshare Property from the Lien of the related Mortgage except upon the payment of the Timeshare Loan in full;

(z) the Depositor and any of its Affiliates and, to the Depositor's Knowledge, each other party which has had an interest in the Timeshare Loan is (or, during the period in which such party held and disposed of such interest, was) in compliance with any and all applicable filing, licensing and "doing business" requirements of the laws of the state wherein the Timeshare Property is located to the extent necessary to permit the Depositor to maintain or defend actions or proceedings with respect to the Timeshare Loan in all appropriate forums in such state without any further act on the part of any such party;

(aa) there is no current obligation on the part of any other person (including any buy down arrangement) to make payments on behalf of the Obligor in respect of the Timeshare Loan;

(bb) the related Association was duly organized and are validly existing; a manager (the "Manager") manages such Resort and performs services for the Associations, pursuant to an agreement between the Manager and the respective Associations, such contract being in full force and effect; to the Depositor's Knowledge the Manager and the Associations have performed in all material respects all obligations under such agreement and are not in default under such agreement;

(cc) the related Resort is insured in the event of fire, earthquake, or other casualty for the full replacement value thereof, and in the event that the Timeshare Property should suffer any loss covered by casualty or other insurance, upon receipt of any insurance proceeds, the Associations at the Resorts (other than at the La Cabana Beach Resort & Racquet Club in Aruba) are required, during the time such Timeshare Property is covered by such insurance, under the applicable governing instruments either to repair or rebuild the portions of the Timeshare Project in which the Timeshare Property is located or to pay such proceeds to the holders of any related Mortgage secured by a timeshare estate in the portions of the Timeshare Project in which the Timeshare Property is located; the Resort (other than the La Cabana Beach Resort & Racquet Club in Aruba), if located in a designated flood plain, maintains flood insurance in an amount not less than the maximum level available under the National Flood Insurance Act of 1968, as amended; each Resort has business interruption insurance and general liability insurance in such amounts generally acceptable in the industry; each Resort's insurance policies are in full force and effect with a generally acceptable insurance carrier;

(dd) the related Mortgage gives the obligee and its successors and assigns the right to receive and direct the application of insurance and condemnation proceeds received in respect of the related Timeshare Property, except where the related condominium declarations, timeshare declarations or applicable state law provide

that insurance and condemnation proceeds be applied to restoration of the improvements;

(ee) each rescission period applicable to the related Timeshare Loan has expired;

(ff) no selection procedures were intentionally utilized by the Depositor in selecting the Timeshare Loan which the Depositor knew were materially adverse to the Indenture Trustee or the Noteholders;

(gg) the Units related to the Timeshare Loan in the related Resort have been completed in all material respects as required by applicable state and local laws, free of all defects that could give rise to any claims by the related Obligors under home warranties or applicable laws or regulations, whether or not such claims would create valid offset rights under the law of the State in which the Resort is located; to the extent required by applicable law, valid certificates of occupancy for such Units have been issued and are currently outstanding; the Depositor or any of its Affiliates have complied in all material respects with all obligations and duties incumbent upon the developers under the related timeshare declaration (each a "Declaration"), as applicable, or similar applicable documents for the related Resort; no practice, procedure or policy employed by the related Association in the conduct of its business violates any law, regulation, judgment or agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire, health, sanitation, air pollution, ecological, environmental and toxic wastes, applicable to such Association which, if enforced, would reasonably be expected to (a) have a material adverse impact on such Association or the ability of such Association to do business, (b) have a material adverse impact on the financial condition of such Association, or (c) constitute grounds for the revocation of any license, charter, permit or registration which is material to the conduct of the business of such Association; the related Resort and the present use thereof does not violate any applicable environmental, zoning or building laws, ordinances, rules or regulations of any governmental authority, or any covenants or restrictions of record, so as to materially adversely affect the value or use of such Resort or the performance by the related Association of its obligations pursuant to and as contemplated by the terms and provisions of the related Declaration; there is no condition presently existing, and to the Depositor's Knowledge, no event has occurred or failed to occur prior to the date hereof, concerning the related Resort relating to any hazardous or toxic materials or condition, asbestos or other environmental or similar matters which would reasonably be expected to materially and adversely affect the present use of such Resort or the financial condition or business operations of the related Association, or the value of the Notes;

(hh) except if such Timeshare Loan is listed on Schedule II(hh) hereof, the original Loan Balance of such Timeshare Loan does not exceed $25,000;

(ii) payments with respect to the Timeshare Loan are to be in legal tender of the United States;

(jj) all monthly payments made on the Timeshare Loan have been made by the Obligor and not by the Depositor or any Affiliate of the Depositor on the Obligor's behalf;

(kk) the Timeshare Loan relates to a Resort;

(11) the Timeshare Loan constitutes either "chattel paper", a "general intangible" or an "instrument" as defined in the UCC as in effect in all applicable jurisdictions;

(mm) the sale, transfer and assignment off the Timeshare Loan and the Related Security does not contravene or conflict with any law, rule or regulation or any contractual or other restriction, limitation or encumbrance, and the sale, transfer and assignment of the Timeshare Loan and Related Security does not require the consent of the

Obligor;

(nn) each of the Timeshare Loan, the Related Security, related Assignment of Mortgage, related Mortgage, related Mortgage Note, related Finance Agreement and each other related Timeshare Loan Document are in full force and effect, constitute the legal, valid and binding obligation of the Obligor thereof enforceable against such Obligor in accordance with its terms subject to the effect of bankruptcy, fraudulent conveyance or transfer, insolvency, reorganization, assignment, liquidation, conservatorship or moratorium, and is not subject to any dispute, offset, counterclaim or defense whatsoever;

(oo) the Timeshare Loan relates to a Completed Unit and the Related Security do not, and the origination of each Timeshare Loan did not, contravene in any material respect any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to usury, retail installment sales, truth in lending, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no party thereto has been or is in violation of any such law, rule or regulation in any material respect if such violation would impair the collectibility of such Timeshare Loan and the Related Security; no Timeshare Loan was originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, conveyance or assignment of such Timeshare Loan would be unlawful, void or voidable;

(pp) to Depositor's Knowledge, (i) no bankruptcy is currently existing with respect to the Obligor, (ii) the Obligor is not insolvent and (iii) the Obligor is not an Affiliate of the Depositor;

(qq) except if such Timeshare Loan is listed on Schedule II(qq) hereof, the Timeshare Loan shall not have a Timeshare Loan Rate less than 12.90% per annum;

(rr) except if such Timeshare Loan is listed on Schedule II(rr) hereof, the Obligor has made at least two (2) month's aggregate required payments with respect to the Timeshare Loan (not including any down payment);

(ss) if a Resort (other than the La Cabana Beach Resort & Racquet Club in Aruba) is subject to a construction loan, the construction lender shall have signed and delivered a non−disturbance agreement (which may be contained in such lender's mortgage) pursuant to which such construction lender agrees not to foreclose on any Timeshare Properties relating to a Timeshare Loan which have been sold pursuant to this Agreement;

(tt) the Timeshare Properties and the related Resorts are free of material damage and waste and are in good repair and fully operational; there is no proceeding pending or threatened for the total or partial condemnation of or affecting any Timeshare Property or taking of the Timeshare Property by eminent domain; the Timeshare Properties and the Resorts in which the Timeshare Properties are located are lawfully used and occupied under applicable law by the owner thereof;

(uu) the portions of the Resorts in which the Timeshare Properties are located which represent the common facilities are free of material damage and waste and are in good repair and condition, ordinary wear and tear excepted;

(vv) no foreclosure or similar proceedings have been instituted and are continuing with respect to the Timeshare Loan or the related Timeshare Property;

(ww) with respect to the Aruba Loans only, Bluegreen shall own, directly or indirectly, 100% of the economic and voting interests of the Aruba Originator;

(xx) the Timeshare Loan does not have an original term to maturity in excess of 120 months;

(yy) to the Depositor's Knowledge, the capital reserves and maintenance fee levels of the Associations related to the Resorts are adequate in light of the operating requirements of such Associations;

(zz) except as required by law, the Timeshare Loan may not be assumed without the consent of the obligee;

(aaa) for each Club Loan, the Obligor under the Timeshare Loan has not had its rights under the Club Trust Agreement suspended;

(bbb) the payments under the Timeshare Loan are not subject to withholding taxes imposed by any foreign governments;

(ccc) each entry with respect to the Timeshare Loan as set forth on Schedule II and Schedule III hereof is true and correct. Each entry with respect to a Qualified

Substitute Timeshare Loan as set forth on Schedule II and Schedule III hereof, as revised, is true and correct;

(ddd) if the Timeshare Loan relates to a Timeshare Property located in Aruba, a notice has been mailed or will be mailed by December 31, 2002 (with respect to Timeshare Loans sold on the Closing Date) or within 30 days of the Transfer Date, as applicable, to the related Obligor indicating that such Timeshare Loan has been transferred to the Purchaser and will ultimately be transferred to the Issuer and pledged to the Indenture Trustee for the benefit of the Noteholders; and

(eee) no broker is, or will be, entitled to any commission or compensation in connection with the transfer of the Timeshare Loans hereunder.

(fff) if the related Obligor is paying its scheduled payments by pre-authorized debit or charge, such Obligor has executed an ACH Form substantially in the form attached hereto as Exhibit C, and such ACH Form is included in the related Timeshare Loan File.

exhibit 10.117

TRANSFER AGREEMENT

This TRANSFER AGREEMENT (this "Agreement"), dated as of November 15, 2002, is by and among Bluegreen Corporation, a Massachusetts corporation ("Bluegreen"), BXG Receivables Owner Trust 2000, a statutory trust formed under the laws of the State of Delaware (the "Warehouse Issuer" or the "Seller") and Bluegreen Receivables Finance Corporation VI, a Delaware corporation (the "Securitization Depositor"), and their respective permitted successors and assigns.

W I T N E S S E T H:

WHEREAS, in connection with the transactions contemplated by (i) that certain sale and servicing agreement, dated as of September 1, 2000 (the "Warehouse Sale and Servicing Agreement") by and among the Warehouse Issuer, as issuer, Bluegreen Receivables Finance Corporation IV, as depositor (the "Warehouse Depositor"), Bluegreen, as seller and servicer (in such capacity, the "Warehouse Servicer"), Concord Servicing Corporation, as backup servicer (the "Backup Servicer"), Vacation Trust, Inc., as club trustee (the "Club Trustee"), U.S. Bank National Association ("US Bank"), as indenture trustee and custodian, Heller Financial, Inc. and Barclays Bank PLC as noteholders, (ii) that certain indenture, dated as of September 1, 2000 (the "Warehouse Indenture"), by and between Warehouse Issuer and US Bank, as indenture trustee (as amended by that certain supplement, dated as of November 15, 2002 (the "Indenture Supplement") by the parties thereto and the Warehouse Purchasers (as defined below)), and (iii) that certain note purchase agreement, dated as of September 1, 2000 (the "Warehouse Class A Note Purchase Agreement") by and among the Warehouse Issuer, Bluegreen, the Warehouse Depositor, Sheffield Receivables Corporation, as purchaser (the "Class A Warehouse Purchaser") and Barclays Bank PLC, as agent (the "Class A Warehouse Agent"), and (iv) that certain note purchase agreement, dated as of September 1, 2000 (the "Warehouse Class B Note Purchase Agreement") by and among the Warehouse Issuer, Bluegreen, the Warehouse Depositor, Heller Financial, Inc., as purchaser (the "Class B Warehouse Purchaser" and together with the Class A Warehouse Purchaser, the "Warehouse Purchasers") and as agent (the "Class B Warehouse Agent" and together with the Class A Warehouse Agent, the "Warehouse Agents"), (A) Bluegreen sold, transferred and conveyed, from time to time, all of its right, title and interest in, to and under certain timeshare loans, receivables and related security (the "Warehouse Timeshare Loans") to the Warehouse Depositor, (B) the Warehouse Depositor sold the Warehouse Timeshare Loans to the Warehouse Issuer and (C) the Warehouse Issuer issued a two classes of notes (the "Warehouse Notes") secured by the Warehouse Timeshare Loans to the Warehouse Purchasers;

WHEREAS, in connection with each sale of the Warehouse Timeshare Loans to the Warehouse Depositor under the Warehouse Sale and Servicing Agreement, Bluegreen made certain representations and warranties with respect to the Warehouse Timeshare Loans as of the related transfer dates;

WHEREAS, pursuant to Section 10.4 of the Warehouse Indenture as supplemented by the Indenture Supplement, Heller Financial, Inc., as facility administrator (in such capacity, the "Facility Administrator"), may, after delivery of notice (a "Sale Notice") to the Warehouse Issuer and US Bank, direct the Warehouse Issuer to sell, transfer and convey to the Facility Administrator's designee, all of its right, title and interest in, to and under the Warehouse Timeshare Loans specified in such Sale Notice;

WHEREAS, on the date hereof, the Facility Administrator has delivered such notice to the Warehouse Issuer and, in such notice, has directed the Warehouse Issuer to sell the Warehouse Timeshare Loans specified in such notice to the Securitization Depositor and to enter into this Agreement and such other Transaction Documents as are necessary to effectuate the sale of such Warehouse

Timeshare Loans;

WHEREAS, the Securitization Depositor has been established as a bankruptcy-remote entity owned by Bluegreen for the purpose of acquiring the Warehouse Timeshare Loans and other Timeshare Loans sold and/or contributed to it by Bluegreen and another seller of timeshare loans, as the case may be, in accordance with the provisions of the Purchase Agreement and the ING Facility Transfer Agreement;

WHEREAS, on the Closing Date, (i) pursuant to the Sale Notice, the Seller wishes to sell all of its right, title and interest in and to the Warehouse Timeshare Loans to the Securitization Depositor in accordance with the provisions of this Agreement, (ii) the Securitization Depositor intends, concurrently with the purchase of the Warehouse Timeshare Loans from the Seller, to sell, transfer and otherwise absolutely convey, and BXG Receivables Note Trust 2002-A (the "Securitization Issuer") intends to purchase the Warehouse Timeshare Loans and other timeshare loans, and (ii) the Securitization Issuer intends to pledge such Warehouse Timeshare Loans and other timeshare loans acquired thereby to US Bank, as indenture trustee (in such capacity, the "Securitization Indenture Trustee") and custodian (in such capacity, the "Securitization Custodian"), pursuant to an indenture, dated as of November 15, 2002 (the "Securitization Indenture"), by and among the Securitization Issuer, Bluegreen, as servicer (the "Securitization Servicer"), the Club Trustee and the Securitization Indenture Trustee, to secure the Issuer's 4.580% Timeshare Loan-Backed Notes, Series 2002-A, Class A, 4.740% Timeshare Loan-Backed Notes, Series 2002-A, Class B, 5.735% Timeshare Loan-Backed Notes, Series 2002-A, Class C and 7.750% Fixed Rate Timeshare Loan-Backed Notes, Series 2002-A, Class D (collectively, the "Securitization Notes");

WHEREAS, a portion of the proceeds from the sale of the Securitization Notes shall be applied as a payment in full of all amounts due the Warehouse Purchasers in respect of the Warehouse Notes and upon receipt thereof, the Warehouse Sale and Servicing Agreement, the Warehouse Indenture, the Warehouse Class A Note Purchase Agreement, the Warehouse Class B Note Purchase Agreement and other related documents shall terminate in accordance with the respective terms thereof.

WHEREAS, Bluegreen originated the Warehouse Timeshare Loans, is familiar with the terms of the Warehouse Timeshare Loans and is the Warehouse Servicer and has been servicing each of the Warehouse Timeshares Loans on behalf of the Warehouse Agents, the

Facility Administrator and the Warehouse Purchasers in accordance with the Servicing Standard and the applicable provisions of the Warehouse Sale and Servicing Agreement and it has not taken or failed to take any action to cause a breach of the representations and warranties set forth in Article V of Warehouse Sale and Servicing Agreement;

WHEREAS, in consideration for providing the representations and warranties set forth in Section 5 of this Agreement and having the obligation to cure any material breaches thereof, or to repurchase or substitute any Defective Timeshare Loans, and to provide the indemnities set forth hereunder, Bluegreen desires: (i) to act as Securitization Servicer on behalf of the Holders of the Securitization Notes, for which Bluegreen shall be entitled to receive a Servicing Fee and Additional Servicing Compensation in accordance with the provisions of the Securitization Indenture, (ii) to act as Administrator on behalf of the Securitization Issuer and the Owner Trustee, for which Bluegreen shall be entitled to an Administrator Fee, (iii) to have the option, but not the obligation, to purchase or substitute Upgraded Club Loans pursuant to the terms and conditions set forth in this Agreement and the Transaction Documents, and (iv) to have the option, but not the obligation, to purchase or substitute Defaulted Timeshare Loans, which such option may be waived with respect to any Defective Timeshare Loan, in each case, pursuant to the terms and conditions set forth herein; and

WHEREAS, Bluegreen, as the residual interest owner with respect to the BXG Receivables Owner Trust 2000, will derive an economic benefit from the sale hereunder of the Warehouse Timeshare Loans to the Securitization Depositor.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

SECTION 1. Definitions; Interpretation. Capitalized terms used but not defined herein shall have the meanings specified in "Standard Definitions" attached hereto as Annex A.

SECTION 2. Acquisition of Timeshare Loans.

(a) (i) Timeshare Loans. On the Closing Date, in return for the Timeshare Loan Acquisition Price for each of the Warehouse Timeshare Loans, the Seller does hereby transfer, assign, sell and grant to the Securitization Depositor, without recourse (except as provided in Section 6 and Section 8 hereof), any and all of the Seller's right, title and interest in and to (i) the Warehouse Timeshare Loans listed on Schedule III hereto, (ii) the Receivables in respect of such Warehouse Timeshare Loans due after the related Cut-Off Date, (iii) the related Timeshare Loan Documents (excluding any rights as developer or declarant under the Timeshare Declaration, the Timeshare Program Consumer Documents or the Timeshare Program Governing Documents), (iv) all Related Security in respect of each such Warehouse Timeshare Loan, (v) the Seller's rights and remedies under the Warehouse Sale and Servicing Agreement (including, but not limited to, repurchase and substitution rights with respect to breaches of representations and warranties made by Bluegreen therein in respect of the Warehouse Timeshare Loans) and (vi) all income, payments, proceeds and other benefits and rights related to any of the foregoing (the property in clauses (i)-(vi), being the "Assets"). Upon such sale and transfer, the ownership of

each Warehouse Timeshare Loan and all collections allocable to principal and interest thereon since the related Cut-Off Date and all other property interests or rights conveyed pursuant to and referenced in this Section 2(a)(i) shall immediately vest in the Securitization Depositor, its successors and assigns (including the Securitization Issuer and the Securitization Indenture Trustee). The Seller shall not take any action inconsistent with such ownership nor claim any ownership interest in any Warehouse Timeshare Loan for any purpose whatsoever other than for federal and state income tax reporting, if applicable. The parties to this Agreement hereby acknowledge that the "credit risk" of the Warehouse Timeshare Loans conveyed hereunder shall be borne by the Securitization Issuer and its subsequent assignees.

(b) Delivery of Timeshare Loan Documents. In connection with the sale, transfer, assignment and conveyance of any Warehouse Timeshare Loans hereunder, the Securitization Depositor hereby directs the Seller and the Seller hereby agrees to deliver or cause to be delivered to the U.S. Bank, as Custodian, all related Timeshare Loan Files and to the Securitization Servicer all related Timeshare Loan Servicing Files.

(c) Collections. The Seller shall deposit or cause to be deposited all collections in respect of the Warehouse Timeshare Loans received by the Seller, the Warehouse Servicer or any of its Affiliates on and after the related Cut-Off Date in the Lockbox Account.

(d) Limitation of Liability. None of the Securitization Depositor, the Seller or any subsequent assignee of the Securitization Depositor shall have any obligation or liability with respect to any Warehouse Timeshare Loan nor shall the Securitization Depositor, the Seller or any subsequent assignee have any liability to any Obligor in respect of any Warehouse Timeshare Loan. No such obligation or liability is intended to be assumed by the Securitization Depositor, the Seller or any subsequent assignee herewith and any such liability is hereby expressly disclaimed.

SECTION 3. Intended Characterization; Grant of Security Interest. It is the intention of the parties hereto that the transfer of Warehouse Timeshare Loans to be made pursuant to the terms hereof shall constitute a sale by the Seller to the Securitization Depositor and not a loan secured by the Warehouse Timeshare Loans. In the event, however, that a court of competent jurisdiction were to hold that any such transfer constitutes a loan and not a sale, it is the intention of the parties hereto that the Seller shall be deemed to have granted to the Securitization Depositor as of the date hereof a first priority perfected security interest in all of Seller's right, title and interest in, to and under the Assets specified in Section 2 hereof and that with respect to such conveyance, this Agreement shall constitute a security agreement under applicable law. In the event of the characterization of any such transfer as a loan, the amount of interest payable or paid with respect to such loan under the terms of this Agreement shall be. limited to an amount which shall not exceed

the maximum non-usurious rate of interest allowed by the applicable state law or any applicable law of the United States permitting a higher maximum non-usurious rate that preempts such applicable state law, which could lawfully be contracted for, charged or received (the "Highest Lawful Rate"). In the event any payment of interest on any such loan exceeds the Highest Lawful Rate, the parties hereto stipulate that (a) to the extent possible given the term of such loan, such excess amount previously paid or to be paid with respect to such loan be applied to reduce the principal balance of such loan, and the

provisions thereof immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder and (b) to the extent that the reduction of the principal balance of, and the amounts collectible under, such loan and the reformation of the provisions thereof described in the immediately preceding clause (a) is not possible given the term of such loan, such excess amount will be deemed to have been paid with respect to such loan as a result of an error and upon discovery of such error or upon notice thereof by any party hereto such amount shall be refunded by the recipient thereof.

The characterization of the Seller as "debtor" and the Securitization Depositor as "secured party" in any such financing statement required hereunder is solely for protective purposes and shall in no way be construed as being contrary to the intent of the parties that this transaction be treated as a sale to the Securitization Depositor of such Seller's entire right, title and interest in and to the Assets.

Each of the Seller, Bluegreen, the Club Trust, the Club Trustee, the Securitization Depositor and any of its Affiliates hereby agrees to make the appropriate entries in its general accounting records and to indicate that the Warehouse Timeshare Loans have been transferred to the Securitization Depositor.

SECTION 4. Conditions Precedent to Acquisition of Warehouse Timeshare Loans by the Securitization Depositor. The obligations of the Securitization Depositor to purchase any Warehouse Timeshare Loans hereunder shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of Bluegreen contained in Section 5 and in Schedule I hereof, and all information provided in the Schedule of Timeshare Loans related thereto shall be true and correct as of the Closing Date or Transfer Date, as applicable, and Bluegreen shall have delivered to the Securitization Depositor, the Securitization Indenture Trustee and the Initial Purchaser an Officer's Certificate to such effect.

(b) On or prior to the Closing Date or a Transfer Date, as applicable, the Seller shall have delivered or shall have caused the delivery of (i) the related Timeshare Loan Files to the Securitization Custodian and the Securitization Custodian shall have delivered a receipt therefore pursuant to the Custodial Agreement and (ii) the Timeshare Loan Servicing Files to the Securitization Servicer.

(c) The Seller shall have delivered or shall have caused to be delivered all other information theretofore required or reasonably requested by the Securitization Depositor to be delivered by the Seller or performed or caused to be performed all other obligations required to be performed as of the Closing Date or Transfer Date, as the case may be, including all filings, recordings and/or registrations as may be necessary in the reasonable opinion of the Securitization Depositor, the Securitization Issuer, or the Securitization Indenture Trustee to establish and preserve the right, title and interest of the Securitization Depositor, the

Securitization Issuer, or the Securitization Indenture Trustee, as the case may be, in the related Warehouse Timeshare Loans.

(d) On or before the Closing Date, the Securitization Depositor, the Securitization Servicer, the Club Trustee, the Backup Servicer and the Indenture Trustee shall have entered into the Securitization Indenture.

(e) The Securitization Notes shall be issued and sold on the Closing Date, and each of the Securitization Issuer and the Securitization Depositor shall receive the full consideration due it upon the issuance of the Securitization Notes, and the Securitization Issuer and the Securitization Depositor shall have applied their respective consideration to the extent necessary, to pay the Timeshare Loan Acquisition Price for each Warehouse Timeshare Loan.

(f) Each Timeshare Loan conveyed on a Transfer Date shall satisfy each of the criteria specified in the definition of "Qualified Substitute Timeshare Loan" and each of the conditions herein and in the Securitization Indenture for substitution of Warehouse Timeshare Loans shall have been satisfied.

(g) The Securitization Depositor shall have received such other certificates and opinions as it shall reasonably request.

SECTION 5. Representations and Warranties and Certain Covenants of Bluegreen.

(a) Bluegreen represents and warrants to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee for the benefit of the Securitization Noteholders, as of the Closing Date (with respect to the Timeshare Loans transferred on the Closing Date) and on each Transfer Date (with respect to Qualified Substitute Timeshare Loans transferred on such Transfer Date) as follows:

(i) Due Incorporation; Valid Existence; Good Standing. It is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation; and is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations under this Agreement makes such qualification necessary, except where the failure to be so qualified will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans. To Bluegreen's Knowledge, the Seller is, and so long as the Warehouse Notes are outstanding, will be a business trust duly organized and validly existing in good standing under the laws of the jurisdiction of its formation and is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the performance of its obligations under this Agreement makes such qualification necessary, except

where the failure to be so qualified will not have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(ii) Possession of Licenses, Certificates, Franchises and Permits. Each of Bluegreen and the Seller holds (and Bluegreen at all times during the term of this Agreement and the Seller so long as the Warehouse Notes are outstanding, will hold) all material licenses, certificates, franchises and permits from all governmental authorities necessary for the conduct of its business, and has received no notice of proceedings relating to the revocation of any such license, certificate, franchise or permit, which singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially and adversely affect its ability to perform its obligations under this Agreement or any other Transaction Document to which it is, a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(iii) Corporate Authority and Power. It has, and at all times during the term of this Agreement will have, all requisite corporate power and authority to own its properties, to conduct its business, to execute and deliver this Agreement and all documents and transactions contemplated hereunder and to perform all of its obligations under this Agreement and any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder. To Bluegreen's Knowledge, the Seller has, and so long as the Warehouse Notes are outstanding, will have all requisite corporate power and authority to own its properties, to conduct its business, to execute and deliver this Agreement and all documents and transactions contemplated hereunder and to perform all of its obligations under this Agreement and any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder. To Bluegreen's Knowledge, the Seller has all requisite power and authority to acquire, own, transfer and convey the Warehouse Timeshare Loans to the Securitization Depositor.

(iv) Authorization, Execution and Delivery Valid and Binding. This Agreement and all other Transaction Documents and instruments required or contemplated hereby to be executed and delivered by Bluegreen have been duly authorized, executed and delivered by Bluegreen and, assuming the due execution and delivery by, the other party or parties hereto and thereto, constitute legal, valid and binding agreements enforceable against Bluegreen in accordance with their respective terms subject, as to enforceability, to bankruptcy, insolvency, reorganization, liquidation, dissolution, moratorium and other similar applicable laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy, insolvency, reorganization, liquidation or dissolution, as applicable, of Bluegreen and to general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law. To Bluegreen's Knowledge, this Agreement and all other Transaction Documents and

instruments required or contemplated hereby to be executed and delivered by the Seller have been duly authorized, executed and delivered by the Seller and, assuming the due execution and delivery by, the other party or parties hereto and thereto, constitute legal, valid and binding agreements enforceable against the Seller in accordance with their respective terms subject, as to enforceability, to bankruptcy, insolvency, reorganization, liquidation, dissolution, moratorium and other similar applicable laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy, insolvency, reorganization, liquidation or reorganization as applicable, of the Seller and to general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law. To Bluegreen's Knowledge, this Agreement constitutes a valid transfer of the Seller's interest in the Warehouse Timeshare Loans to the Securitization Depositor or, in the event of the characterization of any such transfer as a loan, the valid creation of a first priority perfected security interest in the Warehouse Timeshare Loans in favor of the Securitization Depositor.

(v) No Violation of Law, Rule, Regulation, etc. The execution, delivery and performance by Bluegreen of this Agreement and any other Transaction Document to which it is a party do not and will not (A) violate any of the provisions of its articles of incorporation or bylaws, (B) violate any provision of any law, governmental rule or regulation currently in effect applicable to it or its properties or by which it or its properties may be bound or affected, including, without limitation, any bulk transfer laws, where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans, (C) violate any judgment, decree, writ, injunction, award, determination or order currently in effect applicable to it or its properties or by which it or its properties are bound or affected, where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions

contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans, (D) conflict with, or result in a breach of, or constitute a default under, any of the provisions of any indenture, mortgage, deed of trust, contract or other instrument to which it is a party or by which it is bound where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans or (E) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, mortgage, deed of trust, contract or other instrument. To Bluegreen's Knowledge, the execution, delivery and performance by the Seller of this Agreement and any other Transaction Document to which the Seller is a party do not and will not (1)

violate any of the provisions of its certificate of trust, trust agreement or other related organizational document, (2) violate any provision of any law, governmental rule or regulation currently in effect applicable to the Seller or its properties by which the Seller or its properties may be bound or affected, including, without limitation, any bulk transfer laws, where such violation would have a material adverse effect on the Seller's ability to perform its obligations under this Agreement or any other Transaction Document to which the Seller is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans, (3) violate any judgment, decree, writ, injunction, award, determination or order currently in effect applicable to the Seller or its properties or by which the Seller or its properties are bound or affected, where such violation would have a material adverse effect on the Seller's ability to perform its obligations under this Agreement or any other Transaction Document to which the Seller is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the related Warehouse Timeshare Loans or (4) conflict with, or result in a breach of, or constitute a default under, any of the provisions of any sale and servicing agreement, indenture, mortgage, deed of trust, contract or other instrument to which the Seller is a party or by which it is bound where such violation would have a material adverse effect on the Seller's ability to perform its obligations under this Agreement or any other Transaction Document to which the Seller is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(vi) Governmental Consent. No consent, approval, order or authorization of, and no filing with or notice to, any court or other Governmental Authority in respect of Bluegreen is required which has not been obtained in connection with the authorization, execution, delivery or performance by Bluegreen of this Agreement or any of the other Transaction Documents to which Bluegreen is a party or under the transactions contemplated hereunder or thereunder, including, without limitation, the transfer of the Warehouse Timeshare Loans and the creation of the security interest of the Securitization Depositor therein pursuant to Section 3 hereof. To Bluegreen's Knowledge, no consent, approval, order or authorization of, and no filing with or notice to, any court or other Governmental Authority in respect of the Seller is required which has not been obtained in connection with the authorization, execution, delivery or performance by the Seller of this Agreement or any of the other Transaction Documents to which the Seller is a party or under the transactions contemplated hereunder or thereunder, including, without limitation, the transfer of the Warehouse Timeshare Loans and the creation of the security interest of the Securitization Depositor therein pursuant to Section 3 hereof.

(vii) Defaults. It is not in default under any material agreement, contract, instrument or indenture to which it is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body, in each case, which would have a material

adverse effect on the transactions contemplated hereunder or on its business, operations, financial condition or assets, and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body. To Bluegreen's Knowledge, on the Closing Date the Seller is not in default under any material agreement, contract, instrument or indenture to which it is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body, in each case, which would have a material adverse effect on the transactions contemplated hereunder, and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body.

(viii) Insolvency. It is solvent and will not be rendered insolvent by the transfer of Warehouse Timeshare Loans hereunder. On the Closing Date, it will not engage in any business or transaction the result of which would cause the property remaining with it to constitute an unreasonably small amount of capital. To Bluegreen's Knowledge, on the Closing Date the Seller is solvent and will not be rendered insolvent by the transfer of the Warehouse Timeshare Loans hereunder. To Bluegreen's Knowledge, on the Closing Date, the Seller will not engage in any business or transaction, the result of which would cause the property remaining with it to constitute an unreasonably small amount of capital.

(ix) Pending Litigation or Other Proceedings. Other than as described in the Offering Circular, there is no pending or, to its Knowledge, threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting it which, if decided adversely, would materially and adversely affect (A) its condition (financial or otherwise), its business or operations, (B) its ability to perform its obligations under, or the validity or enforceability of, this Agreement or any other documents or transactions contemplated under this Agreement, (C) any Warehouse Timeshare Loan or title of any Obligor to any related Timeshare Property, or (D) the Securitization Depositor's or any of its assigns' ability to foreclose or otherwise enforce the liens of the related Mortgage Notes and the rights of the Obligors to use and occupy the related Timeshare Properties. To Bluegreen's Knowledge, there is no pending or threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting the Seller which, if decided adversely, would materially and adversely affect (A) the Seller's ability to perform its obligations under, or the validity or enforceability of, this Agreement or any other documents or transactions contemplated under this Agreement, (B) any Warehouse Timeshare Loan or title of any Obligor to any related Timeshare Property or (C) the Securitization Depositor's or any of its assigns' ability to foreclose or otherwise enforce the liens

of the related Mortgage Notes and the rights of the Obligors to use and occupy the related Timeshare Properties.

(x) Information. No document, certificate or report furnished or required to be furnished by or on behalf of it or, to Bluegreen's Knowledge, on behalf of the Seller pursuant to this Agreement, contains or will contain when furnished any untrue statement of a material fact or fails or will fail to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which it was made. There are no facts known to it which, individually or in the aggregate, materially adversely affect, or which (aside from general economic trends) may reasonably be expected to materially adversely affect in the future, its financial condition or assets or business, or which may impair its or the Seller's ability to perform its respective obligations under this Agreement, which have not been disclosed herein or therein or in the certificates and other documents furnished to the Securitization Depositor by or on its or the Seller's behalf pursuant

hereto or thereto specifically for use in connection with the transactions contemplated hereby or thereby.

(xi) Foreign Tax Liability. It is not aware of any Obligor under a Warehouse Timeshare Loan who has withheld any portion of payments due under such Warehouse Timeshare Loan because of the requirements of a foreign taxing authority, and no foreign taxing authority has contacted it concerning a withholding or other foreign tax liability.

(xii) No Deficiency Accumulation. Neither it nor, to Bluegreen's Knowledge, the Seller has outstanding "accumulated funding deficiency" (as such term is defined under ERISA and the Code) with respect to any "employee benefit plan" (as such term is defined under ERISA) sponsored by it or the Seller.

(xiii) Taxes. It has filed all tax returns (federal, state and local) which it reasonably believes are required to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges due from it or is contesting any such tax, assessment or other governmental charge in good faith through appropriate proceedings or except where the failure to file or pay will not have a material adverse effect on the rights and interests of the Securitization Depositor or any of its subsequent assignees. It knows of no basis for any material additional tax assessment for any fiscal year for which adequate reserves have not been established. It intends to pay all such taxes, assessments and governmental charges when due. To Bluegreen's Knowledge, the Seller has filed, as of the Closing Date all applicable tax returns which it reasonably believes are required to be filed.

(xiv) Place of Business. The principal place of business and chief executive office where Bluegreen and the Seller keeps its records concerning the Warehouse Timeshare Loans will be 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431 (or such other place specified by Blugreen and the

Seller by written notice to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee). The Seller is a business trust formed under the laws of the State of Delaware. Bluegreen is a corporation formed under the laws of the Commonwealth of Massachusetts.

(xv) Securities Laws. Neither it nor, to Bluegreen's Knowledge, the Seller is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No portion of the Timeshare Loan Acquisition Price for each of the Warehouse Timeshare Loans will be used by it or the Seller to acquire any security in any transaction which is subject to Section 13 or Section 14 of the Securities Exchange Act of 1934, as amended.

(xvi) Bluegreen Vacation Club. With respect to Warehouse Timeshare Loans that are Club Loans:

(A) The Club Trust Agreement, of which a true and correct copy is attached hereto as Exhibit B, is in full force and effect and a certified copy of the Club Trust Agreement has been delivered to the Securitization Indenture Trustee together with all amendments and supplements in respect thereof;

(B) The arrangement of contractual rights and obligations (duly established in accordance with the Club Trust Agreement under the laws of the State of Florida) was established for the purpose of holding and preserving certain property for the benefit of the Beneficiaries referred to in the Club Trust Agreement. The Club Trustee has all necessary trust and other authorizations and powers required to carry out its obligations under the Club Trust Agreement in the State of Florida and in all other states in which it owns Resort Interests. The Club is not a corporation or business trust under the laws of the State of

Florida. The Club is not taxable as an association, corporation or business trust under federal law or the laws of the State of Florida;

(C) The Club Trustee is a corporation duly formed, validly existing and in good standing under the laws of the State of Florida. The Club Trustee is authorized to transact business in no other state. The Club Trustee is not an affiliate of the Servicer for purposes of Chapter 721, Florida Statutes and is in compliance with the requirements of such Chapter 721 requiring that it be independent of the Servicer;

(D) The Club Trustee had all necessary corporate power to execute and deliver, and has all necessary corporate power to perform its obligations under this Agreement, the other Transaction Documents to which it is a party, the Club Trust Agreement and the Club Management Agreement. The Club Trustee possesses all requisite franchises, operating

rights, licenses, permits, consents, authorizations, exemptions and orders as are necessary to discharge its obligations under the Club Trust Agreement;

(E) The Club Trustee holds all right, title and interest in and to all of the Timeshares Properties related to the Warehouse Timeshare Loans solely for the benefit of the Beneficiaries referred to in, and subject in each case to the provisions of, the Club Trust Agreement and the other documents and agreements related thereto. Except with respect to the Mortgages, the Club Trustee has permitted none of such related Warehouse Timeshare Loans to be made subject to any lien or encumbrance during the time it has been a part of the trust estate under the Club Trust Agreement;

(F) There are no actions, suits, proceedings, orders or injunctions pending against the Club or the Club Trustee, at law or in equity, or before or by any governmental authority which, if adversely determined, could reasonably be expect to have a material adverse effect on the Trust Estate or the Club Trustee's ability to perform its obligations under the Transaction Documents;

(G) Neither the Club nor the Club Trustee has incurred any indebtedness for borrowed money (directly, by guarantee, or otherwise);

(H) All ad valorem taxes and other taxes and assessments against the Club and/or its trust estate have been paid when due and neither the Servicer nor, to Bluegreen's Knowledge, the Club Trustee knows of any basis for any additional taxes or assessments against any such property. The Club has filed all required tax returns and has paid all taxes shown to be due and payable on such returns, including all taxes in respect of sales of Owner Beneficiary Rights (as defined in the Club Trust Agreement) and Vacation Points;

(I) The Club and the Club Trustee are in compliance in all material respects with all applicable laws, statutes, rules and governmental regulations applicable to it and in compliance with each material instrument, agreement or document to which it is a party or by which it is bound, including, without limitation, the Club Trust Agreement;

(J) Except as expressly permitted in the Club Trust Agreement, the Club Trustee has maintained the One-to-One Beneficiary to Accommodation Ratio (as such terms are defined in the Club Trust Agreement);

(K) Bluegreen Vacation Club, Inc. is a non−stock corporation duly formed, validly existing and in good standing under the laws of the State of Florida;

(L) Upon purchase of the Warehouse Timeshare Loans and related Trust Estate hereunder, the Securitization Depositor and its subsequent assignees is an "Interest Holder Beneficiary" under the Club Trust Agreement and each of the Warehouse Timeshare Loans constitutes "Lien Debt", "Purchase Money Lien Debt" and "Owner Beneficiary Obligations" under the Club Trust Agreement; and

(M) Except as disclosed to the Securitization Depositor or its assignees in writing, each Mortgage associated with a Warehouse Timeshare Loan that is a Club Loan and granted by the Club Trustee or the Obligor on the related Club Loan, as applicable, has been duly executed, delivered and recorded by or pursuant to the instructions of the Club Trustee under the Club Trust Agreement and such Mortgage is valid and binding and effective to create the lien and security interests in favor of the Securitization Indenture Trustee (upon assignment thereof to the Securitization Indenture Trustee). Each of such Mortgages was granted in connection with the financing of a sale of a Resort Interest.

(xvii) Bluegreen is the Warehouse Servicer and has been servicing the Warehouse Timeshare Loans in accordance with the Servicing Standard and the applicable provisions of the Warehouse Sale and Servicing Agreement and it has not taken or failed to take any action to cause a breach of the representations and warranties set forth in Article V of Warehouse Sale and Servicing Agreement.

(b) Bluegreen hereby makes the representations and warranties relating to the Warehouse Timeshare Loans contained in Schedule I hereto for the benefit of the Securitization Depositor and its assignees as of the Closing Date (with respect to each Warehouse Timeshare Loan transferred on the Closing Date) and as of each Transfer Date (with respect to each Qualified Substitute Timeshare Loan transferred on such Transfer Date), as applicable.

(c) It is understood and agreed that the representations and warranties set forth in this Section 5 shall survive the (i) sale of each Warehouse Timeshare Loan to the Securitization Depositor, (ii) any subsequent sale and assignment by the Securitization Depositor of such Warehouse Timeshare Loans and the rights and remedies of the Securitization Depositor hereunder to the Securitization Issuer and (iii) the subsequent pledge of such Warehouse Timeshare Loans and rights and remedies hereunder to the Securitization Indenture Trustee on behalf of the Securitization Noteholders and shall continue so long as any such Warehouse Timeshare Loans shall remain outstanding or until such time as such Warehouse Timeshare Loans are repurchased, purchased or a Qualified Substitute Timeshare Loan is provided pursuant to Section 6 hereof. Each of the Seller and Bluegreen acknowledge that it has been advised that the Securitization Depositor intends to sell, transfer, assign and convey all of its right, title and interest in and to each Warehouse Timeshare Loan and its rights and remedies under this

Agreement to the Securitization Issuer and that the Securitization Issuer intends to pledge the Warehouse Timeshare Loans and its rights and remedies under this Agreement to the Securitization Indenture Trustee on behalf of the Securitization Noteholders. The Seller and Bluegreen jointly agree that, upon any such assignment, the Securitization Indenture Trustee may enforce directly, without joinder of the Securitization Depositor or the Securitization Issuer (but subject to any defense that Bluegreen may have under this Agreement) all

rights and remedies hereunder.

(d) With respect to any representations and warranties contained in Section 5 which are made to Bluegreen's Knowledge, if it is discovered that any representation and warranty is inaccurate and such inaccuracy materially and adversely affects the value of a Warehouse Timeshare Loan or the interests of the Securitization Depositor or any subsequent assignee thereof, then notwithstanding such lack of Knowledge of the accuracy of such representation and warranty at the time such representation or warranty was made (without regard to any Knowledge qualifiers), such inaccuracy shall be deemed a breach of such representation or warranty for purposes of the repurchase or substitution obligations described in Sections 6(a)(i) or (ii) below.

SECTION 6. Repurchases and Substitutions.

(a) Mandatory Repurchases and Substitutions for Breaches of Representations and Warranties. Upon the receipt of notice by Bluegreen of a breach of any of its respective representations and warranties in Section 5 (on the date on which such representation or warranty was made) which materially and adversely affects the value of a Warehouse Timeshare Loan or the interests of the Securitization Depositor or any subsequent assignee of the Securitization Depositor therein, Bluegreen shall within 60 days of receipt of such notice, cure in all material respects the circumstance or condition which has caused such representation or warranty to be incorrect or either (i) repurchase the Securitization Depositor's or its assignee's interest in such related Defective Timeshare Loan from the Securitization Depositor or its assignee at the Repurchase Price or (ii) provide one or more Qualified Substitute Timeshare Loans and pay the related Substitution Shortfall Amounts, if any.

(b) 0ptional Purchases or Substitutions of Upgraded Club Loans. The Securitization Depositor hereby irrevocably grants Bluegreen any options to purchase or substitute Upgraded Club Loans it has under the Sale Agreement with the Securitization Issuer. With respect to Upgraded Club Loans, on any date, Bluegreen, as the Securitization Depositor's designee, shall have the option, but not the obligation, to either (i) pay the Repurchase Price for a related Upgraded Club Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for a related Upgraded Timeshare Loan and pay the related Substitution Shortfall Amounts, if any; provided, however, that Bluegreen's option to substitute one or more Qualified Substitute Timeshare Loan for a related Upgraded Club Loan is limited on any date to (x) 20% of the sum of the Cut-Off Date Aggregate Loan Balance of the Timeshare Loan on the Closing Date less (y) the Loan Balances of all Upgraded Club Loans previously substituted by Bluegreen on the related substitution dates pursuant to this Agreement, the Sale Agreement, the Purchase Agreement and/or the ING Transfer Agreement. Bluegreen shall deposit or cause the deposit of the related Repurchase Price and Substitution Shortfall Amounts, if any, in the Collection Account as set

forth in Section 6(d) below. To the extent that Bluegreen shall elect to substitute Qualified Substitute Timeshare Loans for an Upgraded Timeshare Loan, Bluegreen agrees to use best efforts to cause each such Qualified Substitute Timeshare Loan to be a timeshare loan for which the related Obligor has previously effected an upgrade.

(c) Optional Purchases and Substitutions of Defaulted Timeshare Loans. The Securitization Depositor hereby irrevocably grants Bluegreen any options to purchase or substitute Defaulted Timeshare Loans it has under the Sale Agreement with the Securitization Issuer. With respect to Defaulted Timeshare Loans, on any date, Bluegreen will have the option, but not the obligation, to either (i) purchase a related Defaulted Timeshare Loan subject to the lien of the Indenture at the Repurchase Price for such related Defaulted Timeshare Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for such related Defaulted Timeshare Loan and pay the related Substitution Shortfall Amounts, if any; provided, however, that Bluegreen's option to purchase a related Defaulted Timeshare Loan or to substitute one or more Qualified Substitute Timeshare Loan for a related Defaulted Timeshare Loan is limited on any date to the Optional Purchase Limit and the Optional Substitution Limit, respectively. Bluegreen shall deposit or cause the deposit of the related Repurchase Price and Substitution Shortfall Amounts, if any, in the Collection Account as set forth in Section 6(d) below. Bluegreen may irrevocably waive its option to purchase or substitute a related Defaulted Timeshare Loan by delivering to the Indenture Trustee a Waiver Letter in the form of Exhibit A attached hereto.

(d) Payment of Repurchase Prices and Substitution Shortfall Amounts.

The Securitization Depositor hereby directs and Bluegreen hereby agrees to remit or cause to be remitted all amounts in respect of Repurchase Prices and Substitution Shortfall Amounts payable during the related Due Period in immediately available funds to the Securitization Indenture Trustee to be deposited in the Collection Account on the related Transfer Date in accordance with the provisions of the Indenture. In the event that more than one Warehouse Timeshare Loan is substituted pursuant to Sections 6(a), (b) or (c) hereof on any Transfer Date, the Substitution Shortfall Amounts and the Loan Balances of Qualified Substitute Timeshare Loans shall be calculated on an aggregate basis for all substitutions made on such Transfer Date.

(e) Schedule of Timeshare Loans. The Securitization Depositor hereby directs and Bluegreen hereby agrees, on each date on which a Warehouse Timeshare Loan has been repurchased, purchased or substituted, to provide the Securitization Depositor, the Securitization Issuer and the Indenture Trustee with a electronic supplement to Schedule III hereto and the Schedule of Timeshare Loans reflecting the removal and/or substitution of such Warehouse Timeshare Loans and subjecting any Qualified Substitute Timeshare Loans to the provisions of this Agreement.

(f) Qualified Substitute Timeshare Loans. On the related Transfer Date, the Securitization Depositor hereby directs and Bluegreen hereby agrees to deliver or to cause the delivery of the Timeshare Loan Files of the related Qualified Substitute Timeshare Loans to the Securitization Indenture Trustee or to the Custodian, at the direction of the Securitization Indenture Trustee, on the related Transfer Date in accordance with the provisions of the Indenture. As of such related Transfer Date, Bluegreen does hereby transfer, assign, sell and

grant to the Securitization Depositor, without recourse (except as provided in Section 6 and Section 8 hereof), any and all of Bluegreen's right, title and interest in and to (i) each Qualified Substitute Timeshare Loan conveyed to the Securitization Depositor on such Transfer Date, (ii) the Receivables in respect of the Qualified Substitute Timeshare Loans due after the related Cut-Off Date, (iii) the related Timeshare Loan Documents (excluding any rights as developer or declarant under the Timeshare Declaration, the Timeshare Program Consumer Documents or the Timeshare Program Governing Documents), (iv) all Related Security in respect of such Qualified Substitute Timeshare Loans, and (v) all income, payments, proceeds and other benefits and rights related to any of the foregoing. Upon such sale, the ownership of each Qualified Substitute Timeshare Loan and all collections allocable to principal and interest thereon since the related Cut-Off Date and all other property interests or rights conveyed pursuant to and referenced in this Section 6(f) shall immediately vest in the Securitization Depositor, its successors and assigns. Bluegreen shall not take any action inconsistent with such ownership nor claim any ownership interest in any Qualified Substitute Timeshare Loan for any purpose whatsoever other than consolidated financial and federal and state income tax reporting. Bluegreen agrees that such Qualified Substitute Timeshare Loans shall be subject to the provisions of this Agreement.

(g) Officer's Certificate. Bluegreen shall, on each related Transfer Date, certify in writing to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee that each new Timeshare Loan meets all the criteria of the definition of "Qualified Substitute Timeshare Loan" and that (i) the Timeshare Loan Files for such Qualified Substitute Timeshare Loans have been delivered to the Securitization Custodian, and (ii) the Timeshare Loan Servicing Files for such Qualified Substitute Timeshare Loans have been delivered to the Securitization Servicer.

(h) Release. In connection with any repurchase, purchase or substitution of one or more Timeshare Loans contemplated by this Section 6, upon satisfaction of the conditions contained in this Section 6, the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee shall execute and deliver or shall cause the execution and delivery of such releases and instruments of transfer or assignment presented to it by Bluegreen, in each case, without recourse, as shall be necessary to vest in Bluegreen or its designee the legal and beneficial ownership of such released Timeshare Loans. The Securitization Depositor shall cause the Securitization Issuer and the Securitization Indenture Trustee to cause the Securitization Custodian to release the related Timeshare Loan Files to Bluegreen or its designee and the Securitization Servicer to release the related Timeshare Loan Servicing Files to Bluegreen or its designee.

(i) Sole Remedy. It is understood and agreed that the obligations of Bluegreen contained in Section 6(a) to cure a material breach, or to repurchase or substitute related Defective Timeshare Loans and the obligation of Bluegreen to indemnify pursuant to Section 8 shall constitute the sole remedies available to the Securitization Depositor or its subsequent assignees for the breaches of any of its representation or warranty contained in Section 5, and such remedies are not intended to and do not constitute "credit recourse" to Bluegreen.

SECTION 7. Covenants of Bluegreen and the Seller.

(a) Bluegreen hereby covenants and agrees with the Securitization Depositor as follows:

(i) It shall comply with all applicable laws, rules, regulations and orders applicable to it and its business and properties except where the failure to comply will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(ii) It shall preserve and maintain for itself its existence (corporate or otherwise), rights, franchises and privileges in the jurisdiction of its organization and except where the failure to so preserve and maintain will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(iii) On or prior to the Closing Date or a Transfer Date, as applicable, it shall indicate in its and its Affiliate's computer files and other records that each Timeshare Loan has been sold to the Securitization Depositor.

(iv) It shall respond to any inquiries with respect to ownership of a Warehouse Timeshare Loan by stating that such Warehouse Timeshare Loan has been sold to the Securitization Depositor and that the Securitization Depositor is the owner of such Warehouse Timeshare Loan.

(v) On or prior to the Closing Date, it shall file or cause the Seller to file, at Bluegreen's expense, financing statements in favor of the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee on behalf of the Securitization Noteholders, with respect to the Warehouse Timeshare Loans, in the form and manner reasonably requested by the Securitization Depositor. It shall deliver or cause the Seller to deliver filestamped copies of such financing statements to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee on behalf of the Securitization Noteholders.

(vi) It agrees from time to time to, or cause the Seller to, at Bluegreen's expense, promptly to execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that the Securitization Depositor, the Securitization Issuer or the Securitization Indenture Trustee may reasonably request, to perfect, protect or more fully evidence the sale of the Warehouse Timeshare Loans, or to enable the Securitization Depositor, the Securitization Issuer or the Securitization Indenture Trustee to exercise and enforce its rights and remedies hereunder or under any Timeshare Loan including,

but not limited to, powers of attorney, UCC financing statements and assignments of mortgage.

(vii) Any change in the legal name of Bluegreen or the Seller and any use by it of any tradename, fictitious name, assumed name or "doing business as" name occurring after the Closing Date shall be promptly disclosed to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee in writing.

(viii) Upon the discovery or receipt of notice by a Responsible Officer of Bluegreen of a breach of any of its representations or warranties and covenants contained herein, Bluegreen shall promptly disclose to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee, in reasonable detail, the nature of such breach.

(ix) In the event that Bluegreen shall receive any payments in respect of a Warehouse Timeshare Loan after the Closing Date or Transfer Date, as applicable (including any insurance proceeds that are not payable to the related Obligor), it shall, within two (2) Business Days of receipt, transfer or cause to be transferred, such payments to the Lockbox Account.

(x) Bluegreen will keep its principal place of business and chief executive office and the office where it keeps its records concerning the Timeshare Loans at the address of Bluegreen listed herein.

(xi) In the event that Bluegreen, the Seller or the Securitization Depositor or any assignee of the Securitization Depositor should receive actual notice of any transfer taxes arising out of the transfer, assignment and conveyance of a Warehouse Timeshare Loan from the Seller to the Securitization Depositor, on written demand by the Securitization Depositor, or upon Bluegreen or the Seller otherwise being given notice thereof, Bluegreen shall cause the Seller to pay, and otherwise indemnify and hold the Securitization Depositor, or any subsequent assignee harmless, on an after-tax basis, from and against any and all such transfer taxes.

(b) The Seller hereby covenants and agrees with the Securitization Depositor as follows:

(i) The Seller authorizes the Securitization Depositor, the Securitization Issuer, and the Securitization Indenture Trustee to file continuation statements, and amendments thereto, relating to the Warehouse Timeshare Loans and all payments made with regard to the related Warehouse Timeshare Loans without the signature of the Seller where permitted by law. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law. The Securitization Depositor confirms that it is not its present intention to file a photocopy or other reproduction of this Agreement as a

financing statement, but reserves the right to do so if, in its good faith determination, there is at such time no reasonable alternative remaining to it.

(ii) It shall comply with all applicable laws, rules, regulations and orders applicable to it and its business and properties except where the failure to comply will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(iii) So long as the Warehouse Notes are outstanding, it shall preserve and maintain for itself its existence (corporate or otherwise), rights, franchises and privileges in the jurisdiction of its organization and except where the failure to so preserve and maintain will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any

other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(iv) On or prior to the Closing Date or a Transfer Date, as applicable, it shall indicate in computer files and other records to indicate that each Warehouse Timeshare Loan has been sold to the Securitization Depositor.

(v) It shall respond to any inquiries with respect to ownership of a Warehouse Timeshare Loan by stating that such Warehouse Timeshare Loan has been sold to the Securitization Depositor and that the Securitization Depositor is the owner of such Warehouse Timeshare Loan.

(vi) It agrees and authorizes the filing, at Bluegreen's expense, of the financing statements specified in Section 7(a)(v) hereof in favor of the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee on behalf of the Securitization Noteholders, with respect to the Warehouse Timeshare Loans.

(vii) It agrees from time to time to, at Bluegreen's expense, promptly to execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that the Securitization Depositor, the Securitization Issuer or the Securitization Indenture Trustee may reasonably request, to perfect, protect or more fully evidence the sale of the Warehouse Timeshare Loans, or to enable the Securitization Depositor, the Securitization Issuer or the Securitization Indenture Trustee to exercise and enforce its rights and remedies hereunder or under any Timeshare Loan including, but not limited to, powers of attorney, UCC financing statements and assignments of mortgage. The Seller hereby appoints Bluegreen, the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee as attorneys−in−fact, which appointment is coupled with an interest and is therefore irrevocable, to act on behalf and in the name of the Seller under this Section 7(b)(vii).

(viii) In the event that the Seller shall receive any payments in respect of a Warehouse Timeshare Loan after the Closing Date or Transfer Date, as applicable (including any insurance proceeds that are not payable to the related Obligor), it shall, within two (2) Business Days of receipt, transfer or cause to be transferred, such payments to the Lockbox Account.

SECTION 8. Indemnification.

(a) Bluegreen hereby agrees to indemnify the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders and the Initial Purchaser (collectively, the "Indemnified Parties") against any and all claims, losses, liabilities, (including reasonable legal fees and related costs) that the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders or the Initial Purchaser may sustain directly related to any breach of the representations and warranties of Bluegreen under Section 5 hereof (the "Indemnified Amounts") excluding, however (i) Indemnified Amounts to the extent resulting from the gross negligence or willful misconduct on the part of such Indemnified Party; (ii) any recourse for any uncollectible Warehouse Timeshare Loan not related to a breach of representation or warranty; (iii) recourse to Bluegreen for a related Defective Timeshare Loan so long as the same is cured, substituted or repurchased pursuant to Section 6 hereof; (iv) income, franchise or similar taxes by such Indemnified Party arising out of or as a result of this Agreement or the transfer of the Warehouse Timeshare Loans; (v) Indemnified Amounts attributable to any violation by an Indemnified Party of any requirement of law related to an Indemnified Party; or (vi) the operation or administration of the Indemnified Party generally and not related to the enforcement of this Agreement. The parties hereto shall (A) promptly notify the other parties hereto, the Securitization Issuer and the Securitization Indenture Trustee if a claim is made by a third party with respect to this Agreement or the Timeshare Loans, and relating to (1) the failure by Bluegreen to perform its duties in accordance with the terms of this Agreement or (2) a breach of

Bluegreen's representations, covenants and warranties contained in this Agreement, (B) assume (with the consent of the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders or the Initial Purchaser, as applicable, which consent shall not be unreasonably withheld) the defense of any such claim and pay all expenses in connection therewith, including legal counsel fees and (C) promptly pay, discharge and satisfy any judgment, order or decree which may be entered against it or the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders or the Initial Purchaser in respect of such claim. If Bluegreen shall have made any indemnity payment pursuant to this Section 8 and the recipient thereafter collects from another Person any amount relating to the matters covered by the foregoing indemnity, the recipient shall promptly repay such amount to Bluegreen.

(b) The obligations of Bluegreen under this Section 8 to indemnify the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders and the Initial Purchaser shall survive the termination of this Agreement and continue until the Notes are paid in full or otherwise released or discharged.

SECTION 9. No Proceedings. The Seller and Bluegreen hereby agrees that it will not, directly or indirectly, institute, or cause to be instituted, or join any Person in instituting, against the Securitization Depositor, the Securitization Issuer or any Association, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law so long as there shall not have elapsed one year plus one day since the latest maturing Securitization Notes issued by the Securitization Issuer.

SECTION 10. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing and mailed or telecommunicated, or delivered as to each party hereto, at its address set forth below or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall not be effective until received by the party to whom such notice or communication is addressed.

Warehouse Issuer

BXG Receivables Owner Trust 2000
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890−0001
Attention: Corporate Trust Administration
Telecopier: (302) 651−8882

Securitization Depositor

Bluegreen Receivables Finance Corporation VI
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431
Attention: Terry Jones, President
Telecopier: (561) 912−8121

Bluegreen

Bluegreen Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431
Attention: Allan Herz, Vice President
Telecopier: (561) 912−7915

SECTION 11. No Waiver; Remedies. No failure on the part of the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee or any assignee thereof to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any other remedies provided by law.

SECTION 12. Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Seller, Bluegreen, the Securitization Depositor and their respective successors and assigns. Any assignee shall be an express third party beneficiary of this Agreement, entitled to directly enforce this Agreement. Neither the Seller nor Bluegreen may assign any of their rights and obligations hereunder or any interest herein without the prior written consent of the Securitization Depositor and any assignee thereof. The Securitization Depositor may, and intends to, assign all of its rights hereunder to the Securitization Issuer and the Securitization Issuer intends to assign all of its rights to the Securitization Indenture Trustee on behalf of the Securitization Noteholders, and each of the Seller and Bluegreen consents to any such assignments. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until its termination (or, in the case of the Seller, so long as the Warehouse Notes are outstanding); provided, however, that the rights and remedies with respect to any breach of any representation and warranty made Bluegreen pursuant to Section 5, and the cure, repurchase or substitution and indemnification obligations shall be continuing and shall survive any termination of this Agreement, but such rights and remedies may be enforced only by the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee.

SECTION 13. Amendments; Consents and Waivers. No modification, amendment or waiver of, or with respect to, any provision of this Agreement, and all other agreements, instruments and documents delivered thereto, nor consent, to any departure by the Seller or Bluegreen from any of the terms or conditions thereof shall be effective unless it shall be in writing and signed by each of the parties hereto, the written consent of the Securitization Indenture Trustee on behalf of the Securitization Noteholders is given and confirmation from the Rating Agencies that such action will not result in a downgrade, withdrawal or qualification of any rating assigned to a Class of Notes is received. The Securitization Depositor shall provide or cause to be provided to the Securitization Indenture Trustee and the Rating Agencies with such proposed modifications, amendments or waivers. Any waiver or consent shall be effective only in the specific instance and for the purpose for which given. No consent to or demand by the Seller or Bluegreen in any case shall, in itself, entitle it to any other consent or further notice or demand in similar or other circumstances. Each of the Seller and Bluegreen acknowledges that in connection with the intended assignment by the Securitization Depositor of all of its right, title and interest in and to each Warehouse Timeshare Loan to the Securitization Issuer and the Grant by the Securitization Issuer's of all of its rights, title and interest in and to the Warehouse Timeshare Loans to the Securitization Indenture Trustee on behalf of the Securitization Noteholders, the Securitization Issuer intends to issue the Notes, the proceeds of which will be used by the Securitization Depositor to purchase the Warehouse Timeshare Loans hereunder.

SECTION 14. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation, shall not in any way be affected or impaired thereby in any other jurisdiction. Without limiting the generality of the foregoing, in the event that a Governmental Authority determines that the Securitization Depositor may not purchase or acquire Warehouse Timeshare Loans, the transactions evidenced hereby shall constitute a loan and not a purchase and sale, notwithstanding the otherwise applicable intent of the parties hereto, and the Seller shall be deemed to have granted to the Securitization Depositor as of the date hereof, a first priority perfected security interest in all of the Seller's right, title and interest in, to and under such Warehouse Timeshare Loans and the related property as described in Section 2 hereof.

SECTION 15. GOVERNING LAW; CONSENT TO JURISDICTION.

(A) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW.

(B) THE PARTIES TO THIS AGREEMENT HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY AND EACH WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO THE ADDRESS SET FORTH ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID. THE PARTIES HERETO EACH WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION 15 SHALL AFFECT THE RIGHT OF THE PARTIES TO THIS AGREEMENT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY OF THEM TO BRING ANY ACTION OR PROCEEDING IN THE COURTS OF ANY OTHER JURISDICTION.

SECTION 16. Heading. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof

SECTION 17. Execution in Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and both of which when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI, as Securitization Depositor

By: /s/ Terry Jones
_____
Name: Terry Jones
Title: President

BXG RECEIVABLES OWNER TRUST 2000, as Warehouse Issuer

By: Wilmington Trust Company, as Owner Trustee

By:_____
Name:
Title:

BLUEGREEN CORPORATION

By:_____
Name: John F. Chiste
Title: Senior Vice President

Agreed and acknowledged as to the last paragraph of Section 3 herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By:_____
Name:
Title:

[Signature Page to the Heller Transfer Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI, as Securitization Depositor

By:_____
Name: Terry Jones
Title: President

BXG RECEIVABLES OWNER TRUST 2000, as Warehouse Issuer

By: Wilmington Trust Company, as Owner Trustee

By: /s/ Jeanne M. Olier
_____
Name: Jeanne M. Olier
Title: Financial Services Officer

BLUEGREEN CORPORATION

By: /s/ John F. Chiste
_____
Name: John F. Chiste
Title: Senior Vice President

Agreed and acknowledged as to the last paragraph of Section 3 herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By:_____
Name:
Title:

[Signature Page to the Heller Transfer Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI, as Securitization Depositor

By:_____
Name: Terry Jones

Title: President

BXG RECEIVABLES OWNER TRUST 2000, as
Warehouse Issuer

By: Wilmington Trust Company,
as Owner Trustee

By:_____
Name:
Title:

BLUEGREEN CORPORATION

By:_____
Name: John F. Chiste
Title: Senior Vice President

Agreed and acknowledged as to
the last paragraph of Section 3
herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By: /s/ Shari A. Basye
_____
Name: Shari A. Basye
Title Secretary/Treasurer

[Signature Page to the Heller Transfer Agreement]

Annex A

Standard Definitions

Annex A

EXECUTION COPY

STANDARD DEFINITIONS

"ACH Form" shall mean the ACH authorization form executed by Obligors substantially in the form attached as Exhibit C to each of the Transfer Agreement, the Sale Agreement and the Purchase Agreement.

"Act" shall have the meaning specified in Section 1.4 of the Indenture.

"Additional Servicing Compensation" shall mean any late fees related to late payments on the Timeshare Loans, any non-sufficient funds fees, any processing fees and any Liquidation Expenses collected by the Servicer and any unpaid out-of-pocket expenses incurred by the Servicer during the related Due Period.

"Adjusted Note Balance" shall equal, for any Class of Notes, the Outstanding Note Balance of such Class of Notes immediately prior to such Payment Date, less any Note Balance Write-Down Amounts previously applied in respect of such Class of Notes; provided, however, to the extent that for purposes of consents, approvals, voting or other similar act of the Noteholders under any of the Transaction Documents, "Adjusted Note Balance" shall exclude Notes which are held by Bluegreen or any Affiliate thereof.

"Administration Agreement" shall mean the administration agreement, dated as of November 15, 2002, by and among the Administrator, the Owner Trustee, the Issuer and the Indenture Trustee, as amended from time to time in accordance with the terms thereof.

"Administrator" shall mean Bluegreen or any successor under the Administration Agreement.

"Administrator Fee" shall equal on each Payment Date an amount equal to the product of (i) one-twelfth and (ii) (A) if Bluegreen or an affiliate thereof is the Administrator, $1,000.00 and (B) if WTC is the Administrator, $20,000.00.

"Adverse Claim" shall mean any claim of ownership or any lien, security interest, title retention, trust or other charge or encumbrance, or other type of preferential arrangement having the effect or purpose of creating a lien or security interest, other than the interests created under the Indenture in favor of the Indenture Trustee and the Noteholders.

"Affiliate" shall mean any Person: (a) which directly or indirectly controls, or is controlled by, or is under common control with such Person; (b) which directly or indirectly beneficially owns or holds five percent (5%) or more of the voting stock of such Person; or (c) for which five percent (5%) or more of the voting stock of which is directly or indirectly beneficially owned or held by such Person; provided, however, that under no circumstances shall the Trust Company be deemed to be an Affiliate of the Issuer, the Depositor or the Owner, nor shall any of such parties be deemed to be an Affiliate of the Trust Company. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the

management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Initial Note Balance" is equal to the sum of the Initial Note Balances for all Classes of Notes.

"Aggregate Loan Balance" means the sum of the Loan Balances for all Timeshare Loans (except Defaulted Timeshare Loans).

"Aggregate Outstanding Note Balance" is equal to the sum of the Outstanding Note Balances for all Classes of Notes.

"Aruba Assignment" shall mean the assignment, dated as of November 15, 2002, between the Aruba Originator and Bluegreen pursuant to which the Aruba Originator has assigned all right, title and interest in each Aruba Loan (that is not an ING Facility Loan or Heller Facility Loan) to Bluegreen.

"Aruba Loan" shall mean a Timeshare Loan originated by the Aruba Originator and evidenced by a Finance Agreement.

"Aruba Originator" shall mean Bluegreen Properties, N.V., an Aruba corporation.

"Aruba Share Certificate" shall mean a share certificate issued by the timeshare cooperative association of La Cabana Beach Resort & Racquet Club in Aruba, which entitles the owner thereof the right to use and occupy a fixed Unit at a fixed period of time each year at the La Cabana Beach Resort & Racquet Club in Aruba.

"Assignment of Mortgage" shall mean, with respect to a Club Loan, a written assignment of one or more Mortgages from the related Originator or Seller to the Indenture Trustee, for the benefit of the Noteholders, relating to one or more Timeshare Loans in recordable form, and signed by an Authorized Officer of all necessary parties, sufficient under the laws of the jurisdiction wherein the related Timeshare Property is located to give record notice of a transfer of such Mortgage and its proceeds to the Indenture Trustee.

"Association" shall mean the not-for-profit corporation or cooperative association responsible for operating a Resort.

"Assumption Date" shall have the meaning specified in the Backup Servicing Agreement.

"Authorized Officer" shall mean, with respect to any corporation, limited liability company or partnership, the Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer, Managing Member and each other officer of such corporation or limited liability company or the general partner of such partnership specifically authorized in resolutions of the Board of Directors of such corporation or managing member of such limited liability company to sign agreements,

instruments or other documents in connection with this Indenture on behalf of such corporation, limited liability company or partnership, as the case may be.

"Available Funds" shall mean for any Payment Date, (A) all funds on deposit in the Collection Account after making all transfers and deposits required from (i) the Lockbox Account pursuant to the Lockbox Agreement, (ii) the General Reserve Account pursuant to Section 3.2(b) of the Indenture, (iii) the Closing Date Delinquency Reserve Account pursuant to Section 3.2(d) of the Indenture, (iv) the Club Originator or the Depositor, as the case may be, pursuant to Section 4.4 of the Indenture, and (v) the Servicer pursuant to the Indenture, plus (B) all investment earnings on funds on deposit in the Collection Account from the immediately preceding Payment Date through such Payment Date, less (C) amounts on deposit in the Collection Account related to collections related to any Due Periods subsequent to the Due Period related to such Payment Date, less (D) any Additional Servicing Compensation on deposit in the Collection Account.

"Backup Servicer" shall mean Concord Servicing Corporation, an Arizona corporation, and its permitted successors and assigns.

"Backup Servicing Agreement" shall mean the backup servicing agreement, dated as of November 15, 2002, by and among the Issuer, the Depositor, the Servicer, the Backup Servicer and the Indenture Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

"Backup Servicing Fee" shall on each Payment Date (so long as Concord Servicing Corporation is the Backup Servicer), be equal to (A) prior to the removal or resignation of Bluegreen, as Servicer, the greater of (i) $750.00 and (ii) the product of (x) $0.075 and (y) the number of Timeshare Loans in the Trust Estate and (B) after the removal or resignation of Bluegreen, as Servicer, an amount equal to the product of (i) one-twelfth of 2.00% and (ii) the Aggregate Loan Balance as of the first day of the related Due Period.

"Bankruptcy Code" shall mean the federal Bankruptcy Code, as amended (Title 11 of the United States Code).

"Beneficiary" shall be as defined in the Club Trust Agreement.

"Benefit Plan" shall mean an "employee benefit plan" as defined in Section 3(3) of ERISA, or any other "plan" as defined in Section 4975(e)(1) of the Code, that is subject to the prohibited transaction rules of ERISA or of Section 4975 of the Code or any plan that is subject to any substantially similar provision of federal, state or local law.

"Bluegreen" shall mean Bluegreen Corporation, a Massachusetts corporation, and its permitted successors and assigns.

"Bluegreen Loans" shall mean certain Timeshare Loans that were sold by Bluegreen to the Depositor pursuant to the Purchase Agreement.

"Book-Entry Note" shall mean a beneficial interest in the Notes, ownership and transfers of which shall be made through book-entries by the Depository.

"Business Day" shall mean any day other than (i) a Saturday, a Sunday, or (ii) a day on which banking institutions in New York City, Wilmington, Delaware, the State of Florida, the city in which the Servicer is located or the city in which the Corporate Trust Office of the Indenture Trustee is located are authorized or obligated by law or executive order to be closed.

"BXG Trust 2000" shall mean the BXG Receivables Owner Trust 2000, a Delaware statutory trust formed to purchase and finance the Heller Facility Loans.

"BXG Trust 2000 Transfer Agreement" shall mean the transfer agreement, dated as of November 15, 2002, by and among Bluegreen, the Depositor and BXG Trust 2000 pursuant to which the Heller Facility Loans are sold to the Depositor.

"BXG Trust 2001-A" shall mean the BXG Receivables Note Trust 2001-A, a Delaware statutory trust formed to purchase and finance the ING Facility Loans.

"BXG Trust 2001-A Transfer Agreement" shall mean the transfer agreement, dated as of November 15, 2002, by and among Bluegreen, the Depositor and BXG Trust 2001-A pursuant to which the ING Facility Loans are sold to the Depositor.

"Cash Accumulation Event" shall exist on any Determination Date, if (A) for the last three Due Periods, the average Delinquency Level for Timeshare Loans that are 61 days or more delinquent is equal to or greater than 6%, or (B) for the last six Due Periods, the average Default Level is equal to or greater than 12%, or (C) the Cumulative Default Level is equal to or greater than the applicable Cumulative Default Percentage, or (D) four or more of the Bluegreen Developed Resorts have their respective ratings from RCI or II, as applicable, downgraded below the related rating that was assigned thereto on the Closing Date, or (E) the Servicer (if Bluegreen) fails to have at least $75,000,000 in financing facilities in place. A Cash Accumulation Event shall be deemed to be continuing until the earlier of (A) the immediately following Determination Date upon which none of the events described in this paragraph exists and (B) the day on which the Outstanding Note Balance of each Class of Notes has been reduced to zero.

"Cede & Co." shall mean the initial registered holder of the Notes, acting as nominee of The Depository Trust Company.

"Certificate" shall mean a Trust Certificate or a Residual Interest Certificate, as applicable.

"Certificate Distribution Account" shall have the meaning specified in Section 5.01 of the Trust Agreement.

"Certificate of Trust" shall mean the Certificate of Trust in the form attached as Exhibit A to the Trust Agreement.

"Certificateholders" shall mean the holders of the Trust Certificate and Residual Interest Certificate.

"Class" shall mean, as the context may require, any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes.

"Class A Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class B Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class C Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class D Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class D Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(c) of the Indenture.

"Class D Reserve Account Required Balance" shall mean for any Payment Date, the lesser of (A) 1.00% of the Cut-Off Date Aggregate Loan Balance and (B) the Outstanding Note Balance of the Class D Notes on such Payment Date.

"Closing Date" shall mean December 13, 2002.

"Closing Date Delinquency Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(d) of the Indenture.

"Closing Date Delinquency Reserve Account Initial Deposit" shall mean an amount equal to the product of (i) 50% and (ii) the sum of the Loan Balances of all Timeshare Loans which were 31 days or more delinquent on the Initial

Cut-Off Date that are still delinquent on the Closing Date.

"Club" shall mean Bluegreen Vacation Club Trust, doing business as Bluegreen Vacation Club, formed pursuant to the Club Trust Agreement.

"Club Loan" shall mean a Timeshare Loan originated by the Club Originator and evidenced by a Mortgage Note and secured by a first Mortgage on a fractional fee simple timeshare interest in a Unit.

"Club Management Agreement" shall mean that certain Amended and Restated Management Agreement between the Club Managing Entity and the Club Trustee, dated as of May 18, 1994, as amended from time to time.

"Club Managing Entity" shall mean Bluegreen Resorts Management, Inc., a Delaware corporation, in its capacity as manager of the Club and owner of the Club's reservation system, and its permitted successors and assigns.

"Club Originator" shall mean Bluegreen, in its capacity as an Originator.

"Club Trust Agreement" shall mean, collectively, that certain Bluegreen Vacation Club Trust Agreement, dated as of May 18, 1994, by and between the Developer and the Club Trustee, as amended, restated or otherwise modified from time to time, together with all other agreements, documents and instruments governing the operation of the Club.

"Club Trustee" shall mean Vacation Trust, Inc., a Florida corporation, in its capacity as trustee under the Club Trust Agreement, and its permitted successors and assigns.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and any successor statute, together with the rules and regulations thereunder.

"Collection Account" shall mean the account established and maintained by the Indenture Trustee pursuant to Section 3.2(a) of the Indenture.

"Collection Policy" shall mean the collection policies of the initial servicer in effect on the Closing Date, as may be amended from time to time in accordance with the Servicing Standard.

"Completed Unit" shall mean a Unit at a Resort which has been fully constructed and furnished, has received a valid permanent certificate of occupancy, is ready for occupancy and is subject to a time share declaration.

"Confidential Information" means information obtained by any Noteholder including, without limitation, the Preliminary Confidential Offering Circular dated October 23, 2002 or the Confidential Offering Circular dated December 3, 2002 related to the Notes and the Transaction Documents, that is proprietary in nature and that was clearly marked or labeled as being confidential information of the Issuer, the Servicer or their Affiliates, provided that such term does not include information that (a) was publicly known or otherwise known to the Noteholder prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Noteholder or any Person acting on its behalf, (c) otherwise becomes known to the Noteholder other than through disclosure by the Issuer, the Servicer or their Affiliates or (d) any other public disclosure authorized by the Issuer or the Servicer.

"Continued Errors" shall have the meaning specified in Section 5.4 of the Indenture.

"Corporate Trust Office" shall mean the office of the Indenture Trustee located in the State of Minnesota, which office is at the address set forth in Section 13.3 of the Indenture.

"Credit Policy" shall mean the credit and underwriting policies of the Originators in effect on the Closing Date.

"Cumulative Default Level" shall mean for any Determination Date, an amount equal to the sum of the Loan Balances of all Timeshare Loans that became Defaulted Timeshare Loans since the Closing Date (other than Defaulted Timeshare Loans that subsequently become current) divided by the Cut-Off Date Aggregate Loan Balance (expressed as a percentage). For purposes of this definition "Timeshare Loan" shall include those timeshare loans that have been released from the Lien of the Indenture pursuant to Section 4.5(c) of the Indenture.

"Cumulative Default Percentage" shall equal 10% on or before December 1, 2003; 14% on or before December 1, 2004; 18% on or before December 1, 2005; 20% on or before December 1, 2006 and 22% thereafter.

"Custodial Agreement" shall mean the custodial agreement, dated as of November 15, 2002 by and among the Issuer, the Depositor, the Servicer, the Backup Servicer, and the Indenture Trustee and Custodian, as the same may be amended, supplemented or otherwise modified from time to time providing for the custody and maintenance of the Timeshare Loan Documents relating to the Timeshare Loans.

"Custodian" shall mean U.S. Bank National Association, a national banking association, or its permitted successors and assigns.

"Custodian Fees" shall mean for each Payment Date, the fee payable by the Issuer to the Custodian in accordance with the Custodial Agreement.

"Cut-Off Date" shall mean, with respect to (i) the Initial Timeshare Loans, the Initial Cut-Off Date, and (ii) any Qualified Substitute Timeshare Loan, the related Subsequent Cut-Off Date.

"Cut-Off Date Aggregate Loan Balance" shall mean the aggregate of the Loan Balances of all Timeshare Loans as of the Initial Cut-Off Date.

"Cut-Off Date Loan Balance" shall mean the Loan Balance of a Timeshare Loan on the related Cut-Off Date.

"Default" shall mean an event which, but for the passage of time, would constitute an Event of Default under the Indenture.

"Default Level" shall mean for any Due Period, the product of (i) 12 and (ii) the sum of the Loan Balances of Timeshare Loans that became Defaulted Timeshare Loans during such Due Period less the Loan Balances of Defaulted Timeshare Loans that subsequently became current during such Due Period divided by the Aggregate Loan Balance on the first day of such Due Period (expressed as a percentage).

"Defaulted Timeshare Loan" is any Timeshare Loan for which any of the earliest following events may have occurred: (i) the Servicer has commenced cancellation or forfeiture or deletion actions on the related Timeshare Loan after collection efforts have failed in accordance with its credit and collection policies, (ii) as of the last day of any Due Period, all or part of a scheduled payment under the Timeshare Loan is more than 120 days delinquent from the due

date, (iii) the related Timeshare Loan otherwise ceases to be an Eligible Timeshare Loan or (iv) the Servicer obtains actual knowledge that a bankruptcy event has occurred with respect to the related Obligor.

"Defective Timeshare Loan" shall have the meaning specified in Section 4.4 of the Indenture.

"Deferred Interest Amount" shall mean, with respect to a Class of Notes and a Payment Date, the sum of (i) interest accrued at the related Note Rate during the related Interest Accrual Period on such Note Balance Write-Down Amounts applied in respect of such Class and (ii) any unpaid Deferred Interest Amounts from any prior Payment Date, together with interest thereon at the applicable Note Rate from the date any such Note Balance Write-Down Amount was applied in respect of such Class, to the extent permitted by law.

"Definitive Note" shall have the meaning specified in Section 2.2 of the Indenture.

"Delinquency Event" shall have occurred if the average Delinquency Level over the last five Due Periods for Timeshare Loans that are 31 days or more delinquent is equal to or greater than 7%. A Delinquency Event shall be deemed to exist and be continuing until the average Delinquency Level over the last five Due Periods for Timeshare Loans that are 31 days or more delinquent is less than 7% for three consecutive Due Periods.

"Delinquency Level" shall mean for any Due Period, an amount equal to the sum of the Loan Balances of Timeshare Loans (other than Defaulted Timeshare Loans) that are the specified number of days delinquent on the last day of such Due Period divided by the Aggregate Loan Balance on the first day of such Due Period (expressed as a percentage).

"Delinquency Reserve Amount" shall mean, for any Payment Date, the product of (i) if (A) no Delinquency Event exists and is continuing, 3.00% or (B) a Delinquency Event exists and is continuing, 5.00%, and (ii) the aggregate of the Loan Balances of all Timeshare Loans subject to the lien of the Indenture (as of the end of the related Due Period).

"Depositor" shall mean Bluegreen Receivables Finance Corporation VI, a Delaware Corporation, and its permitted successors and assigns.

"Depository" shall mean an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. The initial Depository shall be The Depository Trust Company.

"Depository Agreement" shall mean the letter of representations dated as of December 13, 2002, by and among the Issuer, the Indenture Trustee and the Depository.

"Depository Participant" shall mean a broker, dealer, bank, other financial institution or other Person for whom from time to time a Depository effects book-entry transfers and pledges securities deposited with the Depository.

"Determination Date" shall mean the day that is five Business Days prior to such Payment Date.

"Developer" shall mean Bluegreen Vacations Unlimited, Inc., a Florida corporation, and its permitted successors and assigns.

"DTC" shall mean The Depository Trust Company, and its permitted successors and assigns.

"Due Period" shall mean with respect to any Payment Date, the period from the 16th day of the second preceding calendar month to the 15th day of the preceding calendar month; for the Initial Payment Date, the period from and including November 16, 2002 to December 15, 2002.

"Eligible Bank Account" shall mean a segregated account, which may be an account maintained with the Indenture Trustee, which is either (a) maintained with a depositary institution or trust company whose long-term unsecured debt obligations are rated at least "A" by Fitch and "A2" by Moody's and whose short-term unsecured obligations are rated at least "A-1" by Fitch and "P-1" by Moody's; or (b) a trust account or similar account maintained at the corporate trust department of the Indenture Trustee.

"Eligible Investments" shall mean one or more of the following:

(a) obligations of, or guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States;

(b) federal funds, certificates of deposit, time deposits and bankers' acceptances, each of which shall not have an original maturity of more than 90 days, of any depository institution or trust company incorporated under the laws of the United States or any state; provided that the long-term unsecured debt obligations of such depository institution or trust company at the date of acquisition

thereof have been rated by each Rating Agency in one of the three highest rating categories available from S&P and no lower than A2 by Moody's; and provided, further, that the short−term obligations of such depository institution or trust company shall be rated in the highest rating category by such Rating Agency;

(c) commercial paper or commercial paper funds (having original maturities of not more than 90 days) of any corporation incorporated under the laws of the United States or any state thereof; provided that any such commercial paper or commercial paper funds shall be rated in the highest short−term rating category by each Rating Agency; and

(d) any no−load money market fund rated (including money market funds managed or advised by the Indenture Trustee or an Affiliate thereof) in the highest short−term rating category or equivalent highest long−term rating category

by each Rating Agency; provided that, Eligible Investments purchased from funds in the Eligible Bank Accounts shall include only such obligations or securities that either may be redeemed daily or mature no later than the Business Day next preceding the next Payment Date;

(e) demand and time deposits in, certificates of deposit of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company (including the Indenture Trustee or any Affiliate of the Indenture Trustee, acting in its commercial capacity) incorporated under the laws of the United States of America or any State thereof and subject to supervision and examination by federal and/or state authorities, so long as, at the time of such investment, the commercial paper or other short−term deposits of such depository institution or trust company are rated at least P−1 by Moody's and at least A−1 by SP

and provided, further, that (i) no instrument shall be an Eligible Investment if such instrument evidences a right to receive only interest payments with respect to the obligations underlying such instrument, and (ii) no Eligible Investment may be purchased at a price in excess of par. Eligible Investments may include those Eligible Investments with respect to which the Indenture Trustee or an Affiliate thereof provides services.

"Eligible Owner Trustee" shall have the meaning specified in Section 10.01 of the Trust Agreement.

"Eligible Timeshare Loan" shall mean a Timeshare Loan which meets all of the criteria set forth in Schedule I of the Sale Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Errors" shall have the meaning specified in Section 5.4 of the Indenture.

"Event of Default" shall have the meaning specified in Section 6.1 of the Indenture.

"Finance Agreement" shall mean a purchase and finance agreement between an Obligor and the Aruba Originator pursuant to which such Obligor finances the purchase of Aruba Share Certificates.

"Foreclosure Properties" shall have the meaning specified in Section 5.3(b) of the Indenture.

"General Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(b) of the Indenture.

"General Reserve Account Initial Deposit" shall mean an amount equal to 1.00% of the Cut−Off Date Aggregate Loan Balance.

"General Reserve Account Required Balance" shall mean (a) if no Cash Accumulation Event has occurred, the greater of (i) 3.00% of the sum of the Aggregate Loan Balance and the aggregate Loan Balance of Defaulted Timeshare Loans subject to the lien of the Indenture (as of the end of the related Due Period) and (ii) 1.50% of the Cut−Off Date Aggregate Loan Balance or (b) if a Cash Accumulation Event has occurred, 3.00% of the Cut−Off Date Aggregate Loan Balance.

"Global Note" shall have the meaning specified in Section 2.2 of the Indenture.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Grant" shall mean to grant, bargain, convey, assign, transfer, mortgage, pledge, create and grant a security interest in and right of set−off against, deposit, set over and confirm.

"Heller Assignment Agreement" shall mean the assignment agreement, dated as of November 15, 2002, by and among BXG Trust 2000 and Bluegreen.

"Heller Facility Loans" shall mean certain Timeshare Loans that were previously sold to BXG Trust 2000 pursuant to that certain Sale and Servicing Agreement, dated as of September 1, 2000, by and among BXG Trust 2000, Bluegreen Receivables Finance Corporation IV, Bluegreen, Concord Servicing Corporation, Vacation Trust, Inc., U.S. Bank Trust National Association, Heller Financial, Inc. and Barclays Bank PLC.

"Heller Loan Agreement" shall mean the Amended and Restated Loan and Security Agreement, dated as of June 30, 1999, by and between Bluegreen, the Developer and Heller Financial, Inc., as amended from time to time.

"Highest Lawful Rate" shall have the meaning specified in Section 3 of the Sale Agreement.

"Holder" or "Noteholder" shall mean a holder of a Class A Note, a Class B Note, a Class C Note or a Class D Note.

"II" shall mean Interval International, Inc.

"Indenture" shall mean the indenture, dated as of November 15, 2002, by and among the Issuer, the Club Trustee, the Servicer, the Backup Servicer and the Indenture Trustee.

"Indenture Trustee" shall mean U.S. Bank National Association, a national banking association, not in its individual capacity but solely as Indenture Trustee under the Indenture, and any successor as set forth in Section 7.9 of the Indenture.

"Indenture Trustee Fee" shall mean for each Payment Date, the sum of (A) $875.00 and (B) until the Indenture Trustee shall become the successor Servicer, the greater of

(A) the product of one−twelfth of 0.0175% and the Aggregate Loan Balance as of the first day of the related Due Period and (B) $1,500.00.

"ING Assignment Agreement" shall mean the assignment agreement, dated as of November 15, 2002 by and among BXG Trust 2001−A and Bluegreen.

"ING Facility Loans" shall mean certain Timeshare Loans that were previously sold to BXG Trust 2001−A pursuant to that certain Amended and Restated Sale and Servicing Agreement dated as of April 17, 2002, by and among Bluegreen Receivables Finance Corporation V, BXG Trust 2001−A, Bluegreen, Concord Servicing Corporation, Vacation Trust, Inc. and U.S. Bank National Association.

"Initial Cut-Off Date" shall mean the close of business on November 15, 2002.

"Initial Note Balance" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, $86,899,000, $21,724,000, $23,535,000 and $38,018,000, respectively.

"Initial Payment Date" shall mean the Payment Date occurring in January 2003.

"Initial Purchaser" shall mean ING Financial Markets LLC.

"Intended Tax Characterization" shall have the meaning specified in Section 4.2(b) of the Indenture.

"Interest Accrual Period" shall mean with respect to (i) any Payment Date other than the Initial Payment Date, the period from the 16th day of the second preceding calendar month to the 15th day of the preceding calendar month and (ii) the Initial Payment Date, the period from and including the Closing Date through December 15, 2002.

"Interest Distribution Amount" shall equal, for a Class of Notes and on any Payment Date, the sum of (i) interest accrued during the related Interest Accrual Period at the related Note Rate on the Outstanding Note Balance of such Class of Notes immediately prior to such Payment Date (or, if any Note Balance Write-Down Amounts have been applied to such Class of Notes, the Adjusted Note Balance of such Class of Notes) and (ii) the amount of unpaid Interest Distribution Amounts from prior Payment Dates for such Class of Notes, plus, to the extent permitted by applicable law, interest on such unpaid amount at the related Note Rate. The Interest Distribution Amount shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Issuer" shall mean BXG Receivables Note Trust 2002-A, a statutory trust formed under the laws of the State of Delaware pursuant to the Trust Agreement.

"Issuer Order" shall mean a written order or request delivered to the Indenture Trustee and signed in the name of the Issuer by an Authorized Officer of the Issuer or Administrator.

"Knowledge" shall mean (a) as to any natural Person, the actual awareness of the fact, event or circumstance at issue or receipt of notification by proper delivery of such fact, event or circumstance and (b) as to any Person that is not a natural Person, the actual awareness of the fact, event or circumstance at issue by a Responsible Officer of such Person or receipt, by a Responsible Officer of such Person, of notification by proper delivery of such fact, event or circumstance.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment for security, security interest, claim, participation, encumbrance, levy, lien or charge.

"Liquidation" means with respect to any Timeshare Loan, the sale or compulsory disposition of the related Timeshare Property, following foreclosure, forfeiture or other enforcement action or the taking of a deed-in-lieu of foreclosure, to a Person other than the Servicer or an Affiliate thereof.

"Liquidation Expenses" shall mean, with respect to a Defaulted Timeshare Loan, as of any date of determination, any out-of-pocket expenses (exclusive of overhead expenses) incurred by the Servicer in connection with the performance of its obligations under Section 5.3(b) in the Indenture, including, but not limited to, (i) any foreclosure or forfeiture and other repossession expenses incurred with respect to such Timeshare Loan, (ii) actual commissions and marketing and sales expenses incurred by the Servicer with respect to the remarketing of the related Timeshare Property and (iii) any other fees and expenses reasonably applied or allocated in the ordinary course of business with respect to the Liquidation of such Defaulted Timeshare Loan (including any assessed and unpaid Association fees and real estate taxes).

"Liquidation Proceeds" means with respect to the Liquidation of any Timeshare Loan, the amounts actually received by the Servicer in connection with such Liquidation.

"Loan Balance" shall mean, for any date of determination, the outstanding principal balance due under or in respect of a Timeshare Loan (including a Defaulted Timeshare Loan).

"Lockbox Account" shall mean the account maintained pursuant to the Lockbox Agreement, which shall be a non-interest bearing account.

"Lockbox Agreement" shall mean the lockbox agreement, dated as of November 15, 2002, by and among the Issuer, the Indenture Trustee and the Lockbox Bank.

"Lockbox Bank" shall mean Fleet National Bank, a national banking association.

"Lockbox Fee" shall mean on each Payment Date, the fee payable by the Issuer to the Lockbox Bank in accordance with the Lockbox Agreement.

"Misdirected Deposits" shall mean such payments that have been deposited to the Collection Account in error.

"Monthly Servicer Report" shall have the meaning specified in Section 5.5 of the Indenture.

"Moody's" shall mean Moody's Investors Service, Inc.

"Mortgage" shall mean, with respect to a Club Loan, any purchase money mortgage, deed of trust, purchase money deed of trust or mortgage deed creating a first lien on a Timeshare Property to secure debt granted by the Club Trustee on behalf of an Obligor to the Club Originator with respect to the purchase of such Timeshare Property and/or the contribution of the same to the Club and otherwise encumbering the related Timeshare Property to secure payments or other obligations under such Timeshare Loan.

"Mortgage Note" shall mean, with respect to a Club Loan, the original, executed promissory note evidencing the indebtedness of an Obligor under a Club Loan, together with any rider, addendum or amendment thereto, or any renewal, substitution or replacement of such note.

"Net Liquidation Proceeds" shall mean with respect to a Liquidation, the positive difference between Liquidation Proceeds and Liquidation Expenses.

"New Servicing Fee Proposal" shall have the meaning specified in Section 5.4 of the Indenture.

"Note Balance Write-Down Amount" shall mean with respect to any Payment Date, an amount equal to the excess, if any, of the Aggregate Outstanding Note Balance (immediately after the distribution of Available Funds and any amounts paid to the Class D Noteholders from the Class D Reserve Account on such Payment Date) over the Aggregate Loan Balance as of the end of the Due Period related to such Payment Date.

"Note Owner" shall mean, with respect to a Book-Entry Note, the Person who is the beneficial owner of such Book-Entry Note, as reflected on the books of the Depository or on the books of a Person maintaining an account with such Depository (directly or as an indirect participant, in accordance with the rules of such Depository).

"Note Purchase Agreement" shall mean that certain note purchase agreement dated the Closing Date, between the Initial Purchaser and the Issuer.

"Note Rate" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, 4.580%, 4.740%, 5.735% and 7.750%, respectively.

"Note Register" shall have the meaning specified in Section 2.4(a) of the Indenture.

"Note Registrar" shall have the meaning specified in Section 2.4(a) of the Indenture.

"Noteholder" shall mean any holder of a Note of any Class.

"Notes" shall mean collectively, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"Obligor" shall mean the related obligor under a Timeshare Loan.

"Officer's Certificate" shall mean a certificate executed by a Responsible Officer of the related party.

"Opinion of Counsel" shall mean a written opinion of counsel, in each case acceptable to the addressees thereof.

"Optional Purchase Limit" shall mean, on any date, an amount equal to (x) 15% of the Cut–Off Date Aggregate Loan Balance less (y) the aggregate Loan Balances (as of the related purchase dates or release dates, as applicable) of all Defaulted Timeshare Loans (a) previously purchased by the Club Originator pursuant to the Sale Agreement, the Purchase Agreement or any of the Transfer Agreements and (b) previously released pursuant to Section 4.5(c) of the Indenture.

"Optional Redemption Date" shall mean the first date in which the Aggregate Outstanding Note Balance is less than or equal to 10% of the Aggregate Initial Note Balance of all Classes of Notes.

"Optional Substitution Limit" shall mean, on any date, an amount equal to (x) 20% of the Cut–Off Date Aggregate Loan Balance less (y) the aggregate Loan Balances (as of the related Transfer Dates) of all Defaulted Timeshare Loans previously substituted by the Club Originator pursuant to the Sale Agreement, the Purchase Agreement or the any of the Transfer Agreements.

"Originator" shall mean either the Club Originator or the Aruba Originator.

"Outstanding" shall mean, with respect to the Notes, as of any date of determination, all Notes theretofore authenticated and delivered under the Indenture except:

(a) Notes theretofore canceled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;

(b) Notes or portions thereof for whose payment money in the necessary amount has been theretofore irrevocably deposited with the Indenture Trustee in trust for the holders of such Notes; and

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Notes are held by a Person in whose hands the Note is a valid obligation; provided, however, that in determining whether the holders of the requisite percentage of the Outstanding Note Balance of the Notes have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in

determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Notes that a Responsible Officer of the Indenture Trustee actually has notice are so owned shall be so disregarded.

"Outstanding Note Balance" shall mean as of any date of determination and Class of Notes, the Initial Note Balance of such Class of Notes less the sum of Principal Distribution Amounts actually distributed to the Holders of such Class of Notes as of such date; provided, however, to the extent that for

purposes of consents, approvals, voting or other similar act of the Noteholders under any of the Transaction Documents, "Outstanding Note Balance" shall exclude Notes which are held by Bluegreen or any Affiliate thereof.

"Owner" shall mean the owner of the Trust Certificate issued by the Issuer pursuant to the Trust Agreement, which shall be GSS Holdings, Inc.

"Owner Beneficiary" shall have the meaning specified in the Club Trust Agreement.

"Owner Beneficiary Agreement" shall mean the purchase agreement entered into by each obligor and the Developer with respect to the Club Loans.

"Owner Beneficiary Rights" shall have the meaning specified in the Club Trust Agreement.

"Owner Trustee" shall mean Wilmington Trust Company, a Delaware banking corporation, or any successor thereof, acting not in its individual capacity but solely as owner trustee under the Trust Agreement.

"Owner Trustee Corporate Trust Office" shall mean Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19801.

"Owner Trustee Fee" shall mean for each Payment Date an amount equal to the product of (i) one-twelfth and (ii)(A) prior to the Owner Trustee becoming successor Administrator, $6,000.00 and (B) upon the Owner Trustee becoming successor Administrator, $5,000.00.

"Paying Agent" shall mean any Person authorized under the Indenture to make the distributions required under Sections 3.4 of the Indenture, which such Person initially shall be the Indenture Trustee.

"Payment Date" shall mean the 1 st day of each month, or, if such date is not a Business Day, then the next succeeding Business Day, commencing on the Initial Payment Date.

"Payment Default Event" shall have occurred if (i) each Class of Notes shall become due and payable pursuant to Section 6.2(a) of the Indenture or (ii) each Class of Notes shall otherwise become due and payable following an Event of Default under the Indenture and the Indenture Trustee has, in its good faith judgment, determined that the value of the assets comprising the Trust Estate is less than the Aggregate Outstanding Note Balance.

"Percentage Interest" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, 48%, 12%, 13% and 21%, respectively.

"Permitted Liens" shall mean (a) with respect to Timeshare Loans in the Trust Estate, Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable, (ii) Liens in favor of the Depositor and the Issuer created pursuant to the Transaction Documents, and (iii) Liens in favor of the Trust and the Indenture Trustee created pursuant to the Indenture; (b) with respect to the related Timeshare Property, materialmen's, warehousemen's, mechanic's and other Liens arising by operation of law in the ordinary course of business for sums not due, (ii) Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable, (iii) Liens in favor of the Depositor pursuant to Transfer Agreements and the Purchase Agreement, and (iv) the Obligor's interest in the Timeshare Property under the Timeshare Loan whether pursuant to the Club Trust Agreement or otherwise; and (c) with respect to Timeshare Loans and Related Security in the Trust Estate, any and all rights of the Beneficiaries referred to in the Club Trust Agreement under such Club Trust Agreement.

"Person" means an individual, general partnership, limited partnership, limited liability partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority, or other entity of whatever nature.

"Predecessor Servicer Work Product" shall have the meaning specified in Section 5.4(b) of the Indenture.

"Principal Distribution Amount" shall equal for any Payment Date and Class of Notes, the sum of the following:

(i) the product of (a) such Class' Percentage Interest and (b) the amount of principal collected in respect of each Timeshare Loan during the related Due Period (including, but not limited to, principal in respect of scheduled payments, partial prepayments, prepayments in full, liquidations, Substitution Shortfall Amounts and Repurchase Prices, if any, but excluding principal received in respect of Timeshare Loans that became Defaulted Timeshare Loans during prior Due Periods that have not been released from the lien of the Indenture) or, if the Cut-Off Date for a Timeshare Loan shall have occurred during the related Due Period, the amount of principal collected in respect of such Timeshare Loan after such Cut-Off Date, and

(ii) the product of (a) such Class' Percentage Interest and (b) the aggregate Loan Balance of all Timeshare Loans which became Defaulted Timeshare Loans during the related Due Period, less the sum of (x) the aggregate Loan Balance of all Qualified Substitute Timeshare Loans which were conveyed to the Trust Estate in respect of Defaulted Timeshare Loans during the related Due Period, (y) the principal portion of Repurchase

Prices paid in respect of Defaulted Timeshare Loans during the related Due Period, and (z) the principal portion of Net Liquidation Proceeds received during the related Due Period, and

(iii) any unpaid Principal Distribution Amounts for such Class from prior Payment Dates.

"Purchase Agreement" shall mean the purchase and contribution agreement, dated as of November 15, 2002, between the Club Originator and the Depositor pursuant to which such Club Originator sells Timeshare Loans to the Depositor.

"Qualified Substitute Timeshare Loan" shall mean a Timeshare Loan (i) that, when aggregated with other Qualified Substitute Timeshare Loans being substituted on such Transfer Date, has a Loan Balance, after application of all payments of principal due and received during or prior to the month of substitution, not in excess of the Loan Balance of the Timeshare Loan being substituted on the related Transfer Date, (ii) that complies, as of the related Transfer Date, with each of the representations and warranties contained in the Transfer Agreements and Purchase Agreement, including that such Qualified Substitute Timeshare Loan is an Eligible Timeshare Loan, (iii) that shall not cause the weighted average coupon rate of the Timeshare Loans to be less than 15.25% after such substitution, (iv) that shall not cause the weighted average months of seasoning on the Timeshare Loans to be less than 16 months after such substitution, and (v) that does not have a stated maturity greater than 12 months prior to the Stated Maturity.

"Rating Agency" shall mean Moody's and S&P.

"RCI" shall mean Resorts Condominium International, Inc.

"Receivables" means the payments required to be made pursuant to a Timeshare Loan.

"Receivables Collateral" shall have the meaning specified in Section 3 of the Sale Agreement.

"Record Date" shall mean, with respect to any Payment Date, the close of business on the last Business Day of the calendar month immediately preceding the month such Payment Date occurs.

"Redemption Date" shall mean with respect to the redemption of the Notes on or after the Optional Redemption Date, the date fixed pursuant to Section 10.1 of the Indenture.

"Redemption Price" shall mean, with respect to each Class of Notes, the sum of the Outstanding Note Balance of such Class of Notes, together with

interest accrued thereon at the applicable Note Rate up to and including the Redemption Date.

"Related Security" shall mean with respect to any Timeshare Loan, (i) all of the Issuer's interest in the Timeshare Property arising under or in connection with the related

Mortgage, Owner Beneficiary Rights, Vacation Points and the related Timeshare Loan Files, (ii) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Timeshare Loan, together with all mortgages, assignments and financing statements signed by the Club Trustee on behalf of an Obligor describing any collateral securing such Timeshare Loan, (iii) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Timeshare Loan, and (iv) all other security and books, records and computer tapes relating to the foregoing.

"Repurchase Price" shall mean with respect to any Timeshare Loan to be purchased by the Club Originator pursuant to the Transfer Agreements, the Sale Agreement or the Purchase Agreement, an amount equal to the Loan Balance of such Timeshare Loan as of the date of such purchase or repurchase, together with all accrued and unpaid interest on such Timeshare Loan at the related Timeshare Loan Rate to, but not including, the due date in the then current Due Period.

"Request for Release" shall be a request for release of Timeshare Loan Documents in the form required by the Custodial Agreement.

"Required Payments" shall mean each of the items described in (i) through (xv) of Section 3.4 of the Indenture.

"Reservation System": The reservation system utilized by the Club and owned by the Club Managing Entity and operated by Resort Condominium International, Inc. or the services contracted by the Club Managing Entity with a third party.

"Residual Interest Certificate" shall mean the certificate issued under the Trust Agreement, which represents the economic residual interest of the Trust formed thereunder.

"Residual Interest Owner" shall mean the owner of the Residual Interest Certificate issued by the Issuer pursuant to the Trust Agreement, which shall initially be the Depositor.

"Resort" shall mean any of the following resorts: MountainLoft(TM), Laurel Crest(TM), Shore Crest Vacation Villas, Harbour Lights(TM), The Lodge Alley(TM), The Falls Village(TM), Christmas Mountain Village(TM), Orlando's Sunshine(TM) Resort, Solara Surfside(TM) Condominium, Shenendoah Crossing(TM) Farm & Country Club and La Cabana Beach Resort & Racquet Club.

"Resort Interests" shall mean as defined in the Club Trust Agreement.

"Responsible Officer" shall mean (a) when used with respect to the Owner Trustee or the Indenture Trustee, any officer assigned to the Owner Trustee Corporate Trust Office or the Corporate Trust Office, respectively, including any Managing Director, Vice President, Assistant Vice President, Secretary, Assistant Secretary, Assistant Treasurer, any trust officer or any other officer such Person customarily performing functions similar to those performed by any of the above designated officers, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and

familiarity with the particular subject; (b) when used with respect to the Servicer, the Chief Financial Officer, a Vice President, an Assistant Vice President, the Chief Accounting Officer or the Secretary of the Servicer; and

(c) with respect to any other Person, the chairman of the board, chief financial officer, the president, a vice president, the treasurer, an assistant treasurer, the secretary, an assistant secretary, the controller, general partner, trustee or the manager of such Person.

"S&P" shall mean Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Sale Agreement" shall mean that certain sale agreement, dated as of November 15, 2002, between the Depositor and the Issuer pursuant to which the Depositor sells Timeshare Loans to the Issuer.

"Schedule of Timeshare Loans" shall mean the list of Timeshare Loans delivered pursuant to the Sale Agreement, as amended from time to time to reflect repurchases, substitutions and Qualified Substitute Timeshare Loans conveyed pursuant to the terms of the Indenture, which list shall set forth the following information with respect to each Timeshare Loan as of the related Cut-Off Date, as applicable, in numbered columns:

1 Name of Obligor
2 Condo Ref/Loan Number
3 Interest Rate Per Annum
4 Date of Origin
5 Maturity
6 Sales Price
7 Monthly Payment
8 Original Loan Balance
9 Original Term
10 Outstanding Loan Balance
11 Down Payment
12 First payment date

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Sellers" shall mean with respect to (i) the Purchase Agreement, Bluegreen, (ii) the BXG Trust 2001-A Transfer Agreement, BXG Trust 2001-A and (iii) the BXG Trust 2000 Transfer Agreement, BXG Trust 2000.

"Sequential Pay Event" shall mean either a Payment Default Event or a Trust Estate Liquidation Event.

"Servicer" shall mean Bluegreen in its capacity as servicer under the Indenture, the Backup Servicing Agreement and the Custodial Agreement, and its permitted successors and assigns.

"Servicer Event of Default" shall have the meaning specified in Section 5.4 of the Indenture.

"Servicing Fee" shall mean for any Payment Date, the product of (i)(A) if Bluegreen or an affiliate thereof is Servicer, one-twelfth of 1.50% and (B) if the Indenture Trustee is the successor Servicer, one-twelfth of 2.05%, and (ii) the Aggregate Loan Balance as of the first day of the related Due Period; provided that if the Indenture Trustee is the successor Servicer, it shall, after payment of the Backup Servicing Fee, be entitled to a minimum monthly payment of $5,500.00.

"Servicing Officer" shall mean those officers of the Servicer involved in, or responsible for, the administration and servicing of the Timeshare Loans, as identified on the list of Servicing Officers furnished by the Servicer to the Indenture Trustee and the Noteholders from time to time.

"Servicing Standard" shall mean, with respect to the Servicer and the Backup Servicer a servicing standard which complies with applicable law, the terms of the respective Timeshare Loans and, to the extent consistent with the foregoing, in accordance with the customary standard of prudent servicers of loans secured by timeshare interests similar to the Timeshare Properties, but in no event lower than the standards employed by it when servicing loans for its own account or other third parties, but, in any case, without regard for (i) any relationship that it or any of its Affiliates may have with the related Obligor, and (ii) its right to receive compensation for its services hereunder or with respect to any particular transaction.

"Servicer Termination Costs" shall mean any extraordinary out−of−pocket expenses incurred by the Indenture Trustee associated with the transfer of servicing.

"Similar Law" shall mean the prohibited transaction rules under ERISA or section 4975 of the Code or any substantially similar provision of federal, state or local law.

"Stated Maturity" shall mean the Payment Date occurring in September 2014.

"Statutory Trust Statute" shall mean the Delaware Statutory Trust Act, Chapter 38 of Title 12 of the Delaware Code, 12 Del. C.ss.3801, et seq., as the same may be amended from time to time.

"Subsequent Cut−Off Date" shall mean with respect to any Transfer Date, (i) the close of business on the last day of the Due Period immediately preceding such Transfer Date or (ii) such other date designated by the Servicer.

"Substitution Shortfall Amount" shall mean with respect to any Transfer Date, an amount equal to the excess of the aggregate Loan Balances of the substituted Timeshare Loans over the aggregate Loan Balances of the Qualified Substitute Timeshare Loans.

"Timeshare Declaration" shall mean the declaration or other document recorded in the real estate records of the applicable municipality or government office where a Resort is

located for the purpose of creating and governing the rights of owners of Timeshare Properties related thereto, as it may be in effect from time to time.

"Timeshare Loan" shall mean a Club Loan, Aruba Loan, or a Qualified Substitute Timeshare Loan, subject to the lien of the Indenture. As used in the Transaction Documents, the term "Timeshare Loan" shall include the related Mortgage Note, Mortgage, the Finance Agreement and other Related Security contained in the related Timeshare Loan Documents.

"Timeshare Loan Acquisition Price" shall mean with respect to any Timeshare Loan, an amount equal to the Loan Balance of such Timeshare Loan plus accrued and unpaid interest thereon up to and including the Initial Cut−Off Date.

"Timeshare Loan Documents" shall mean with respect to each Timeshare Loan and each Obligor, the related (i) Timeshare Loan Files, and (ii) Timeshare Loan Servicing Files.

"Timeshare Loan Files" shall mean, with respect to a Timeshare Loan, the Timeshare Loan and all documents related to such Timeshare Loan, including:

1. with respect to a Club Loan, the original Mortgage Note with the related allonge or other assignment attached as required by the Custodial Agreement, signed (which may be by facsimile) by an Authorized Officer of the Club Originator or the Indenture Trustee or other party as appropriate and showing a complete chain of endorsements from the original payee of the Mortgage Note to the Indenture Trustee: "Pay to the order of_____, without recourse representation or warranty";

2. with respect to a Club Loan, the original recorded or unrecorded Mortgage with evidence of delivery for filing (or, if the original of the recorded or unrecorded Mortgage is not available, a copy of such recorded or unrecorded Mortgage (with evidence of delivery for filing), in each case certified by an Authorized Officer of the Club Originator to be a true and correct copy);

3. with respect to a Club Loan, an original recorded or unrecorded Assignment of Mortgage (which may be a part of a blanket assignment of more than one Club Loan), from the Club Originator to the Indenture Trustee, with evidence of proper recordation, if applicable, signed by an Authorized Officer of the Club Originator (or evidence from a third party that such assignment has been submitted for recordation);

4. with respect to a Club Loan, the UCC financing statement, if any, evidencing that the security interest granted under such Timeshare Loan, if any, has been perfected under applicable state law;

5. with respect to a Club Loan, a copy of any recorded or unrecorded warranty deed transferring legal title to the related Timeshare Property to the Club Trustee;

6. with respect to a Club Loan, an original lender's title insurance policy or title commitment or master policy referencing such Timeshare Loan and covering the Indenture Trustee for the benefit of the Noteholders;

7. the original of any related assignment or guarantee or, if such original is unavailable, a copy thereof certified by an Authorized Officer of the Club Originator to be a true and correct copy, current and historical computerized data files;

8. the original of any assumption agreement or any refinancing agreement;

9. all related owner beneficiary agreements, finance applications (including related Finance Agreements, if applicable), ACH forms, sale and escrow documents executed and delivered by the related Obligor with respect to the purchase of a Timeshare Property;

10. all other papers and records of whatever kind or description, whether developed or originated by an Originator or another Person, required to document, service or enforce a Timeshare Loan; and

11. any additional amendments, supplements, extensions, modifications or waiver agreements required to be added to the Timeshare Loans Files pursuant to the Indenture, the Credit Policy or the other Transaction Documents.

"Timeshare Loan Rate" shall mean with respect to any Timeshare Loan, the specified coupon rate thereon.

"Timeshare Loan Servicing Files" shall mean with respect to each Timeshare Loan and each Obligor, the portion of the Timeshare Loan Files necessary for the Servicer to service such Timeshare Loan including but not limited to (i) the original truth–in–lending disclosure statement executed by such Obligor, as applicable, (ii) all writings pursuant to which such Timeshare Loan arises or which evidences such Timeshare Loan and not delivered to the Custodian, (iii) all papers and computerized records customarily maintained by the Servicer in servicing timeshare loans comparable to the Timeshare Loans in accordance with the Servicing Standard and (iv) each Timeshare Program Consumer Document and Timeshare Program Governing Document Declaration, if applicable, related to the applicable Timeshare Property.

"Timeshare Program" shall mean the program under which (1) an Obligor has purchased a Timeshare Property and (2) an Obligor shares in the expenses associated with the operation and management of such program.

"Timeshare Program Consumer Documents" shall mean, as applicable, the Owner Beneficiary Agreement, Finance Agreement, Mortgage Note, Mortgage, credit disclosures, rescission right notices, final subdivision public reports/prospectuses/public offering statements, the Timeshare Project exchange affiliation agreement and other documents, disclosures and

advertising materials used or to be used by an Originator in connection with the sale of Timeshare Properties.

"Timeshare Program Governing Documents" shall mean the articles of organization or articles of incorporation of each Association, the rules and regulations of each Association, the Timeshare Program management contract between each Association and a management company, and any subsidy agreement by which an Originator is obligated to subsidize shortfalls in the budget of a Timeshare Program in lieu of paying assessments, as they may be from time to time in effect and all amendments, modifications and restatements of any of the foregoing.

"Timeshare Projects" shall mean the part of the Resorts described in Exhibit C to the Sale Agreement related to any Timeshare Loan.

"Timeshare Property" shall mean (i) with respect to a Club Loan, a fractional fee simple timeshare interest in a Unit in a Resort entitling the related Obligor to the use and occupancy of a Unit at the Resort for a specified period of time each year or every other year in perpetuity and (ii) with respect to an Aruba Loan, shares in the related Association at the La Cabana Beach Resort & Racquet Club in Aruba entitling the related Obligor to the use and occupancy of a fixed Unit at such Resort for a fixed period of time each year or every other year for the duration of the long-term lease of such resort.

"Transaction Documents" shall mean the Indenture, the Purchase Agreement, the Transfer Agreements, the Sale Agreement, the Lockbox Agreement, the Backup Servicing Agreement, the Administration Agreement, the Custodial Agreement, the Note Purchase Agreement and all other agreements, documents or instruments delivered in connection with the transactions contemplated thereby.

"Transfer Agreements" shall mean the BXG Trust 2000 Transfer Agreement and the BXG Trust 2001-A Transfer Agreement.

"Transfer Date" shall mean the date on which the Club Originator or the Depositor, as the case may be, substitutes one or more Timeshare Loans in accordance with Section 4.4 of the Indenture.

"Treasury Regulations" shall mean the regulations, included proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

"Trust" shall mean the Issuer.

"Trust Accounts" shall mean collectively, the Lockbox Account, the Collection Account and the General Reserve Account, the Class D Reserve Account and the Closing Date Delinquency Reserve Account.

"Trust Agreement" shall mean the trust agreement, dated as of November 15, 2002, by and among Bluegreen Receivables Finance Corporation VI, GSS Holdings, Inc. and Wilmington Trust Company.

"Trust Certificate" shall mean the certificate issued under the Trust Agreement, which represents the sole equity interest in the Trust formed hereunder.

"Trust Company" shall have the meaning specified in the Trust Agreement.

"Trust Estate" shall have the meaning specified in the Granting Clause of the Indenture.

"Trust Estate Liquidation Event" shall have the meaning specified in Section 6.6(b) of the Indenture.

"Trust Paying Agent" shall have the meaning specified in Section 3.13 of the Trust Agreement.

"UCC" shall mean the Uniform Commercial Code as from time to time in affect in the applicable jurisdiction or jurisdictions.

"Unit(s)": One individual air-space condominium unit, cabin, villa, cottage or townhome within a Resort, together with all furniture, fixtures and

furnishings therein, and together with any and all interests in common elements appurtenant thereto, as provided in the related Timeshare Program Governing Documents.

"Upgraded Club Loan" shall mean either (A) a Club Loan for which the related Obligor has elected to (i) reconvey the existing Club Property to the Developer in exchange for a new Club property, and (ii) cancel such Club Loan in exchange for a new Timeshare Loan from the Club Originator secured by such new Club Property, or (B) a Club Loan for which the related Obligor has elected to (i) acquire additional Club Property and (ii) cancel such Club Loan in exchange for a new Timeshare Loan secured by the existing Club Property and the additional Timeshare Property.

"Vacation Points" shall have the meaning specified in the Club Trust Agreement.

Schedule I

With respect to each Warehouse Timeshare Loan, as of the related Closing Date or Transfer Date, as applicable:

(a) except if such Timeshare Loan is listed on Schedule II(a) hereof, payments due under the Warehouse Timeshare Loan are fully–amortizing and payable in level monthly installments;

(b) payment obligations under the Warehouse Timeshare Loan, bear a fixed rate of interest;

(c) the Obligor thereunder has made a down payment by cash, check or credit card of at least 10% percent of the actual purchase price (including closing costs) of the Timeshare Property (which cash down payment may, in the case of Upgraded Club Loans only, be represented by the principal payments on such Warehouse Timeshare Loan since its date of origination) and no part of such payment has been made or loaned to Obligor by Bluegreen, the Seller or an Affiliate thereof,

(d) as of the related Cut–Off Date, no principal or interest due with respect to the Warehouse Timeshare Loan is sixty (60) days or more Delinquent;

(e) the Obligor is not an Affiliate of Bluegreen or any Subsidiary; provided, that solely for the purposes of this representation, a relative of an employee and employees of Bluegreen or any Subsidiary (or any of its Affiliates) shall not be deemed to be an "Affiliate";

(f) immediately prior to the conveyance of the Warehouse Timeshare Loan to the Securitization Depositor, the Seller will own full legal and equitable title to such Warehouse Timeshare Loan, and the Warehouse Timeshare Loan (and the related Timeshare Property) is free and clear of adverse claims, liens and encumbrances and is not subject to claims of rescission, invalidity, unenforceability, illegality, defense, offset, abatement, diminution, recoupment, counterclaim or participation or ownership interest in favor of any other Person;

(g) the Warehouse Timeshare Loan (other than an Aruba Loan) is secured directly by a first priority Mortgage on the related purchased Timeshare Property;

(h) with respect to each Club Loan, the Timeshare Property mortgaged by or at the direction of the related Obligor constitutes a fractional fee simple timeshare interest in real property at the related Resort that entitles the holder of the interest to the use of a specific property for a specified number of days each year or every other year; the related Mortgage has been delivered for filing and recordation with all appropriate governmental authorities in all jurisdictions in which such Mortgage is required to be filed and recorded to create a valid, binding and enforceable first Lien on the related Timeshare Property and such Mortgage creates a valid, binding and enforceable first Lien on the related Timeshare Property, subject only to Permitted Liens; and the Seller is in compliance with any

Permitted Lien respecting the right to the use of such Timeshare Property; each of the Assignments of Mortgage and each related endorsement of the related Mortgage Note constitutes a duly executed, legal, valid, binding and enforceable assignment or endorsement, as the case may be, of such related Mortgage and related Mortgage Note, and all monies due or to become due thereunder, and all proceeds thereof;

(i) with respect to the Obligor and a particular Timeshare Property purchased by such Obligor, there is only one original Mortgage and Mortgage Note, in the case of a Club Loan, and only one Finance Agreement, in the case of an Aruba Loan; all parties to the related Mortgage and the related Mortgage Note (and, in the case of an Aruba Loan, Finance Agreement) had legal capacity to enter into such Timeshare Loan Documents and to execute and deliver such related Timeshare Loan Documents, and such related Timeshare Loan Documents have been duly and properly executed by such parties; any amendments to such related Timeshare Loan Documents required as a result of any mergers involving the Seller or its predecessors, to maintain the rights of the Seller or its predecessors thereunder as a mortgagee (or a Seller, in the case of the Aruba Loan) have been completed;

(j) at the time the related Originator originated such Warehouse Timeshare Loan to the related Obligor, such Originator had full power and authority to originate such Warehouse Timeshare Loan and the Obligor had good and indefeasible fee title or good and marketable fee simple title, or, in the case of an Aruba Warehouse Loan, a cooperative interest, as applicable, to the Timeshare Property related to such Warehouse Timeshare Loan, free and clear of all Liens, except for Permitted Liens;

(k) the related Mortgage (or, in the case of an Aruba Loan, the related Finance Agreement) contains customary and enforceable provisions so as to render the rights and remedies of the holder thereof adequate for the realization against the related Timeshare Property of the benefits of the security interests or lender's contractual rights intended to be provided thereby, including (a) if the Mortgage is a deed of trust, by trustee's sale, including power of sale, (b) otherwise by judicial foreclosure or power of sale and/or (c) termination of the contract, forfeiture of Obligor deposits and payments towards the related Warehouse Timeshare Loan and expulsion from the related Association; in the case of the Club Loans, there is no exemption available to the related Obligor which would interfere with the mortgagee's right to sell at a trustee's sale or power of sale or right to foreclose such related Mortgage, as applicable;

(l) the related Mortgage Note is not and has not been secured by any collateral except the Lien of the related Mortgage;

(m) if a Mortgage secures a Timeshare Loan, the title to the related Timeshare Property is insured (or a binding commitment for title insurance, not subject to any conditions other than standard conditions applicable to all binding commitments, has been issued) under a mortgagee title insurance policy issued by a title insurer qualified to do business in the jurisdiction where the related Timeshare Property is located in a form generally acceptable to prudent originators of similar mortgage loans, insuring the Seller or its

predecessor and its successors and assigns, as to the first priority mortgage Lien of the related Mortgage in an amount equal to the outstanding Loan Balance of such Warehouse Timeshare Loan, and otherwise in form and substance acceptable to the Indenture Trustee; the Seller or its assignee is a named insured of such mortgagee's title insurance policy; such mortgagee's title insurance policy is in full force and effect; no claims have been made under such mortgagee's

title insurance policy and no prior holder of such Warehouse Timeshare Loan has done or omitted to do anything which would impair the coverage of such mortgagee's title insurance policy; no premiums for such mortgagee's title insurance policy, endorsements and all special endorsements are past due;

(n) the Seller or Bluegreen has not taken (or omitted to take), and has no notice that the related Obligor has taken (or omitted to take), any action that would impair or invalidate the coverage provided by any hazard, title or other insurance policy on the related Timeshare Property;

(o) all applicable intangible taxes and documentary stamp taxes were paid as to the related Warehouse Timeshare Loan;

(p) the proceeds of the Warehouse Timeshare Loan have been fully disbursed, there is no obligation to make future advances orr to lend additional funds under the originator's commitment or the documents and instruments evidencing or securing the Warehouse Timeshare Loan and no such advances or loans have been made since the origination of the Warehouse Timeshare Loan;

(q) the terms of each Timeshare Loan Document has not been impaired, waived, altered or modified in any respect, except (x) by written instruments which are part of the related Timeshare Loan Documents or (y) in accordance with the Credit Policy or the Servicing Standard (provided that no Warehouse Timeshare Loan has been impaired, waived, altered, or modified in any respect more than once). No other instrument has been executed or agreed to which would effect any such impairment, waiver, alteration or modification; the Obligor has not been released from liability on or with respect to the Warehouse Timeshare Loan, in whole or in part; if required by law or prudent originators of similar loans in the jurisdiction where the related Timeshare Property is located, all waivers, alterations and modifications have been filed and/or recorded in all places necessary to perfect, maintain and continue a valid first priority Lien of the Mortgage subject only to Permitted Liens;

(r) other than if it is an Aruba Loan, the Warehouse Timeshare Loan is principally and directly secured by an interest in real property;

(s) the Warehouse Timeshare Loan was originated by Bluegreen or one of its Affiliates in the normal course of its business; the Warehouse Timeshare Loan originated by Bluegreen or one of its Affiliates was underwritten in accordance with its underwriting guidelines; the origination, servicing and collection practices used by Bluegreen and, to Bluegreen's Knowledge, its Affiliates with respect to the Warehouse Timeshare Loan have been in all respects, legal, proper, prudent and customary;

(t) the related Warehouse Timeshare Loan is assignable to and by the obligee and its successors and assigns and the related Warehouse Timeshare Property is assignable upon liquidation of the related Warehouse Timeshare Loan, without the consent of any other Person (including any Association, condominium association, homeowners' or timeshare association);

(u) the related Mortgage is and will be prior to any Lien on, or other interests relating to, the related Timeshare Property;

(v) to Bluegreen's Knowledge, there are no delinquent or unpaid taxes, ground rents (if any), water charges, sewer rents or assessments outstanding with respect to any of the Timeshare Properties, nor any other outstanding Liens or charges affecting the Timeshare Properties that would result in the imposition of a Lien on the Timeshare Property affecting the Lien of the related Mortgage or otherwise materially affecting the interests of the Indenture Trustee on behalf of the Noteholders in the related Timeshare Loan;

(w) other than with respect to delinquent payments of principal or interest 60 (sixty) or fewer days past due as of the Cut-Off Date, there is no default, breach, violation or event of acceleration existing under the Mortgage, the related Mortgage Note or any other

document or instrument evidencing, guaranteeing, insuring or otherwise securing the related Warehouse Timeshare Loan, and no event which, with the lapse of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration thereunder; and the Seller or Bluegreen has not waived any such material default, breach, violation or event of acceleration under the Finance Agreement, Mortgage, the Mortgage Note or any such other document or instrument, as applicable;

(x) neither the Obligor nor any other Person has the right, by statute, contract or otherwise, to seek the partition of the Timeshare Property;

(y) the Warehouse Timeshare Loan has not been satisfied, canceled, rescinded or subordinated, in whole or in part; no portion of the Timeshare Property has been released from the Lien of the related Mortgage, in whole or in part; no instrument has been executed that would effect any such satisfaction, cancellation, rescission, subordination or release; the terms of the related Mortgage do not provide for a release of any portion of the Timeshare Property from the Lien of the related Mortgage except upon the payment of the Warehouse Timeshare Loan in full;

(z) the Seller and, to Bluegreen's Knowledge, each other party which has had an interest in the Timeshare Loan is (or, during the period in which such party held and disposed of such interest, was) in compliance with any and all applicable filing, licensing and "doing business" requirements of the laws of the state wherein the Timeshare Property is located to the extent necessary to permit the Seller to maintain or defend actions or proceedings with respect to the Warehouse Timeshare Loan in all appropriate forums in such state without any further act on the part of any such party;

(aa) there is no current obligation on the part of any other person (including any buy down arrangement) to make payments on behalf of the Obligor in respect of the Warehouse Timeshare Loan;

(bb) the related Association was duly organized and are validly existing; a manager (the "Manager") manages such Resort and performs services for the Timeshare Associations, pursuant to an agreement between the Manager and the respective Associations, such contract being in full force and effect; to Bluegreen's Knowledge, the Manager and the Associations have performed in all material respects all obligations under such agreement and are not in default under such agreement;

(cc) the related Resort is insured in the event of fire, earthquake, or other casualty for the full replacement value thereof, and in the event that the Timeshare Property should suffer any loss covered by casualty or other insurance, upon receipt of any insurance proceeds, the Associations at the Resorts (other than at the La Cabana Beach Resort & Racquet Club in Aruba) are required, during the time such Timeshare Property is covered by such insurance, under the applicable governing instruments either to repair or rebuild the portions of the Timeshare Project in which the Timeshare Property is located or to pay such proceeds to the holders of any related Mortgage secured by a timeshare estate in the portions of the Timeshare Project in which the Timeshare Property is located; the Resort (other than the La Cabana Beach Resort & Racquet Club in Aruba), if located in a designated flood plain, maintains flood insurance in an amount not less than the maximum level available under the National Flood Insurance Act of 1968, as amended; each Resort has business interruption insurance and general liability insurance in such amounts generally acceptable in the industry; each Resort's insurance policies are in full force and effect with a generally acceptable insurance carrier;

(dd) the related Mortgage gives the obligee and its successors and assigns the right to receive and direct the application of insurance and condemnation proceeds received in respect of the related Timeshare Property, except where the related condominium declarations, timeshare declarations or applicable state law provide that insurance and condemnation proceeds be applied to restoration of the improvements;

(ee) each rescission period applicable to the related Warehouse Timeshare

Loan has expired;

(ff) no selection procedures were intentionally utilized by the Seller in selecting the Timeshare Loan, which the Seller knew were materially adverse to the Securitization Indenture Trustee or the Securitization Noteholders;

(gg) the Units related to the Warehouse Timeshare Loan in the related Resort have been completed in all material respects as required by applicable state and local laws, free of all defects that could give rise to any claims by the related Obligors under home warranties or applicable laws or regulations, whether or not such claims would create valid offset rights under the law of the State in which the Resort is located; to the extent required by applicable law, valid certificates of occupancy for such Units have been issued and are currently outstanding; the Seller has complied in all material respects with

all obligations and duties incumbent upon the developers under the related timeshare declaration (each a "Declaration"), as applicable, or similar applicable documents for the related Resort; no practice, procedure or policy employed by the related Association in the conduct of its business violates any law, regulation, judgment or agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire, health, sanitation, air pollution, ecological, environmental and toxic wastes, applicable to such Association which, if enforced, would reasonably be expected to (a) have a material adverse impact on such timeshare association or the ability of such Association to do business, (b) have a material adverse impact on the financial condition of such Association, or (c) constitute grounds for the revocation of any license, charter, permit or registration which is material to the conduct of the business of such Association; the related Resort and the present use thereof does not violate any applicable environmental, zoning or building laws, ordinances, rules or regulations of any governmental authority, or any covenants or restrictions of record, so as to materially adversely affect the value or use of such Resort or the performance by the related Association of its obligations pursuant to and as contemplated by the terms and provisions of the related Declaration; there is no condition presently existing, and, to Bluegreen's Knowledge, no event has occurred or failed to occur prior to the date hereof, concerning the related Resort relating to any hazardous or toxic materials or condition, asbestos or other environmental or similar matters which would reasonably be expected to materially and adversely affect the present use of such Resort or the financial condition or business operations of the related Association, or the value of the Securitization Notes;

(hh) except if such Timeshare Loan is listed on Schedule II(hh) hereof, the original Loan Balance of such Warehouse Timeshare Loan does not exceed $25,000;

(ii) payments with respect to the Warehouse Timeshare Loan are to be in legal tender of the United States;

(jj) all monthly payments made on the Warehouse Timeshare Loan have been made by the Obligor and not by the Seller or Bluegreen on the Obligor's behalf;

(kk) the Warehouse Timeshare Loan relates to a Resort;

(ll) the Warehouse Timeshare Loan constitutes either "chattel paper", a "general intangible" or an "instrument" as defined in the UCC as in effect in all applicable jurisdictions;

(mm) the sale, transfer and assignment of the Warehouse Timeshare Loan and the Related Security does not contravene or conflict with any law, rule or regulation or any contractual or other restriction, limitation or encumbrance, and the sale, transfer and assignment of the Warehouse Timeshare Loan and Related Security does not require the consent of the Obligor;

(nn) each of the Warehouse Timeshare Loan, the Related Security, related Assignment of Mortgage, related Mortgage, related Mortgage Note,

related Finance Agreement and each

other related Timeshare Loan Document are in full force and effect, constitute the legal, valid and binding obligation of the Obligor thereof enforceable against such Obligor in accordance with its terms subject to the effect of bankruptcy, fraudulent conveyance or transfer, insolvency, reorganization, assignment, liquidation, conservatorship or moratorium, and is not subject to any dispute, offset, counterclaim or defense whatsoever;

(oo) the Warehouse Timeshare Loan relates to a Completed Unit and the Related Security do not, and the origination of each Warehouse Timeshare Loan did not, contravene in any material respect any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to usury, retail installment sales, truth in lending, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no party thereto has been or is in violation of any such law, rule or regulation in any material respect if such violation would impair the collectibility of such Warehouse Timeshare Loan and the Related Security; no Warehouse Timeshare Loan was originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, conveyance or assignment of such Warehouse Timeshare Loan would be unlawful, void or voidable;

(pp) to Bluegreen's Knowledge, (i) no bankruptcy is currently existing with respect to the Obligor, (ii) the Obligor is not insolvent and (iii) the Obligor is not an Affiliate of Bluegreen;

(qq) except if such Timeshare Loan is listed on Schedule II(qq) hereof, the Warehouse Timeshare Loan shall not have a Timeshare Loan Rate less than 12.90% per annum;

(rr) except if such Timeshare Loan is listed on Schedule II(rr) hereof, the Obligor has made at least two (2) month's aggregate required payments with respect to the Warehouse Timeshare Loan (not including any down payment);

(ss) if a Resort (other than the La Cabana Beach Resort & Racquet Club in Aruba) is subject to a construction loan, the construction lender shall have signed and delivered a non-disturbance agreement (which may be contained in such lender's mortgage) pursuant to which such construction lender agrees not to foreclose on any Timeshare Properties relating to a Warehouse Timeshare Loan which have been sold pursuant to this Agreement;

(tt) the Timeshare Properties and the related Resorts are free of material damage and waste and are in good repair and fully operational; there is no proceeding pending or threatened for the total or partial condemnation of or affecting any Timeshare Property or taking of the Timeshare Property by eminent domain; the Timeshare Properties and the Resorts in which the Timeshare Properties are located are lawfully used and occupied under applicable law by the owner thereof;

(uu) the portions of the Resorts in which the Timeshare Properties are located which represent the common facilities are free of material damage and waste and are in good repair and condition, ordinary wear and tear excepted;

(vv) no foreclosure or similar proceedings have been instituted and are continuing with respect to the Warehouse Timeshare Loan or the related Timeshare Property;

(ww) with respect to the Aruba Loans only, Bluegreen shall own, directly or indirectly, 100% of the economic and voting interests of the Aruba Originator;

(xx) the Warehouse Timeshare Loan does not have an original term to maturity in excess of 120 months;

(yy) to Bluegreen's Knowledge, the capital reserves and maintenance fee levels of the Associations related to the Resorts are adequate in light of the operating requirements of such Associations;

(zz) except as required by law, the Warehouse Timeshare Loan may not be assumed without the consent of the obligee;

(aaa) for each Club Loan, the Obligor under the Warehouse Timeshare Loan has not had its rights under the Club Trust Agreement suspended;

(bbb) the payments under the Warehouse Timeshare Loan are not subject to withholding taxes imposed by any foreign governments;

(ccc) each entry with respect to the Warehouse Timeshare Loan as set forth on Schedule II and Schedule III hereof is true and correct. Each entry with respect to a Qualified Substitute Timeshare Loan as set forth on Schedule II and Schedule III hereof, as revised, is true and correct;

(ddd) if the Timeshare Loan relates to a Timeshare Property located in Aruba, a notice has been mailed or will be mailed by December 31, 2002 (with respect to Timeshare Loans sold on the Closing Date) or within 30 days of the Transfer Date, as applicable, to the related Obligor indicating that such Timeshare Loan has been transferred to the Purchaser and will ultimately be transferred to the Issuer and pledged to the Indenture Trustee for the benefit of the Noteholders; and

(eee) no broker is, or will be, entitled to any commission or compensation in connection with the transfer of the Warehouse Timeshare Loans hereunder.

(fff) if the related Obligor is paying its scheduled payments by pre−authorized debit or charge, such Obligor has executed an ACH Form substantially in the form attached hereto as Exhibit C, and such ACH Form is included in the related Timeshare Loan File.

Exhibit 10.118

TRANSFER AGREEMENT

This TRANSFER AGREEMENT (this "Agreement"), dated as of November 15, 2002, is by and among Bluegreen Corporation, a Massachusetts corporation ("Bluegreen"), BXG Receivables Note Trust 2001-A, a statutory trust formed under the laws of the State of Delaware (the "Warehouse Issuer" or the "Seller") and Bluegreen Receivables Finance Corporation VI, a Delaware corporation (the "Securitization Depositor"), and their respective permitted successors and assigns.

WITNESSETH:

WHEREAS, in connection with the transactions contemplated by (i) that certain amended and restated sale and servicing agreement, dated as of April 17, 2002 (the "Warehouse Sale and Servicing Agreement") by and among Bluegreen Receivables Finance Corporation V, as depositor (the "Warehouse Depositor"), the Warehouse Issuer, as issuer, Bluegreen, as seller and servicer (in such capacity, the "Warehouse Servicer"), Concord Servicing Corporation, as backup servicer (the "Backup Servicer"), Vacation Trust, Inc., as club trustee (the "Club Trustee") and U.S. Bank National Association ("US Bank"), as indenture trustee and custodian, (ii) that certain amended and restated indenture, dated as of April 17, 2002 (the "Warehouse Indenture"), by and between Warehouse Issuer and US Bank, as indenture trustee, and (iii) that certain amended and restated note purchase agreement, dated as of April 17, 2002 (the "Warehouse Note Purchase Agreement") by and among the Warehouse Issuer, Bluegreen, the Warehouse Depositor, ING Capital LLC, as agent (the "Warehouse Agent") and the purchasers named therein (the "Warehouse Purchasers"), (A) Bluegreen sold, transferred and conveyed, from time to time, all of its right, title and interest in, to and under certain timeshare loans, receivables and related security (the "Warehouse Timeshare Loans") to the Warehouse Depositor, (B) the Warehouse Depositor sold the Warehouse Timeshare Loans to the Warehouse Issuer and (C) the Warehouse Issuer issued a single class of notes (the "Warehouse Notes") secured by the Warehouse Timeshare Loans to the Warehouse Purchasers;

WHEREAS, in connection with each sale of the Warehouse Timeshare Loans to the Warehouse Depositor under the Warehouse Sale and Servicing Agreement, Bluegreen made certain representations and warranties with respect to the Warehouse Timeshare Loans as of the related transfer dates;

WHEREAS, pursuant to Section 9.15 of the Warehouse Note Purchase Agreement, the Warehouse Agent may, after delivery of notice (a "Sale Notice") to the Warehouse Issuer, direct the Warehouse Issuer to sell, transfer and convey to the Warehouse Agent's designee, all of its right, title and interest in, to and under the Warehouse Timeshare Loans specified in such Sale Notice;

WHEREAS, on the date hereof, the Warehouse Agent has delivered such notice to the Warehouse Issuer and, in such notice, has directed the Warehouse Issuer to sell the

Warehouse Timeshare Loans specified in such notice to the Securitization Depositor and to enter into this Agreement and such other Transaction Documents as are necessary to effectuate the sale of such Warehouse Timeshare Loans;

WHEREAS, the Securitization Depositor has been established as a bankruptcy-remote entity owned by Bluegreen for the purpose of acquiring the Warehouse Timeshare Loans and other Timeshare Loans sold and/or contributed to it by Bluegreen and another seller of timeshare loans, as the case may be, in accordance with the provisions of the Purchase Agreement and the Heller Facility Transfer Agreement;

WHEREAS, on the Closing Date, (i) pursuant to the Sale Notice, the Seller wishes to sell all of its right, title and interest in and to the Warehouse Timeshare Loans to the Securitization Depositor in accordance with the provisions of this Agreement, (ii) the Securitization Depositor intends, concurrently with the purchase of the Warehouse Timeshare Loans from the Seller, to sell, transfer and otherwise absolutely convey, and BXG Receivables Note Trust 2002-A (the "Securitization Issuer") intends to purchase the Warehouse Timeshare Loans and other timeshare loans, and (ii) the Securitization Issuer intends to pledge such Warehouse Timeshare Loans and other timeshare loans acquired thereby to US Bank, as indenture trustee (in such capacity, the "Securitization Indenture Trustee") and custodian (in such capacity, the "Securitization Custodian"), pursuant to an indenture, dated as of November 15, 2002 (the "Securitization Indenture"), by and among the Securitization Issuer, Bluegreen, as servicer (the "Securitization Servicer"), the Club Trustee and the Securitization Indenture Trustee, to secure the Issuer's 4.580% Timeshare Loan-Backed Notes, Series 2002-A, Class A, 4.740% Timeshare Loan-Backed Notes, Series 2002-A, Class B, 5.735% Timeshare Loan-Backed Notes, Series 2002-A, Class C and 7.750% Fixed Rate Timeshare Loan-Backed Notes, Series 2002-A, Class D (collectively, the "Securitization Notes");

WHEREAS, Bluegreen originated the Warehouse Timeshare Loans, is familiar with the terms of the Warehouse Timeshare Loans and is the Warehouse Servicer and has been servicing each of the Warehouse Timeshares Loans on behalf of the Warehouse Agent and Warehouse Purchasers in accordance with the Servicing Standard and the applicable provisions of the Warehouse Sale and Servicing Agreement and it has not taken or failed to take any action to cause a breach of the representations and warranties set forth in Section 2.1 and 2.2 of Warehouse Sale and Servicing Agreement;

WHEREAS, in consideration for providing the representations and warranties set forth in Section 5 of this Agreement and having the obligation to cure any material breaches thereof, or to repurchase or substitute any Defective Timeshare Loans, and to provide the indemnities set forth hereunder, Bluegreen desires: (i) to act as Securitization Servicer on behalf of the Holders of the Securitization Notes, for which Bluegreen shall be entitled to receive a Servicing Fee and Additional Servicing Compensation in accordance with the provisions of the Securitization Indenture, (ii) to act as Administrator on behalf of the Securitization Issuer and the Owner Trustee, for which Bluegreen shall be entitled to an Administrator Fee, (iii) to have the option, but not the obligation, to purchase or substitute Upgraded Club Loans pursuant to the terms and conditions set forth in this Agreement and the Transaction Documents and (iv) to have the option, but not the obligation, to purchase or substitute Defaulted Timeshare Loans, which

such option may be waived with respect to any Defective Timeshare Loan, in each case, pursuant to the terms and conditions set forth herein; and

WHEREAS, Bluegreen, as the residual interest owner with respect to the BXG Receivables Note Trust 2001-A, will derive an economic benefit from the sale hereunder of the Warehouse Timeshare Loans to the Securitization Depositor.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

SECTION 1. Definitions; Interpretation. Capitalized terms used but not defined herein shall have the meanings specified in "Standard Definitions" attached hereto as Annex A.

SECTION 2. Acquisition of Timeshare Loans.

(a) (i) Timeshare Loans. On the Closing Date, in return for the Timeshare Loan Acquisition Price for each of the Warehouse Timeshare Loans, the Seller does hereby transfer, assign, sell and grant to the Securitization Depositor, without recourse (except as provided in Section 6 and Section 8 hereof), any and all of the Seller's right, title and interest in and to (i) the Warehouse Timeshare Loans listed on Schedule III hereto, (ii) the Receivables in respect of such Warehouse Timeshare Loans due after the related Cut-Off Date, (iii) the related Timeshare Loan Documents (excluding any rights as developer or declarant under the Timeshare Declaration, the Timeshare Program Consumer Documents or the Timeshare Program Governing Documents), (iv) all Related Security in respect of each such Warehouse Timeshare Loan, (v) the Seller's

rights and remedies under the Warehouse Sale and Servicing Agreement (including, but not limited to, repurchase and substitution rights with respect to breaches of representations and warranties made by Bluegreen therein in respect of the Warehouse Timeshare Loans) and (vi) all income, payments, proceeds and other benefits and rights related to any of the foregoing (the property in clauses (i)–(vi), being the "Assets"). Upon such sale and transfer, the ownership of each Warehouse Timeshare Loan and all collections allocable to principal and interest thereon since the related Cut–Off Date and all other property interests or rights conveyed pursuant to and referenced in this Section 2(a)(i) shall immediately vest in the Securitization Depositor, its successors and assigns (including the Securitization Issuer and the Securitization Indenture Trustee). The Seller shall not take any action inconsistent with such ownership nor claim any ownership interest in any Warehouse Timeshare Loan for any purpose whatsoever other than for federal and state income tax reporting, if applicable. The parties to this Agreement hereby acknowledge that the "credit risk" of the Warehouse Timeshare Loans conveyed hereunder shall be borne by the Securitization Issuer and its subsequent assignees.

(b) Delivery of Timeshare Loan Documents. In connection with the sale, transfer, assignment and conveyance of any Warehouse Timeshare Loans hereunder, the Securitization Depositor hereby directs the Seller and the Seller hereby agrees to deliver or cause to be delivered to the U.S. Bank, as Custodian, all related Timeshare Loan Files and to the Securitization Servicer all related Timeshare Loan Servicing Files.

(c) Collections. The Seller shall deposit or cause to be deposited all collections in respect of the Warehouse Timeshare Loans received by the Seller, the Warehouse Servicer or any of its Affiliates after the related Cut–Off Date in the Lockbox Account.

(d) Limitation of Liability. None of the Securitization Depositor, the Seller or any subsequent assignee of the Securitization Depositor shall have any obligation or liability with respect to any Warehouse Timeshare Loan nor shall the Securitization Depositor, the Seller or any subsequent assignee have any liability to any Obligor in respect of any Warehouse Timeshare Loan. No such obligation or liability is intended to be assumed by the Securitization Depositor, the Seller or any subsequent assignee herewith and any such liability is hereby expressly disclaimed.

SECTION 3. Intended Characterization; Grant of Security Interest. It is the intention of the parties hereto that the transfer of Warehouse Timeshare Loans to be made pursuant to the terms hereof shall constitute a sale by the Seller to the Securitization Depositor and not a loan secured by the Warehouse Timeshare Loans. In the event, however, that a court of competent jurisdiction were to hold that any such transfer constitutes a loan and not a sale, it is the intention of the parties hereto that the Seller shall be deemed to have granted to the Securitization Depositor as of the date hereof a first priority perfected security interest in all of Seller's right, title and interest in, to and under the Assets specified in Section 2 hereof, and that with respect to such conveyance, this Agreement shall constitute a security agreement under applicable law. In the event of the characterization of any such transfer as a loan, the amount of interest payable or paid with respect to such loan under the terms of this Agreement shall be limited to an amount which shall not exceed the maximum non–usurious rate of interest allowed by the applicable state law or any applicable law of the United States permitting a higher maximum non–usurious rate that preempts such applicable state law, which could lawfully be contracted for, charged or received (the "Highest Lawful Rate"). In the event any payment of interest on any such loan exceeds the Highest Lawful Rate, the parties hereto stipulate that (a) to the extent possible given the term of such loan, such excess amount previously paid or to be paid with respect to such loan be applied to reduce the principal balance of such loan, and the provisions thereof immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder and (b) to the extent that the reduction of the principal balance of, and the amounts collectible under, such loan and the reformation of the provisions thereof described in the immediately preceding clause (a) is not possible given the term of such loan, such excess amount will be deemed to have been paid with respect to such loan as a result of an error and upon discovery of such error or upon notice thereof by any party hereto such amount shall be refunded by the recipient thereof.

The characterization of the Seller as "debtor" and the Securitization Depositor as "secured party" in any such financing statement required hereunder is solely for protective purposes and shall in no way be construed as being contrary to the intent of the parties that this transaction be treated as a sale to the Securitization Depositor of such Seller's entire right, title and interest in and to the Assets.

Each of the Seller, Bluegreen, the Club Trust, the Club Trustee, the Securitization Depositor and any of its Affiliates hereby agrees to make the appropriate entries in its general accounting records and to indicate that the Warehouse Timeshare Loans have been transferred to the Securitization Depositor.

SECTION 4. Conditions Precedent to Acquisition of Warehouse Timeshare Loans by the Securitization Depositor. The obligations of the Securitization Depositor to purchase any Warehouse Timeshare Loans hereunder shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of Bluegreen contained in Section 5 and in Schedule I hereof, and all information provided in the Schedule of Timeshare Loans related thereto shall be true and correct as of the Closing Date or Transfer Date, as applicable, and Bluegreen shall have delivered to the Securitization Depositor, the Securitization Indenture Trustee and the Initial Purchaser an Officer's Certificate to such effect.

(b) On or prior to the Closing Date or a Transfer Date, as applicable, the Seller shall have delivered or shall have caused the delivery of (i) the related Timeshare Loan Files to the Securitization Custodian and the Securitization Custodian shall have delivered a receipt therefore pursuant to the Custodial Agreement and (ii) the Timeshare Loan Servicing Files to the Securitization Servicer.

(c) The Seller shall have delivered or shall have caused to be delivered all other information theretofore required or reasonably requested by the Securitization Depositor to be delivered by the Seller or performed or caused to be performed all other obligations required to be performed as of the Closing Date or Transfer Date, as the case may be, including all filings, recordings and/or registrations as may be necessary in the reasonable opinion of the Securitization Depositor, the Securitization Issuer, or the Securitization Indenture Trustee to establish and preserve the right, title and interest of the Securitization Depositor, the Securitization Issuer, or the Securitization Indenture Trustee, as the case may be, in the related Warehouse Timeshare Loans.

(d) On or before the Closing Date, the Securitization Depositor, the Securitization Servicer, the Club Trustee, the Backup Servicer and the Indenture Trustee shall have entered into the Securitization Indenture.

(e) The Securitization Notes shall be issued and sold on the Closing Date, and each of the Securitization Issuer and the Securitization Depositor shall receive the full consideration due it upon the issuance of the Securitization Notes, and the Securitization Issuer and the Securitization Depositor shall have applied their respective consideration to the extent necessary, to pay the Timeshare Loan Acquisition Price for each Warehouse Timeshare Loan.

(f) Each Timeshare Loan conveyed on a Transfer Date shall satisfy each of the criteria specified in the definition of "Qualified Substitute Timeshare Loan" and each of the conditions herein and in the Securitization Indenture for substitution of Warehouse Timeshare Loans shall have been satisfied.

(g) The Securitization Depositor shall have received such other certificates and opinions as it shall reasonably request.

SECTION 5. Representations and Warranties and Certain Covenants of Bluegreen.

(a) Bluegreen represents and warrants to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee for the benefit of the Securitization Noteholders, as of the Closing Date (with respect to the Timeshare Loans transferred on the Closing Date) and on each Transfer Date (with respect to Qualified Substitute Timeshare Loans transferred on such Transfer Date) as follows:

(i) Due Incorporation; Valid Existence; Good Standing. It is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation; and is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business or the performance of its obligations under this Agreement makes such qualification necessary, except where the failure to be so qualified will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans. To Bluegreen's Knowledge, the Seller is, and so long as the Warehouse Notes are outstanding, will be a business trust duly organized and validly existing in good standing under the laws of the jurisdiction of its formation and is duly qualified to do business as a foreign corporation and in good standing under the laws of each jurisdiction where the performance of its obligations under this Agreement makes such qualification necessary, except where the failure to be so qualified will not have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(ii) Possession of Licenses, Certificates, Franchises and Permits. Each of Bluegreen and the Seller holds (and Bluegreen at all times during the term of this Agreement and the Seller so long as the Warehouse Notes are outstanding, will hold) all material licenses, certificates, franchises and permits from all governmental authorities necessary for the conduct of its business, and has received no notice of proceedings relating to the revocation of any such license, certificate, franchise or permit, which singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially and adversely affect its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(iii) Corporate Authority and Power. It has, and at all times during the term of this Agreement will have, all requisite corporate power and authority to own its

properties, to conduct its business, to execute and deliver this Agreement and all documents and transactions contemplated hereunder and to perform all of its obligations under this Agreement and any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder. To Bluegreen's Knowledge, the Seller has, and so long as the Warehouse Notes are outstanding, will have all requisite corporate power and authority to own its properties, to conduct its business, to execute and deliver this Agreement and all documents and transactions contemplated hereunder and to perform all of its obligations under this Agreement and any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder. To Bluegreen's Knowledge, the Seller has all requisite power and authority to acquire, own, transfer and convey the Warehouse Timeshare Loans to the Securitization Depositor.

(iv) Authorization, Execution and Delivery Valid and Binding. This Agreement and all other Transaction Documents and instruments required or contemplated hereby to be executed and delivered by Bluegreen have been duly authorized, executed and delivered by Bluegreen and, assuming the due execution and delivery by, the other party or parties hereto and thereto,

constitute legal, valid and binding agreements enforceable against Bluegreen in accordance with their respective terms subject, as to enforceability, to bankruptcy, insolvency, reorganization, liquidation, dissolution, moratorium and other similar applicable laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy, insolvency, reorganization, liquidation or dissolution, as applicable, of Bluegreen and to general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law. To Bluegreen's Knowledge, this Agreement and all other Transaction Documents and instruments required or contemplated hereby to be executed and delivered by the Seller have been duly authorized, executed and delivered by the Seller and, assuming the due execution and delivery by, the other party or parties hereto and thereto, constitute legal, valid and binding agreements enforceable against the Seller in accordance with their respective terms subject, as to enforceability, to bankruptcy, insolvency, reorganization, liquidation, dissolution, moratorium and other similar applicable laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy, insolvency, reorganization, liquidation or reorganization as applicable, of the Seller and to general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law. To Bluegreen's Knowledge, this Agreement constitutes a valid transfer of the Seller's interest in the Warehouse Timeshare Loans to the Securitization Depositor or, in the event of the characterization of any such transfer as a loan, the valid creation of a first priority perfected security interest in the Warehouse Timeshare Loans in favor of the Securitization Depositor.

(v) No Violation of Law, Rule, Regulation, etc. The execution, delivery and performance by Bluegreen of this Agreement and any other Transaction Document to which it is a party do not and will not (A) violate any of the provisions of its articles of incorporation or bylaws, (B) violate any provision of any law, governmental rule or regulation currently in effect applicable to it or its properties or by which it or its

properties may be bound or affected, including, without limitation, any bulk transfer laws, where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans, (C) violate any judgment, decree, writ, injunction, award, determination or order currently in effect applicable to it or its properties or by which it or its properties are bound or affected, where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans, (D) conflict with, or result in a breach of, or constitute a default under, any of the provisions of any indenture, mortgage, deed of trust, contract or other instrument to which it is a party or by which it is bound where such violation would have a material adverse effect on its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans or (E) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, mortgage, deed of trust, contract or other instrument. To Bluegreen's Knowledge, the execution, delivery and performance by the Seller of this Agreement and any other Transaction Document to which the Seller is a party do not and will not (1) violate any of the provisions of its certificate of trust, trust agreement or other related organizational document, (2) violate any provision of any law, governmental rule or regulation currently in effect applicable to the Seller or its properties by which the Seller or its properties may be bound or affected, including, without limitation, any bulk transfer laws, where such violation would have a material adverse effect on the Seller's ability to perform its obligations under this Agreement or any other Transaction Document to which the Seller is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans, (3) violate any judgment, decree, writ, injunction, award, determination or order currently in effect applicable to the Seller or its properties or by which

the Seller or its properties are bound or affected, where such violation would have a material adverse effect on the Seller's ability to perform its obligations under this Agreement or any other Transaction Document to which the Seller is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the related Warehouse Timeshare Loans or (4) conflict with, or result in a breach of, or constitute a default under, any of the provisions of any sale and servicing agreement, indenture, mortgage, deed of trust, contract or other instrument to which the Seller is a party or by which it is bound where such violation would have a material adverse effect on the Seller's ability to perform its obligations under this Agreement or any other Transaction Document to which the Seller is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(vi) Governmental Consent. No consent, approval, order or authorization of, and no filing with or notice to, any court or other Governmental Authority in respect of

Bluegreen is required which has not been obtained in connection with the authorization, execution, delivery or performance by Bluegreen of this Agreement or any of the other Transaction Documents to which Bluegreen is a party or under the transactions contemplated hereunder or thereunder, including, without limitation, the transfer of the Warehouse Timeshare Loans and the creation of the security interest of the Securitization Depositor therein pursuant to Section 3 hereof. To Bluegreen's Knowledge, no consent, approval, order or authorization of, and no filing with or notice to, any court or other Governmental Authority in respect of the Seller is required which has not been obtained in connection with the authorization, execution, delivery or performance by the Seller of this Agreement or any of the other Transaction Documents to which the Seller is a party or under the transactions contemplated hereunder or thereunder, including, without limitation, the transfer of the Warehouse Timeshare Loans and the creation of the security interest of the Securitization Depositor therein pursuant to Section 3 hereof.

(vii) Defaults. It is not in default under any material agreement, contract, instrument or indenture to which it is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body, in each case, which would have a material adverse effect on the transactions contemplated hereunder or on its business, operations, financial condition or assets, and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body. To Bluegreen's Knowledge, on the Closing Date the Seller is not in default under any material agreement, contract, instrument or indenture to which it is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body, in each case, which would have a material adverse effect on the transactions contemplated hereunder, and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body.

(viii) Insolvency. It is solvent and will not be rendered insolvent by the transfer of Warehouse Timeshare Loans hereunder. On the Closing Date, it will not engage in any business or transaction the result of which would cause the property remaining with it to constitute an unreasonably small amount of capital. To Bluegreen's Knowledge, on the Closing Date the Seller is solvent and will not be rendered insolvent by the transfer of the Warehouse Timeshare Loans hereunder. To Bluegreen's Knowledge, on the Closing Date, the Seller will not engage in any business or transaction, the result of which would cause the property remaining with it to constitute an unreasonably small amount of capital.

(ix) Pending Litigation or Other Proceedings. Other than as described in the Offering Circular, there is no pending or, to its Knowledge, threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting it which, if decided adversely, would materially and adversely

affect (A) its condition (financial or otherwise), its business or operations,

(B) its ability to perform its obligations under, or the validity or enforceability of, this Agreement or any other documents or transactions contemplated under this Agreement, (C) any Warehouse Timeshare Loan or title of any Obligor to any related Timeshare Property, or (D) the Securitization Depositor's or any of its assigns' ability to foreclose or otherwise enforce the liens of the related Mortgage Notes and the rights of the Obligors to use and occupy the related Timeshare Properties. To Bluegreen's Knowledge, there is no pending or threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting the Seller which, if decided adversely, would materially and adversely affect (A) the Seller's ability to perform its obligations under, or the validity or enforceability of, this Agreement or any other documents or transactions contemplated under this Agreement, (B) any Warehouse Timeshare Loan or title of any Obligor to any related Timeshare Property or (C) the Securitization Depositor's or any of its assigns' ability to foreclose or otherwise enforce the liens of the related Mortgage Notes and the rights of the Obligors to use and occupy the related Timeshare Properties.

(x) Information. No document, certificate or report furnished or required to be furnished by or on behalf of it or, to Bluegreen's Knowledge, on behalf of the Seller pursuant to this Agreement, contains or will contain when furnished any untrue statement of a material fact or fails or will fail to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which it was made. There are no facts known to it which, individually or in the aggregate, materially adversely affect, or which (aside from general economic trends) may reasonably be expected to materially adversely affect in the future, its financial condition or assets or business, or which may impair its or the Seller's ability to perform its respective obligations under this Agreement, which have not been disclosed herein or therein or in the certificates and other documents furnished to the Securitization Depositor by or on its or the Seller's behalf pursuant hereto or thereto specifically for use in connection with the transactions contemplated hereby or thereby.

(xi) Foreign Tax Liability. It is not aware of any Obligor under a Warehouse Timeshare Loan who has withheld any portion of payments due under such Warehouse Timeshare Loan because of the requirements of a foreign taxing authority, and no foreign taxing authority has contacted it concerning a withholding or other foreign tax liability.

(xii) No Deficiency Accumulation. Neither it nor, to Bluegreen's Knowledge, the Seller has outstanding "accumulated funding deficiency" (as such term is defined under ERISA and the Code) with respect to any "employee benefit plan" (as such term is defined under ERISA) sponsored by it or the Seller.

(xiii) Taxes. It has filed all tax returns (federal, state and local) which it reasonably believes are required to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges due from it or is contesting any such tax, assessment or other governmental charge in good faith through appropriate proceedings or except where the failure to file or pay will not have a material adverse effect on the rights and interests of the Securitization Depositor or any of its

subsequent assignees. It knows of no basis for any material additional tax assessment for any fiscal year for which adequate reserves have not been established. It intends to pay all such taxes, assessments and

governmental charges when due. To Bluegreen's Knowledge, the Seller has filed, as of the Closing Date all applicable tax returns which it reasonably believes are required to be filed.

(xiv) Place of Business. The principal place of business and chief executive office where Bluegreen and the Seller keeps its records concerning the Warehouse Timeshare Loans will be 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431 (or such other place specified by Bluegreen and the Seller by written notice to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee). The Seller is a business trust formed under the laws of the State of Delaware. Bluegreen is a corporation formed under the laws of the Commonwealth of Massachusetts.

(xv) Securities Laws. Neither it nor, to Bluegreen's Knowledge, the Seller is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No portion of the Timeshare Loan Acquisition Price for each of the Warehouse Timeshare Loans will be used by it or the Seller to acquire any security in any transaction which is subject to Section 13 or Section 14 of the Securities Exchange Act of 1934, as amended.

(xvi) Bluegreen Vacation Club. With respect to Warehouse Timeshare Loans that are Club Loans:

(A) The Club Trust Agreement, of which a true and correct copy is attached hereto as Exhibit B is in full force and effect and a certified copy of the Club Trust Agreement has been delivered to the Securitization Indenture Trustee together with all amendments and supplements in respect thereof;

(B) The arrangement of contractual rights and obligations (duly established in accordance with the Club Trust Agreement under the laws of the State of Florida) was established for the purpose of holding and preserving certain property for the benefit of the Beneficiaries referred to in the Club Trust Agreement. The Club Trustee has all necessary trust and other authorizations and powers required to carry out its obligations under the Club Trust Agreement in the State of Florida and in all other states in which it owns Resort Interests. The Club is not a corporation or business trust under the laws of the State of Florida. The Club is not taxable as an association, corporation or business trust under federal law or the laws of the State of Florida;

(C) The Club Trustee is a corporation duly formed, validly existing and in good standing under the laws of the State of Florida. The Club Trustee is authorized to transact business in no other state. The Club Trustee is not an affiliate of the Servicer for purposes of Chapter 721, Florida Statutes and is in

compliance with the requirements of such Chapter 721 requiring that it be independent of the Servicer;

(D) The Club Trustee had all necessary corporate power to execute and deliver, and has all necessary corporate power to perform its obligations under this Agreement, the other Transaction Documents to which it is a party, the Club Trust Agreement and the Club Management Agreement. The Club Trustee possesses all requisite franchises, operating rights, licenses, permits, consents, authorizations, exemptions and orders as are necessary to discharge its obligations under the Club Trust Agreement;

(E) The Club Trustee holds all right, title and interest in and to all of the Timeshares Properties related to the Warehouse Timeshare Loans solely for the benefit of the Beneficiaries referred to in, and subject in each case to the provisions of, the Club Trust Agreement and the other documents and agreements related thereto. Except with respect to the Mortgages, the Club Trustee has permitted none of such related Warehouse Timeshare Loans to be made subject to any lien or encumbrance during the time it has been a part of the trust estate under the Club Trust Agreement;

(F) There are no actions, suits, proceedings, orders or

injunctions pending against the Club or the Club Trustee, at law or in equity, or before or by any governmental authority which, if adversely determined, could reasonably be expected to have a material adverse effect on the Trust Estate or the Club Trustee's ability to perform its obligations under the Transaction Documents;

(G) Neither the Club nor the Club Trustee has incurred any indebtedness for borrowed money (directly, by guarantee, or otherwise);

(H) All ad valorem taxes and other taxes and assessments against the Club and/or its trust estate have been paid when due and neither the Servicer nor, to Bluegreen's Knowledge, the Club Trustee knows of any basis for any additional taxes or assessments against any such property. The Club has filed all required tax returns and has paid all taxes shown to be due and payable on such returns, including all taxes in respect of sales of Owner Beneficiary Rights (as defined in the Club Trust Agreement) and Vacation Points;

(I) The Club and the Club Trustee are in compliance in all material respects with all applicable laws, statutes, rules and governmental regulations applicable to it and in compliance with each material instrument, agreement or document to which it is a party or by which it is bound, including, without limitation, the Club Trust Agreement;

(J) Except as expressly permitted in the Club Trust Agreement, the Club Trustee has maintained the One-to-One Beneficiary to Accommodation Ratio (as such terms are defined in the Club Trust Agreement);

(K) Bluegreen Vacation Club, Inc. is a non-stock corporation duly formed, validly existing and in good standing under the laws of the State of Florida;

(L) Upon purchase of the Warehouse Timeshare Loans and related Trust Estate hereunder, the Securitization Depositor and its subsequent assignees is an "Interest Holder Beneficiary" under the Club Trust Agreement and each of the Warehouse Timeshare Loans constitutes "Lien Debt", "Purchase Money Lien Debt" and "Owner Beneficiary Obligations" under the Club Trust Agreement; and

(M) Except as disclosed to the Securitization Depositor or its assignees in writing, each Mortgage associated with a Warehouse Timeshare Loan that is a Club Loan and granted by the Club Trustee or the Obligor on the related Club Loan, as applicable, has been duly executed, delivered and recorded by or pursuant to the instructions of the Club Trustee under the Club Trust Agreement and such Mortgage is valid and binding and effective to create the lien and security interests in favor of the Securitization Indenture Trustee (upon assignment thereof to the Securitization Indenture Trustee). Each of such Mortgages was granted in connection with the financing of a sale of a Resort Interest.

(xvii) Bluegreen is the Warehouse Servicer and has been servicing the Warehouse Timeshare Loans in accordance with the Servicing Standard and the applicable provisions of the Warehouse Sale and Servicing Agreement and it has not taken or failed to take any action to cause a breach of the representations and warranties set forth in Sections 2.1 and 2.2 of Warehouse Sale and Servicing Agreement.

(b) Bluegreen hereby makes the representations and warranties relating to the Warehouse Timeshare Loans contained in Schedule I hereto for the benefit of the Securitization Depositor and its assignees as of the Closing Date (with respect to each Warehouse Timeshare Loan transferred on the Closing Date) and as of each Transfer Date (with respect to each Qualified Substitute Timeshare Loan transferred on such Transfer Date), as applicable.

(c) It is understood and agreed that the representations and warranties set forth in this Section 5 shall survive the (i) sale of each Warehouse Timeshare Loan to the Securitization Depositor, (ii) any subsequent sale and assignment by the Securitization Depositor of such Warehouse Timeshare Loans and the rights and remedies of the Securitization Depositor hereunder to

the Securitization Issuer and (iii) the subsequent pledge of such Warehouse Timeshare Loans and rights and remedies hereunder to the Securitization Indenture Trustee on behalf of the Securitization Noteholders and shall continue so long as any such Warehouse Timeshare Loans shall remain outstanding or until such time as such Warehouse Timeshare Loans are repurchased, purchased or a Qualified Substitute Timeshare Loan is provided pursuant to Section 6 hereof. Each of the Seller and Bluegreen acknowledge that it has been advised that the Securitization Depositor intends to sell, transfer, assign and convey all of its right, title and interest in and to each Warehouse Timeshare Loan and its rights and remedies under this Agreement to the Securitization Issuer and that the Securitization Issuer intends to pledge the

Warehouse Timeshare Loans and its rights and remedies under this Agreement to the Securitization Indenture Trustee on behalf of the Securitization Noteholders. The Seller and Bluegreen jointly agree that, upon any such assignment, the Securitization Indenture Trustee may enforce directly, without joinder of the Securitization Depositor or the Securitization Issuer (but subject to any defense that Bluegreen may have under this Agreement) all rights and remedies hereunder.

(d) With respect to any representations and warranties contained in Section 5 which are made to Bluegreen's Knowledge, if it is discovered that any representation and warranty is inaccurate and such inaccuracy materially and adversely affects the value of a Warehouse Timeshare Loan or the interests of the Securitization Depositor or any subsequent assignee thereof, then notwithstanding such lack of Knowledge of the accuracy of such representation and warranty at the time such representation or warranty was made (without regard to any Knowledge qualifiers), such inaccuracy shall be deemed a breach of such representation or warranty for purposes of the repurchase or substitution obligations described in Sections 6(a)(i) or (ii) below.

SECTION 6. Repurchases and Substitutions.

(a) Mandatory Repurchases and Substitutions for Breaches of Representations and Warranties. Upon the receipt of notice by Bluegreen of a breach of any of its respective representations and warranties in Section 5 (on the date on which such representation or warranty was made) which materially and adversely affects the value of a Warehouse Timeshare Loan or the interests of the Securitization Depositor or any subsequent assignee of the Securitization Depositor therein, Bluegreen shall within 60 days of receipt of such notice, cure in all material respects the circumstance or condition which has caused such representation or warranty to be incorrect or either (i) repurchase the Securitization Depositor's or its assignee's interest in such related Defective Timeshare Loan from the Securitization Depositor or its assignee at the Repurchase Price or (ii) provide one or more Qualified Substitute Timeshare Loans and pay the related Substitution Shortfall Amounts, if any.

(b) Optional Purchases or Substitutions of Upgraded Club Loans. The Securitization Depositor hereby irrevocably grants Bluegreen any options to purchase or substitute Upgraded Club Loans it has under the Sale Agreement with the Securitization Issuer. With respect to Upgraded Club Loans, on any date, Bluegreen, as the Securitization Depositor's designee, shall have the option, but not the obligation, to either (i) pay the Repurchase Price for a related Upgraded Club Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for a related Upgraded Timeshare Loan and pay the related Substitution Shortfall Amounts, if any; provided, however, that Bluegreen's option to substitute one or more Qualified Substitute Timeshare Loan for a related Upgraded Club Loan is limited on any date to (x) 20% of the sum of the Cut−Off Date Aggregate Loan Balance of the Timeshare Loan on the Closing Date less (y) the Loan Balances of all Upgraded Club Loans previously substituted by Bluegreen on the related substitution dates pursuant to this Agreement, the Sale Agreement, the Purchase Agreement and/or the Heller Transfer Agreement. Bluegreen shall deposit or cause the deposit of the related Repurchase Price and Substitution Shortfall Amounts, if any, in the Collection Account as set forth in Section 6(d) below. To the extent that Bluegreen shall elect to substitute Qualified

Substitute Timeshare Loans for an Upgraded Timeshare Loan, Bluegreen agrees to use best efforts to cause each such Qualified Substitute Timeshare Loan to be a timeshare loan for which the related Obligor has previously effected an upgrade.

(c) Optional Purchases and Substitutions of Defaulted Timeshare Loans. The Securitization Depositor hereby irrevocably grants Bluegreen any options to purchase or substitute Defaulted Timeshare Loans it has under the Sale Agreement with the Securitization Issuer. With respect to Defaulted Timeshare Loans, on any date, Bluegreen will have the option, but not the obligation, to either (i) purchase a related Defaulted Timeshare Loan subject to the lien of the Indenture at the Repurchase Price for such related Defaulted Timeshare Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for such related Defaulted Timeshare Loan and pay the related Substitution Shortfall Amounts, if any; provided, however, that Bluegreen's option to purchase a related Defaulted Timeshare Loan or to substitute one or more Qualified Substitute Timeshare Loan for a related Defaulted Timeshare Loan is limited on any date to the Optional Purchase Limit and the Optional Substitution Limit, respectively. Balance of the Timeshare Loans less (y) the Loan Balances of all Defaulted Timeshare Loans previously purchased or substituted by Bluegreen, as applicable, on the related purchase or substitution dates pursuant to this Agreement, the Sale Agreement, the Purchase Agreement and/or the Heller Transfer Agreement. Bluegreen shall deposit or cause the deposit of the related Repurchase Price and Substitution Shortfall Amounts, if any, in the Collection Account as set forth in Section 6(d) below. Bluegreen may irrevocably waive its option to purchase or substitute a related Defaulted Timeshare Loan by delivering to the Indenture Trustee a Waiver Letter in the form of Exhibit A attached hereto.

(d) Payment of Repurchase Prices and Substitution Shortfall Amounts. The Securitization Depositor hereby directs and Bluegreen hereby agrees to remit or cause to be remitted all amounts in respect of Repurchase Prices and Substitution Shortfall Amounts payable during the related Due Period in immediately available funds to the Securitization Indenture Trustee to be deposited in the Collection Account on the related Transfer Date in accordance with the provisions of the Indenture. In the event that more than one Warehouse Timeshare Loan is substituted pursuant to Sections 6(a), (b) or (c) hereof on any Transfer Date, the Substitution Shortfall Amounts and the Loan Balances of Qualified Substitute Timeshare Loans shall be calculated on an aggregate basis for all substitutions made on such Transfer Date.

(e) Schedule of Timeshare Loans. The Securitization Depositor hereby directs and Bluegreen hereby agrees, on each date on which a Warehouse Timeshare Loan has been repurchased, purchased or substituted, to provide the Securitization Depositor, the Securitization Issuer and the Indenture Trustee with a electronic supplement to Schedule III hereto and the Schedule of Timeshare Loans reflecting the removal and/or substitution of such Warehouse Timeshare Loans and subjecting any Qualified Substitute Timeshare Loans to the provisions of this Agreement.

(f) Qualified Substitute Timeshare Loans. On the related Transfer Date, the Securitization Depositor hereby directs and Bluegreen hereby agrees to deliver or to cause the delivery of the Timeshare Loan Files of the related Qualified Substitute Timeshare Loans to the Securitization Indenture Trustee or to the Custodian, at the direction of the Securitization

Indenture Trustee, on the related Transfer Date in accordance with the provisions of the Indenture. As of such related Transfer Date, Bluegreen does hereby transfer, assign, sell and grant to the Securitization Depositor, without recourse (except as provided in Section 6 and Section 8 hereof), any and all of Bluegreen's right, title and interest in and to (i) each Qualified Substitute Timeshare Loan conveyed to the Securitization Depositor on such Transfer Date, (ii) the Receivables in respect of the Qualified Substitute Timeshare Loans due after the related Cut-Off Date, (iii) the related Timeshare Loan Documents (excluding any rights as developer or declarant under the Timeshare Declaration, the Timeshare Program Consumer Documents or the Timeshare Program Governing Documents), (iv) all Related Security in respect of such Qualified Substitute Timeshare Loans, and (v) all income, payments, proceeds and other benefits and rights related to any of the foregoing. Upon such sale, the ownership of each Qualified Substitute Timeshare Loan and all collections allocable to principal

and interest thereon since the related Cut-Off Date and all other property interests or rights conveyed pursuant to and referenced in this Section 6(f) shall immediately vest in the Securitization Depositor, its successors and assigns. Bluegreen shall not take any action inconsistent with such ownership nor claim any ownership interest in any Qualified Substitute Timeshare Loan for any purpose whatsoever other than consolidated financial and federal and state income tax reporting. Bluegreen agrees that such Qualified Substitute Timeshare Loans shall be subject to the provisions of this Agreement.

(g) Officer's Certificate. Bluegreen shall, on each related Transfer Date, certify in writing to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee that each new Timeshare Loan meets all the criteria of the definition of "Qualified Substitute Timeshare Loan" and that (i) the Timeshare Loan Files for such Qualified Substitute Timeshare Loans have been delivered to the Securitization Custodian, and (ii) the Timeshare Loan Servicing Files for such Qualified Substitute Timeshare Loans have been delivered to the Securitization Servicer.

(h) Release. In connection with any repurchase, purchase or substitution of one or more Timeshare Loans contemplated by this Section 6, upon satisfaction of the conditions contained in this Section 6, the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee shall execute and deliver or shall cause the execution and delivery of such releases and instruments of transfer or assignment presented to it by Bluegreen, in each case, without recourse, as shall be necessary to vest in Bluegreen or its designee the legal and beneficial ownership of such released Timeshare Loans. The Securitization Depositor shall cause the Securitization Issuer and the Securitization Indenture Trustee to cause the Securitization Custodian to release the related Timeshare Loan Files to Bluegreen or its designee and the Securitization Servicer to release the related Timeshare Loan Servicing Files to Bluegreen or its designee.

(i) Sole Remedy. It is understood and agreed that the obligations of Bluegreen contained in Section 6(a) to cure a material breach, or to repurchase or substitute related Defective Timeshare Loans and the obligation of Bluegreen to indemnify pursuant to Section 8 shall constitute the sole remedies available to the Securitization Depositor or its subsequent assignees for the breaches of any of its representation or warranty contained in Section 5, and such remedies are not intended to and do not constitute "credit recourse" to Bluegreen.

SECTION 7. Covenants of Bluegreen and the Seller.

(a) Bluegreen hereby covenants and agrees with the Securitization Depositor as follows:

(i) It shall comply with all applicable laws, rules, regulations and orders applicable to it and its business and properties except where the failure to comply will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(ii) It shall preserve and maintain for itself its existence (corporate or otherwise), rights, franchises and, privileges in the jurisdiction of its organization and except where the failure to so preserve and maintain will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(iii) On or prior to the Closing Date or a Transfer Date, as applicable, it shall indicate in its and its Affiliate's computer files and other records that each Timeshare Loan has been sold to the Securitization Depositor.

(iv) It shall respond to any inquiries with respect to ownership of a Warehouse Timeshare Loan by stating that such Warehouse Timeshare Loan has been sold to the Securitization Depositor and that the Securitization Depositor is the owner of such Warehouse Timeshare Loan.

(v) On or prior to the Closing Date, it shall file or cause the Seller to file, at Bluegreen's expense, financing statements in favor of the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee on behalf of the Securitization Noteholders, with respect to the Warehouse Timeshare Loans, in the form and manner reasonably requested by the Securitization Depositor. It shall deliver or cause the Seller to deliver file-stamped copies of such financing statements to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee on behalf of the Securitization Noteholders.

(vi) It agrees from time to time to, or cause the Seller to, at Bluegreen's expense, promptly to execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that the Securitization Depositor, the Securitization Issuer or the Securitization Indenture Trustee may reasonably request, to perfect, protect or more fully evidence the sale of the Warehouse Timeshare Loans, or to enable the Securitization Depositor, the Securitization Issuer or the Securitization Indenture Trustee to exercise and enforce its rights and remedies hereunder or under any

Timeshare Loan including, but not limited to, powers of attorney, UCC financing statements and assignments of mortgage.

(vii) Any change in the legal name of Bluegreen or the Seller and any use by it of any tradename, fictitious name, assumed name or "doing business as" name occurring, after the Closing Date shall be promptly disclosed to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee in writing.

(viii) Upon the discovery or receipt of notice by a Responsible Officer of Bluegreen of a breach of any of its representations or warranties and covenants contained herein, Bluegreen shall promptly disclose to the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee, in reasonable detail, the nature of such breach.

(ix) In the event that Bluegreen shall receive any payments in respect of a Warehouse Timeshare Loan after the Closing Date or Transfer Date, as applicable (including any insurance proceeds that are not payable to the related Obligor), it shall, within two (2) Business Days of receipt, transfer or cause to be transferred, such payments to the Lockbox Account.

(x) Bluegreen will keep its principal place of business and chief executive office and the office where it keeps its records concerning the Timeshare Loans at the address of Bluegreen listed herein.

(xi) In the event that Bluegreen, the Seller or the Securitization Depositor or any assignee of the Securitization Depositor should receive actual notice of any transfer taxes arising out of the transfer, assignment and conveyance of a Warehouse Timeshare Loan from the Seller to the Securitization Depositor, on written demand by the Securitization Depositor, or upon Bluegreen or the Seller otherwise being given notice thereof, Bluegreen shall cause the Seller to pay, and otherwise indemnify and hold the Securitization Depositor, or any subsequent assignee harmless, on an after-tax basis, from and against any and all such transfer taxes.

(b) The Seller hereby covenants and agrees with the Securitization Depositor as follows:

(i) The Seller authorizes the Securitization Depositor, the Securitization Issuer, and the Securitization Indenture Trustee to file continuation statements, and amendments thereto, relating to the Warehouse Timeshare Loans and all payments made with regard to the related Warehouse Timeshare Loans without the signature of the Seller where permitted by law. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law. The Securitization Depositor confirms that it is not its present intention to file a photocopy or other reproduction of this Agreement as a financing statement, but reserves the right to do so if, in its good faith determination, there is at such time no reasonable alternative remaining

to it.

(ii) It shall comply with all applicable laws, rules, regulations and orders applicable to it and its business and properties except where the failure to comply will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(iii) So long as the Warehouse Notes are outstanding, it shall preserve and maintain for itself its existence (corporate or otherwise), rights, franchises and privileges in the jurisdiction of its organization and except where the failure to so preserve and maintain will not have a material adverse effect on its business or its ability to perform its obligations under this Agreement or any other Transaction Document to which it is a party or under the transactions contemplated hereunder or thereunder or the validity or enforceability of the Warehouse Timeshare Loans.

(iv) On or prior to the Closing Date or a Transfer Date, as applicable, it shall indicate in computer files and other records to indicate that each Warehouse Timeshare Loan has been sold to the Securitization Depositor.

(v) It shall respond to any inquiries with respect to ownership of a Warehouse Timeshare Loan by stating that such Warehouse Timeshare Loan has been sold to the Securitization Depositor and that the Securitization Depositor is the owner of such Warehouse Timeshare Loan.

(vi) It agrees and authorizes the filing, at Bluegreen's expense, of the financing statements specified in Section 7(a)(v) hereof in favor of the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee on behalf of the Securitization Noteholders, with respect to the Warehouse Timeshare Loans.

(vii) It agrees from time to time to, at Bluegreen's expense, promptly to execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that the Securitization Depositor, the Securitization Issuer or the Securitization Indenture Trustee may reasonably request, to perfect, protect or more fully evidence the sale of the Warehouse Timeshare Loans, or to enable the Securitization Depositor, the Securitization Issuer or the Securitization Indenture Trustee to exercise and enforce its rights and remedies hereunder or under any Timeshare Loan including, but not limited to, powers of attorney, UCC financing statements and assignments of mortgage. The Seller hereby appoints Bluegreen, the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee as attorneys-in-fact, which appointment is coupled with an interest and is therefore irrevocable, to act on behalf and in the name of the Seller under this Section 7(b)(vii).

(viii) In the event that the Seller shall receive any payments in respect of a Warehouse Timeshare Loan after the Closing Date or Transfer Date, as applicable (including any insurance proceeds that are not payable to the related Obligor), it shall,

within two (2) Business Days of receipt, transfer or cause to be transferred, such payments to the Lockbox Account.

SECTION 8. Indemnification.

(a) Bluegreen hereby agrees to indemnify the Securitization

Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders and the Initial Purchaser (collectively, the "Indemnified Parties") against any and all claims, losses, liabilities, (including reasonable legal fees and related costs) that the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders or the Initial Purchaser may sustain directly related to any breach of the representations and warranties of Bluegreen under Section 5 hereof (the "Indemnified Amounts") excluding, however (i) Indemnified Amounts to the extent resulting from the gross negligence or willful misconduct on the part of such Indemnified Party; (ii) any recourse for any uncollectible Warehouse Timeshare Loan not related to a breach of representation or warranty; (iii) recourse to Bluegreen for a related Defective Timeshare Loan so long as the same is cured, substituted or repurchased pursuant to Section 6 hereof; (iv) income, franchise or similar taxes by such Indemnified Party arising out of or as a result of this Agreement or the transfer of the Warehouse Timeshare Loans; (v) Indemnified Amounts attributable to any violation by an Indemnified Party of any requirement of law related to an Indemnified Party; or (vi) the operation or administration of the Indemnified Party generally and not related to the enforcement of this Agreement. The parties hereto shall (A) promptly notify the other parties hereto, the Securitization Issuer and the Securitization Indenture Trustee if a claim is made by a third party with respect to this Agreement or the Timeshare Loans, and relating to (1) the failure by Bluegreen to perform its duties in accordance with the terms of this Agreement or (2) a breach of Bluegreen's representations, covenants and warranties contained in this Agreement, (B) assume (with the consent of the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders or the Initial Purchaser, as applicable, which consent shall not be unreasonably withheld) the defense of any such claim and pay all expenses in connection therewith, including legal counsel fees and (C) promptly pay, discharge and satisfy any judgment, order or decree which may be entered against it or the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders or the Initial Purchaser in respect of such claim. If Bluegreen shall have made any indemnity payment pursuant to this Section 8 and the recipient thereafter collects from another Person any amount relating to the matters covered by the foregoing indemnity, the recipient shall promptly repay such amount to Bluegreen.

(b) The obligations of Bluegreen under this Section 8 to indemnify the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee, the Securitization Noteholders and the Initial Purchaser shall survive the termination of this Agreement and continue until the Notes are paid in full or otherwise released or discharged.

SECTION 9. No Proceedings. The Seller and Bluegreen hereby agrees that it will not, directly or indirectly, institute, or cause to be instituted, or join any Person in instituting, against the Securitization Depositor, the Securitization Issuer or any Association, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other

proceedings under any federal or state bankruptcy or similar law so long as there shall not have elapsed one year plus one day since the latest maturing Securitization Notes issued by the Securitization Issuer.

SECTION 10. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing and mailed or telecommunicated, or delivered as to each party hereto, at its address set forth below or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall not be effective until received by the party to whom such notice or communication is addressed.

Warehouse Issuer

BXG Receivables Note Trust 2001-A
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Attention: Corporate Trust Administration
Telecopier: (302) 651-8882

Securitization Depositor

Bluegreen Receivables Finance Corporation VI
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431
Attention: Terry Jones, President
Telecopier: (561) 912−8121

Bluegreen

Bluegreen Corporation

4960 Conference Way North, Suite 100
Boca Raton, Florida 33431
Attention: Allan Herz, Vice President
Telecopier: (561) 912−7915

SECTION 11. No Waiver; Remedies. No failure on the part of the Securitization Depositor, the Securitization Issuer, the Securitization Indenture Trustee or any assignee thereof to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any other remedies provided by law.

SECTION 12. Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Seller, Bluegreen, the Securitization Depositor and their

respective successors and assigns. Any assignee shall be an express third party beneficiary of this Agreement, entitled to directly enforce this Agreement. Neither the Seller nor Bluegreen may assign any of their rights and obligations hereunder or any interest herein without the prior written consent of the Securitization Depositor and any assignee thereof. The Securitization Depositor may, and intends to, assign all of its rights hereunder to the Securitization Issuer and the Securitization Issuer intends to assign all of its rights to the Securitization Indenture Trustee on behalf of the Securitization Noteholders, and each of the Seller and Bluegreen consents to any such assignments. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its, terms, and shall remain in full force and effect until its termination (or, in the case of the Seller, so long as the Warehouse Notes are outstanding) provided, however, that the rights and remedies with respect to any breach of any representation and warranty made by Bluegreen pursuant to Section 5, and the cure, repurchase or substitution and indemnification obligations shall be continuing and shall survive any termination of this Agreement, but such rights and remedies may be enforced only by the Securitization Depositor, the Securitization Issuer and the Securitization Indenture Trustee.

SECTION 13. Amendments; Consents and Waivers. No modification, amendment or waiver of, or with respect to, any provision of this Agreement, and all other agreements, instruments and documents delivered thereto, nor consent to any departure by the Seller or Bluegreen from any of the terms or conditions thereof shall be effective unless it shall be in writing and signed by each of the parties hereto, the written consent of the Securitization Indenture Trustee on behalf of the Securitization Noteholders is given and confirmation from the Rating Agencies that such action will not result in a downgrade, withdrawal or qualification of any rating assigned to a Class of Notes is received. The Securitization Depositor shall provide or cause to be provided to the Securitization Indenture Trustee and the Rating Agencies with such proposed modifications, amendments or waivers. Any waiver or consent shall be effective only in the specific instance and for the purpose for which given. No consent to or demand by the Seller or Bluegreen in any case shall, in itself, entitle it to any other consent or further notice or demand in similar or other circumstances. Each of the Seller and Bluegreen acknowledges that in connection with the intended assignment by the Securitization Depositor of all of its right, title and interest in and to each Warehouse Timeshare Loan to the Securitization Issuer and the Grant by the Securitization Issuer's of all of its rights, title and interest in and to the Warehouse Timeshare Loans to the Securitization Indenture Trustee on behalf of the Securitization Noteholders, the Securitization Issuer intends to issue the Notes, the proceeds of which will be used by the Securitization Depositor to purchase the Warehouse Timeshare Loans hereunder.

SECTION 14. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation, shall not in any way be affected or impaired thereby in any other jurisdiction. Without limiting the generality of the foregoing, in the event that a Governmental Authority determines that the Securitization Depositor may not purchase or acquire Warehouse Timeshare Loans, the transactions evidenced hereby shall constitute a loan and not a purchase and sale, notwithstanding the otherwise applicable intent of the parties hereto, and. the Seller shall be deemed to have granted to the Securitization Depositor as of the date hereof, a first priority

perfected security interest in all of the Seller's right, title and interest in, to and under such Warehouse Timeshare Loans and the related property as described in Section 2 hereof.

SECTION 15. GOVERNING LAW; CONSENT TO JURISDICTION.

(A) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW.

(B) THE PARTIES TO THIS AGREEMENT HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY AND EACH WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO THE ADDRESS SET FORTH ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID. THE PARTIES HERETO EACH WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION 15 SHALL AFFECT THE RIGHT OF THE PARTIES TO THIS AGREEMENT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY OF THEM TO BRING ANY ACTION OR PROCEEDING IN THE COURTS OF ANY OTHER JURISDICTION.

SECTION 16. Heading. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 17. Execution in Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and both of which when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI, as Securitization Depositor

By: /s/ Terry Jones

Name: Terry Jones
Title: President

BXG RECEIVABLES NOTE TRUST 2001-A,
as Warehouse Issuer

By: Wilmington Trust Company,
as Owner Trustee

By: _____
Name:
Title:

BLUEGREEN CORPORATION

By: _____
Name: John F. Chiste
Title: Senior Vice President

Agreed and acknowledged as to
the last paragraph of Section 3
herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By: _____
Name:
Title:

[Signature Page to the ING Transfer Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE
CORPORATION VI, as Securitization
Depositor

By: _____
Name: Terry Jones
Title: President

BXG RECEIVABLES NOTE TRUST 2001-A,
as Warehouse Issuer

By: Wilmington Trust Company,
as Owner Trustee

By: /s/ Jeanne M. Oller
_____
Name Jeanne M. Oller
Title: Financial Services Officer

BLUEGREEN CORPORATION

By: /s/ John F. Chiste
_____
Name: John F. Chiste
Title: Senior Vice President

Agreed and acknowledged as to

the last paragraph of Section 3
herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By:
_____
Name:
Title:

[Signature Page to the ING Transfer Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Very truly yours,

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI, as Securitization Depositor

By:
_____
Name: Terry Jones
Title: President

BXG RECEIVABLES NOTE TRUST 2001-A,
as Warehouse Issuer

By: Wilmington Trust Company,
as Owner Trustee

By:
_____
Name:
Title:

BLUEGREEN CORPORATION

By:
_____
Name: John F. Chiste
Title: Senior Vice President

Agreed and acknowledged as to
the last paragraph of Section 3
herein only:

BLUEGREEN VACATION CLUB TRUST

By: Vacation Trust, Inc., Individually and as Club Trustee

By: /s/ Shari G. Basife
_____
Name: Shari G. Basife
Title: Secretary/Treasurer

[Signature Page to the ING Transfer Agreement]

Annex A

EXECUTION COPY

STANDARD DEFINITIONS

"ACH Form" shall mean the ACH authorization form executed by Obligors substantially in the form attached as Exhibit C to each of the Transfer Agreement, the Sale Agreement and the Purchase Agreement.

"Act" shall have the meaning specified in Section 1.4 of the Indenture.

"Additional Servicing Compensation" shall mean any late fees related to late payments on the Timeshare Loans, any non-sufficient funds fees, any processing fees and any Liquidation Expenses collected by the Servicer and any unpaid out-of-pocket expenses incurred by the Servicer during the related Due Period.

"Adjusted Note Balance" shall equal, for any Class of Notes, the Outstanding Note Balance of such Class of Notes immediately prior to such Payment Date, less any Note Balance Write-Down Amounts previously applied in respect of such Class of Notes; provided, however, to the extent that for purposes of consents, approvals, voting or other similar act of the Noteholders under any of the Transaction Documents, "Adjusted Note Balance" shall exclude Notes which are held by Bluegreen or any Affiliate thereof.

"Administration Agreement" shall mean the administration agreement, dated as of November 15, 2002, by and among the Administrator, the Owner Trustee, the Issuer and the Indenture Trustee, as amended from time to time in accordance with the terms thereof.

"Administrator" shall mean Bluegreen or any successor under the Administration Agreement.

"Administrator Fee" shall equal on each Payment Date an amount equal to the product of (i) one-twelfth and (ii) (A) if Bluegreen or an affiliate thereof is the Administrator, $1,000.00 and (B) if WTC is the Administrator, $20,000.00.

"Adverse Claim" shall mean any claim of ownership or any lien, security interest, title retention, trust or other charge or encumbrance, or other type of preferential arrangement having the effect or purpose of creating a lien or security interest, other than the interests created under the Indenture in favor of the Indenture Trustee and the Noteholders.

"Affiliate" shall mean any Person: (a) which directly or indirectly controls, or is controlled by, or is under common control with such Person; (b) which directly or indirectly beneficially owns or holds five percent (5%) or more of the voting stock of such Person; or (c) for which five percent (5%) or more of the voting stock of which is directly or indirectly beneficially owned or held by such Person; provided, however, that under no circumstances shall the Trust Company be deemed to be an Affiliate of the Issuer, the Depositor or the Owner, nor shall any of such parties be deemed to be an Affiliate of the Trust Company. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the

management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Initial Note Balance" is equal to the sum of the Initial Note Balances for all Classes of Notes.

"Aggregate Loan Balance" means the sum of the Loan Balances for all Timeshare Loans (except Defaulted Timeshare Loans).

"Aggregate Outstanding Note Balance" is equal to the sum of the Outstanding Note Balances for all Classes of Notes.

"Aruba Assignment" shall mean the assignment, dated as of November

15, 2002, between the Aruba Originator and Bluegreen pursuant to which the Aruba Originator has assigned all right, title and interest in each Aruba Loan (that is not an ING Facility Loan or Heller Facility Loan) to Bluegreen.

"Aruba Loan" shall mean a Timeshare Loan originated by the Aruba Originator and evidenced by a Finance Agreement.

"Aruba Originator" shall mean Bluegreen Properties, N.V., an Aruba corporation.

"Aruba Share Certificate" shall mean a share certificate issued by the timeshare cooperative association of La Cabana Beach Resort & Racquet Club in Aruba, which entitles the owner thereof the right to use and occupy a fixed Unit at a fixed period of time each year at the La Cabana Beach Resort & Racquet Club in Aruba.

"Assignment of Mortgage" shall mean, with respect to a Club Loan, a written assignment of one or more Mortgages from the related Originator or Seller to the Indenture Trustee, for the benefit of the Noteholders, relating to one or more Timeshare Loans in recordable form, and signed by an Authorized Officer of all necessary parties, sufficient under the laws of the jurisdiction wherein the related Timeshare Property is located to give record notice of a transfer of such Mortgage and its proceeds to the Indenture Trustee.

"Association" shall mean the not−for−profit corporation or cooperative association responsible for operating a Resort.

"Assumption Date" shall have the meaning specified in the Backup Servicing Agreement.

"Authorized Officer" shall mean, with respect to any corporation, limited liability company or partnership, the Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer, Managing Member and each other officer of such corporation or limited liability company or the general partner of such partnership specifically authorized in resolutions of the Board of Directors of such corporation or managing member of such limited liability company to sign agreements,

instruments or other documents in connection with this Indenture on behalf of such corporation, limited liability company or partnership, as the case may be.

"Available Funds" shall mean for any Payment Date, (A) all funds on deposit in the Collection Account after making all transfers and deposits required from (i) the Lockbox Account pursuant to the Lockbox Agreement, (ii) the General Reserve Account pursuant to Section 3.2(b) of the Indenture, (iii) the Closing Date Delinquency Reserve Account pursuant to Section 3.2(d) of the Indenture, (iv) the Club Originator or the Depositor, as the case may be, pursuant to Section 4.4 of the Indenture, and (v) the Servicer pursuant to the Indenture, plus (B) all investment earnings on funds on deposit in the Collection Account from the immediately preceding Payment Date through such Payment Date, less (C) amounts on deposit in the Collection Account related to collections related to any Due Periods subsequent to the Due Period related to such Payment Date, less (D) any Additional Servicing Compensation on deposit in the Collection Account.

"Backup Servicer" shall mean Concord Servicing Corporation, an Arizona corporation, and its permitted successors and assigns.

"Backup Servicing Agreement" shall mean the backup servicing agreement, dated as of November 15, 2002, by and among the Issuer, the Depositor, the Servicer, the Backup Servicer and the Indenture Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

"Backup Servicing Fee" shall on each Payment Date (so long as Concord Servicing Corporation is the Backup Servicer), be equal to (A) prior to the removal or resignation of Bluegreen, as Servicer, the greater of (i) $750.00 and (ii) the product of (x) $0.075 and (y) the number of Timeshare Loans in the Trust Estate and (B) after the removal or resignation of Bluegreen, as Servicer, an amount equal to the product of (i) one−twelfth of 2.00% and (ii) the Aggregate Loan Balance as of the first day of the related Due Period.

"Bankruptcy Code" shall mean the federal Bankruptcy Code, as amended (Title 11 of the United States Code).

"Beneficiary" shall be as defined in the Club Trust Agreement.

"Benefit Plan" shall mean an "employee benefit plan" as defined in Section 3(3) of ERISA, or any other "plan" as defined in Section 4975(e)(1) of the Code, that is subject to the prohibited transaction rules of ERISA or of Section 4975 of the Code or any plan that is subject to any substantially similar provision of federal, state or local law.

"Bluegreen" shall mean Bluegreen Corporation, a Massachusetts corporation, and its permitted successors and assigns.

"Bluegreen Loans" shall mean certain Timeshare Loans that were sold by Bluegreen to the Depositor pursuant to the Purchase Agreement.

"Book–Entry Note" shall mean a beneficial interest in the Notes, ownership and transfers of which shall be made through book–entries by the Depository.

"Business Day" shall mean any day other than (i) a Saturday, a Sunday, or (ii) a day on which banking institutions in New York City, Wilmington, Delaware, the State of Florida, the city in which the Servicer is located or the city in which the Corporate Trust Office of the Indenture Trustee is located are authorized or obligated by law or executive order to be closed.

"BXG Trust 2000" shall mean the BXG Receivables Owner Trust 2000, a Delaware statutory trust formed to purchase and finance the Heller Facility Loans.

"BXG Trust 2000 Transfer Agreement" shall mean the transfer agreement, dated as of November 15, 2002, by and among Bluegreen, the Depositor and BXG Trust 2000 pursuant to which the Heller Facility Loans are sold to the Depositor.

"BXG Trust 2001–A" shall mean the BXG Receivables Note Trust 2001–A, a Delaware statutory trust formed to purchase and finance the ING Facility Loans.

"BXG Trust 2001–A Transfer Agreement" shall mean the transfer agreement, dated as of November 15, 2002, by and among Bluegreen, the Depositor and BXG Trust 2001–A pursuant to which the ING Facility Loans are sold to the Depositor.

"Cash Accumulation Event" shall exist on any Determination Date, if (A) for the last three Due Periods, the average Delinquency Level for Timeshare Loans that are 61 days or more delinquent is equal to or greater than 6%, or (B) for the last six Due Periods, the average Default Level is equal to or greater than 12%, or (C) the Cumulative Default Level is equal to or greater than the applicable Cumulative Default Percentage, or (D) four or more of the Bluegreen Developed Resorts have their respective ratings from RCI or II, as applicable, downgraded below the related rating that was assigned thereto on the Closing Date, or (E) the Servicer (if Bluegreen) fails to have at least $75,000,000 in financing facilities in place. A Cash Accumulation Event shall be deemed to be continuing until the earlier of (A) the immediately following Determination Date upon which none of the events described in this paragraph exists and (B) the day on which the Outstanding Note Balance of each Class of Notes has been reduced to zero.

"Cede & Co." shall mean the initial registered holder of the Notes, acting as nominee of The Depository Trust Company.

"Certificate" shall mean a Trust Certificate or a Residual Interest Certificate, as applicable.

"Certificate Distribution Account" shall have the meaning specified in Section 5.01 of the Trust Agreement.

"Certificate of Trust" shall mean the Certificate of Trust in the form attached as Exhibit A to the Trust Agreement.

"Certificateholders" shall mean the holders of the Trust Certificate and Residual Interest Certificate.

"Class" shall mean, as the context may require, any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes.

"Class A Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class B Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

Class C Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class D Notes" shall have the meaning specified in the Recitals of the Issuer in the Indenture.

"Class D Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(c) of the Indenture.

"Class D Reserve Account Required Balance" shall mean for any Payment Date, the lesser of (A) 1.00% of the Cut-Off Date Aggregate Loan Balance and (B) the Outstanding Note Balance of the Class D Notes on such Payment Date.

"Closing Date" shall mean December 13, 2002.

"Closing Date Delinquency Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(d) of the Indenture.

"Closing Date Delinquency Reserve Account Initial Deposit" shall mean an amount equal to the product of (i) 50% and (ii) the sum of the Loan Balances of all Timeshare Loans which were 31 days or more delinquent on the Initial Cut-Off Date that are still delinquent on the Closing Date.

"Club" shall mean Bluegreen Vacation Club Trust, doing business as Bluegreen Vacation Club, formed pursuant to the Club Trust Agreement.

"Club Loan" shall mean a Timeshare Loan originated by the Club Originator and evidenced by a Mortgage Note and secured by a first Mortgage on a fractional fee simple timeshare interest in a Unit.

"Club Management Agreement" shall mean that certain Amended and Restated Management Agreement between the Club Managing Entity and the Club Trustee, dated as of May 18, 1994, as amended from time to time.

"Club Managing Entity" shall mean Bluegreen Resorts Management, Inc., a Delaware corporation, in its capacity as manager of the Club and owner of the Club's reservation system, and its permitted successors and assigns.

"Club Originator" shall mean Bluegreen, in its capacity as an Originator.

"Club Trust Agreement" shall mean, collectively, that certain Bluegreen Vacation Club Trust Agreement, dated as of May 18, 1994, by and between the Developer and the Club Trustee, as amended, restated or otherwise modified from time to time, together with all other agreements, documents and instruments governing the operation of the Club.

"Club Trustee" shall mean Vacation Trust, Inc., a Florida corporation, in its capacity as trustee under the Club Trust Agreement, and its permitted successors and assigns.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and any successor statute, together with the rules and regulations thereunder.

"Collection Account" shall mean the account established and maintained by the Indenture Trustee pursuant to Section 3.2(a) of the Indenture.

"Collection Policy" shall mean the collection policies of the initial servicer in effect on the Closing Date, as may be amended from time to time in accordance with the Servicing Standard.

"Completed Unit" shall mean a Unit at a Resort which has been fully constructed and furnished, has received a valid permanent certificate of occupancy, is ready for occupancy and is subject to a time share declaration.

"Confidential Information" means information obtained by any Noteholder including, without limitation, the Preliminary Confidential Offering Circular dated October 23, 2002 or the Confidential Offering Circular dated December 3, 2002 related to the Notes and the Transaction Documents, that is proprietary in nature and that was clearly marked or labeled as being confidential information of the Issuer, the Servicer or their Affiliates, provided that such term does not include information that (a) was publicly known or otherwise known to the Noteholder prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Noteholder or any Person acting on its behalf, (c) otherwise becomes known to the Noteholder other than through disclosure by the Issuer, the Servicer or their Affiliates or (d) any other public disclosure authorized by the Issuer or the Servicer.

"Continued Errors" shall have the meaning specified in Section 5.4 of the Indenture.

"Corporate Trust Office" shall mean the office of the Indenture Trustee located in the State of Minnesota, which office is at the address set forth in Section 13.3 of the Indenture.

"Credit Policy" shall mean the credit and underwriting policies of the Originators in effect on the Closing Date.

"Cumulative Default Level" shall mean for any Determination Date, an amount equal to the sum of the Loan Balances of all Timeshare Loans that became Defaulted Timeshare Loans since the Closing Date (other than Defaulted Timeshare Loans that subsequently become current) divided by the Cut–Off Date Aggregate Loan Balance (expressed as a percentage). For purposes of this definition "Timeshare Loan" shall include those timeshare loans that have been released from the Lien of the Indenture pursuant to Section 4.5(c) of the Indenture.

"Cumulative Default Percentage" shall equal 10% on or before December 1, 2003; 14% on or before December 1, 2004; 18% on or before December 1, 2005; 20% on or before December 1, 2006 and 22% thereafter.

"Custodial Agreement" shall mean the custodial agreement, dated as of November 15, 2002 by and among the Issuer, the Depositor, the Servicer, the Backup Servicer, and the Indenture Trustee and Custodian, as the same may be amended, supplemented or otherwise modified from time to time providing for the custody and maintenance of the Timeshare Loan Documents relating to the Timeshare Loans.

"Custodian" shall mean U.S. Bank National Association, a national banking association, or its permitted successors and assigns.

"Custodian Fees" shall mean for each Payment Date, the fee payable by the Issuer to the Custodian in accordance with the Custodial Agreement.

"Cut–Off Date" shall mean, with respect to (i) the Initial Timeshare Loans, the Initial Cut–Off Date, and (ii) any Qualified Substitute Timeshare Loan, the related Subsequent Cut–Off Date.

"Cut–Off Date Aggregate Loan Balance" shall mean the aggregate of the Loan Balances of all Timeshare Loans as of the Initial Cut–Off Date.

"Cut–Off Date Loan Balance" shall mean the Loan Balance of a Timeshare Loan on the related Cut–Off Date.

"Default" shall mean an event which, but for the passage of time, would constitute an Event of Default under the Indenture.

"Default Level" shall mean for any Due Period, the product of (i) 12 and (ii) the sum of the Loan Balances of Timeshare Loans that became Defaulted Timeshare Loans during such Due Period less the Loan Balances of Defaulted Timeshare Loans that subsequently became current during such Due Period divided by the Aggregate Loan Balance on the first day of such Due Period (expressed as a percentage).

"Defaulted Timeshare Loan" is any Timeshare Loan for which any of the earliest following events may have occurred: (i) the Servicer has commenced cancellation or forfeiture or deletion actions on the related Timeshare Loan after collection efforts have failed in accordance with its credit and collection policies, (ii) as of the last day of any Due Period, all or part of a scheduled payment under the Timeshare Loan is more than 120 days delinquent from the due

date, (iii) the related Timeshare Loan otherwise ceases to be an Eligible Timeshare Loan or (iv) the Servicer obtains actual knowledge that a bankruptcy event has occurred with respect to the related Obligor.

"Defective Timeshare Loan" shall have the meaning specified in Section 4.4 of the Indenture.

"Deferred Interest Amount" shall mean, with respect to a Class of Notes and a Payment Date, the sum of (i) interest accrued at the related Note Rate during the related Interest Accrual Period on such Note Balance Write-Down Amounts applied in respect of such Class and (ii) any unpaid Deferred Interest Amounts from any prior Payment Date, together with interest thereon at the applicable Note Rate from the date any such Note Balance Write-Down Amount was applied in respect of such Class, to the extent permitted by law.

"Definitive Note" shall have the meaning specified in Section 2.2 of the Indenture.

"Delinquency Event" shall have occurred if the average Delinquency Level over the last five Due Periods for Timeshare Loans that are 31 days or more delinquent is equal to or greater than 7%. A Delinquency Event shall be deemed to exist and be continuing until the average Delinquency Level over the last five Due Periods for Timeshare Loans that are 31 days or more delinquent is less than 7% for three consecutive Due Periods.

"Delinquency Level" shall mean for any Due Period, an amount equal to the sum of the Loan Balances of Timeshare Loans (other than Defaulted Timeshare Loans) that are the specified number of days delinquent on the last day of such Due Period divided by the Aggregate Loan Balance on the first day of such Due Period (expressed as a percentage).

"Delinquency Reserve Amount" shall mean, for any Payment Date, the product of (i) if (A) no Delinquency Event exists and is continuing, 3.00% or (B) a Delinquency Event exists and is continuing, 5.00%, and (ii) the aggregate of the Loan Balances of all Timeshare Loans subject to the lien of the Indenture (as of the end of the related Due Period).

"Depositor" shall mean Bluegreen Receivables Finance Corporation VI, a Delaware Corporation, and its permitted successors and assigns.

"Depository" shall mean an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. The initial Depository shall be The Depository Trust Company.

"Depository Agreement" shall mean the letter of representations dated as of December 13, 2002, by and among the Issuer, the Indenture Trustee and the Depository.

"Depository Participant" shall mean a broker, dealer, bank, other financial institution or other Person for whom from time to time a Depository effects book-entry transfers and pledges securities deposited with the Depository.

"Determination Date" shall mean the day that is five Business Days prior to such Payment Date.

"Developer" shall mean Bluegreen Vacations Unlimited, Inc., a Florida corporation, and its permitted successors and assigns.

"DTC" shall mean The Depository Trust Company, and its permitted successors and assigns.

"Due Period" shall mean with respect to any Payment Date, the period from the 16th day of the second preceding calendar month to the 15th day of the preceding calendar month; for the Initial Payment Date, the period from and including November 16, 2002 to December 15, 2002.

"Eligible Bank Account" shall mean a segregated account, which may be an account maintained with the Indenture Trustee, which is either (a) maintained with a depositary institution or trust company whose long-term unsecured debt obligations are rated at least "A" by Fitch and "A2" by Moody's and whose short-term unsecured obligations are rated at least "A-1" by Fitch and "P-1" by Moody's; or (b) a trust account or similar account maintained at the corporate trust department of the Indenture Trustee.

"Eligible Investments" shall mean one or more of the following:

(a) obligations of, or guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States;

(b) federal funds, certificates of deposit, time deposits and bankers' acceptances, each of which shall not have an original maturity of more than 90 days, of any depository institution or trust company incorporated under the laws of the United States or any state; provided that the long-term unsecured debt obligations of such depository institution or trust company at the date of acquisition thereof have been rated by each Rating Agency in one of the three highest rating categories available from S&P and no lower than A2 by Moody's; and provided, further, that the short-term obligations of such depository institution or trust company shall be rated in the highest rating category by such Rating Agency;

(c) commercial paper or commercial paper funds (having original maturities of not more than 90 days) of any corporation incorporated under the laws of the United States or any state thereof; provided that any such commercial paper or commercial paper funds shall be rated in the highest short-term rating category by each Rating Agency; and

(d) any no-load money market fund rated (including money market funds managed or advised by the Indenture Trustee or an Affiliate thereof) in the highest short-term rating category or equivalent highest long-term rating category

by each Rating Agency; provided that, Eligible Investments purchased from funds in the Eligible Bank Accounts shall include only such obligations or securities that either may be redeemed daily or mature no later than the Business Day next preceding the next Payment Date;

(e) demand and time deposits in, certificates of deposit of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company (including the Indenture Trustee or any Affiliate of the Indenture Trustee, acting in its commercial capacity) incorporated under the laws of the United States of America or any State thereof and subject to supervision and examination by federal and/or state authorities, so long as, at the time of such investment, the commercial paper or other

short−term deposits of such depository institution or trust company are rated at least P−1 by Moody's and at least A−1 by SP

and provided, further, that (i) no instrument shall be an Eligible Investment if such instrument evidences a right to receive only interest payments with respect to the obligations underlying such instrument, and (ii) no Eligible Investment may be purchased at a price in excess of par. Eligible Investments may include those Eligible Investments with respect to which the Indenture Trustee or an Affiliate thereof provides services.

"Eligible Owner Trustee" shall have the meaning specified in Section 10.01 of the Trust Agreement.

"Eligible Timeshare Loan" shall mean a Timeshare Loan which meets all of the criteria set forth in Schedule I of the Sale Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Errors" shall have the meaning specified in Section 5.4 of the Indenture.

"Event of Default" shall have the meaning specified in Section 6.1 of the Indenture.

"Finance Agreement" shall mean a purchase and finance agreement between an Obligor and the Aruba Originator pursuant to which such Obligor finances the purchase of Aruba Share Certificates.

"Foreclosure Properties" shall have the meaning specified in Section 5.3(b) of the Indenture.

"General Reserve Account" shall mean the account maintained by the Indenture Trustee pursuant to Section 3.2(b) of the Indenture.

"General Reserve Account Initial Deposit" shall mean an amount equal to 1.00% of the Cut−Off Date Aggregate Loan Balance.

"General Reserve Account Required Balance" shall mean (a) if no Cash Accumulation Event has occurred, the greater of (i) 3.00% of the sum of the Aggregate Loan Balance and the aggregate Loan Balance of Defaulted Timeshare Loans subject to the lien of the Indenture (as of the end of the related Due Period) and (ii) 1.50% of the Cut−Off Date Aggregate Loan Balance or (b) if a Cash Accumulation Event has occurred, 3.00% of the Cut−Off Date Aggregate Loan Balance.

"Global Note" shall have the meaning specified in Section 2.2 of the Indenture.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Grant" shall mean to grant, bargain, convey, assign, transfer, mortgage, pledge, create and grant a security interest in and right of set−off against, deposit, set over and confirm.

"Heller Assignment Agreement" shall mean the assignment agreement, dated as of November 15, 2002, by and among BXG Trust 2000 and Bluegreen.

"Heller Facility Loans" shall mean certain Timeshare Loans that were previously sold to BXG Trust 2000 pursuant to that certain Sale and Servicing Agreement, dated as of September 1, 2000, by and among BXG Trust 2000, Bluegreen Receivables Finance Corporation IV, Bluegreen, Concord Servicing Corporation, Vacation Trust, Inc., U.S. Bank Trust National Association, Heller Financial, Inc. and Barclays Bank PLC.

"Heller Loan Agreement" shall mean the Amended and Restated Loan and Security Agreement, dated as of June 30, 1999, by and between Bluegreen, the Developer and Heller Financial, Inc., as amended from time to time.

"Highest Lawful Rate" shall have the meaning specified in Section 3

of the Sale Agreement.

"Holder" or "Noteholder" shall mean a holder of a Class A Note, a Class B Note, a Class C Note or a Class D Note.

"II" shall mean Interval International, Inc.

"Indenture" shall mean the indenture, dated as of November 15, 2002, by and among the Issuer, the Club Trustee, the Servicer, the Backup Servicer and the Indenture Trustee.

"Indenture Trustee" shall mean U.S. Bank National Association, a national banking association, not in its individual capacity but solely as Indenture Trustee under the Indenture, and any successor as set forth in Section 7.9 of the Indenture.

"Indenture Trustee Fee" shall mean for each Payment Date, the sum of (A) $875.00 and (B) until the Indenture Trustee shall become the successor Servicer, the greater of

(A) the product of one–twelfth of 0.0175% and the Aggregate Loan Balance as of the first day of the related Due Period and (B) $1,500.00.

"ING Assignment Agreement' shall mean the assignment agreement, dated as of November 15, 2002 by and among BXG Trust 2001–A and Bluegreen.

"ING Facility Loans" shall mean certain Timeshare Loans that were previously sold to BXG Trust 2001–A pursuant to that certain Amended and Restated Sale and Servicing Agreement dated as of April 17, 2002, by and among Bluegreen Receivables Finance Corporation V, BXG Trust 2001–A, Bluegreen, Concord Servicing Corporation, Vacation Trust, Inc. and U.S. Bank National Association.

"Initial Cut–Off Date" shall mean the close of business on November 15, 2002.

"Initial Note Balance" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, $86,899,000, $21,724,000, $23,535,000 and $38,018,000, respectively.

"Initial Payment Date" shall mean the Payment Date occurring in January 2003.

"Initial Purchaser" shall mean ING Financial Markets LLC.

"Intended Tax Characterization" shall have the meaning specified in Section 4.2(b) of the Indenture.

"Interest Accrual Period" shall mean with respect to (i) any Payment Date other than the Initial Payment Date, the period from the 16th day of the second preceding calendar month to the 15th day of the preceding calendar month and (ii) the Initial Payment Date, the period from and including the Closing Date through December 15, 2002.

"Interest Distribution Amount" shall equal, for a Class of Notes and on any Payment Date, the sum of (i) interest accrued during the related Interest Accrual Period at the related Note Rate on the Outstanding Note Balance of such Class of Notes immediately prior to such Payment Date (or, if any Note Balance Write–Down Amounts have been applied to such Class of Notes, the Adjusted Note Balance of such Class of Notes) and (ii) the amount of unpaid Interest Distribution Amounts from prior Payment Dates for such Class of Notes, plus, to the extent permitted by applicable law, interest on such unpaid amount at the related Note Rate. The Interest Distribution Amount shall be calculated on the basis of a 360–day year consisting of twelve 30–day months.

"Issuer" shall mean BXG Receivables Note Trust 2002–A, a statutory trust formed under the laws of the State of Delaware pursuant to the Trust Agreement.

"Issuer Order" shall mean a written order or request delivered to the Indenture Trustee and signed in the name of the Issuer by an Authorized Officer of the Issuer or Administrator.

"Knowledge" shall mean (a) as to any natural Person, the actual awareness of the fact, event or circumstance at issue or receipt of notification by proper delivery of such fact, event or circumstance and (b) as to any Person that is not a natural Person, the actual awareness of the fact, event or circumstance at issue by a Responsible Officer of such Person or receipt, by a Responsible Officer of such Person, of notification by proper delivery of such fact, event or circumstance.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment for security, security interest, claim, participation, encumbrance, levy, lien or charge.

"Liquidation" means with respect to any Timeshare Loan, the sale or compulsory disposition of the related Timeshare Property, following foreclosure, forfeiture or other enforcement action or the taking of a deed–in–lieu of foreclosure, to a Person other than the Servicer or an Affiliate thereof.

"Liquidation Expenses" shall mean, with respect to a Defaulted Timeshare Loan, as of any date of determination, any out–of–pocket expenses (exclusive of overhead expenses) incurred by the Servicer in connection with the performance of its obligations under Section 5.3(b) in the Indenture, including, but not limited to, (i) any foreclosure or forfeiture and other repossession expenses incurred with respect to such Timeshare Loan, (ii) actual commissions and marketing and sales expenses incurred by the Servicer with respect to the remarketing of the related Timeshare Property and (iii) any other fees and expenses reasonably applied or allocated in the ordinary course of business with respect to the Liquidation of such Defaulted Timeshare Loan (including any assessed and unpaid Association fees and real estate taxes).

"Liquidation Proceeds" means with respect to the Liquidation of any Timeshare Loan, the amounts actually received by the Servicer in connection with such Liquidation.

"Loan Balance" shall mean, for any date of determination, the outstanding principal balance due under or in respect of a Timeshare Loan (including a Defaulted Timeshare Loan).

"Lockbox Account" shall mean the account maintained pursuant to the Lockbox Agreement, which shall be a non–interest bearing account.

"Lockbox Agreement" shall mean the lockbox agreement, dated as of November 15, 2002, by and among the Issuer, the Indenture Trustee and the Lockbox Bank.

"Lockbox Bank" shall mean Fleet National Bank, a national banking association.

"Lockbox Fee" shall mean on each Payment Date, the fee payable by the Issuer to the Lockbox Bank in accordance with the Lockbox Agreement.

"Misdirected Deposits" shall mean such payments that have been deposited to the Collection Account in error.

"Monthly Servicer Report" shall have the meaning specified in Section 5.5 of the Indenture.

"Moody's" shall mean Moody's Investors Service, Inc.

"Mortgage" shall mean, with respect to a Club Loan, any purchase money mortgage, deed of trust, purchase money deed of trust or mortgage,deed creating a first lien on a Timeshare Property to secure debt granted by the Club Trustee on behalf of an Obligor to the Club Originator with respect to the

purchase of such Timeshare Property and/or the contribution of the same to the Club and otherwise encumbering the related Timeshare Property to secure payments or other obligations under such Timeshare Loan.

"Mortgage Note" shall mean, with respect to a Club Loan, the original, executed promissory note evidencing the indebtedness of an Obligor under a Club Loan, together with any rider, addendum or amendment thereto, or any renewal, substitution or replacement of such note.

"Net Liquidation Proceeds" shall mean with respect to a Liquidation, the positive difference between Liquidation Proceeds and Liquidation Expenses.

"New Servicing Fee Proposal" shall have the meaning specified in Section 5.4 of the Indenture.

"Note Balance Write-Down Amount" shall mean with respect to any Payment Date, an amount equal to the excess, if any, of the Aggregate Outstanding Note Balance (immediately after the distribution of Available Funds and any amounts paid to the Class D Noteholders from the Class D Reserve Account on such Payment Date) over the Aggregate Loan Balance as of the end of the Due Period related to such Payment Date.

"Note Owner" shall mean, with respect to a Book-Entry Note, the Person who is the beneficial owner of such Book-Entry Note, as reflected on the books of the Depository or on the books of a Person maintaining an account with such Depository (directly or as an indirect participant, in accordance with the rules of such Depository).

"Note Purchase Agreement" shall mean that certain note purchase agreement dated the Closing Date, between the Initial Purchaser and the Issuer.

"Note Rate" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, 4.580%, 4.740%, 5.735% and 7.750%, respectively.

"Note Register" shall have the meaning specified in Section 2.4(a) of the Indenture.

"Note Registrar" shall have the meaning specified in Section 2.4(a) of the Indenture.

"Noteholder" shall mean any holder of a Note of any Class.

"Notes" shall mean collectively, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"Obligor" shall mean the related obligor under a Timeshare Loan.

"Officer's Certificate" shall mean a certificate executed by a Responsible Officer of the related party.

"Opinion of Counsel" shall mean a written opinion of counsel, in each case acceptable to the addressees thereof.

"Optional Purchase Limit" shall mean, on any date, an amount equal to (x) 15% of the Cut-Off Date Aggregate Loan Balance less (y) the aggregate Loan Balances (as of the related purchase dates or release dates, as applicable) of all Defaulted Timeshare Loans (a) previously purchased by the Club Originator pursuant to the Sale Agreement, the Purchase Agreement or any of the Transfer Agreements and (b) previously released pursuant to Section 4.5(c) of the Indenture.

"Optional Redemption Date" shall mean the first date in which the Aggregate Outstanding Note Balance is less than or equal to 10% of the Aggregate Initial Note Balance of all Classes of Notes.

"Optional Substitution Limit" shall mean, on any date, an amount equal to (x) 20% of the Cut-Off Date Aggregate Loan Balance less (y) 'the aggregate Loan Balances (as of the related Transfer Dates) of all Defaulted Timeshare Loans previously substituted by the Club Originator pursuant to the Sale Agreement, the Purchase Agreement or the any of the Transfer Agreements.

"Originator" shall mean either the Club Originator or the Aruba

Originator.

"Outstanding" shall mean, with respect to the Notes, as of any date of determination, all Notes theretofore authenticated and delivered under the Indenture except:

(a) Notes theretofore canceled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;

(b) Notes or portions thereof for whose payment money in the necessary amount has been theretofore irrevocably deposited with the Indenture Trustee in trust for the holders of such Notes; and

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Notes are held by a Person in whose hands the Note is a valid obligation; provided, however, that in determining whether the holders of the requisite percentage of the Outstanding Note Balance of the Notes have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in

determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Notes that a Responsible Officer of the Indenture Trustee actually has notice are so owned shall be so disregarded.

"Outstanding Note Balance" shall mean as of any date of determination and Class of Notes, the Initial Note Balance of such Class of Notes less the sum of Principal Distribution Amounts actually distributed to the Holders of such Class of Notes as of such date; provided, however, to the extent that for purposes of consents, approvals, voting or other similar act of the Noteholders under any of the Transaction Documents, "Outstanding Note Balance" shall exclude Notes which are held by Bluegreen or any Affiliate thereof.

"Owner" shall mean the owner of the Trust Certificate issued by the Issuer pursuant to the Trust Agreement, which shall be GSS Holdings, Inc.

"Owner Beneficiary" shall have the meaning specified in the Club Trust Agreement.

"Owner Beneficiary Agreement" shall mean the purchase agreement entered into by each obligor and the Developer with respect to the Club Loans.

"Owner Beneficiary Rights" shall have the meaning specified in the Club Trust Agreement.

"Owner Trustee" shall mean Wilmington Trust Company, a Delaware banking corporation, or any successor thereof, acting not in its individual capacity but solely as owner trustee under the Trust Agreement.

"Owner Trustee Corporate Trust Office" shall mean Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19801.

"Owner Trustee Fee" shall mean for each Payment Date an amount equal to the product of (i) one-twelfth and (ii)(A) prior to the Owner Trustee becoming successor Administrator, $6,000.00 and (B) upon the Owner Trustee becoming successor Administrator, $5,000.00.

"Paying Agent" shall mean any Person authorized under the Indenture to make the distributions required under Sections 3.4 of the Indenture, which such Person initially shall be the Indenture Trustee.

"Payment Date" shall mean the 1st day of each month, or, if such date is not a Business Day, then the next succeeding Business Day, commencing on the Initial Payment Date.

"Payment Default Event" shall have occurred if (i) each Class of Notes shall become due and payable pursuant to Section 6.2(a) of the Indenture or (ii) each Class of Notes shall otherwise become due and payable following an Event of Default under the Indenture and the Indenture Trustee has, in its good faith judgment, determined that the value of the assets comprising the Trust

Estate is less than the Aggregate Outstanding Note Balance.

"Percentage Interest" shall mean with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, 48%, 12%, 13% and 21%, respectively.

"Permitted Liens" shall mean (a) with respect to Timeshare Loans in the Trust Estate, Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable, (ii) Liens in favor of the Depositor and the Issuer created pursuant to the Transaction Documents, and (iii) Liens in favor of the Trust and the Indenture Trustee created pursuant to the Indenture; (b) with respect to the related Timeshare Property, materialmen's, warehousemen's, mechanic's and other Liens arising by operation of law in the ordinary course of business for sums not due, (ii) Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable, (iii) Liens in favor of the Depositor pursuant to Transfer Agreements and the Purchase Agreement, and (iv) the Obligor's interest in the Timeshare Property under the Timeshare Loan whether pursuant to the Club Trust Agreement or otherwise; and (c) with respect to Timeshare Loans and Related Security in the Trust Estate, any and all rights of the Beneficiaries referred to in the Club Trust Agreement under such Club Trust Agreement.

"Person" means an individual, general partnership, limited partnership, limited liability partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority, or other entity of whatever nature.

"Predecessor Servicer Work Product" shall have the meaning specified in Section 5.4(b) of the Indenture.

"Principal Distribution Amount" shall equal for any Payment Date and Class of Notes, the sum of the following:

(i) the product of (a) such Class' Percentage Interest and (b) the amount of principal collected in respect of each Timeshare Loan during the related Due Period (including, but not limited to, principal in respect of scheduled payments, partial prepayments, prepayments in full, liquidations, Substitution Shortfall Amounts and Repurchase Prices, if any, but excluding principal received in respect of Timeshare Loans that became Defaulted Timeshare Loans during prior Due Periods that have not been released from the lien of the Indenture) or, if the Cut–Off Date for a Timeshare Loan shall have occurred during the related Due Period, the amount of principal collected in respect of such Timeshare Loan after such Cut–Off Date, and

(ii) the product of (a) such Class' Percentage Interest and (b) the aggregate Loan Balance of all Timeshare Loans which became Defaulted Timeshare Loans during the related Due Period, less the sum of (x) the aggregate Loan Balance of all Qualified Substitute Timeshare Loans which were conveyed to the Trust Estate in respect of Defaulted Timeshare Loans during the related Due Period, (y) the principal portion of Repurchase

Prices paid in respect of Defaulted Timeshare Loans during the related Due Period, and (z) the principal portion of Net Liquidation Proceeds received during the related Due Period, and

(iii) any unpaid Principal Distribution Amounts for such Class from prior Payment Dates.

"Purchase Agreement" shall mean the purchase and contribution

agreement, dated as of November 15, 2002, between the Club Originator and the Depositor pursuant to which such Club Originator sells Timeshare Loans to the Depositor.

"Qualified Substitute Timeshare Loan" shall mean a Timeshare Loan (i) that, when aggregated with other Qualified Substitute Timeshare Loans being substituted on such Transfer Date, has a Loan Balance, after application of all payments of principal due and received during or prior to the month of substitution, not in excess of the Loan Balance of the Timeshare Loan being substituted on the related Transfer Date, (ii) that complies, as of the related Transfer Date, with each of the representations and warranties contained in the Transfer Agreements and Purchase Agreement, including that such Qualified Substitute Timeshare Loan is an Eligible Timeshare Loan, (iii) that shall not cause the weighted average coupon rate of the Timeshare Loans to be less than 15.25% after such substitution, (iv) that shall not cause the weighted average months of seasoning on the Timeshare Loans to be less than 16 months after such substitution, and (v) that does not have a stated maturity greater than 12 months prior to the Stated Maturity.

"Rating Agency" shall mean Moody's and S&P.

"RCI" shall mean Resorts Condominium International, Inc.

"Receivables" means the payments required to be made pursuant to a Timeshare Loan.

"Receivables Collateral" shall have the meaning specified in Section 3 of the Sale Agreement.

"Record Date" shall mean, with respect to any Payment Date, the close of business on the last Business Day of the calendar month immediately preceding the month such Payment Date occurs.

"Redemption Date" shall mean with respect to the redemption of the Notes on or after the Optional Redemption Date, the date fixed pursuant to Section 10.1 of the Indenture.

"Redemption Price" shall mean, with respect to each Class of Notes, the sum of the Outstanding Note Balance of such Class of Notes, together with interest accrued thereon at the applicable Note Rate up to and including the Redemption Date.

"Related Security" shall mean with respect to any Timeshare Loan, (i) all of the Issuer's interest in the Timeshare Property arising under or in connection with the related

Mortgage, Owner Beneficiary Rights, Vacation Points and the related Timeshare Loan Files, (ii) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Timeshare Loan, together with all mortgages, assignments and financing statements signed by the Club Trustee on behalf of an Obligor describing any collateral securing such Timeshare Loan, (iii) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Timeshare Loan, and (iv) all other security and books, records and computer tapes relating to the foregoing.

"Repurchase Price" shall mean with respect to any Timeshare Loan to be purchased by the Club Originator pursuant to the Transfer Agreements, the Sale Agreement or the Purchase Agreement, an amount equal to the Loan Balance of such Timeshare Loan as of the date of such purchase or repurchase, together with all accrued and unpaid interest on such Timeshare Loan at the related Timeshare Loan Rate to, but not including, the due date in the then current Due Period.

"Request for Release" shall be a request for release of Timeshare Loan Documents in the form required by the Custodial Agreement.

"Required Payments" shall mean each of the items described in (i) through (xv) of Section 3.4 of the Indenture.

"Reservation System": The reservation system utilized by the Club and owned by the Club Managing Entity and operated by Resort Condominium International, Inc. or the services contracted by the Club Managing Entity with a third party.

"Residual Interest Certificate" shall mean the certificate issued under the Trust Agreement, which represents the economic residual interest of the Trust formed thereunder.

"Residual Interest Owner" shall mean the owner of the Residual Interest Certificate issued by the Issuer pursuant to the Trust Agreement, which shall initially be the Depositor.

"Resort" shall mean any of the following resorts: MountainLoft(TM), Laurel Crest(TM), Shore Crest(TM) Vacation Villas, Harbour Lights(TM), The Lodge Alley Inn(TM), The Falls Village(TM), Christmas Mountain Village(TM), Orlando's Sunshine(TM) Resort, Solara Surfside(TM) Condominium, Shenendoah Crossing(TM) Farm & Country Club and La Cabana Beach Resort & Racquet Club.

"Resort Interests" shall mean as defined in the Club Trust Agreement.

"Responsible Officer" shall mean (a) when used with respect to the Owner Trustee or the Indenture Trustee, any officer assigned to the Owner Trustee Corporate Trust Office or the Corporate Trust Office, respectively, including any Managing Director, Vice President, Assistant Vice President, Secretary, Assistant Secretary, Assistant Treasurer, any trust officer or any other officer such Person customarily performing functions similar to those performed by any of the above designated officers, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and

familiarity with the particular subject; (b) when used with respect to the Servicer, the Chief Financial Officer, a Vice President, an Assistant Vice President, the Chief Accounting Officer or the Secretary of the Servicer; and (c) with respect to any other Person, the chairman of the board, chief financial officer, the president, a vice president, the treasurer, an assistant treasurer, the secretary, an assistant secretary, the controller, general partner, trustee or the manager of such Person.

"S&P" shall mean Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Sale Agreement" shall mean that certain sale agreement, dated as of November 15, 2002, between the Depositor and the Issuer pursuant to which the Depositor sells Timeshare Loans to the Issuer.

"Schedule of Timeshare Loans" shall mean the list of Timeshare Loans delivered pursuant to the Sale Agreement, as amended from time to time to reflect repurchases, substitutions and Qualified Substitute Timeshare Loans conveyed pursuant to the terms of the Indenture, which list shall set forth the following information with respect to each Timeshare Loan as of the related Cut-Off Date, as applicable, in numbered columns:

1 Name of Obligor
2 Condo Ref/Loan Number
3 Interest Rate Per Annum
4 Date of Origin
5 Maturity
6 Sales Price
7 Monthly Payment
8 Original Loan Balance
9 Original Term
10 Outstanding Loan Balance
11 Down Payment
12 First payment date

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Sellers" shall mean with respect to (i) the Purchase Agreement, Bluegreen, (ii) the BXG Trust 2001-A Transfer Agreement, BXG Trust 2001-A and (iii) the BXG Trust 2000 Transfer Agreement, BXG Trust 2000.

"Sequential Pay Event" shall mean either a Payment Default Event or a Trust Estate Liquidation Event.

"Servicer" shall mean Bluegreen in its capacity as servicer under

the Indenture, the Backup Servicing Agreement and the Custodial Agreement, and its permitted successors and assigns.

"Servicer Event of Default" shall have the meaning specified in Section 5.4 of the Indenture.

"Servicing Fee" shall mean for any Payment Date, the product of (i)(A) if Bluegreen or an affiliate thereof is Servicer, one–twelfth of 1.50% and (B) if the Indenture Trustee is the successor Servicer, one–twelfth of 2.05%, and (ii) the Aggregate Loan Balance as of the first day of the related Due Period; provided that if the Indenture Trustee is the successor Servicer, it shall, after payment of the Backup Servicing Fee, be entitled to a minimum monthly payment of $5,500.00.

"Servicing Officer" shall mean those officers of the Servicer involved in, or responsible for, the administration and servicing of the Timeshare Loans, as identified on the list of Servicing Officers furnished by the Servicer to the Indenture Trustee and the Noteholders from time to time.

"Servicing Standard" shall mean, with respect to the Servicer and the Backup Servicer, a servicing standard which complies with applicable law, the terms of the respective Timeshare Loans and, to the extent consistent with the foregoing, in accordance with the customary standard of prudent servicers of loans secured by timeshare interests similar to the Timeshare Properties, but in no event lower than the standards employed by it when servicing loans for its own account or other third parties, but, in any case, without regard for (i) any relationship that it or any of its Affiliates may have with the related Obligor, and (ii) its right to receive compensation for its services hereunder or with respect to any particular transaction.

"Servicer Termination Costs" shall mean any extraordinary out–of–pocket expenses incurred by the Indenture Trustee associated with the transfer of servicing.

"Similar Law" shall mean the prohibited transaction rules under ERISA or section 4975 of the Code or any substantially similar provision of federal, state or local law.

"Stated Maturity" shall mean the Payment Date occurring in September 2014.

"Statutory Trust Statute" shall mean the Delaware Statutory Trust Act, Chapter 38 of Title 12 of the Delaware Code, 12 Del. C.ss. 3801, et seq., as the same may be amended from time to time.

"Subsequent Cut–Off Date" shall mean with respect to any Transfer Date, (i) the close of business on the last day of the Due Period immediately preceding such Transfer Date or (ii) such other date designated by the Servicer.

"Substitution Shortfall Amount" shall mean with respect to any Transfer Date, an amount equal to the excess of the aggregate Loan Balances of the substituted Timeshare Loans over the aggregate Loan Balances of the Qualified Substitute Timeshare Loans.

"Timeshare Declaration" shall mean the declaration or other document recorded in the real estate records of the applicable municipality or government office where a Resort is

located for the purpose of creating and governing the rights of owners of Timeshare Properties related thereto, as it may be in effect from time to time.

"Timeshare Loan" shall mean a Club Loan, Aruba Loan, or a Qualified Substitute Timeshare Loan, subject to the lien of the Indenture. As used in the

Transaction Documents, the term "Timeshare Loan" shall include the related Mortgage Note, Mortgage, the Finance Agreement and other Related Security contained in the related Timeshare Loan Documents.

"Timeshare Loan Acquisition Price" shall mean with respect to any Timeshare Loan, an amount equal to the Loan Balance of such Timeshare Loan plus accrued and unpaid interest thereon up to and including the Initial Cut-Off Date.

"Timeshare Loan Documents" shall mean with respect to each Timeshare Loan and each Obligor, the related (i) Timeshare Loan Files, and (ii) Timeshare Loan Servicing Files.

"Timeshare Loan Files" shall mean, with respect to a Timeshare Loan, the Timeshare Loan and all documents related to such Timeshare Loan, including:

1. with respect to a Club Loan, the original Mortgage Note with the related allonge or other assignment attached as required by the Custodial Agreement, signed (which may be by facsimile) by an Authorized Officer of the Club Originator or the Indenture Trustee or other party as appropriate and showing a complete chain of endorsements from the original payee of the Mortgage Note to the Indenture Trustee: "Pay to the order of _____, without recourse representation or warranty";

2. with respect to a Club Loan, the original recorded or unrecorded Mortgage with evidence of delivery for filing (or, if the original of the recorded or unrecorded Mortgage is not available, a copy of such recorded or unrecorded Mortgage (with evidence of delivery for filing), in each case certified by an Authorized Officer of the Club Originator to be a true and correct copy);

3. with respect to a Club Loan, an original recorded or unrecorded Assignment of Mortgage (which may be a part of a blanket assignment of more than one Club Loan), from the Club Originator to the Indenture Trustee, with evidence of proper recordation, if applicable, signed by an Authorized Officer of the Club Originator (or evidence from a third party that such assignment has been submitted for recordation);

4. with respect to a Club Loan, the UCC financing statement, if any, evidencing that the security interest granted under such Timeshare Loan, if any, has been perfected under applicable state law;

5. with respect to a Club Loan, a copy of any recorded or unrecorded warranty deed transferring legal title to the related Timeshare Property to the Club Trustee;

6. with respect to a Club Loan, an original lender's title insurance policy or title commitment or master policy referencing such Timeshare Loan and covering the Indenture Trustee for the benefit of the Noteholders;

7. the original of any related assignment or guarantee or, if such original is unavailable, a copy thereof certified by an Authorized Officer of the Club Originator to be a true and correct copy, current and historical computerized data files;

8. the original of any assumption agreement or any refinancing agreement;

9. all related owner beneficiary agreements, finance applications (including related Finance Agreements, if applicable), ACH forms, sale and escrow documents executed and delivered by the related Obligor with respect to the purchase of a Timeshare Property;

10. all other papers and records of whatever kind or description, whether developed or originated by an Originator or another Person, required to document, service or enforce a Timeshare

Loan; and

11. any additional amendments, supplements, extensions, modifications or waiver agreements required to be added to the Timeshare Loans Files pursuant to the Indenture, the Credit Policy or the other Transaction Documents.

"Timeshare Loan Rate" shall mean with respect to any Timeshare Loan, the specified coupon rate thereon.

"Timeshare Loan Servicing Files" shall mean with respect to each Timeshare Loan and each Obligor, the portion of the Timeshare Loan Files necessary for the Servicer to service such Timeshare Loan including but not limited to (i) the original truth-in-lending disclosure statement executed by such Obligor, as applicable, (ii) all writings pursuant to which such Timeshare Loan arises or which evidences such Timeshare Loan and not delivered to the Custodian, (iii) all papers and computerized records customarily maintained by the Servicer in servicing timeshare loans comparable to the Timeshare Loans in accordance with the Servicing Standard and (iv) each Timeshare Program Consumer Document and Timeshare Program Governing Document Declaration, if applicable, related to the applicable Timeshare Property.

"Timeshare Program" shall mean the program under which (1) an Obligor has purchased a Timeshare Property and (2) an Obligor shares in the expenses associated with the operation and management of such program.

"Timeshare Program Consumer Documents" shall mean, as applicable, the Owner Beneficiary Agreement, Finance Agreement, Mortgage Note, Mortgage, credit disclosures, rescission right notices, final subdivision public reports/prospectuses/public offering statements, the Timeshare Project exchange affiliation agreement and other documents, disclosures and

advertising materials used or to be used by an Originator in connection with the sale of Timeshare Properties.

"Timeshare Program Governing Documents" shall mean the articles of organization or articles of incorporation of each Association, the rules and regulations of each Association, the Timeshare Program management contract between each Association and a management company, and any subsidy agreement by which an Originator is obligated to subsidize shortfalls in the budget of a Timeshare Program in lieu of paying assessments, as they may be from time to time in effect and all amendments, modifications and restatements of any of the foregoing.

"Timeshare Projects" shall mean the part of the Resorts described in Exhibit C to the Sale Agreement related to any Timeshare Loan.

"Timeshare Property" shall mean (i) with respect to a Club Loan, a fractional fee simple timeshare interest in a Unit in a Resort entitling the related Obligor to the use and occupancy of a Unit at the Resort for a specified period of time each year or every other year in perpetuity and (ii) with respect to an Aruba Loan, shares in the related Association at the La Cabana Beach Resort & Racquet Club in Aruba entitling the related Obligor to the use and occupancy of a fixed Unit at such Resort for a fixed period of time each year or every other year for the duration of the long-term lease of such resort.

"Transaction Documents" shall mean the Indenture, the Purchase Agreement, the Transfer Agreements, the Sale Agreement, the Lockbox Agreement, the Backup Servicing Agreement, the Administration Agreement, the Custodial Agreement, the Note Purchase Agreement and all other agreements, documents or instruments delivered in connection with the transactions contemplated thereby.

"Transfer Agreements" shall mean the BXG Trust 2000 Transfer Agreement and the BXG Trust 2001-A Transfer Agreement.

"Transfer Date" shall mean the date on which the Club Originator or the Depositor, as the case may be, substitutes one or more Timeshare Loans in accordance with Section 4.4 of the Indenture.

"Treasury Regulations" shall mean the regulations, included proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury

Regulations.

"Trust" shall mean the Issuer.

"Trust Accounts" shall mean collectively, the Lockbox Account, the Collection Account and the General Reserve Account, the Class D Reserve Account and the Closing Date Delinquency Reserve Account.

"Trust Agreement" shall mean the trust agreement, dated as of November 15, 2002, by and among Bluegreen Receivables Finance Corporation VI, GSS Holdings, Inc. and Wilmington Trust Company.

"Trust Certificate" shall mean the certificate issued under the Trust Agreement, which represents the sole equity interest in the Trust formed hereunder.

"Trust Company" shall have the meaning specified in the Trust Agreement.

"Trust Estate" shall have the meaning specified in the Granting Clause of the Indenture.

"Trust Estate Liquidation Event" shall have the meaning specified in Section 6.6(b) of the Indenture.

"Trust Paying Agent" shall have the meaning specified in Section 3.13 of the Trust Agreement.

"UCC" shall mean the Uniform Commercial Code as from time to time in affect in the applicable jurisdiction or jurisdictions.

"Unit(s)": One individual air−space condominium unit, cabin, villa, cottage or townhome within a Resort, together with all furniture, fixtures and furnishings therein, and together with any and all interests in common elements appurtenant thereto, as provided in the related Timeshare Program Governing Documents.

"Upgraded Club Loan" shall mean either (A) a Club Loan for which the related Obligor has elected to (i) reconvey the existing Club Property to the Developer in exchange for a new Club property, and (ii) cancel such Club Loan in exchange for a new Timeshare Loan from the Club Originator secured by such new Club Property, or (B) a Club Loan for which the related Obligor has elected to (i) acquire additional Club Property and (ii) cancel such Club Loan in exchange for a new Timeshare Loan secured by the existing Club Property and the additional Timeshare Property.

"Vacation Points" shall have the meaning specified in the Club Trust Agreement.

Schedule I

With respect to each Warehouse Timeshare Loan, as of the related Closing Date or Transfer Date, as applicable:

(a) except if such Timeshare Loan is listed on Schedule H(a) hereof, payments due under the Warehouse Timeshare Loan are fully−amortizing and payable in level monthly installments;

(b) payment obligations under the Warehouse Timeshare Loan bear a fixed rate of interest;

(c) the Obligor thereunder has made a down payment by cash, check or credit card of at least 10% percent of the actual purchase price (including

closing costs) of the Timeshare Property (which cash down payment may, in the case of Upgraded Club Loans only, be represented by the principal payments on such Warehouse Timeshare Loan since its date of origination) and no part of such payment has been made or loaned to Obligor by Bluegreen, the Seller or an Affiliate thereof;

(d) as of the related Cut-Off Date, no principal or interest due with respect to the Warehouse Timeshare Loan is sixty (60) days or more Delinquent;

(e) the Obligor is not an Affiliate of Bluegreen or any Subsidiary; provided, that solely for the purposes of this representation, a relative of an employee and employees of Bluegreen or any Subsidiary (or any of its Affiliates) shall not be deemed to be an "Affiliate";

(f) immediately prior to the conveyance of the Warehouse Timeshare Loan to the Securitization Depositor, the Seller will own full legal and equitable title to such Warehouse Timeshare Loan, and the Warehouse Timeshare Loan (and the related Timeshare Property) is free and clear of adverse claims, liens and encumbrances and is not subject to claims of rescission, invalidity, unenforceability, illegality, defense, offset, abatement, diminution, recoupment, counterclaim or participation or ownership interest in favor of any other Person;

(g) the Warehouse Timeshare Loan (other than an Aruba Loan) is secured directly by a first priority Mortgage on the related purchased Timeshare Property;

(h) with respect to each Club Loan, the Timeshare Property mortgaged by or at the direction of the related Obligor constitutes a fractional fee simple timeshare interest in real property at the related Resort that entitles the holder of the interest to the use of a specific property for a specified number of days each year or every other year; the related Mortgage has been delivered for filing and recordation with all appropriate governmental authorities in all jurisdictions in which such Mortgage is required to be filed and recorded to create a valid, binding and enforceable first Lien on the related Timeshare Property and such Mortgage creates a valid, binding and enforceable first Lien on the related Timeshare

Property, subject only to Permitted Liens; and the Seller is in compliance with any Permitted Lien respecting the right to the use of such Timeshare Property; each of the Assignments of Mortgage and each related endorsement of the related Mortgage Note constitutes a duly executed, legal, valid, binding and enforceable assignment or endorsement, as the case may be, of such related Mortgage and related Mortgage Note, and all monies due or to become due thereunder, and all proceeds thereof;

(i) with respect to the Obligor and a particular Timeshare Property purchased by such Obligor, there is only one original Mortgage and Mortgage Note, in the case of a Club. Loan, and only one Finance Agreement, in the case of an Aruba Loan; all parties to the related Mortgage and the related Mortgage Note (and, in the case of an Aruba Loan, Finance Agreement) had legal capacity to enter into such Timeshare Loan Documents and to execute and deliver such related Timeshare Loan Documents, and such related Timeshare Loan Documents have been duly and properly executed by such parties; any amendments to such related Timeshare Loan Documents required as a result of any mergers involving the Seller or its predecessors, to maintain the rights of the Seller or its predecessors thereunder as a mortgagee (or a Seller, in the case of the Aruba Loan) have been completed;

(j) at the time the related Originator originated such Warehouse Timeshare Loan to the related Obligor, such Originator had full power and authority to originate such Warehouse Timeshare Loan and the Obligor had good and indefeasible fee title or good and marketable fee simple title, or, in the case of an Aruba Warehouse Loan, a cooperative interest, as applicable, to the Timeshare Property related to such Warehouse Timeshare Loan, free and clear of all Liens, except for Permitted Liens;

(k) the related Mortgage (or, in the case of an Aruba Loan, the related Finance Agreement) contains customary and enforceable provisions so as to render the rights and remedies of the holder thereof adequate for the realization against the related Timeshare Property of the benefits of the

security interests or lender's contractual rights intended to be provided thereby, including (a) if the Mortgage is a deed of trust, by trustee's sale, including power of sale, (b) otherwise by judicial foreclosure or power of sale and/or (c) termination of the contract, forfeiture of Obligor deposits and payments towards the related Warehouse Timeshare Loan and expulsion from the related Association; in the case of the Club Loans, there is no exemption available to the related Obligor which would interfere with the mortgagee's right to sell at a trustee's sale or power of sale or right to foreclose such related Mortgage, as applicable;

(l) the related Mortgage Note is not and has not been secured by any collateral except the Lien of the related Mortgage;

(m) if a Mortgage secures a Timeshare Loan, the title to the related Timeshare Property is insured (or a binding commitment for title insurance, not subject to any conditions other than standard conditions applicable to all binding commitments, has been issued) under a mortgagee title insurance policy issued by a title insurer qualified to do business in the jurisdiction where the related Timeshare Property is located in a form generally

acceptable to prudent originators of similar mortgage loans, insuring the Seller or its predecessor and its successors and assigns, as to the first priority mortgage Lien of the related Mortgage in an amount equal to the outstanding Loan Balance of such Warehouse Timeshare Loan, and otherwise in form and substance acceptable to the Indenture Trustee; the Seller or its assignee is a named insured of such mortgagee's title insurance policy; such mortgagee's title insurance policy is in full force and effect; no claims have been made under such mortgagee's title insurance policy and no prior holder of such Warehouse Timeshare Loan has done or omitted to do anything which would impair the coverage of such mortgagee's title insurance policy; no premiums for such mortgagee's title insurance policy, endorsements and all special endorsements are past due;

(n) the Seller or Bluegreen has not taken (or omitted to take), and has no notice that the related Obligor has taken (or omitted to take), any action that would impair or invalidate the coverage provided by any hazard, title or other insurance policy on the related Timeshare Property;

(o) all applicable intangible taxes and documentary stamp taxes were paid as to the related Warehouse Timeshare Loan;

(p) the proceeds of the Warehouse Timeshare Loan have been fully disbursed, there is no obligation to make future advances or to lend additional funds under the originator's commitment or the documents and instruments evidencing or securing the Warehouse Timeshare Loan and no such advances or loans have been made since the origination of the Warehouse Timeshare Loan;

(q) the terms of each Timeshare Loan Document has not been impaired, waived, altered or modified in any respect, except (x) by written instruments which are part of the related Timeshare Loan Documents or (y) in accordance with the Credit Policy or the Servicing Standard (provided that no Warehouse Timeshare Loan has been impaired, waived, altered, or modified in any respect more than once). No other instrument has been executed or agreed to which would effect any such impairment, waiver, alteration or modification; the Obligor has not been released from liability on or with respect to the Warehouse Timeshare Loan, in whole or in part; if required by law or prudent originators of similar loans in the jurisdiction where the related Timeshare Property is located, all waivers, alterations and modifications have been filed and/or recorded in all places necessary to perfect, maintain and continue a valid first priority Lien of the Mortgage subject only to Permitted Liens;

(r) other than if it is an Aruba Loan, the Warehouse Timeshare Loan is principally and directly secured by an interest in real property;

(s) the Warehouse Timeshare Loan was originated by Bluegreen or one of its Affiliates in the normal course of its business; the Warehouse Timeshare Loan originated by Bluegreen or one of its Affiliates was underwritten in accordance with its underwriting guidelines; the origination, servicing and collection practices used by Bluegreen and, to Bluegreen's

Knowledge, its Affiliates with respect to the Warehouse Timeshare Loan have been in all respects, legal, proper, prudent and customary;

(t) the related Warehouse Timeshare Loan is assignable to and by the obligee and its successors and assigns and the related Warehouse Timeshare Property is assignable upon liquidation of the related Warehouse Timeshare Loan, without the consent of any other Person (including any Association, condominium association, homeowners' or timeshare association);

(u) the related Mortgage is and will be prior to any Lien on, or other interests relating to, the related Timeshare Property;

(v) to Bluegreen's Knowledge, there are no delinquent or unpaid taxes, ground rents (if any), water charges, sewer rents or assessments outstanding with respect to any of the Timeshare Properties, nor any other outstanding Liens or charges affecting the Timeshare Properties that would result in the imposition of a Lien on the Timeshare Property affecting the Lien of the related Mortgage or otherwise materially affecting the interests of the Indenture Trustee on behalf of the Noteholders in the related Timeshare Loan;

(w) other than with respect to delinquent payments of principal or interest 60 (sixty) or fewer days past due as of the Cut-Off Date, there is no default, breach, violation or event of acceleration existing under the Mortgage, the related Mortgage Note or any other document or instrument evidencing, guaranteeing, insuring or otherwise securing the related Warehouse Timeshare Loan, and no event which, with the lapse of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration thereunder; and the Seller or Bluegreen has not waived any such material default, breach, violation or event of acceleration under the Finance Agreement, Mortgage, the Mortgage Note or any such other document or instrument, as applicable;

(x) neither the Obligor nor any other Person has the right, by statute, contract or otherwise, to seek the partition of the Timeshare Property;

(y) the Warehouse Timeshare Loan has not been satisfied, canceled, rescinded or subordinated, in whole or in part; no portion of the Timeshare Property has been released from the Lien of the related Mortgage, in whole or in part; no instrument has been executed that would effect any such satisfaction, cancellation, rescission, subordination or release; the terms of the related Mortgage do not provide for a release of any portion of the Timeshare Property from the Lien of the related Mortgage except upon the payment of the Warehouse Timeshare Loan in full;

(z) the Seller and, to Bluegreen's knowledge, each other party which has had an interest in the Timeshare Loan is (or, during the period in which such party held and disposed of such interest, was) in compliance with any and all applicable filing, licensing and "doing business" requirements of the laws of the state wherein the Timeshare Property is located to the extent necessary to permit the Seller to maintain or defend actions or proceedings

with respect to the Warehouse Timeshare Loan in all appropriate forums in such state without any further act on the part of any such party;

(aa) there is no current obligation on the part of any other person (including any buy down arrangement) to make payments on behalf of the Obligor in respect of the Warehouse Timeshare Loan;

(bb) the related Association was duly organized and are validly existing; a manager (the "Manager") manages such Resort and performs services for the Timeshare Associations, pursuant to an agreement between the Manager and

the respective Associations, such contract being in full force and effect; to Bluegreen's Knowledge, the Manager and the Associations have performed in all material respects all obligations under such agreement and are not in default under such agreement;

(cc) the related Resort is insured in the event of fire, earthquake, or other casualty for the full replacement value thereof, and in the event that the Timeshare Property should suffer any loss covered by casualty or other insurance, upon receipt of any insurance proceeds, the Associations at the Resorts (other than at the La Cabana Beach Resort & Racquet Club in Aruba) are required, during the time such Timeshare Property is covered by such insurance, under the applicable governing instruments either to repair or rebuild the portions of the Timeshare Project in which the Timeshare Property is located or to pay such proceeds to the holders of any related Mortgage secured by a timeshare estate in the portions of the Timeshare Project in which the Timeshare Property is located; the Resort (other than the La Cabana Beach Resort & Racquet Club in Aruba), if located in a designated flood plain, maintains flood insurance in an amount not less than the maximum level available under the National Flood Insurance Act of 1968, as amended; each Resort has business interruption insurance and general liability insurance in such amounts generally acceptable in the industry; each Resort's insurance policies are in full force and effect with a generally acceptable insurance carrier;

(dd) the related Mortgage gives the obligee and its successors and assigns the right to receive and direct the application of insurance and condemnation proceeds received in respect of the related Timeshare Property, except where the related condominium declarations, timeshare declarations or applicable state law provide that insurance and condemnation proceeds be applied to restoration of the improvements;

(ee) each rescission period applicable to the related Warehouse Timeshare Loan has expired;

(ff) no selection procedures were intentionally utilized by the Seller in selecting the Timeshare Loan, which the Seller knew were materially adverse to the Securitization Indenture Trustee or the Securitization Noteholders;

(gg) the Units related to the Warehouse Timeshare Loan in the related Resort have been completed in all material respects as required by applicable state and local laws, free of all defects that could give rise to any claims by the related Obligors under home warranties or applicable laws or regulations, whether or not such claims would create

valid offset rights under the law of the State in which the Resort is located; to the extent required by applicable law, valid certificates of occupancy for such Units have been issued and are currently outstanding; the Seller has complied in all material respects with all obligations and duties incumbent upon the developers under the related timeshare declaration (each a "Declaration"), as applicable, or similar applicable documents for the related Resort; no practice, procedure or policy employed by the related Association in the conduct of its business violates any law, regulation, judgment or agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire, health, sanitation, air pollution, ecological, environmental and toxic wastes, applicable to such Association which, if enforced, would reasonably be expected to (a) have a material adverse impact on such timeshare association or the ability of such Association to do business, (b) have a material adverse impact on the financial condition of such Association, or (c) constitute grounds for the revocation of any license, charter, permit or registration which is material to the conduct of the business of such Association; the related Resort and the present use thereof does not violate any applicable environmental, zoning or building laws, ordinances, rules or regulations of any governmental authority, or any covenants or restrictions of record, so as to materially adversely affect the value or use of such Resort or the performance by the related Association of its obligations pursuant to and as contemplated by the terms and provisions of the related Declaration; there is no condition presently existing, and, to Bluegreen's Knowledge, no event has occurred or failed to occur prior to the date hereof, concerning the related Resort relating to any hazardous or toxic materials or condition, asbestos or other environmental or similar matters which would reasonably be expected

to materially and adversely affect the present use of such Resort or the financial condition or business operations of the related Association, or the value of the Securitization Notes;

(hh) except if such Timeshare Loan is listed on Schedule II(hh) hereof, the original Loan Balance of such Warehouse Timeshare Loan does not exceed $25,000;

(ii) payments with respect to the Warehouse Timeshare Loan are to be in legal tender of the United States;

(jj) all monthly payments made on the Warehouse Timeshare Loan have been made by the Obligor and not by the Seller or Bluegreen on the Obligor's behalf;

(kk) the Warehouse Timeshare Loan relates to a Resort;

(11) the Warehouse Timeshare Loan constitutes either "chattel paper", a "general intangible" or an "instrument" as defined in the UCC as in effect in all applicable jurisdictions;

(mm) the sale, transfer and assignment of the Warehouse Timeshare Loan and the Related Security does not contravene or conflict with any law, rule or regulation or any contractual or other restriction, limitation or encumbrance, and the sale, transfer and assignment of the Warehouse Timeshare Loan and Related Security does not require the consent of the Obligor;

(nn) each of the Warehouse Timeshare Loan, the Related Security, related Assignment of Mortgage, related Mortgage, related Mortgage Note, related Finance Agreement and each other related Timeshare Loan Document are in full force and effect, constitute the legal, valid and binding obligation of the Obligor thereof enforceable against such Obligor in accordance with its terms subject to the effect of bankruptcy, fraudulent conveyance or transfer, insolvency, reorganization, assignment, liquidation, conservatorship or moratorium, and is not subject to any dispute, offset, counterclaim or defense whatsoever;

(oo) the Warehouse Timeshare Loan relates to a Completed Unit and the Related Security do not, and the origination of each Warehouse Timeshare Loan did not, contravene in any material respect any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to usury, retail installment sales, truth in lending, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no party thereto has been or is in violation of any such law, rule or regulation in any material respect if such violation would impair the collectibility of such Warehouse Timeshare Loan and the Related Security; no Warehouse Timeshare Loan was originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, conveyance or assignment of such Warehouse Timeshare Loan would be unlawful, void or voidable;

(pp) to Bluegreen's Knowledge, (i) no bankruptcy is currently existing with respect to the Obligor, (ii) the Obligor is not insolvent and (iii) the Obligor is not an Affiliate of Bluegreen;

(qq) except if such Timeshare Loan is listed on Schedule II(qq) hereof, the Warehouse Timeshare Loan shall not have a Timeshare Loan Rate less than 12.90% per annum;

(rr) except if such Timeshare Loan is listed on Schedule II(rr) hereof, the Obligor has made at least two (2) month's aggregate required payments with respect to the Warehouse Timeshare Loan (not including any down payment);

(ss) if a Resort (other than the La Cabana Beach Resort & Racquet Club in Aruba) is subject to a construction loan, the construction lender shall have signed and delivered a non−disturbance agreement (which may be contained in such lender's mortgage) pursuant to which such construction lender agrees not to foreclose on any Timeshare Properties relating to a Warehouse Timeshare Loan which have been sold pursuant to this Agreement;

(tt) the Timeshare Properties and the related Resorts are free of material damage and waste and are in good repair and fully operational; there is no proceeding pending or threatened for the total or partial condemnation of or affecting any Timeshare Property or taking of the Timeshare Property by

eminent domain; the Timeshare Properties and the Resorts in which the Timeshare Properties are located are lawfully used and occupied under applicable law by the owner thereof;

(uu) the portions of the Resorts in which the Timeshare Properties are located which represent the common facilities are free of material damage and waste and are in good repair and condition, ordinary wear and tear excepted;

(vv) no foreclosure or similar proceedings have been instituted and are continuing with respect to the Warehouse Timeshare Loan or the related Timeshare Property;

(ww) with respect to the Aruba Loans only, Bluegreen shall own, directly or indirectly, 100% of the economic and voting interests of the Aruba Originator;

(xx) the Warehouse Timeshare Loan does not have an original term to maturity in excess of 120 months;

(yy) to Bluegreen's Knowledge, the capital reserves and maintenance fee levels of the Associations related to the Resorts are adequate in light of the operating requirements of such Associations;

(zz) except as required by law, the Warehouse Timeshare Loan may not be assumed without the consent of the obligee;

(aaa) for each Club Loan, the Obligor under the Warehouse Timeshare Loan has not had its rights under the Club Trust Agreement suspended;

(bbb) the payments under the Warehouse Timeshare Loan are not subject to withholding taxes imposed by any foreign governments;

(ccc) each entry with respect to the Warehouse Timeshare Loan as set forth on Schedule II and Schedule III hereof is true and correct. Each entry with respect to a Qualified Substitute Timeshare Loan as set forth on Schedule II and Schedule III hereof, as revised, is true and correct;

(ddd) if the Timeshare Loan relates to a Timeshare Property located in Aruba, a notice has been mailed or will be mailed by December 31, 2002 (with respect to Timeshare Loans sold on the Closing Date) or within 30 days of the Transfer Date, as applicable, to the related Obligor indicating that such Timeshare Loan has been transferred to the Purchaser and will ultimately be transferred to the Issuer and pledged to the Indenture Trustee for the benefit of the Noteholders; and

(eee) no broker is, or will be, entitled to any commission or compensation in connection with the transfer of the Warehouse Timeshare Loans hereunder.

(fff) if the related Obligor is paying its scheduled payments by pre-authorized debit or charge, such Obligor has executed an ACH Form substantially in the form attached hereto as Exhibit C, and such ACH Form is included in the related Timeshare Loan File.

EXECUTION COPY

$170,176,000
BXG RECEIVABLES NOTE TRUST 2002-A
$86,899,000 4.580% Timeshare Loan-Backed Notes, Series 2002-A, Class A
$21,724,000 4.740% Timeshare Loan-Backed Notes, Series 2002-A, Class B
$23,535,000 5.735% Timeshare Loan-Backed Notes, Series 2002-A, Class C
$38,018,000 7.750% Timeshare Loan-Backed Notes, Series 2002-A, Class D

NOTE PURCHASE AGREEMENT

December 3, 2002

ING FINANCIAL MARKETS LLC
1325 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019

Ladies and Gentlemen:

Section 1. Introductory. BXG Receivables Note Trust 2002-A (the "Issuer"), a Delaware business trust, proposes, subject to the terms and conditions stated herein, to issue and sell to ING Financial Markets LLC, as initial purchaser (the "Initial Purchaser") its Timeshare Loan-Backed Notes, Series 2002-A, Class A, Class B, Class C and Class D (collectively, the "Notes") in the Initial Note Balances set forth in Exhibit A attached hereto, to be issued under an indenture, dated as of November 15, 2002 (the "Indenture"), by and among the Issuer, Bluegreen Corporation ("Bluegreen"), as servicer (the "Servicer"), Vacation Trust, Inc., as club trustee, Concord Servicing Corporation, as backup servicer, and U.S. Bank National Association, as indenture trustee (the "Indenture Trustee") and as custodian (the "Custodian"). The Securities Act of 1933, as amended, is herein referred to as the "Securities Act". Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the "Standard Definitions" attached as Annex A to the Indenture.

Section 2. Representations and Warranties of the Issuer and Bluegreen. Each of Bluegreen and the Issuer jointly and severally represent and warrant to the Initial Purchaser, as of the Closing Date, that:

(a) A preliminary offering circular and an offering circular relating to the Notes to be offered by the Initial Purchaser have been prepared by the Issuer. Such preliminary offering circular (the "Preliminary Offering Circular") and offering circular (the "Offering Circular"), as amended or supplemented by any additional written information and documents concerning the Notes delivered by or on behalf of the Issuer to prospective purchasers are hereinafter collectively referred to as the "Offering Document". On the date of this Agreement and the Closing Date, the Offering Document does not include, or will not include, as the case may be, any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from

the Offering Document based upon written information furnished to the Issuer by the Initial Purchaser specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 7(b) hereof.

(b) The Issuer is a business trust duly formed, validly existing and in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Offering Document; and the Issuer is duly qualified to do business as a foreign entity in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, and in which the failure to be so qualified would have a Material Adverse Effect (as defined below) in relation to the Issuer. As used herein, "Material Adverse Effect" shall mean, with respect to any Person, a

material adverse effect on the condition (financial or otherwise), business, properties or results of operations of such Person.

(c) Bluegreen is a corporation duly formed, validly existing and in good standing under the laws of the State of Massachusetts, with power and authority (corporate and other) to own its properties and conduct its business as described in the Offering Document; and Bluegreen is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, and in which the failure to be so qualified would have a Material Adverse Effect with respect to Bluegreen.

(d) The Indenture has been duly authorized and on the Closing Date, the Indenture will have been duly executed and delivered, will conform to the description thereof contained in the Offering Document and will constitute, a valid and legally binding agreement of the Issuer, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(e) The Notes have been duly authorized; and when the Notes are delivered, paid for, and authenticated pursuant to this Agreement on the Closing Date, such Notes will have been duly executed, authenticated, issued and delivered and will conform to the description thereof contained in the Offering Document; will constitute valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(f) Assuming (i) that the Initial Purchaser's representations and warranties in Section 4 hereof are true, and (ii) compliance by the Initial Purchaser with the covenants set forth herein, no consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by the Transaction Documents and in connection with the issuance and sale of the Notes by the Issuer, other than (i) as may required under the securities or blue sky laws of the various jurisdictions in which the Notes are being offered by the Initial Purchaser and (ii) as have been made or obtained on or prior to the Closing Date (or, if not required to be made or obtained on or prior to the Closing Date, that will be made or obtained when required).

(g) The execution, delivery and performance of each of the Transaction Documents and the issuance and sale of the Notes and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, (i) any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Issuer, Bluegreen or any of their Affiliates or any of their properties, (ii) any agreement or instrument to which the Issuer, Bluegreen or any of their Affiliates is a party or by which the Issuer, Bluegreen or any of their Affiliates is bound or to which any of the properties of the Issuer, Bluegreen or any of their Affiliates is subject, or (iii) the organizational documents of the Issuer, Bluegreen or any of their Affiliates and the Issuer has full power and authority to authorize, issue and sell the Notes as contemplated by this Agreement, except in the cases of clauses (i) and (ii), such breaches, violations or defaults that in the aggregate would not have a Material Adverse Effect on the Issuer, Bluegreen or any of their Affiliates.

(h) This Agreement and each other Transaction Document to which the Issuer is a party have each been duly authorized, executed and delivered by the Issuer. This Agreement and the other Transaction Documents to which Bluegreen is a party have each been duly authorized, executed and delivered by Bluegreen.

(i) The Issuer has good and marketable title to all real properties and all other properties and assets owned by it, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by it other than liens and encumbrances pursuant to the Transaction Documents; and except as disclosed in the Offering Document, Bluegreen holds any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by it.

(j) The Issuer possesses adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by it and has not received any notice of proceedings

relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Issuer, would individually or in the aggregate have a Material Adverse Effect.

(k) Except as disclosed in the Offering Document, there are no pending actions, suits or proceedings against or affecting the Issuer, Bluegreen or any of their Affiliates or any of their respective properties that, if determined adversely to the Issuer, would individually or in the aggregate have a Material Adverse Effect on the Issuer, Bluegreen or any of their Affiliates, or would materially and adversely affect the ability of the Issuer, Bluegreen or any of their Affiliates to perform its obligations under any of the Transaction Documents to which it is a party, or which are otherwise material in the context of the sale of the Notes; and, to the Issuer's knowledge, no such actions, suits or proceedings are threatened or, contemplated.

(l) The Issuer is not an open−end investment company, unit investment trust or face−amount certificate company that is or is required to be registered under Section 8 of the United States Investment Company Act of 1940 (the "Investment Company Act") ; and the Issuer is not and, after giving effect to the offering and sale of the Notes and the application of

the proceeds thereof as described in the Offering Document, will not be an "investment company" as defined in the Investment Company Act.

(m) No securities of the same class (within the meaning of Rule 144A(d)(3) under the Securities Act) as the Notes are listed on any national securities exchange registered under Section 6 of the United States Securities Exchange Act of 1934 ("Exchange Act").

(n) Assuming (i) that the Initial Purchaser's representations and warranties in Section 4 hereof are true and (ii) compliance by the Initial Purchaser with the covenants set forth herein, the offer and sale of the Notes to the Initial Purchaser in the manner contemplated by this Agreement will be exempt from the registration requirements of the Securities Act by reason of Section 4(2) thereof and it is not necessary to qualify an indenture in respect of the Notes under the United States Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

(o) The Issuer has not entered and will not enter into any contractual arrangement with respect to the distribution of the Notes except for this Agreement.

(p) Upon execution and delivery of the Transaction Documents, the Issuer will have acquired all right, title and interest in and to the Timeshare Loans free and clear of all liens other than liens under the Transaction Documents.

(q) Upon the execution and delivery of the Transaction Documents, the Issuer will have the power and authority to pledge the Timeshare Loans to the Indenture Trustee on behalf of the Noteholders.

(r) Each of the representations and warranties of the Issuer and Bluegreen set forth in each of the Transaction Documents to which it is a party is true and correct in all material respects.

(s) Any taxes, fees and other governmental charges in connection with the execution and delivery of the Transaction Documents or the execution, delivery and sale of the Notes have been or will be paid prior to the Closing Date.

Section 3. Purchase, Sale and Delivery of Notes.

(a) On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions set forth herein, the Issuer agrees to sell to the Initial Purchaser and the Initial Purchaser agrees, to purchase from the Issuer the Notes at the respective purchase prices and the Initial Note Balances set forth in Exhibit A hereto.

(b) The Issuer will deliver against payment of the aggregate purchase price for all the Notes, the Notes to be purchased by the Initial Purchaser hereunder in the form of one permanent global security in definitive form without interest coupons (the "Global Notes") deposited with the Indenture

Trustee, as custodian for DTC, and registered in the name of Cede & Co., as nominee for DTC. The Global Notes shall include the legend regarding restrictions on transfer set forth under "TRANSFER RESTRICTIONS" in the Offering Circular.

(c) Payment for the Notes shall be made by the Initial Purchaser in Federal (same day) funds by wire transfer to an account at a bank acceptable to the Initial Purchaser and designated by the Issuer on December 13, 2002 (or, at such time not later than seven full Business Days thereafter as the Initial Purchaser and the Issuer shall determine, the "Closing Date") against delivery to the Indenture Trustee as custodian for DTC of the Global Notes. The Global Notes will be made available for inspection at the offices of Baker & McKenzie, counsel to the Initial Purchaser, at least 24 hours prior to the Closing Date.

Section 4. Representations of the Initial Purchaser; Resales.

(a) The Initial Purchaser represents and warrants that it is an "accredited investor" within the meaning of Regulation D under the Securities Act.

The Initial Purchaser acknowledges and agrees that (i) the Notes have not been registered under the Securities Act or any state securities or blue sky laws and (ii) it may not and will not offer or sell the Notes to any person except Persons whom the Initial Purchaser reasonably believes to be a QIB. The Initial Purchaser represents and agrees that it has offered and sold the Notes, and will offer and sell the Notes, as part of its distribution at any time, only in accordance with Rule 144A under the Securities Act, this Agreement and the Offering Document.

(b) The Initial Purchaser agrees that it and each of its Affiliates has not entered and will not enter into any contractual arrangement with respect to the distribution of the Notes.

(c) The Initial Purchaser severally agrees that it and each of its affiliates will not offer or sell the Notes in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, including, but not limited to (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. The Initial Purchaser severally agrees, with respect to resales made in reliance on Rule 144A of any of the Notes, to deliver either with the confirmation of such resale or otherwise prior to settlement of such resale a notice to the effect that the resale of such Notes has been made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

(d) One of the following statements is true and correct: (i) the Initial Purchaser is not an "employee benefit plan" within the meaning of Section 3(3) of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code (a "Plan") and it is not directly or indirectly acquiring the Notes on behalf of, as investment manager of, as named fiduciary of, as trustee of, or with assets of a Plan, or (ii) the proposed acquisition or transfer will qualify for a statutory or administrative prohibited transaction exemption under ERISA or Section 4975(c)(1) of the Code for which a statutory or administrative exception is available.

(e) The Initial Purchaser understands that the Issuer and Bluegreen, and for purposes of the opinions to be delivered to the Initial Purchaser pursuant to Section 6(d) hereof,

counsel to the Issuer and/or Bluegreen, will rely upon the accuracy and truth of the foregoing representations and the Initial Purchaser hereby consents to such reliance.

(f) This Agreement has been duly authorized, executed and delivered by the Initial Purchaser and constitutes a legal, valid and binding agreement enforceable against the Initial Purchaser in accordance with it terms, subject to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(g) The Initial Purchaser agrees to treat and to take no action inconsistent with the treatment of the Notes as indebtedness of the Issuer.

Section 5. Certain Covenants of the Issuer. The Issuer agrees with the Initial Purchaser that:

(a) The Issuer will advise the Initial Purchaser promptly of any proposal to amend or supplement the Offering Document and will not effect such amendment or supplementation without the Initial Purchaser's consent. If, at any time prior to the completion of the resale of the Notes by the Initial Purchaser, any event occurs as a result of which the Offering Document as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer promptly will notify the Initial Purchaser of such event and promptly will prepare, at its own expense, an amendment or supplement which will correct such statement. Neither the consent of the Initial Purchaser to, nor the Initial Purchaser's delivery to offerees or investors of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(b) The Issuer will furnish to the Initial Purchaser copies of the Offering Document and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Initial Purchaser reasonably requests, and the Issuer will furnish to the Initial Purchaser on the date hereof three copies of the Offering Document signed by a duly authorized officer of the Issuer, one of which will include the independent accountants' reports therein manually signed by such independent accountants. At any time the Notes are Outstanding, the Issuer will promptly furnish or cause to be furnished to the Initial Purchaser and, upon request of holders and prospective purchasers of the Notes, to such holders and purchasers, copies of the information required to be delivered to holders and prospective purchasers of the Notes pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) in order to permit compliance with Rule 144A in connection with resales by such holders of the Notes. The Issuer will pay the expenses of printing and distributing to the Initial Purchaser all such documents.

(c) During the period of two years after the Closing Date, the Issuer will not, and will not permit any of its affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Notes that have been reacquired by any of them.

(d) During the period of two years after the Closing Date, the Issuer shall use its reasonable best efforts to ensure that it will not be or become, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act.

(e) The Issuer will pay all expenses incidental to the performance of its obligations under the Transaction Documents including (i) all expenses in connection with the execution, issue, authentication, packaging and initial delivery of the Notes, the preparation of the Transaction Documents and the printing of the Offering Document and amendments and supplements thereto, and any other document relating to the issuance, offer, sale and delivery of the Notes; (ii) for any expenses (including reasonable fees and disbursements of counsel) incurred in connection with qualification of the Notes for sale under the laws of such jurisdictions in the United States and Canada as the Initial Purchaser designates and the printing of memoranda relating thereto; (iii) for any fees charged by investment rating agencies for the rating of the Notes, and (iv) for expenses incurred in distributing the Offering Document (including any

amendments and supplements thereto) to the Initial Purchaser.

(f) In connection with the offering, until the Initial Purchaser shall have notified the Issuer of the completion of the resale of the Notes, neither the Issuer nor any of its affiliates has or will, either alone or with one or more other persons, bid for or purchase for any account in which it or any of its affiliates has a beneficial interest any Notes or attempt to induce any person to purchase any Notes; and neither it nor any of its affiliates will make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Notes.

Section 6. Conditions of the Initial Purchaser's Obligations. The obligations of the Initial Purchaser to purchase and pay for the Notes on the Closing Date will be subject to the accuracy of the representations and warranties on the part of the Issuer and Bluegreen herein, the accuracy of the statements of officers of the Issuer made pursuant to the provisions hereof, to the performance by the Issuer of its obligations hereunder and to the following additional conditions precedent:

(a) The Initial Purchaser shall have received a letter, dated the date of the Offering Document of Ernst & Young LLP in form and substance satisfactory to the Initial Purchaser concerning the financial and statistical information contained in the Offering Document.

(b) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) a change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the judgment of the Initial Purchaser, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Notes, whether in the primary market or in respect of dealings in the secondary market, or (ii) (A) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Issuer or Bluegreen which, in the judgment of the Initial Purchaser, is material and adverse and makes it impractical or inadvisable to proceed with completion of the offering or the sale of and payment for the Notes; (B) any downgrading in the rating of any debt securities of the Issuer or Bluegreen

by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Issuer or Bluegreen (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (C) any suspension or limitation of trading in securities generally on the New York Stock Exchange or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Issuer or Bluegreen on any exchange or in the over-the-counter market; (D) any banking moratorium declared by U.S. Federal or New York authorities; or (E) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the reasonable judgment of the Initial Purchaser, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the offering or sale of and payment for the Notes.

(c) The Notes shall have been duly authorized, executed, authenticated, delivered and issued, and each of the Transaction Documents shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect, and all conditions precedent contained in the Transaction Documents shall have been satisfied or waived.

(d) The Initial Purchaser shall have received from counsel to each party to the Transaction Documents, written opinions dated the Closing Date and in form and substance satisfactory to the Initial Purchaser, covering such matters as the Initial Purchaser may reasonably request, including but not limited to the following:

(i) Corporate Opinions. An opinion in respect of each party to the Transaction Documents that such party has been duly formed, existing and in good standing under the laws of its State of formation, with all requisite power and authority to own its properties and conduct its business.

(ii) Legal, Valid, Binding and Enforceable. An opinion in respect of each party to the Transaction Documents that each Transaction Document to which it is a party has been duly authorized, executed and delivered and constitutes the valid and legally binding obligations of each party enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(iii) Notes. An opinion that the Notes have been duly authorized and executed, are in the form contemplated by the Indenture and conform in all material respects to the description thereof contained in the Offering Document, and when authenticated by the Trustee in the manner provided for in the Indenture (assuming the due authorization, execution and delivery of the Indenture by the Trustee), and delivered against payment of the purchase price therefor, constitute valid and legally binding obligations of the Issuer enforceable in accordance with their terms, subject to bankruptcy,

insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(iv) No Consents Required. An opinion in respect of each party to the Transaction Documents that in respect such party, no consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by the Transaction Documents.

(v) Litigation. An opinion in respect of each party to the Transaction Documents that in respect of such party, there are no pending actions, suits or proceedings to which such party, any of its subsidiaries or any of their respective properties is a party to or is subject to, that, if determined adversely to such party or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of such party to perform its obligations under the Transaction Documents; and, to the knowledge of the opining party, no such actions, suits or proceedings are threatened.

(vi) Non-Contravention. An opinion in respect of each party to the Transaction Documents that in respect of such party the execution, delivery and performance of the Transaction Documents to which it is a party will not result in a breach or violation of any of the terms and provisions of, or constitute a default under (A) the organizational documents of such party, (B) any statute, rule, regulation or order of any governmental agency or body or any court having jurisdiction over such party or any subsidiary of such party or any of their properties, or, (C) to the Knowledge of the opining party, any agreement or instrument to which such party is a party or by which such party is bound or to which any of the properties of such party is subject, or the organizational documents of such party, the result of which, in each of the foregoing cases, would have a Material Adverse Effect on such party and its subsidiaries, taken as a whole.

(vii) Securities Laws. Assuming (i) that the Initial Purchaser's representations and warranties in Section 4 hereof are true, and (ii) compliance by the Initial Purchaser with the covenants set forth herein, an opinion that it is not necessary in connection with (i) the offer, sale and delivery of Notes by the Issuer to the Initial Purchaser pursuant to this Agreement, or (ii) the resales of the Notes by the Initial Purchaser in the manner contemplated by this Agreement, to register the Notes under the Securities Act or to qualify the Indenture under the Trust Indenture Act.

(viii) Investment Company Act. An opinion that the Issuer is not and, after giving effect to the offering and sale of the Notes and the application of the proceeds as described in the Offering Document, will not be an "investment company" as defined in the Investment

Company Act.

(ix) Federal Income Tax. An opinion that for U.S. federal income tax purposes (a) the Issuer will not be treated as a publicly traded partnership or taxable mortgage pool taxable as a corporation, and (b) the Notes will be treated as indebtedness of the Issuer.

(x) True Sale. A true sale opinion to the effect that in the event that the transferor of Timeshare Loans in the Transfer Agreements, the Purchase Agreement and the Sale Agreement were to become a debtor in a case under the Bankruptcy Code, a court of competent jurisdiction would hold that the Timeshare Loans and other assets sold to the transferee under the related Transfer Agreement, Purchase Agreement and Sale Agreement would not constitute property of such transferor's bankruptcy estate.

(xi) Non-Consolidation. An opinion to the effect that in the event that Bluegreen, the Developer and/or the Club Managing Entity were to become a debtor in a case under the Bankruptcy Code, a court of competent jurisdiction would not disregard the separate existence of the Issuer or the Depositor, so as to order the substantive consolidation of the assets and liabilities of (a) the Issuer or the Depositor on the one hand and (b) Bluegreen on the other hand.

(xii) Security Interests. An opinion to the effect that (i) in the event that the transfer of Timeshare Loans from the Depositor to the Issuer shall be considered a loan secured by the Timeshare Loans, upon execution of the Sale Agreement and upon possession of the Mortgage Notes and Finance Agreements in the State of Minnesota and the filing of financing statements related thereto, the Issuer will have a perfected first priority security interest in the Mortgage Notes and other assets which may be perfected by filing, and (ii) upon execution of the Indenture and upon possession of the Mortgage Notes and Finance Agreements in the State of Minnesota and the filing of financing statements related thereto, the Indenture Trustee will have a perfected first priority security interest in the Mortgage Notes and other assets which may be perfected by filing.

(xiii) Local Law. An opinion with respect to each jurisdiction in which a Resort is located to the effect that (i) all timeshare associations for Resorts in such jurisdiction are duly organized, validly existing and in good standing under the laws of such jurisdiction, (ii) the manner of offering for sale of and the sale of timeshare estates in such Resorts complies with the requirements of the applicable governmental authorities in such jurisdiction, (iii) the form of purchase contract, obligor notes, mortgages (if applicable) are sufficient to create a valid and binding obligation of the purchaser, enforceable against such purchaser in accordance with its terms, (iv) the timeshare loans are assignable by the holder thereof, and (v) the form of assignment of Mortgage, to the extent applicable, are proper form for recording in such jurisdiction.

(e) The Initial Purchaser shall have received a letter from Akerman & Senterfitt that such counsel has no reason to believe that the Offering Circular as of the date of

the Offering Circular and the Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein not misleading; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in the Offering Circular.

(f) The Initial Purchaser shall have received from each party to the

Transaction Documents such information, certificates and documents as the Initial Purchaser may reasonably have requested and all proceedings in connection with the transactions contemplated by this Agreement and all documents incident hereto shall be in all material respects reasonably satisfactory in form and substance to the Initial Purchaser.

(g) The (i) Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes shall have received a rating of "Aaa", "Aa", "A" and "Baa3", respectively from Moody's and "AAA", "AA", "A" and "BBB", respectively, from S&P, and (ii) none of such ratings shall have been rescinded, and no public announcement shall have been made by either of the Rating Agencies that the rating of any Class of Notes has been placed under review.

The Initial Purchaser may in its sole discretion waive compliance with any conditions to the obligations of the Initial Purchaser hereunder.

Section 7. Indemnification and Contribution.

(a) Each of the Issuer and Bluegreen jointly and severally agrees (i) to indemnify and hold harmless the Initial Purchaser, its partners, directors and officers and each person, if any, who controls the Initial Purchaser within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which the Initial Purchaser may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (A) any breach of any of the representations and warranties of the Issuer or Bluegreen contained herein, or (B) any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or any related preliminary offering circular, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, including any losses, claims, damages or liabilities arising out of or based upon the Issuer's failure to perform its obligations under Section 5(a) of this Agreement, and (ii) will reimburse the Initial Purchaser for any legal or other expenses reasonably incurred by the Initial Purchaser in connection with investigating or defending any loss, claim, damage, liability or action, described in clause (i) above, as such expenses are incurred; provided, however, that neither the Issuer nor Bluegreen will be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Issuer by the Initial Purchaser specifically for use therein, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below; and provided, further, that with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from the Preliminary Offering Circular the indemnity agreement contained in this subsection (a) shall not inure to the

benefit of the Initial Purchaser that sold the Notes concerned to the person asserting any such losses, claims, damages or liabilities, to the extent that such sale was an initial resale by such Initial Purchaser and any such loss, claim, damage or liability of the Initial Purchaser results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Notes to such person, a copy of the Offering Circular (exclusive of any material included therein but not attached thereto) if the Issuer had previously furnished copies thereof to the Initial Purchaser.

(b) The Initial Purchaser will severally and not jointly indemnify and hold harmless the Issuer and Bluegreen, its directors and officers, and each person, if any, who controls the Issuer within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities to which the Issuer and Bluegreen may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in

conformity with written information furnished to the Issuer and Bluegreen by the Initial Purchaser specifically for use therein, and the Initial Purchaser will reimburse any legal or other expenses reasonably incurred by the Issuer and Bluegreen in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by the Initial Purchaser consists of the second and sixth paragraphs under the caption "PLAN OF DISTRIBUTION"; provided, however, that the Initial Purchaser shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Issuer's failure to perform its obligations under Section 5(a) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above, except to the extent that the indemnifying party has been materially prejudiced by such failure. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened

action, suit or proceeding in respect of which any indemnified party is or could be a party and indemnity could have been sought hereunder by such indemnified party unless such settlement, compromise or consent includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer and Bluegreen on the one hand and the Initial Purchaser on the other from the offering of the Notes or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer and Bluegreen on the one hand and the Initial Purchaser on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Issuer and Bluegreen on the one hand and the Initial Purchaser on the other shall be deemed to be in the same proportion as the total proceeds from the Note offering (before deducting expenses) received by the Issuer bear to the total discounts and commissions received by the Initial Purchaser from the Issuer under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer and/or Bluegreen or the Initial Purchaser and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this

subsection (d), the Initial Purchaser shall not be required to contribute any amount in excess of the amount by which the total price at which the Notes purchased by it were resold exceeds the amount of any damages which the Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The Initial Purchaser's obligations in this subsection (d) to contribute are several in proportion to its respective purchase obligations and not joint.

(e) The obligations of the Issuer and Bluegreen under this Section shall be in addition to any liability which the Issuer or Bluegreen may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Initial Purchaser within the meaning of the Securities Act or the Exchange Act; and the obligations of the Initial Purchaser under this Section shall be in addition to any liability which the Initial Purchaser may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Issuer and Bluegreen within the meaning of the Securities Act or the Exchange Act.

Section 8. Default of Initial Purchaser. If the Initial Purchaser defaults in its obligations to purchase Notes and the aggregate principal amount of Notes with respect to which

such default occurs exceeds 10% of the total principal amount of Notes and arrangements satisfactory to the Issuer and Bluegreen for the purchase of such Notes by any other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of the Issuer or Bluegreen, except as provided in Section 9 hereof. Nothing herein will relieve the Initial Purchaser from liability for any default hereunder.

Section 9. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Issuer and Bluegreen or its officers and of the Initial Purchaser set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchaser, the Issuer and Bluegreen or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Notes. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Notes by the Initial Purchaser is not consummated, the Issuer shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 5 herein and the respective obligations of the Issuer, Bluegreen and the Initial Purchaser pursuant to Section 7 herein shall remain in effect. If the purchase of the Notes by the Initial Purchaser is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 herein or the occurrence of any event specified in clauses (C), (D) or (E) of Section 6(b)(ii) herein, the Issuer and Bluegreen will reimburse the Initial Purchaser for all out-of-pocket expenses (including reasonable fees and disbursements of legal counsel) reasonably incurred by them in connection with the offering of the Notes.

Section 10. Severability Clause. Any part, provision, representation, or warranty of this Agreement which is prohibited or is held to be void or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

Section 11. Notices. All communications hereunder will be in writing and, (A) if sent to the Initial Purchaser, will be mailed, delivered or telecopied and confirmed to the Initial Purchaser, at ING Financial Markets LLC, 1325 Avenue of the Americas, New York, NY 10019, Attention: General Counsel or (B) if sent to the Issuer, will be mailed, delivered or telecopied and confirmed to it at BXG Receivables Note Trust 2002-A c/o Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890-0001 Attention: Corporate Trust Administration, Telecopier No.: (302) 651-8882, with a copy to Bluegreen Corporation, 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431, Attention: Allan Herz, Vice President, Telecopier No.: (561) 912-7915 or (C) if sent to Bluegreen, will be mailed, delivered or telecopied and confirmed to it at 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431, Attention: Allan Herz, Vice President, Telecopier No.: (561) 912-7915; provided, however, that any notice to the Initial Purchaser pursuant to Section 7 will be mailed, delivered or telegraphed and confirmed to the Initial Purchaser at (646) 424-6155.

Section 12. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder, except that holders of Notes shall be entitled to enforce the agreements for their benefit contained in the

second and third sentences of Section 5(b) hereof against the Issuer as if such holders were parties thereto.

Section 13. Applicable Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICT OF LAW PROVISIONS. The Issuer and Bluegreen hereby submit to the non-exclusive jurisdiction of the federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 14. Counterparts, Etc. This Agreement supersedes all prior or contemporaneous agreements and understandings relating to the subject matter hereof between the Initial Purchaser, Bluegreen and the Issuer. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated except by a writing signed by the party against whom enforcement of such change, waiver, discharge or termination is sought. This Agreement may be signed in any number of counterparts each of which shall be deemed an original, which taken together shall constitute one and the same instrument.

Section 15. No Petition. During the term of this Agreement and for one year and one day after the termination hereof, none of the parties hereto or any affiliate thereof will file any involuntary petition or otherwise institute any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any federal or state bankruptcy or similar law against the Issuer.

Section 16. Owner Trustee. It is expressly understood and agreed by the parties hereto that (a) this Agreement is executed and delivered by Wilmington Trust Company, not individually or personally but solely as Owner Trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company but is made and intended for the purpose for binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on Wilmington Trust Company, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall Wilmington Trust Company be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Agreement or any other related document.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the undersigned a counterpart hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Issuer and the Initial Purchaser.

Very truly yours,

BXG RECEIVABLES NOTE TRUST 2002-A

By: WILMINGTON TRUST COMPANY, not in
its individual capacity but solely as Owner

Trustee

By: /s/ Jeanne M. Oller
Name: Jeanne M. Oller
Title: Financial Services Officer

BLUEGREEN CORPORATION

By: /s/ John F. Chiste
Name: John F. Chiste
Title: Senior Vice President

The foregoing Agreement is
hereby confirmed and accepted as
of the date first above written.

ING FINANCIAL MARKETS LLC

By:_____
Name:
Title:

[Signature Page to the Note Purchase Agreement]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the undersigned a counterpart hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Issuer and the Initial Purchaser.

Very truly yours,

BXG RECEIVABLES NOTE TRUST 2002-A

By: WILMINGTON TRUST COMPANY, not in
its individual capacity but solely as Owner Trustee

By:_____
Name:
Title:

BLUEGREEN CORPORATION

By:_____
Name:
Title:

The foregoing Agreement is
hereby confirmed and accepted as
of the date first above written.

ING FINANCIAL MARKETS LLC

By: /s/ Andrew Yuder
Name: Andrew Yuder
Title: Managing Director

[Signature Page of the Note Purchase Agreement]

EXHIBIT A

Initial Purchaser	Class	Initial Note Balance	Purchase Price

ING Financial Markets LLC	A	$86,899,000	100%
	B	$21,724,000	100%
	C	$23,535,000	100%
	D	$38,018,000	100%

Exhibit 10.120

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TRUST AGREEMENT

by and among

BLUEGREEN RECEIVABLES FINANCE CORPORATION VI,
as Depositor and Residual Interest Owner,

GSS HOLDINGS, INC.
as Owner

and

WILMINGTON TRUST COMPANY,
as Owner Trustee

Dated as of November 15, 2002

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TABLE OF CONTENTS

This TRUST AGREEMENT dated as of November 15, 2002 (this "Agreement"), by and among BLUEGREEN RECEIVABLES FINANCE CORPORATION VI, a Delaware corporation, as Depositor (the "Depositor" or the "Residual Interest Owner"), GSS HOLDINGS, INC., as owner (the "Owner"), and WILMINGTON TRUST COMPANY, a Delaware banking corporation (the "Trust Company"), as owner trustee (the "Owner Trustee").

WHEREAS, in order to consummate the transactions contemplated by that certain Indenture, dated as of November 15, 2002 (the "Indenture"), by and among the trust to be created hereby, Bluegreen Corporation, as servicer, Vacation Trust, Inc., as club trustee, Concord Servicing Corporation, as backup servicer and U.S. Bank National Association, as indenture trustee, the Depositor, the Residual Interest Owner and the Owner Trustee desire to, pursuant to the terms of this Agreement, to create a trust known as "BXG Receivables Note Trust 2002-A".

WHEREAS, in connection herewith, the Depositor is willing to purchase the Residual Interest Certificate (as defined herein) to be issued pursuant to this Agreement and to assume certain rights and obligations pursuant hereto; and

WHEREAS, the Owner is willing to purchase the Trust Certificate and assume certain rights and obligations pursuant hereto;

NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01. Capitalized Terms. Except as otherwise provided in this Agreement, capitalized terms used but not defined herein shall have the meanings specified in "Standard Definitions" attached hereto as Annex A.

Section 1.02. Usage of Terms. With respect to all terms in this Agreement, the singular includes the plural and the plural the singular; words importing any gender including the other genders; references to "writing" include printing, typing, lithography and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all amendments, modifications and supplements thereto or any changes therein entered into in accordance with their respective terms and not prohibited by this Agreement; references to Persons include their successors and assigns; and the term "including" means "including without limitation".

Section 1.03. Section References. All section references, unless otherwise indicated, shall be to Sections in this Agreement.

Section 1.04. Accounting Terms. All accounting terms used but not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States.

ARTICLE II.

ORGANIZATION

Section 2.01. Name. The Trust created hereby shall be known as "BXG Receivables Note Trust 2002-A" in which name the Owner Trustee shall have power and authority and is hereby authorized and empowered to and may conduct the business of the Trust, make and execute contracts and other instruments on behalf of the Trust and sue and be sued.

Section 2.02. Office. The office of the Trust shall be in care of the Owner Trustee at the Owner Trustee Corporate Trust Office or at such other address in Delaware as the Owner Trustee may designate by written notice to the Owner and the Depositor.

Section 2.03. Purposes and Powers.

(a) The purpose of the Trust is to engage exclusively in the activities set forth in this Section 2.03. The Trust shall have the power and authority and is hereby authorized and empowered, without the need for further action on the part of the Trust, and the Owner Trustee shall have power and authority, and is hereby authorized and empowered, in the name and on behalf of the Trust, to do or cause to be done all acts and things necessary, appropriate or convenient to cause the Trust, to engage in the activities set forth in this Section 2.03 as follows:

(i) to issue the Notes pursuant to the Indenture and the Trust Certificate and Residual Interest Certificate pursuant to this Agreement and to sell the Notes;

(ii) with the proceeds of the sale of the Notes, acquire the Trust Estate and to pay the organizational, start-up and transactional expenses of the Trust and to pay the balance to the Depositor pursuant to the Sale Agreement;

(iii) to assign, grant, transfer, pledge, mortgage and convey the assets constituting the Trust Estate pursuant to the Indenture;

(iv) to distribute to the Residual Interest Owner any portion of the Trust Estate released from the Lien of simultaneously with the release of such property in accordance with the Indenture;

(v) to enter into and perform the Trust's obligations under the Transaction Documents to which it is to be a party;

(vi) to engage in those activities, including entering into agreements, that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith; and

(vii) subject to compliance with the Transaction Documents, to engage in such other activities as may be required in connection with conservation of the

Trust Estate and the making of distributions to the Residual Interest Owner and the Noteholders.

The Trust shall not engage in any activities other than in connection with the foregoing. Nothing contained herein shall be deemed to authorize the Owner Trustee to engage in any business operations or any activities other than those set forth in the introductory sentence of this Section. Specifically, the Owner Trustee shall have no authority to engage in any business operations, or acquire any assets other than those specifically included in the Trust Estate under Section 1.01 hereof, or otherwise vary the assets held by the Trust. Similarly, the Owner Trustee shall have no discretionary duties other than performing those acts set forth above necessary to accomplish the purpose of this Trust as set forth in the introductory sentence of this Section.

Section 2.04. Appointment of Owner Trustee. The Depositor hereby appoints the Trust Company as trustee of the Trust effective as of the date hereof, to have all the rights, powers and duties set forth herein, and the Trust Company hereby accepts such appointment.

Section 2.05. Capital Contribution of initial Trust Estate. The Depositor hereby sells, assigns, transfers, conveys and sets over to the Owner Trustee, as

of the date hereof, the sum of $1. The Owner Trustee hereby acknowledges receipt in trust from the Depositor, as of the date hereof, of the foregoing contribution, which shall constitute the initial Trust Estate (prior to giving effect to the conveyances described in the Sale Agreement) and shall be deposited in the Certificate Distribution Account. The Depositor shall pay organizational expenses of the Trust as they may arise or shall, upon the request of the Owner Trustee, promptly reimburse the Owner Trustee for any such expenses paid by the Owner Trustee.

Section 2.06. Declaration of Trust. The Owner Trustee hereby declares that it will hold the Trust Estate in trust upon and subject to the conditions set forth herein for the sole purpose of conserving the Trust Estate and collecting and disbursing the periodic income therefrom for the use and benefit of the Residual Interest Owner, subject to the obligations of the Trust under the Transaction Documents. It is the intention of the parties that the Owner, as holder of the Trust Certificate shall have no economic interest in the Trust. It is the intention of the parties hereto that the Residual Interest Owner have only an economic interest in the Trust, and that the Trust not constitute a Subsidiary or Affiliate of the Residual Interest Owner (or of any of its Affiliates) for any purpose. It is the intention of the parties' hereto that the Trust constitute a statutory trust under the Statutory Trust Statute and that this Agreement constitutes the governing instrument of such statutory trust. It is the intention of the parties hereto that the Trust be disregarded as a separate entity for federal income tax purposes pursuant to Treasury Regulation Section 301.7701−3(b)(1)(ii) as in effect for periods after January 1, 1997. The parties agree not to take any action inconsistent with such intended federal income tax treatment. Effective as of the date hereof, the Owner Trustee shall have all rights, powers and duties set forth herein and in the Statutory Trust Statute for the sole purpose and to the extent necessary to accomplish the purpose of this Trust as set forth in the introductory sentence of Section 2.03 hereof.

Section 2.07. Liability of Depositor.

(a) Pursuant to Section 3803(a) of the Statutory Trust Statute, the Depositor shall be liable directly to and will indemnify any injured party or any other creditor of the Trust for all losses, claims, damages, liabilities and expenses of the Trust to the extent that the Depositor would be liable if the Trust were a partnership under the Delaware Revised Uniform Limited Partnership Act in which Depositor were a general partner; provided, however, that neither the Depositor nor the Owner shall under any circumstances be liable for any losses incurred by a Noteholder in the capacity of an investor in the Notes. In addition, any third party creditors of the Trust (other than in connection with the obligations described in the immediately preceding sentence for which the Depositor and the Owner shall not be liable) shall be deemed third party beneficiaries of the Depositor's obligations under this paragraph. The obligations of the Depositor under this paragraph shall be evidenced by the Residual Interest Certificate described in Section 3.12 hereof.

(b) The Owner, solely by virtue of its being the Certificateholder of the Trust Certificate, shall not have any personal liability for any liability or obligation of the Trust.

Section 2.08. Title to Trust Property. Legal title to the Trust Estate shall be vested at all times in the Trust as a separate legal entity except where applicable law in any jurisdiction requires title to any part of the Trust Estate to be vested in an Owner Trustee or Owner Trustees, in which case title shall be deemed to be vested in the Owner Trustee, a co−trustee and/or a separate trustee, as the case may be.

Neither the Owner nor the Residual Interest Holder shall have legal title to any part of the Trust Estate or any interest in specific property comprising the Trust Estate. No transfer by operation of law or otherwise of any interest of the Owner or the Residual Interest Holder shall operate to terminate this Agreement or the Trust hereunder or entitle any transferee to any accounting or to the transfer to it of any part of the Trust Estate. No creditor of the Owner or the Residual Interest Holder shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to any property of the Trust. The Owner's beneficial non−economic interest in the Trust shall be personal property notwithstanding the nature of any property of the Trust.

Section 2.09. Situs of Trust. The Trust will be located and administered

in the State of Delaware. All bank accounts maintained by the Owner Trustee on behalf of the Trust shall be located in the State of Florida or the State of Delaware. The Trust shall not have any employees in any state other than Delaware; provided, however, that nothing herein shall restrict or prohibit the Owner Trustee from having employees within or without the State of Delaware. Payments will be received by the Trust only in Delaware and payments will be made by the Trust only from Delaware. The only office of the Trust will be at the Owner Trustee Corporate Trust Office.

Section 2.10. Representations and Warranties.

(a) Representations and Warranties of the Depositor. The Depositor hereby represents and warrants to the Owner Trustee that:

(i) The Depositor is duly organized and validly existing as a corporation organized and existing and in good standing under the laws of the State of Delaware, with power and authority to own its properties and to conduct its business and had at all relevant times, and has, power, authority and legal right to acquire and own the Trust Estate.

(ii) The Depositor is duly qualified to do business as a foreign corporation in good standing and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications.

(iii) The Depositor has the power and authority to execute and deliver this Agreement and to carry out its terms; the Depositor has full power and authority to sell and assign the property to be sold and assigned to and deposited with the Owner Trustee on behalf of the Trust as part of the Trust Estate and has duly authorized such sale and assignment and deposit with the Owner Trustee on behalf of the Trust by all necessary corporate action; and the execution, delivery and performance of this Agreement have been duly authorized by the Depositor by all necessary corporate action.

(iv) The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the certificate of incorporation or bylaws of the Depositor, or any indenture, agreement or other instrument to which the Depositor is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of the properties of the Depositor pursuant to the terms of any such indenture, agreement or other instrument (other than pursuant to the Transaction Documents); nor violate any law or any order, role or regulation applicable to the Depositor of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Depositor or its properties.

(v) All approvals, authorizations, consents, orders or other actions of any person or any governmental entity required in connection with the execution and delivery of this Agreement and the fulfillment of the terms hereof have been obtained.

(vi) There are no proceedings or investigations pending, or to the Depositor's Knowledge, threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Depositor or its properties: (A) asserting the invalidity of this Agreement, any of the other Transaction Documents or the Residual Interest Certificate, (B) seeking to prevent the issuance of the Residual Interest

Certificate or the consummation of any of the transactions contemplated by this Agreement or any of the other Transaction Documents, (C) seeking any determination or ruling that might materially and adversely affect the performance by the Depositor of its obligations under, or the validity or enforceability of, this Agreement, any of the other Transaction Documents or the Residual Interest Certificate or (D) involving the Depositor and which might adversely affect the federal income tax or other federal, state or local tax attributes of the Residual Interest Certificate.

(b) Representations and Warranties of Owner. The Owner hereby represents and warrants to the Owner Trustee that:

(i) The Owner is duly organized and validly existing as a corporation organized and existing and in good standing under the laws of the State of Delaware, with power and authority to own its properties and to conduct its business.

(ii) The Owner is duly qualified to do business as a foreign corporation in good standing and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications.

(iii) The Owner has the power and authority to execute and deliver this Agreement and to carry out its terms; and the execution, delivery and performance of this Agreement have been duly authorized by the Owner by all necessary corporate action.

(iv) The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the certificate of incorporation or bylaws of the Owner, or any indenture, agreement or other instrument to which the Owner is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of the properties of the Owner pursuant to the terms of any such indenture, agreement or other instrument (other than pursuant to the Transaction Documents), nor violate any law or any order, rule or regulation applicable to the Owner of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Owner or its properties.

(v) All approvals, authorizations, consents, orders or other actions of any person or any governmental entity required in connection with the execution and delivery of this Agreement and the fulfillment of the terms hereof have been obtained.

(vi) There are no proceedings or investigations pending, or to the Owner's best knowledge threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Owner or its properties: (A) asserting the invalidity of this Agreement, any of the other Transaction Documents or the Trust Certificate, (B) seeking to prevent the issuance of the Trust Certificate or the consummation of any of the transactions contemplated by this Agreement or any of the other Transaction Documents, (C) seeking any determination or ruling that might materially and adversely affect the performance by the Owner of its obligations under, or the validity or enforceability of, this Agreement, any of the other Transaction Documents or the Trust Certificate or (D) involving the Owner and which might adversely affect the federal income tax or other federal, state or local tax attributes of the Trust Certificate.

Section 2.11. Federal Income Tax Treatment.

(a) It is the intention of the Depositor and the Owner that the Trust be disregarded as a separate entity for federal income tax purposes pursuant to Treasury Regulations Section 301.7701-3(b)(1)(ii) as in effect for periods after January 1, 1997. The Trust Certificate must at all times be held by either the

Owner or its transferee as sole owner and does not represent an economic interest in the Trust. The Residual Interest Certificate constitutes the entire residual economic interest in the Trust (after payments to the Noteholders in accordance with the terms of the Transaction Documents) and must at all times be held by the Trust Depositor or its transferee. The Depositor and the Owner agree not to take any action inconsistent with such intended federal income tax treatment. Because for federal income tax purposes, the Trust will be disregarded as a separate entity, Trust items of income, gain, loss and deduction for any month as determined for federal income tax purposes shall be allocated entirely to the Depositor (or subsequent purchaser of the Residual Interest Certificate) as the sole owner of the residual economic interest in the Trust.

Section 2.12. Covenants of the Depositor and Owner. The Depositor and the Owner agree and covenant (severally, as applicable) that during the term of this Agreement, and to the fullest extent permitted by applicable law, that:

(a) in the event that any litigation with claims in excess of $10,000 to which the Depositor is a party which shall be reasonably likely to result in a material judgment against the Depositor that the Depositor will not be able to satisfy shall be commenced, during the period beginning immediately following the commencement of such litigation and continuing until such litigation is dismissed or otherwise terminated (and, if such litigation has resulted in a final judgment against the Depositor, such judgment has been satisfied), the Depositor shall not pay any dividend to its Affiliates, or make any distribution on or in respect of its capital stock to its Affiliates, or repay the principal amount of any indebtedness of the Depositor held by its Affiliates, unless after giving effect to such payment, distribution or repayment, the Depositor's liquid assets shall not be less than the amount of actual damages claimed in such litigation;

(b) neither the Depositor nor the Owner shall, for any reason, institute proceedings for the Trust to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Trust, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to the bankruptcy of the Trust, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trust or a substantial part of the property of the Trust or cause or permit the Trust to make any assignment for the benefit of creditors, or admit in writing the inability of the Trust to pay its debts generally as they become due, or declare or effect a moratorium on the debt of the Trust or take any action in furtherance of any such action;

(c) neither the Depositor nor the Owner shall create, incur or suffer to exist any indebtedness or engage in any business, except, in each case, as permitted by its certificate of incorporation, by−laws and the Transaction Documents;

(d) it shall obtain from each other party to each Transaction Document to which it or the Trust is a party and each other agreement entered into on or after the date hereof to which it or the Trust is a party, an agreement by each such counterparty that prior to the occurrence of the event specified in Section 9.01(e) hereof such counterparty shall not institute against, or join any other Person in instituting against, it or the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceedings under the laws of the United States or any state of the United States;

(e) it shall not, for any reason, withdraw or attempt to withdraw from this Agreement, dissolve, institute proceedings for it to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of it or a substantial part of its property, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or declare or effect a moratorium on its debt or take any action in furtherance of any such action; and

(f) it shall not transfer the Trust Certificate (in the case of the Owner) or the Residual Interest Certificate (in the case of the Depositor) unless the transferee agrees that it shall comply with the provisions of paragraph (b)

above.

Section 2.13. Separateness of Trust. The Depositor, the Owner and the Owner Trustee agree and covenant (severally, as applicable) that during the term of this Agreement, and to the fullest extent permitted by applicable law, that:

(a) The Trust shall maintain its chief executive office and a telephone number separate from that of any Controlling Entity and shall conspicuously identify such office as its office.

(b) The Trust shall maintain its financial statements, accounting records and other organization documents separate from those of any Controlling Entity or any other person or entity.

(c) The Trust shall prepare unaudited annual financial statements, and the Trust's financial statements shall comply with generally accepted accounting principles (except as noted in such financial statements).

(d) The Trust shall maintain its own separate bank accounts and correct, complete and separate books of account.

(e) The Trust shall hold itself out to the public (including any Controlling Entity's creditors) under the Trust's own name and as a separate and distinct corporate entity. The Trust's name may not be used by any other Controlling Entity in the conduct of its business, nor may the Trust use the name of any other Controlling Entity in the conduct of its business. The Trust must have a separate telephone number, stationery and other business forms.

(f) All customary formalities regarding the existence of the Trust shall be observed.

(g) All business transactions entered into by the Trust with any Controlling Entity shall be on such terms and conditions (including terms relating to amounts paid under such transactions) as would be generally available in comparable transactions if such business transactions were with an entity that was not a Controlling Entity and shall be approved by the Indenture Trustee.

(h) Except as provided in Section 2.03 hereof, the Trust shall not guarantee or assume or hold itself out or permit itself to be held out as having guaranteed or assumed any liabilities or obligations of a Controlling Entity or any other person or entity.

(i) Other than organizational expenses, the Trust shall pay its own liabilities, indebtedness and obligations of any kind, including all administrative expenses, from its own separate assets in accordance with the provisions hereunder and in the Indenture.

(j) Assets of the Trust shall be separately identified, maintained and segregated. The Trust's assets shall at all times be held by or on behalf of the Trust and, if held on behalf of the Trust by another entity (including any Controlling Entity), shall be kept identifiable (in accordance with customary usages) as assets owned by the Trust.

As defined herein, "Controlling Entity" means any entity other than the Trust (A) which beneficially owns, directly or indirectly, 10% or more of the outstanding Owner, (B) of which 10% or more of the outstanding voting securities are beneficially owned, directly or indirectly, by any entity described in clause (A) above, or (C) which otherwise controls or otherwise is controlled by or otherwise is under common control with any person or entity described in clause (A) above; provided, however, for purposes of this definition, the terms "control," "controlled by" and "under common control with" shall have the meanings assigned to them in Rule 405 under the Securities Act of 1933, as amended.

ARTICLE III.

CERTIFICATE AND TRANSFER OF INTERESTS

Section 3.01. Trust Certificate Ownership.

(a) Upon the formation of the Trust by the contribution by the Depositor pursuant to Section 2.05 hereof and until the issuance of the Trust Certificate, the Owner shall be the sole equity owner of the Trust. The Trust Certificate must at all times be held by either the Owner or its transferee as sole owner.

(b) No transfer of the Trust Certificate shall be made unless such transfer is made in a transaction which does not require registration or qualification under the Securities Act of 1933 or qualification under any state securities or "Blue Sky" laws. Neither the Owner Trustee nor the Certificate Registrar shall effect the registration of any transfer of the Trust Certificate unless (i) prior to such transfer, the Owner Trustee shall have received a Tax Opinion, and (ii) following such transfer, there would be no more than one holder of the Trust Certificate, and the holder of the Trust Certificate would not be a Foreign Person, a partnership, Subchapter S corporation or grantor trust.

Section 3.02. The Trust Certificate. The Trust Certificate shall be substantially in the form of Exhibit B−2 hereto. The Trust Certificate shall be executed by the Owner Trustee on behalf of the Trust by manual or facsimile signature of an authorized officer of the Owner Trustee and shall be deemed to have been validly issued when so executed. The Trust Certificate bearing the manual or facsimile signature of individuals who were, at the time when such signatures were affixed, authorized to sign on behalf of the Owner Trustee shall be a valid and binding obligation of the Trust, notwithstanding that−such individuals or any of them have eased to be so authorized prior to the authentication and delivery of such Trust Certificate or did not hold such offices at the date of such Trust Certificate. The Trust Certificate shall be dated the date of its authentication.

Section 3.03. Authentication and Delivery of Trust Certificate. The Owner Trustee shall cause to be authenticated and delivered upon the order of the Depositor, in exchange for the assets constituting the Trust Estate, a Trust Certificate duly authenticated by the Owner Trustee, evidencing the entire ownership of the Trust. No Trust Certificate shall be entitled to any benefit under this Agreement, or be vacated for any purpose, unless there appears on such Trust Certificate a certificate of authentication substantially in the form set forth in the form of Trust Certificate attached hereto as Exhibit B−2, executed by the Owner Trustee or its authenticating agent, by manual signature, and such certificate upon any Trust Certificate shall be conclusive evidence, and the only evidence, that such Trust Certificate has been duly authenticated and delivered hereunder. Upon issuance, authorization and delivery pursuant to the terms hereof, the Trust Certificate will be entitled to the benefits of this Agreement.

Section 3.04. Registration of Transfer and Exchange of Trust Certificate.

(a) The Certificate Registrar shall keep or cause to be kept, a Certificate Register, subject to such reasonable regulations as it may prescribe. The Certificate Register shall provide

for the registration of Trust Certificate and transfers and exchanges of the Trust Certificate as provided herein, The Owner Trustee is hereby initially appointed "Certificate Registrar" for the purpose of registering the Trust Certificate and transfers and exchanges of the Trust Certificate as herein provided. In the event that, subsequent to the Closing Date, the Owner Trustee notifies the Servicer that it is unable to act as Certificate Registrar, the Servicer shall appoint another bank or trust company, having an office or agency located in the State of Delaware, agreeing to act in accordance with the provisions of this Agreement applicable to it, and otherwise acceptable to the Owner Trustee, to act as successor Certificate Registrar hereunder.

(b) Upon surrender for registration of transfer of any Trust Certificate at the Owner Trustee Corporate Trust Office, the Owner Trustee shall execute, authenticate and deliver (or shall cause its authenticating agent to

authenticate and deliver), in the name of the designated transferee, one new Trust Certificate having the same aggregate principal amount.

(c) Every Trust Certificate presented or surrendered for registration of transfer shall be accompanied by a written instrument of transfer in form satisfactory to the Owner Trustee and the Certificate Registrar duly executed by the Certificateholder thereof or his attorney duly authorized in writing.

(d) No service charge shall be made for any registration of transfer or exchange of the Trust Certificate, but the Owner Trustee may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer of the Trust Certificate.

(e) All Trust Certificates surrendered for registration of transfer shall be canceled and subsequently destroyed by the Owner Trustee.

Section 3.05. Residual Interest Certificate Ownership.

(a) Upon the formation of the Trust by the contribution by the Depositor pursuant to Section 2.05 hereof the Owner shall be the sole equity owner of the Trust. The Residual Interest Certificate must at all times be held by either the Residual Interest Owner or its transferee.

(b) No transfer of the Residual Interest Certificate shall be made unless such transfer is made in a transaction which does not require registration or qualification under the Securities Act of 1933 or qualification under any state securities or "Blue Sky" laws. Neither the Owner Trustee nor the Certificate Registrar shall effect the registration of any transfer of the Residual Interest Certificate unless (i) prior to such transfer the Owner Trustee shall have received a Tax Opinion, and (ii) following such transfer, there would be no more than one holder of the Residual Interest Certificate and the holder of the Residual Interest Certificate would not be a Foreign Person, a partnership, Subchapter S corporation or grantor trust.

Section 3.06. The Residual Interest Certificate. The Residual Interest Certificate shall be substantially in the form of Exhibit B−2 hereto. The Residual Interest Certificate shall be executed by the Owner Trustee on behalf of the Trust by manual or facsimile signature of an authorized officer of the Owner Trustee and shall be deemed to have been validly issued when so executed. The Trust Certificate bearing the manual or facsimile signature of individuals who

were, at the time when such signatures were affixed, authorized to sign on behalf of the Owner Trustee shall be a valid and binding obligation of the Trust, notwithstanding that such individuals or any of them have ceased to be so authorized prior to the authentication and delivery of such Residual Interest Certificate or did not hold such offices at the date of such Residual Interest Certificate. The Residual Interest Certificate shall be dated the date of its authentication.

Section 3.07. Authentication and Delivery of Residual Interest Certificate. The Owner Trustee shall cause to be authenticated and delivered to the Residual Interest Owner upon the order of the Depositor, in exchange for the assets constituting the Trust Estate, a Residual Interest Certificate duly authenticated by the Owner Trustee, evidencing the entire residual economic (but no equity ownership) of the Trust. No Residual Interest Certificate shall be entitled to any benefit under this Agreement, or be valid for any purpose, unless there appears on such Residual Interest Certificate a certificate of authentication substantially in the form set forth in the form of Residual Interest Certificate attached hereto as Exhibit B−2, executed by the Owner Trustee or its authenticating agent, by manual signature, and such certificate upon any Residual Interest Certificate shall be conclusive evidence, and the only evidence, that such Residual Interest Certificate has been duly authenticated and delivered hereunder. Upon issuance, authorization and delivery pursuant to the terms hereof, the Residual Interest Certificate will be entitled to the benefits of this Agreement.

Section 3.08. Registration of Transfer and Exchange of Residual Interest Certificate.

(a) The Certificate Registrar shall keep or cause to be kept, a Certificate Register, subject to such reasonable regulations as it may

prescribe. The Certificate Register shall provide for the registration of Trust Certificate and transfers and exchanges of the Residual Interest Certificate as provided herein. The Owner Trustee is hereby initially appointed Certificate Registrar for the purpose of registering the Residual Interest Certificate and transfers and exchanges of the Residual Interest Certificate as herein provided. In the event that, subsequent to the Closing Date, the Owner Trustee notifies the Servicer that it is unable to act as Certificate Registrar, the Servicer shall appoint another bank or trust company, having an office or agency located in the State of Delaware, agreeing to act in accordance with the provisions of this Agreement applicable to it, and otherwise acceptable to the Owner Trustee, to act as successor Certificate Registrar hereunder.

(b) Upon surrender for registration of transfer of any Residual Interest Certificate at the Owner Trustee Corporate Trust Office, the Owner Trustee shall execute, authenticate and deliver (or shall cause its authenticating agent to authenticate and deliver), in the name of the designated transferee, one new Residual Interest Certificate having the same aggregate principal amount.

(c) Every Residual Interest Certificate presented or surrendered for registration of transfer shall be accompanied by a written instrument of transfer in form satisfactory to the Owner Trustee and the Certificate Registrar duly executed by the Holder thereof or his attorney duly authorized in writing.

(d) No service charge shall be made for any registration of transfer or exchange of the Residual Interest Certificate, but the Owner Trustee may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer of the Residual Interest Certificate.

(e) All Residual Interest Certificates surrendered for registration of transfer shall be canceled and subsequently destroyed by the Owner Trustee.

Section 3.09. Mutilated, Destroyed, Lost or Stolen Certificates. If (i) any mutilated Certificate is surrendered to the Certificate Registrar, or the Certificate Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Certificate, and (ii) there is delivered to the Certificate Registrar and the Owner Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Certificate has been acquired by a bona fide purchaser, the Owner Trustee shall execute and the Owner Trustee or its authenticating agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen certificate, a new Certificate of like tenor and fractional undivided interest, in connection with the issuance or any new Certificate under this Section 3.09, the Owner Trustee may require the payment by the Certificateholder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. Any duplicate Certificate issued pursuant to this Section 3.09 shall constitute complete and indefeasible evidence of ownership in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

Section 3.10. Persons Deemed Owners. Prior to due presentation of a Certificate for registration of transfer, the Owner Trustee, the Certificate Registrar and any of their respective agents may treat the Person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Section 5.02 hereof and for all other purposes whatsoever, and none of the Owner Trustee, the Certificate Registrar, and Trust Paying Agent or any of their respective agents shall be affected by any notice of the contrary.

Section 3.11. Access to List of Certificateholder's Name and Addresses. The Owner Trustee shall furnish or cause to be furnished to the Servicer and the Depositor, within 15 days after receipt by the Certificate Registrar of a written request therefor from the Servicer or the Depositor, the name and address of the Certificateholder as of the most recent Record Date in such form as the Servicer or the Depositor may reasonably require. Every Certificateholder, by receiving and holding a Certificate, agrees with the Servicer, the Depositor and the Owner Trustee that none of the Servicer, the Depositor or the Owner Trustee shall be held accountable by reason of the disclosure of any such information as to the name and address of the Certificateholder hereunder, regardless of the source from which such information was derived.

Section 3.12. Maintenance of Office or Agency. The Owner Trustee shall

maintain in Delaware, an office or offices or agency or agencies where the Certificates may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Owner Trustee in respect of the Certificates and this Agreement may be served. The Owner Trustee hereby designates the Owner Trustee Corporate Trust Office as its office for such purposes. The Owner Trustee shall give prompt written notice to the Depositor, the Servicer and to the

Certificateholder of any change in the location of the Certificate Register or any such office or agency.

Section 3.13. Appointment of Trust Paying Agent. The Trust Paying Agent shall make distributions to the Residual Interest Certificateholder pursuant to Section 5.02(a) hereof and shall report the amounts of such distributions to the Owner Trustee. The Owner Trustee may revoke such power and remove the Trust Paying Agent if the Owner Trustee determines, in its sole discretion, that the Trust Paying Agent shall have failed to perform its obligations under this Agreement in any material respect. The "Trust Paying Agent" initially shall be U.S. Bank National Association, and any co−Trust Paying Agent chosen by the Trust Paying Agent that is acceptable to the Owner Trustee. Each Trust Paying Agent shall be permitted to resign as Trust Paying Agent upon 30 days' written notice to the Owner Trustee. In the event that U.S. Bank National Association shall no longer be the Trust Paying Agent, the Owner Trustee shall appoint a successor to act as Trust Paying Agent (which shall be a bank or trust company of similar size and credit rating). The Owner Trustee shall cause such successor Trust Paying Agent or any additional Trust Paying Agent appointed by the Owner Trustee to execute and deliver to the Owner Trustee an instrument in which such successor Trust Paying Agent or additional Trust Paying Agent shall agree with the Owner Trustee that, as Trust Paying Agent, such successor Trust Paying Agent or additional Trust Paying Agent will hold all sums, if any, held by it for payment to the Certificateholders in trust for the benefit of the Certificateholders entitled thereto until such sums shall be paid to such Certificateholders. The Trust Paying Agent shall return all unclaimed funds to the Owner Trustee and upon removal of a Trust Paying Agent, such Trust Paying Agent shall also return all funds in its possession to the Owner Trustee. The provisions of Sections 7.01, 7.03, 7.04 and 8.01 hereof shall apply to the Owner Trustee also in its role as Trust Paying Agent, for so long as the Owner Trustee shall act as Trust Paying Agent and, to the extent applicable, to any other Trust Paying Agent appointed hereunder. Any reference in this Agreement to the Trust Paying Agent shall include any co−Trust Paying Agent unless the context requires otherwise.

Section 3.14. Ownership by Owner of Trust Certificate. Owner shall on the Closing Date purchase from the Trust a Trust Certificate.

Section 3.15. Ownership by Depositor of Residual Interest Certificate. Depositor shall on the Closing Date purchase from the Trust a Residual Interest Certificate.

ARTICLE IV.

ACTIONS BY OWNER TRUSTEE

Section 4.01. Prior Notice to Residual Interest Certificateholder with Respect to Certain Matters. Subject to the provisions and limitations contained in the Indenture and other Transaction Documents, with respect to the following matters, unless otherwise instructed in writing by the Owner, the Trust shall not take action unless at least thirty (30) days before the taking of such action the Owner Trustee shall have notified the Owner that such action will be taken:

(a) the initiation of any claim or lawsuit by the Trust (except claims or

lawsuits brought in connection with the collection of the Timeshare Loans) and the compromise of all action, claim or lawsuit brought by or against the Trust (except with respect to claims or lawsuits for collection of the assets comprising the Trust Estate);

(b) the election by the Trust to file an amendment to the Certificate of Trust (unless such amendment is required to be filed under the Statutory Trust Statute);

(c) the amendment of the Indenture by a supplemental indenture; or

(d) the appointment pursuant to the Indenture of a successor Note Registrar, Trust Paying Agent or Indenture Trustee or pursuant to this Agreement of a successor Certificate Registrar, or the consent to the assignment by the Note Registrar, Trust Paying Agent, Indenture Trustee or Certificate Registrar of its obligations under the indenture or this Agreement, as applicable.

Section 4.02. Action by Residual Interest Owner with Respect to Certain Matters. Subject to the provisions and limitations of Section 4.04, the Owner Trustee shall not have the power, except upon the written direction of the Residual Interest Owner, to (a) initiate any claim, suit or proceeding by the Trust or compromise any claim, suit or proceeding brought by or against the Trust, (b) authorize the merger or consolidation of the Trust with or into any other business trust or entity (other than in accordance with Section 8.4 of the Indenture) or (c) amend the Certificate of Trust. The Owner Trustee shall take the actions referred to in the preceding sentence only upon written instructions signed by the Residual Interest Owner.

Section 4.03. Action by Residual Interest Owner with Respect to Bankruptcy. Subject to Sections 2.12(b) and (f) hereof, the Owner Trustee shall not have the power to commence a voluntary proceeding in a bankruptcy relating to the Trust without the prior approval of the Residual Interest Owner and the delivery to the Owner Trustee by such Residual Interest Owner of a certificate certifying that such Residual Interest Owner reasonably believes that the Trust is insolvent.

Section 4.04. Restrictions on Residual Interest Owner's Power. The Residual Interest Owner shall not direct the Owner Trustee to take or to refrain from taking any action if such action or inaction would be contrary to any obligation of the Trust or the Owner Trustee under this Agreement or any of the Transaction Documents or would be contrary to the purpose of this Trust as set forth in Section 2.03, nor shall the Owner Trustee be obligated to follow any such direction, if given.

ARTICLE V.

APPLICATION OF TRUST FUNDS; CERTAIN DUTIES

Section 5.01. Establishment of Certificate Distribution Account. The Owner Trustee shall cause the Servicer, for the benefit of the Certificateholders, to establish and maintain with U.S. Bank National Association for the benefit of the Owner Trustee, a trust account (the "Certificate Distribution Account") which, while the Trust Paying Agent holds such account,

shall be entitled "CERTIFICATE DISTRIBUTION ACCOUNT, U.S. BANK NATIONAL ASSOCIATION, AS TRUST PAYING AGENT, IN TRUST FOR THE BXG RECEIVABLES NOTE TRUST 2002-A, RESIDUAL INTEREST CERTIFICATE." Funds shall be deposited in the Certificate Distribution Account as required by the Indenture, or following satisfaction or release of the Indenture.

Section 5.02. Application of Trust Funds.

(a) On each Payment Date, the Trust Paying Agent shall distribute amounts to the parties due payments under the Transaction Documents for which such payments are not provided for in Section 3.4 or Section 6.6 of the Indenture and the remaining amounts to the Residual interest Certificateholder, pro rata, from amounts on deposit in the Certificate Distribution Account the amounts deposited therein pursuant to Sections 3.4 or 6.6 of the Indenture with respect to such Payment Date.

(b) On each Payment Date, the Trust Paying Agent shall send to the Residual Interest Certificateholder the statement or statements provided to the

Owner Trustee by the Servicer pursuant to Section 5.5 of the Indenture with respect to such Payment Date.

(c) In the event that any withholding tax is imposed on the Trust's payment (or allocation of income) to the Residual Interest Certificateholder, such tax shall reduce the amount otherwise distributable to the Residual Interest Certificateholder in accordance with this Section. The Trust Paying Agent is hereby authorized and directed to retain from amounts otherwise distributable to the Residual Interest Owner sufficient funds for the payment of tax that is legally owed by the Trust (but such authorization shall not prevent the Owner Trustee from contesting any such tax in appropriate proceedings, and withholding payment if such tax, if permitted by law, pending the outcome of such proceedings). The amount of any withholding tax imposed with respect to the Residual Interest Certificateholder shall be treated as cash distributed to such Residual Interest Certificateholder at the time it is withheld by the Trust and remitted to the appropriate taxing authority. If there is a possibility that withholding tax is payable with respect to a distribution, the Trust Paying Agent may in its sole discretion withhold such amounts in accordance with this paragraph (c).

Section 5.03. Method of Payment. Subject to Section 9.01(c) respecting the final payment upon retirement of the Residual Interest Certificate, distributions required to be made to the Residual Interest Certificateholder of record on the related Record Date shall be made by check mailed to such Residual Interest Certificateholder at the address of such Residual Interest Certificateholder appearing in the Certificate Register.

Section 5.04. No Segregation of Moneys; No Interest. Subject to Sections 5.01 and 5.02 above, moneys received by the Trust Paying Agent hereunder and deposited into the Certificate Distribution Account will be segregated except to the extent required otherwise by law and shall be invested in Eligible Investments maturing no later than 1 (one) Business Day prior to the related Payment Date at the direction of the Depositor. The Trust Paying Agent shall not be liable for payment of any interest or losses in respect of such moneys. Investment gains shall be for the account of and paid to the Residual Interest Certificateholder.

Section 5.05. Accounting and Reports to the Certificateholder, the Internal Revenue Service and Others. The Owner Trustee shall (a) maintain (or cause to be maintained) the books of the Trust on a calendar year basis and the accrual method of accounting, (b) deliver to the Residual Interest Owner, as may be required by the Code and applicable Treasury Regulations, such information as may be required to enable the Residual Interest Owner to prepare its federal and state income tax returns, (c) file such tax returns relating to the Trust and make such elections as from time to time may be required or appropriate under any applicable state or federal statute or any rule or regulation thereunder so as to maintain the federal income tax treatment for the Trust as set forth in Section 2.11 hereof, (d) cause such tax returns to be signed in the manner required by law and (e) collect or cause to be collected any withholding tax as described in and in accordance with Section 5.02(c) hereof with respect to income or distributions to Residual Interest Owner. The Owner Trustee shall elect under Section 1278 of the Code to include in income currently any market discount that accrues with respect to the Timeshare Loans. If applicable, the Owner Trustee shall not make the election provided under Section 754 or Section 761 of the Code.

Section 5.06. Signature on Returns; Tax Matters Partner.

(a) The Depositor shall sign on behalf of the Trust the tax returns of the Trust.

(b) If Subchapter K of the Code should be applicable to the Trust, the Residual Interest Certificateholder shall be designated the "tax matters partner" of the Trust pursuant to Section 6231 (a)(7)(A) of the Code and applicable Treasury Regulations.

ARTICLE VI.

AUTHORITY AND DUTIES OF OWNER TRUSTEE

Section 6.01. General Authority. Subject to the provisions and limitations of Sections 2.03 and 2.06 hereof, the Owner Trustee is authorized and directed

to execute and deliver the Transaction Documents to which the Trust is to be a party and each certificate or other Document attached as an exhibit to or contemplated by the Transaction Documents to which the Trust is to be a party and any amendment or other agreement, as evidenced conclusively by the Owner Trustee's execution thereof. In addition to the foregoing, the Owner Trustee is authorized, but shall not be obligated, to take all actions required of the Trust pursuant to the Transaction Documents.

Section 6.02. General Duties. It shall be the duty of the Owner Trustee to discharge (or cause to be discharged) all of its responsibilities pursuant to the terms of this Agreement and the other Transaction Documents to which the Trust is a party and to administer the Trust in the interest of the Owner and the Residual Interest Owner, subject to the Transaction Documents and in accordance with the provisions of this Agreement. Notwithstanding the foregoing, the Owner Trustee shall be deemed to have discharged its duties and responsibilities hereunder and under the other Transaction Documents to the extent the Administrator has agreed in the Administration Agreement or another Transaction Document to perform any act or to discharge any duty of the Owner Trustee or the Trust under any Transaction Document, and the Owner

Trustee shall not be personally liable for the default or failure of the Administrator to carry out its obligations under the Administration Agreement.

Section 6.03. Action Upon Instruction.

(a) Subject to Article Four hereof, in accordance with the terms of the Transaction Documents, the Owner may by written instruction direct the Owner Trustee in the management of the Trust.

(b) Owner Trustee shall not be required to take any action hereunder or under any other Transaction Document if the Owner Trustee shall have reasonably determined, or shall have been advised by counsel, that such action is likely to result in liability on the part of the Owner Trustee or is contrary to the terms hereof or of any other Transaction Documents or is otherwise contrary to law.

(c) Whenever the Owner Trustee is unable to decide between alternative courses of action permitted or required by the terms of this Agreement or under any other Transaction Document, the Owner Trustee shall promptly give notice (in such form as shall be appropriate under the circumstances) to the Owner and the Residual Interest Owner requesting instruction as to the course of action to be adopted, and to the extent the Owner Trustee acts in good faith in accordance with any written instruction of the Owner and the Residual Interest Owner received, the Owner Trustee shall not be liable on account of such action to any Person. If the Owner Trustee shall not have received appropriate instruction within ten days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action not inconsistent with this Agreement and the other Transaction Documents, as it shall deem to be in the best interests of the Owner and the Residual Interest Owner, and shall have no liability to any Person for such action or inaction.

(d) In the event that the Owner Trustee is unsure as to the applicability of any provision of this Agreement or any other Transaction Document or any such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Agreement permits any determination by the Owner Trustee or is silent or incomplete as to the course of action that the Owner Trustee is required to take with respect to a particular set of facts, the Owner Trustee may give notice (in such form as shall be appropriate under the circumstances) to the Owner and the Residual Interest Owner requesting instruction and, to the extent that the Owner Trustee acts or refrains from acting in good faith in accordance with any such instruction received, the Owner Trustee shall not be liable, on account of such action or inaction, to any Person. If the Owner Trustee shall not have received appropriate instruction within ten (10) days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action not inconsistent with this Agreement or the other Transaction Documents, as it shall deem to be in the best interests of the Owner and the Residual Interest Owner, and shall have no liability to any Person for such action or inaction.

(e) Notwithstanding anything contained herein to the contrary, the Owner Trustee shall not be required to take any action in any jurisdiction other than in the State of Delaware if the taking of such action will (i) require the registration with, licensing by or the taking of any other similar action in respect of, any state or other governmental authority or agency of any jurisdiction other than the State of Delaware by or with respect to the Owner Trustee; (ii) result in any fee, tax or other governmental charge under the laws of any jurisdiction or an political subdivisions thereof in existence on the date hereof other than the State of Delaware being payable by the Owner Trustee; or (iii) subject the Owner Trustee to personal jurisdiction in any jurisdiction other than the State of Delaware for causes of action arising from acts unrelated to the consummation of the transactions by the Owner Trustee contemplated in this Agreement. In the event that the Owner Trustee has determined that any action set forth in clauses (i) through (iii) above will result in the consequences stated therein, the Owner Trustee shall appoint one or more Persons to act as co-trustee pursuant to Section 10.05.

Section 6.04. No Duties Except as Specified in this Agreement or in Instructions. The Owner Trustee shall not have any duty or obligation to manage, make any payment with respect to, register, record, sell, dispose of or otherwise deal with the Trust Estate, or to otherwise take or refrain from taking any action under, or in connection with, any document contemplated hereby to which the Owner Trustee is a party, except as expressly provided by the terms of this Agreement or any document or written instruction received by the Owner Trustee pursuant to Section 6.03 hereof; and no implied duties or obligations shall be read into this Agreement or any other Transaction Document against the Owner Trustee. The Owner Trustee shall have no responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or lien granted to it hereunder or to prepare or file any Commission filing for the Trust or to record this Agreement or any other Transaction Document. The Owner Trustee nevertheless agrees that it will, at its own cost and expense, promptly take all action as may be necessary to discharge any liens on any part of the Trust Estate that result from actions by, or claims against, the Owner Trustee that are not related to the ownership or the administration of the Trust Estate.

Section 6.05. No Action Except Under Specified Documents or Instructions. The Owner Trustee shall not manage, control, use, sell, dispose of or otherwise deal with any part of the Trust Estate except (i) in accordance with the powers granted to and the authority conferred upon the Owner Trustee pursuant to this Agreement, (ii) in accordance with the other Transaction Documents and (iii) in accordance with any document or instruction delivered to the Owner Trustee pursuant to Section 6.03 hereof.

Section 6.06. Restrictions. The Owner Trustee shall not take any action (i) that is inconsistent with the purposes of the Trust set forth in Section 2.03 hereof or (ii) that, to the actual knowledge of a Responsible Officer of the Owner Trustee, would result in the Trust's becoming taxable as a corporation for federal or state income tax purposes. Neither the Owner nor the Residual Interest Owner shall direct the Owner Trustee to take actions that would violate the provisions of this Section.

ARTICLE VII.

CONCERNING THE OWNER TRUSTEE

Section 7.01. Acceptance of Trusts and Duties. The Owner Trustee accepts the trusts hereby created and agrees to perform its duties hereunder with respect to such trusts but only upon the terms of this Agreement. The Owner Trustee also agrees to disburse all moneys actually received by it constituting part of the Trust Estate upon the terms of the Transaction Documents and this Agreement. The Owner Trustee shall not be answerable or accountable hereunder or

under any other Transaction Document under any circumstances, except (i) for its own willful misconduct or negligence or (ii) in the case of the inaccuracy of any representation or warranty contained in Section 7.03 hereof expressly made by the Owner Trustee. In particular, but not by way of limitation (and subject to the exceptions set forth in the preceding sentence);

(a) the Owner Trustee shall not be liable for any error of judgment made by a responsible officer of the Owner Trustee which did not result from negligence on the part of such responsible officer;

(b) the Owner Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the instructions of the Owner and the Residual Interest Owner;

(c) no provision of this Agreement or any other Transaction Document shall require the Owner Trustee to expend or risk funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder or under any Transaction Document if the Owner Trustee shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to it;

(d) under no circumstances shall the Owner Trustee be liable for indebtedness evidenced by or arising under any of the Transaction Documents, including the principal of and interest on the Notes;

(e) the Owner Trustee shall not be responsible for or in respect of the validity or sufficiency of this Agreement or for the due execution hereof by the Depositor or for the form, character, genuineness, sufficiency, value or validity of any of the Trust Estate, or for or in respect of the validity or sufficiency of the Transaction Documents, other than the certificate of authentication on the Trust Certificate and the Residual Interest Certificate, and the Owner Trustee shall in no event assume or incur any liability, duty, or obligation to any Noteholder or to the Owner or the Residual Interest Owner, other than as expressly provided for herein or expressly agreed to in the Transaction Documents; and

(f) the Owner Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Agreement, or to institute, conduct or defend any litigation under this Agreement or otherwise or in relation to this Agreement or any other Transaction Document, at the request, order or direction of the Owner or the Residual Interest Owner unless such Owner or the Residual Interest Owner has offered to the Owner Trustee security or indemnity satisfactory

to it against the costs, expenses and liabilities that may be incurred by the Owner Trustee therein or thereby. The right of the Owner Trustee to perform any discretionary act enumerated in this Agreement or in any other Transaction Document shall not be construed as a duty, and the Owner Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of any such act.

Section 7.02. Furnishing of Documents. The Owner Trustee shall furnish to the Owner and the Residual Interest Owner promptly upon receipt of a written request therefor, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and any other instruments furnished to the Owner Trustee under the Transaction Documents.

Section 7.03. Representations and Warranties of the Trust Company. The Trust Company hereby represents and warrants to the Depositor and the Owner and the Residual Interest Owner that:

(a) It is a banking corporation duly organized and validly existing in good standing under the laws of the State of Delaware. It has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement.

(b) It has taken all corporate action necessary to authorize the execution and delivery by it of this Agreement, and this Agreement will be executed and delivered by one of its officers who is duly authorized to execute and deliver this Agreement on its behalf.

(c) Neither the execution nor the delivery by it of this Agreement, nor

the consummation by it of the transactions contemplated hereby nor compliance by it with any of the terms or provisions hereof will contravene any federal or Delaware law, governmental rule or regulation governing the banking or trust powers of the Trust Company or any judgment or order binding on it, or constitute any default under its charter documents or bylaws or any indenture, mortgage, contract, agreement or instrument to which it is a party or by which any of its properties may be bound or result in the creation or imposition of any lien, charge or encumbrance on the Trust Estate resulting from actions by or claims against the Trust Company individually which are unrelated to this Agreement or the other Transaction Documents.

Section 7.04. Reliance; Advice of Counsel.

(a) The Owner Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Owner Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the method of determination of which is not specifically prescribed herein, the Owner Trustee may for all purposes hereof rely on a certificate, signed by the president or any vice president or by the treasurer or other authorized officers of the relevant party, as to such fact or matter and such certificate shall constitute full protection to the Owner Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(b) In the exercise or administration of the trusts hereunder and in the performance of its duties and obligations under this Agreement or the other Transaction Documents, the Owner Trustee (i) may act directly or through its agents or attorneys pursuant to agreements entered into by any of them, and the Owner Trustee shall not be liable for the conduct or misconduct of such agents or attorneys as shall have been selected by the Owner Trustee with reasonable care and (ii) may consult with counsel, accountants and other skilled persons to be selected with reasonable care and employed by it. The Owner Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the written opinion or advice of any such counsel, accountants or other such persons.

Section 7.05. Not Acting in Individual Capacity. Except as provided in this Article Seven, in accepting the trusts hereby created, Wilmington Trust Company acts solely as Owner Trustee hereunder and not in its individual capacity, and all Persons having any claim against the Owner Trustee by reason of the transactions contemplated by this Agreement or any other Transaction Document shall look only to the Trust Estate for payment or satisfaction thereof.

Section 7.06. Owner Trustee Not Liable for Trust Certificate, Residual Interest Certificate Notes or Timeshare Loans. The recitals contained herein and in the Trust Certificate and the Residual Interest Certificate (other than the signature and countersignature of the Owner Trustee and the certificate of authentication on such Certificates) shall be taken as the statements of the Depositor, and neither the Owner Trustee nor the Owner assumes responsibility for the correctness thereof. The Owner Trustee makes no representations as to the validity or sufficiency of this Agreement, any other Transaction Document or the Certificates (other than the signature and countersignature of the Owner Trustee and the certificate of authentication on the Certificates) or the Notes, or of any Timeshare Loan or related documents. The Owner Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity and enforceability of any Timeshare Loan, or the perfection and priority of any security interest in any security relating to a Timeshare Loan or the maintenance of any such perfection and priority, or for or with respect to the sufficiency of the Trust Estate or its ability to generate the payments to be distributed to the Residual Interest Certificateholder under this Agreement or the Noteholders under the Indenture, including, without limitation, the existence, condition and ownership of any Timeshare Loan; the existence and enforceability of any insurance thereon; the existence and contents of any Timeshare Loan on any computer or other record thereof, the validity of the assignment of any Timeshare Loan to the Trust or of any intervening assignment; the completeness of any Timeshare Loan; the performance or enforcement of any Timeshare Loan; the compliance by the Depositor or the Servicer with any

warranty or representation made under any Transaction Document or in any related document or the accuracy of any such warranty or representation; or any action of the Servicer or any subservicer taken in the name of the Owner Trustee.

Section 7.07. Owner Trustee May Own Certificates and Notes. The Owner Trustee in its individual or any other capacity may become the owner or pledgee of the Certificates or Notes and may deal with the Depositor, the Owner, the Residual Interest Owner, the Indenture Trustee and the Servicer in banking transactions with the same rights as it would have if it were not Owner Trustee.

ARTICLE VIII.

COMPENSATION OF OWNER TRUSTEE

Section 8.01. Owner Trustee's Fees and Expenses. The Owner Trustee shall receive as compensation for its services hereunder such fees as are provided for and paid pursuant to Section 3.4 of the Indenture. Additionally, in accordance with Section 3.4 of the Indenture, the Owner Trustee shall be entitled to be reimbursed for its other reasonable out−of−pocket expenses hereunder, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Owner Trustee may employ in connection with the exercise and performance of its rights and its duties hereunder. The Owner Trustee's right to enforce such obligations shall be subject to the provisions of Section 11.08 hereof.

Section 8.02. Indemnification. The Depositor shall be liable as primary obligor for, and shall indemnify the Trust Company and its successors, assigns and servants (collectively, the "Indemnified Parties") from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions and suits, and any and all reasonable costs, expenses and disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever (collectively, "Expenses") which may at any time be imposed on, incurred by or asserted against the Owner Trustee or any Indemnified Party in any way relating to or arising out of this Agreement, the other Transaction Documents, the Trust Estate, the administration of the Trust Estate or the action or inaction of the Owner Trustee hereunder, except only that the Depositor shall not be liable for or required to indemnify an Indemnified Party from and against Expenses arising or resulting from the Owner Trustee's own willful misconduct or negligence or any inaccuracy of any representation or warranty contained in Section 7.03 hereof expressly made by the Owner Trustee. The indemnities contained in this Section shall survive the resignation or termination of the Owner Trustee or the termination of this Agreement. In the event of any claim, action or proceeding for which indemnity will be sought pursuant to this Section, the Owner Trustee's choice of legal counsel shall be subject to the approval of the Depositor, which approval shall not be unreasonably withheld.

Section 8.03. Payments to the Owner Trustee. Any amounts paid to the Owner Trustee or the Trust Company pursuant to this Article VIII shall be deemed not to be a part of the Trust Estate immediately after such payment.

ARTICLE IX.

TERMINATION OF TRUST AGREEMENT

Section 9.01. Termination of Trust Agreement.

(a) The Trust shall dissolve upon written notice, which shall be provided by the Owner to the Owner Trustee, only after the earlier of (i) the day on which the rights of all Notes to receive payments from the Issuer have terminated in accordance with the Indenture and final distribution of payments to the Residual Interest Certificates as required hereunder (the "Trust Termination Date") and (ii) dissolution of the Trust in accordance with applicable law. After

satisfaction of liabilities of the Trust as provided by applicable law, any money or other property held as part of the Trust Estate following such distribution shall be distributed to the Owner. The bankruptcy, liquidation, dissolution, termination, death or incapacity of the Owner shall not (x) operate to terminate this Agreement or annul, dissolve or terminate the Trust, or (y) entitle the Owner's legal representatives or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of all or any part of the Trust or Trust Estate or (z) otherwise affect the rights, obligations and liabilities of the parties hereto.

(b) Except as provided in Section 9.01(a) above, neither the Depositor nor any Certificateholder shall be entitled to revoke or terminate the Trust.

(c) Notice of any dissolution of the Trust, specifying the Payment Date upon which the Residual Interest Certificateholder shall surrender its Residual Interest Certificate to the Trust Paying Agent for payment of the final distribution and cancellation, shall be given by the Owner Trustee by letter to the Certificateholder mailed within five (5) Business Days of receipt of notice of termination from the Servicer, stating (i) the Payment Date upon or with respect to which final payment of the Residual Interest Certificate shall be made upon presentation and surrender of the Residual Interest Certificate at the office of the Trust Paying Agent therein designated, (ii) the amount of any such final payment and (iii) that the Record Date otherwise applicable to such Payment Date is not applicable, payments being made only upon presentation and surrender of the Residual Interest Certificate at the office of the Trust Paying Agent therein specified. The Owner Trustee shall give such notice to the Certificate Registrar (if other than the Owner Trustee) and the Trust Paying Agent at the time such notice is given to the Residual Interest Certificateholder. Upon presentation and surrender of the Residual Interest Certificates, the Trust Paying Agent shall cause to be distributed to the Residual Interest Certificateholder amounts distributable on such Payment Date pursuant to Section 5.02 hereof.

(d) In the event that the Residual Interest Certificateholder shall not surrender its Residual Interest Certificate for cancellation within six months after the date specified in the above mentioned written notice, the Owner Trustee shall give a second written notice to such Residual Interest Certificateholder to surrender its Residual Interest Certificate for cancellation and receive the final distribution with respect thereto. If within one year after the second notice the Residual Interest Certificate shall not have been surrendered for cancellation, the Owner Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the Residual Interest Certificateholder concerning surrender of its Residual Interest Certificate, and the cost thereof shall be paid out of the funds and other assets that shall remain subject to this Agreement. Any funds remaining in the Trust after exhaustion of such remedies shall be distributed by the Owner Trustee to the Depositor.

(e) Upon the winding up of the Trust and payment of all liabilities in accordance with Section 3808 of the Statutory Trust Statute, the Owner Trustee shall cause the Certificate of Trust to be canceled by filing a certificate of cancellation with the Secretary of State in accordance with the provisions of Section 3810 of the Statutory Trust Statute at which time the Trust shall terminate.

ARTICLE X.

SUCCESSOR OWNER TRUSTEES AND ADDITIONAL OWNER TRUSTEES

Section 10.01. Eligibility Requirements for Owner Trustee. The Owner Trustee shall at all times be a corporation satisfying the provisions of Section 3807(a) of the Statutory Trust Statute; authorized to exercise corporate trust powers; and having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by federal or state authorities; and having (or having a parent that has) a rating of at least Baa3 by Moody's. If such corporation shall publish reports of condition at least annually pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any

Person meeting the requirements for an owner trustee under this Section 10.01 is referred to herein as "Eligible Owner Trustee". In case at any time the Owner Trustee shall cease to be eligible in accordance with the provisions of this Section, the Owner Trustee shall resign immediately in the manner and with the effect specified in Section 10.02.

Section 10.02. Resignation or Removal of Owner Trustee. The Owner Trustee may at any time resign and be discharged from the trusts hereby created by giving 30 days prior written notice thereof to the Depositor and the Servicer and the Indenture Trustee. Upon receiving such notice of resignation, the Depositor shall promptly appoint a successor Owner Trustee, which successor shall be an Eligible Owner Trustee, by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Owner Trustee and one copy to the successor Owner Trustee. If no successor Owner Trustee shall have been so appointed and shall have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Owner Trustee may petition any court of competent jurisdiction for the appointment of a successor Owner Trustee which shall be an Eligible Owner Trustee.

If at any time the Owner Trustee shall cease to be eligible in accordance with the provisions of Section 10.01 above and shall fail to resign after written request therefor by the Owner, or if at any time the Owner Trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or a receiver of the Owner Trustee or of its property shall be appointed or any public officer shall take charge or control of the Owner Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Indenture Trustee, may remove the Owner Trustee. If the Indenture Trustee shall remove the Owner Trustee under the authority of the immediately preceding sentence, the Owner shall promptly appoint a successor Owner Trustee which shall be an Eligible Owner Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the outgoing Owner Trustee so removed and one copy to the successor Owner Trustee, and shall pay all fees owed to the outgoing Owner Trustee.

Any resignation or removal of the Owner Trustee and appointment of a successor Owner Trustee pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Owner Trustee pursuant to Section 10.03 below and payment of all fees and expenses owed to the outgoing Owner Trustee.

Section 10.03. Successor Owner Trustee. Any successor Owner Trustee appointed pursuant to Section 10.02 shall execute, acknowledge and deliver to the Indenture Trustee and the Depositor, and to its predecessor Owner Trustee an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Owner Trustee shall become effective, and such successor Owner Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as Owner Trustee. The predecessor Owner Trustee shall upon payment of its fees and expenses deliver to the successor Owner Trustee all documents and statements and monies held by it under this Agreement; and the Depositor, Indenture Trustee and the predecessor Owner Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Owner Trustee all such rights, powers, duties and obligations.

No successor Owner Trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor Owner Trustee shall be an Eligible Owner Trustee pursuant to Section 10.01 hereof.

Upon acceptance of appointment by a successor Owner Trustee pursuant to this Section, the Depositor shall mail notice thereof to the Certificateholders, the Indenture Trustee, the Agent and the Noteholders. If the Depositor shall fail to mail such notice within ten (10) days after acceptance of such appointment by the successor Owner Trustee, the successor Owner Trustee shall cause such notice to be mailed at the expense of the Depositor.

Section 10.04. Merger or Consolidation of Owner Trustee. Any corporation into which the Owner Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Owner Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the

Owner Trustee, shall be the successor of the Owner Trustee hereunder, without the execution or filing of any instrument or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, that such corporation shall be eligible pursuant to Section 10.01 hereof.

Section 10.05. Appointment of Co-Trustee or Separate Trustee. Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Owner Trustee shall have the power and shall execute and deliver all instruments to appoint one or more Persons approved by the Owner Trustee to act as co-trustee, jointly with the Owner Trustee, or as separate trustee or separate trustees, of all or any part of the Trust Estate, and to vest in such Person, in such capacity, such title to the Trust or any part thereof and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Owner Trustee may consider necessary or desirable. No co-trustee or separate trustee under this Agreement shall be required to meet the terms of eligibility as a successor Owner Trustee pursuant to Section 10.01 hereof and no notice of the appointment of any co-trustee or separate trustee shall be required pursuant to Section 10.03 hereof.

Each separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(a) all rights, powers, duties and obligations conferred or imposed upon the Owner Trustee shall be conferred upon and exercised or performed by the Owner Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Owner Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Owner Trustee shall be incompetent or unqualified to perform such act or acts, in which, event such rights, powers, duties and obligations (including the holding of title to the Trust Estate or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Owner Trustee;

(b) no trustee under this Agreement shall be personally liable by reason of any such act or omission of any other trustee under this Agreement; and

(c) the Owner Trustee acting jointly may at any time accept the resignation of or remove any separate trustee or co-trustee.

Any notice, request or other writing given to the Owner Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Owner Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of or affording protection to, the Owner Trustee. Each such instrument shall be filed with the Owner Trustee and a copy thereof given to the Depositor and the Agent.

Any separate trustee or co-trustee may at any time appoint the Owner Trustee as its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Owner Trustee, to the extent permitted by law, without the appointment of a new or successor co-trustee or separate trustee.

ARTICLE XI.

MISCELLANEOUS

Section 11.01. Supplements and Amendments. This Agreement may be amended from time to time, by a written amendment duly executed and delivered by the

Owner, Residual Interest Owner and the Owner Trustee, with the written consent of the Indenture Trustee, but without the consent of any of the Noteholders, to cure any ambiguity, to correct or supplement any provisions in this Agreement or for the purpose of adding any provisions to or changing in

any manner or eliminating any of the provisions of this Agreement or modifying in any manner the rights of the Noteholders; provided, however, that such amendment will not (i) as evidenced by an Opinion of Counsel addressed and delivered to the Owner Trustee and the Indenture Trustee, materially and adversely affect the interest of any Noteholder or the Owner or Residual Interest Owner or cause the Trust to fail to be treated as a "qualified special purpose entity" as defined in Financial Accounting Standards Board Statement No. 140 and (ii) as evidenced by an Opinion of Counsel addressed and delivered to the Owner Trustee and the Indenture Trustee, cause the Trust to be classified as an association (or a publicly traded partnership) taxable as a corporation for federal income tax purposes; provided, further, that Section 2.03 of this Agreement may be amended only with the consent of the Holders of Notes representing not less than 51% of the then Outstanding Note Balance of each Class of Notes. Additionally, notwithstanding the preceding sentence, this Agreement may be amended by the Owner, Residual Interest Owner and the Owner Trustee without the consent of the Indenture Trustee or any of the Noteholders to add, modify or eliminate such provisions as may be necessary or advisable in order to enable all or a portion of the Trust (i) to qualify as, and to permit an election to be made to cause the Trust to be treated as, a "financial asset securitization investment trust" as described in the provisions of Section 860L of the Code and (ii) to avoid the imposition of state or local income or franchise taxes imposed on the Trust Estate or its income; provided, however, that (i) the Owner must deliver to the Indenture Trustee and the Owner Trustee an Officer's Certificate to the effect that the proposed amendments meet the requirements set forth in this subsection and (ii) such amendment does not affect the rights, benefits, protections, privileges, immunities, duties or obligations of the Owner Trustee hereunder.

This Agreement may also be amended from time to time by a written amendment duly executed and delivered by the Owner, Residual Interest Owner and the Owner Trustee, with the consent of the Indenture Trustee and Holders representing no less than 51% of the then Outstanding Note Balance of each Class of Notes, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Noteholders; provided, however, that without the consent of all Noteholders, no such amendment shall (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of distributions that are required to be made for the benefit of the Noteholders or (b) reduce the aforesaid percentage of the Outstanding amount of the Notes, the Holders of which are required to consent to any such amendment; provided further, that such amendment will not, (i) as evidenced by an Officer's Certificate of the Owner addressed and delivered to the Owner Trustee and the Indenture Trustee, and (ii) as evidenced by an Opinion of Counsel addressed and delivered to the Owner Trustee and the Indenture Trustee, cause the Trust to be classified as an association (or a publicly traded partnership) taxable as a corporation for federal income tax purposes.

Prior to the execution of any such amendment or consent, the Depositor shall furnish written notification of the substance of such amendment or consent, together with a copy thereof, to the Indenture Trustee, the Depositor and the Agent.

Promptly after the execution of any such amendment or consent, the Owner shall furnish written notification of the substance of such amendment or consent to the Indenture Trustee.

It shall not be necessary for the consent of the Noteholders pursuant to this Section 11.1 to approve the particular form of any proposed amendment or

consent, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution of any amendment to the Certificate of Trust, the Owner Trustee shall cause the filing of such amendment with the Secretary of State.

The Owner Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Officer's Certificate of the Owner to the effect that the conditions to amendment have been satisfied.

The Owner Trustee may, but shall not be obligated to, enter into, and unless it has consented thereto in writing shall not be bound by, any amendment which affects the Owner Trustee's own rights, duties, benefits, protections, privileges or immunities (as such or in its individual capacity) under this Agreement or otherwise.

Section 11.02. No Legal Title to Trust Estate in Owner. The Owner shall not have legal title to any part of the Trust Estate. The Residual Interest Owner shall be entitled to receive distributions with respect to its undivided residual economic interest herein only in accordance with Articles Five and Nine hereof. No transfer, by operation of law or otherwise, of any right, title or interest of the Owner or the Residual Interest Owner to and in their respective interests in the Trust Estate shall operate to terminate this Agreement or the trusts hereunder or entitle any transferee to an accounting or to the transfer to it of legal title to any part of the Trust Estate.

Section 11.03. Limitations on Rights of Others. Except for Section 2.07 hereof, the provisions of "this Agreement are solely for the benefit of the Owner Trustee, the Depositor, the Owner, the Residual Interest Owner and, to the extent expressly provided herein, the Indenture Trustee and the Noteholders, and nothing in this Agreement (other than Section 2.07 hereof), whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Trust Estate or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

Section 11.04. Notices. All notices, demands, certificates, requests and communications hereunder ("Notices") shall be in writing and shall be effective (a) upon receipt when sent through the U.S. mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, or (b) one (1) Business Day after delivery to an overnight courier, or (c) on the date personally delivered to an Authorized Officer of the party to which sent or (d) on the date transmitted by legible telecopier transmission with a confirmation of receipt, in all cases addressed to the recipient as follows:

If to the Servicer:	Bluegreen Corporation 4960 Conference Way North, Suite 100 Boca Raton, Florida 33431 Attn: Allan Herz, Vice President Telephone: (561) 912−8210 Telecopier: (561) 912−8123
If to the Depositor or Residual Interest Owner:	Bluegreen Receivables Finance Corporation VI 4960 Conference Way North, Suite 100 Boca Raton, Florida 33431 Attn: Terry Jones, President Telephone: (561) 912−8025 Telecopier: (561) 912−8121
If to the Owner Trustee:	Wilmington Trust Company Rodney Square North 1100 North Market Street Wilmington, Delaware 19890−0001 Attention: Corporate Trust Administration Telephone: (302) 636−6000 Telecopier: (302) 636−4141
If to the Backup Servicer:	Concord Servicing Corporation 6560 North Scottsdale Road Suite G−100 Scottsdale, Arizona 85253

Attn: Fredrick G. Pink, Esq.
Telephone: (480) 998−2002 x 1212
Telecopier: (480) 951−8879

If to the Indenture Trustee: U.S. Bank National Association
180 East Fifth Street
St. Paul, Minnesota 55101
Attn: Structured Finance
Telephone: (651) 244−0011
Telecopier: (651) 244−0089

If to the Owner: GSS Holdings, Inc.
114 West 47th Street
Suite 1715
New York, New York 10036
Attn: Kevin P. Burns
Telecopier: (212) 302−8767

If to the Rating Agencies: Moody's Investors Service, Inc.
99 Church Street
New York, New York 10004
Attention: Residential Mortgage
Pass−Through Surveillance Group

Standard & Poor's, a division of The
McGraw−Hill Companies, Inc.
55 Water Street, 41st Floor
New York, New York 10041
Attention: Structured Finance

Each party hereto may, by notice given in accordance herewith to each of the other parties hereto, designate any further or different address to which subsequent notices shall be sent.

Section 11.05. Severability of Provisions. If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be for any reason whatsoever held invalid then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or the rights of the Certificateholders thereof.

Section 11.06. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.07. Successors and Assigns. All Owner covenants and agreements contained herein shall be binding upon, and inure to the benefit of, each of the Depositor, and the Owner Trustee and their respective successors and permitted assigns and the Owner and the Residual Interest Owner and their respective successors and permitted assigns, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by the Owner or the Residual Interest Owner shall bind the successors and assigns of the Owner or the Residual Interest Owner, as the case may be.

Section 11.08. No Petition. The Owner Trustee, by entering into this Agreement, each Certificateholder, by accepting a Certificate, and the Indenture Trustee and each Noteholder, by accepting the benefits of this Agreement, hereby covenant and agree that they will not at any time institute against the Depositor or the Trust, or join in any institution against the Depositor, or the Trust of, any bankruptcy proceedings under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Certificates, the Notes, this Agreement or any of the other Transaction Documents.

Section 11.09. No Recourse. Each Certificateholder by accepting a Certificate acknowledges that such Certificateholder's Certificate represents equity (in the case of the Trust Certificate) or residual economic (in the case of the Residual Interest Certificate) interests in the Trust only and do not represent interests in or obligations of the Depositor, the Servicer, the

Originators, the Sellers, the Owner Trustee, the Indenture Trustee or any of the respective Affiliates and no recourse may be had against such parties or their assets, except as may be expressly set forth or contemplated in this Agreement, the Certificates or the other Transaction Documents. The Owner by accepting the Trust Certificate acknowledges that such Trust Certificate represents an equity (but not economic) interest in the Trust and the Trust Estate only and does not represent an economic interest in the Trust or the Trust Estate or an interest in or an obligation of the Depositor, the Servicer, the Originators, the Sellers, the Owner Trustee or any Affiliate of the foregoing, and no recourse may be had against any such party or their assets, except as may be expressly set forth or contemplated in the Transaction Documents.

Section 11.10. Headings.

The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 11.11. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 11.12. Trust Certificate Transfer Restrictions. The Trust Certificate may not be acquired by or for the account of a Benefit Plan. By accepting and holding a Trust Certificate, the Certificateholder thereof shall be deemed to have represented and warranted that it is not a Benefit Plan nor will it hold such Trust Certificate for the account of a Benefit Plan. By accepting and holding a Trust Certificate, the Certificateholder thereof shall be deemed to have represented and warranted that it is not a Benefit Plan.

Section 11.13. Extraordinary Transactions. Notwithstanding any other provision of this Trust Agreement and any provision of law that otherwise so empowers the Trust, the Trust shall not without the affirmative vote of 100% of the Owner and the Owner Trustee:

(a) engage in any business or activity other than in accordance with Article II hereof;

(b) incur any indebtedness, or assume or guarantee any indebtedness of any other person or entity, other than in connection with the activities described in Article II hereof;

(c) dissolve or liquidate, in whole or in part;

(d) consolidate with or merge into any other person or entity or sell, convey or transfer all or substantially all of its properties and assets to any other person or entity or acquire all or substantially all of the assets or capital stock or other ownership interest of any other person or entity;

(e) institute proceedings to be adjudicated bankrupt or insolvent; or consent to the institution of bankruptcy, insolvency or similar proceedings against it; or file a petition seeking, or consent to, reorganization or relief under any applicable federal or state law relating to

bankruptcy, insolvency or readjustment of debts; or consent to the appointment of a receiver, conservator, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Trust or a substantial part of its property; or make any assignment for the benefit of creditors; or admit in writing its inability to pay its debts generally as they become due; or take any corporate action in furtherance of any such action; or

(f) authorize any amendment to this Section 11.13 or Articles II or IV of

this Agreement.

When voting on whether the Trust will take any action described in paragraph (e) of this Section 11.13, each controlling person of the Residual Interest Certificateholder shall owe its primary fiduciary duty or other obligation to the Trust (including, without limitation, the Trust's creditors) and not to its sole shareholder (except as may be specifically required by applicable law). The Trust shall be deemed to have consented to the foregoing by virtue of such Residual Interest Certificateholder's consent to this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

BLUEGREEN RECEIVABLES
FINANCE CORPORATION VI, as
Depositor and Residual
Interest Owner

By: _____
Printed Name: Terry Jones
Title: President

WILMINGTON TRUST COMPANY,
as Owner Trustee

By: /s/ Jeanne M. Oller
_____
Printed Name: Jeanne M. Oller
_____
Title: Financial Services Officer
_____

GSS HOLDINGS, INC.,
as Owner of the Trust Certificate

By: _____
Printed Name: _____
Title: _____

[Signature Page to Trust Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

BLUEGREEN RECEIVABLES
FINANCE CORPORATION VI, as
Depositor and Residual
Interest Owner

By: _____
Printed Name: Terry Jones
Title: President

WILMINGTON TRUST COMPANY,
as Owner Trustee

By: _____
Printed Name: _____
Title: _____

GSS HOLDINGS, INC.,
as Owner of the Trust Certificate

By: /s/ Kevin P. Burns
Printed Name: Kevin P. Burns
Title: Vice President

[Signature Page to Trust Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

BLUEGREEN RECEIVABLES
FINANCE CORPORATION VI, as
Depositor and Residual
Interest Owner

By: /s/ Terry Jones
Printed Name: Terry Jones
Title: President

WILMINGTON TRUST COMPANY,
as Owner Trustee

By: _____
Printed Name: _____
Title: _____

GSS HOLDINGS, INC.,
as Owner of the Trust Certificate

By: _____
Printed Name: _____
Title: _____

[Signature Page to Trust Agreement]

EXECUTION COPY

BXG RECEIVABLES NOTE TRUST 2002-A,
as Issuer

BLUEGREEN CORPORATION,
as Servicer

VACATION TRUST, INC.,
as Club Trustee

CONCORD SERVICING CORPORATION,
as Backup Servicer

and

U.S. BANK NATIONAL ASSOCIATION,
as Indenture Trustee

INDENTURE

Dated as of November 15, 2002

TABLE OF CONTENTS

INDENTURE

This INDENTURE, dated as of November 15, 2002 (the "Indenture"), is among BXG RECEIVABLES NOTE TRUST 2002−A, a statutory trust formed under the laws of the State of Delaware, as issuer (the "Issuer"), BLUEGREEN CORPORATION ("Bluegreen"), a Massachusetts corporation, in its capacity as servicer (the "Servicer"), VACATION TRUST, INC., a Florida corporation, as trustee under the Club Trust Agreement (the "Club Trustee"). CONCORD SERVICING CORPORATION, an Arizona corporation, as backup servicer (the "Backup Servicer") and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as indenture trustee (the "Indenture Trustee"), paying agent (the "Paying Agent") and as custodian (the "Custodian").

RECITALS OF THE ISSUER

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture to provide for the issuance of its $86,899,000 4.580% Timeshare Loan−Backed Notes, Series 2002−A, Class A (the "Class A Notes"), $21,724,000 4.740% Timeshare Loan−Backed Notes, Series 2002−A, Class B (the "Class B Notes"), $23,535,000 5.735% Timeshare Loan− Backed Notes, Series 2002−A Class C (the "Class C Notes"), and $38,018,000 7.750% Timeshare Loan−Backed Notes, Series 2002−A, Class D, (the "Class D Notes" and together with the Class A Notes, Class B Notes and Class C2 Notes, the "Notes");

WHEREAS, all things necessary to make the Notes, when executed by the Issuer and authenticated and delivered by the Indenture Trustee hereunder, the valid recourse obligations of the Issuer, and to make this Indenture a valid agreement of the Issuer, in accordance with its terms, have been done.

WHEREAS, the Servicer has agreed to service and administer the Timeshare Loans securing the Notes and the Backup Servicer has agreed to, among other things, service and administer the Timeshare Loans if the Servicer shall no longer be the Servicer hereunder;

WHEREAS, the Club Trustee is a limited purpose entity which, on behalf of Beneficiaries of the Club, holds title to the Timeshare Properties related to the Club Loans.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the holders thereof, it is mutually covenanted and agreed, for the benefit of the Noteholders, as follows:

GRANTING CLAUSE

To secure the payment of the principal of and interest on the Notes in accordance with their terms, the payment of all of the sums payable under this Indenture and the performance of the covenants contained in this Indenture, the Issuer hereby Grants to the Indenture Trustee, for the benefit of the Noteholders, all of the Issuer's right, title and interest in and to the following whether now owned or hereafter acquired and any and all benefits accruing

to the Issuer from, (i) the Timeshare Loans specified on Schedule I hereto, (ii) any Qualified Substitute Timeshare Loans, (iii) the Receivables in respect of each Timeshare Loan due on and after the related Cut−Off Date, (iv) the related Timeshare Loan Documents (excluding any rights as developer or declarant under the Timeshare Declaration, the Timeshare Program Consumer Documents or the

Timeshare Program Governing Documents), (v) all Related Security in respect of each Timeshare Loan, (vi) all rights and remedies under the Transfer Agreements, the Purchase Agreement, the Sale Agreement, the Lockbox Agreement, the Backup Servicing Agreement, the Administration Agreement and the Custodial Agreement, (vii) all amounts in or to be deposited to the Lockbox Account, the Collection Account, the General Reserve Account, the Closing Date Delinquency Reserve Account and, in the case of the Class D Notes only, the Class D Reserve Account, and (viii) proceeds of the foregoing (including, without limitation, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind, and other forms of obligations and receivables which at any time constitute all or part or are included in the proceeds of any of the foregoing) (collectively, the "Trust Estate"). Notwithstanding the foregoing, the Trust Estate shall not include (i) any Timeshare Loan released from the lien of this Indenture in accordance with the terms hereof and any Related Security, Timeshare Loan Documents, income or proceeds related to such released Timeshare Loan, (ii) any amount distributed pursuant to Section 3.4 or Section 6.6 hereof or (iii) any Misdirected Deposits.

Such Grant is made in trust to secure (i) the payment of all amounts due on the Notes in accordance with their terms, equally and ratably except as otherwise may be provided in this Indenture, without prejudice, priority, or distinction between any Note of the same Class and any other Note of the same Class by reason of differences in time of issuance or otherwise, and (ii) the payment of all other sums payable under the Notes and this Indenture.

The Indenture Trustee acknowledges such Grant, accepts the trusts hereunder in accordance with the provisions hereof, and agrees to perform the duties herein required to the best of its ability and to the end that the interests of the Noteholders may be adequately and effectively protected as hereinafter provided.

The Custodian shall hold the Timeshare Loan Documents in trust, for the use and benefit of the Issuer and all present and future Noteholders, and shall retain possession thereof. The Custodian further agrees and acknowledges that each other item making up the Trust Estate that is physically delivered to the Custodian will be held by the Custodian in the State of Minnesota or in any other location acceptable to the Indenture Trustee and the Servicer.

The Indenture Trustee further acknowledges that in the event the conveyance of the Timeshare Loans by the Depositor to the Issuer pursuant to the Sale Agreement is determined to constitute a loan and not a sale as it is intended by all the parties hereto, the Custodian will be holding each of the Timeshare Loans as bailee of the Issuer; provided, however, that with respect to the Timeshare Loans, the Custodian should not act at the direction of the Issuer without the written consent of the Indenture Trustee.

ARTICLE I.

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.1. General Definitions.

In addition to the terms defined elsewhere in this Indenture, capitalized terms shall have the meanings given them in the "Standard Definitions" attached hereto as Annex A.

SECTION 1.2. Compliance Certificates and Opinions.

Upon any written application or request (or oral application with prompt written or telecopied confirmation) by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture, other than any request that (a) the Indenture Trustee authenticate the Notes specified in such request, (b) the Indenture Trustee invest moneys in any of the Trust Accounts pursuant to the written directions specified in such request or (c) the Indenture Trustee pay moneys due and payable to the Issuer hereunder to the Issuer's assignee specified in such request, the Indenture Trustee shall require the Issuer to furnish to the Indenture Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and that the request otherwise is in accordance with the terms of this Indenture, and an Opinion of Counsel

stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that, in the case of any such requested action as to which other evidence of satisfaction of the conditions precedent thereto is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

SECTION 1.3. Form of Documents Delivered to Indenture Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Issuer delivered to the Indenture Trustee may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such officer knows that the opinion with respect to the matters upon which his/her certificate or opinion is based are erroneous. Any such officer's certificate or opinion and any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer as to such factual matters unless such officer or counsel knows that the certificate or opinion or representations with respect to such matters is erroneous. Any Opinion of Counsel may be based on the written opinion of other counsel, in which event such Opinion of Counsel shall be accompanied by a copy of such other counsel's opinion and shall include a statement to the effect that such other counsel believes that

such counsel and the Indenture Trustee may reasonably rely upon the opinion of such other counsel.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Wherever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Section 7.1(b) hereof.

Whenever in this Indenture it is provided that the absence of the occurrence and continuation of a Default, Event of Default or Servicer Event of Default is a condition precedent to the taking of any action by the Indenture Trustee at the request or direction of the Issuer, then, notwithstanding that the satisfaction of such condition is a condition precedent to the Issuer's right to make such request or direction, the Indenture Trustee shall be protected in acting in accordance with such request or direction if it does not have knowledge, of the occurrence and continuation of such event. For all purposes of this Indenture, the Indenture Trustee shall not be deemed to have knowledge of any Default, Event of Default or Servicer Event of Default nor shall the Indenture Trustee have any duty to monitor or investigate to determine whether a default has occurred (other than an Event of Default of the kind described in Section 6.1(a) hereof) or Servicer Event of Default has occurred unless a Responsible Officer of the Indenture Trustee shall have actual knowledge thereof or shall have been notified in writing thereof by the Issuer, the Servicer or any secured party.

SECTION 1.4. Acts of Noteholders, etc.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by

Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 7.1 hereof) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section 1.4.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Indenture Trustee deems sufficient.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the holder of any Note shall bind every future holder of the same Note and the holder of every Note issued upon the registration of transfer thereof or in exchange therefore or in lieu thereof in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

(d) By accepting the Notes issued pursuant to this Indenture, each Noteholder irrevocably appoints the Indenture Trustee hereunder as the special attorney-in-fact for such Noteholder vested with full power on behalf of such Noteholder to effect and enforce the rights of such Noteholder for the benefit of such Noteholder; provided that nothing contained in this Section 1.4(d) shall be deemed to confer upon the Indenture Trustee any duty or power to vote on behalf of the Noteholders with respect to any matter on which the Noteholders have a right to vote pursuant to the terms of this Indenture.

SECTION 1.5. Notice to Noteholders; Waiver.

(a) Where this Indenture provides for notice to Noteholders of any event, or the mailing of any report to Noteholders, such notice or report shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, via first class mail, or sent by private courier or confirmed telecopy to each Noteholder affected by such event or to whom such report is required to be mailed, at its address as it appears in the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice or the mailing of such report. In any case where a notice or report to Noteholders is mailed, neither the failure to mail such notice or report, nor any defect in any notice or report so mailed, to any particular Noteholder shall affect the sufficiency of such notice or report with respect to other Noteholders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Indenture Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(b) In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to mail or send notice to Noteholders, in accordance with Section 1.5(a) hereof, of any event or any report to Noteholders when such notice or report is required to be delivered pursuant to any provision of this Indenture, then such notification or

delivery as shall be made with the approval of the Indenture Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 1.6. Effect of Headings and Table of Contents.

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.7. Successors and Assigns.

All covenants and agreements in this Indenture by each of the parties hereto shall bind its respective successors and permitted assigns, whether so expressed or not.

SECTION 1.8. GOVERNING LAW.

THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK. UNLESS MADE APPLICABLE IN A SUPPLEMENT HERETO, THIS INDENTURE IS NOT SUBJECT TO THE TRUST INDENTURE ACT OF 1939 AND SHALL NOT BE GOVERNED THEREBY AND CONSTRUED IN ACCORDANCE THEREWITH.

SECTION 1.9. Legal Holidays.

In any case where any Payment Date or the Stated Maturity or any other date on which principal of or interest on any Note is proposed to be paid shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Notes) such payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Payment Date, Stated Maturity or other date on which principal of or interest on any Note is proposed to be paid; provided that, no penalty interest shall accrue for the period from and after such Payment Date, Stated Maturity, or any other date on which principal of or interest on any Note is proposed to be paid, as the case may be, until such next succeeding Business Day.

SECTION 1.10. Execution in Counterparts.

This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 1.11. Inspection.

The Issuer agrees that, on ten Business Days' prior notice (or, one Business Day's prior notice after the occurrence and during the occurrence of an Event of Default or a Servicer Event of Default), it will permit the representatives of the Indenture Trustee or any Noteholder, during the Issuer's normal business hours, to examine all of the books of account, records, reports and other papers of the Issuer, to make copies thereof and extracts therefrom, and to

discuss its affairs, finances and accounts with its designated officers, employees and independent accountants in the presence of such designated officers and employees (and by this provision the Issuer hereby authorizes its independent accountants to discuss with such representatives such affairs, finances and accounts), all at such reasonable times and as often as may be reasonably requested for the purpose of reviewing or evaluating the financial condition or affairs of the Issuer or the performance of and compliance with the covenants and undertakings of the Issuer and the Servicer in this Indenture or any of the other documents referred to herein or therein. Any reasonable expense incident to the exercise by the Indenture Trustee at any time or any Noteholder during the continuance of any Default or Event of Default, of any right under this Section 1.11 shall be borne by the Issuer. Nothing contained herein shall be construed as a duty of the Indenture Trustee to perform such inspection.

SECTION 1.12. Survival of Representations and Warranties.

The representations, warranties and certifications of the Issuer made in this Indenture or in any certificate or other writing delivered by the Issuer pursuant hereto shall survive the authentication and delivery of the Notes hereunder.

ARTICLE II.

THE NOTES

SECTION 2.1. General Provisions.

(a) Form of Notes. The Notes shall be designated as the "BXG Receivables Note Trust 2002-A, Timeshare Loan-Backed Notes, Series 2002-A". The Notes, together with their certificates of authentication, shall be in substantially the form set forth in Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or are permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may consistently herewith, be determined by the officer executing such Notes, as evidenced by such officer's execution of such Notes.

(b) Denominations. The Outstanding Note Balance of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes which may be authenticated and delivered under this Indenture is limited to $86,899,000, $21,724,000, $23,535,000 and $38,018,000, respectively. The Notes shall be issuable only as registered Notes, without interest coupons, in the denominations of at least $50,000 and in integral multiples of $1,000; provided, however, that the foregoing shall not restrict or prevent the transfer in accordance with Section 2.4 hereof of any Note with a remaining Outstanding Note Balance of less than $50,000.

(c) Execution, Authentication, Delivery and Dating. The Notes shall be manually executed by an Authorized Officer of the Owner Trustee on behalf of the Issuer. Any Note bearing the signature of an individual who was at the time of execution thereof an Authorized Officer of the Owner Trustee on behalf of the issuer shall bind the Issuer, notwithstanding that such individual ceases to hold such office prior to the authentication and delivery of such Note or did not hold such office at the date of such Note. No Note shall be

entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Note a certificate of authentication substantially in the form set forth in Exhibit A hereto, executed by the Indenture Trustee by manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder. Each Note shall be dated the date of its authentication. The Notes may from time to time be executed by the Issuer and delivered to the Indenture Trustee for authentication together with an Issuer Order to the Indenture Trustee directing the authentication and delivery of such Notes and thereupon the same shall be authenticated and delivered by the Indenture Trustee in accordance with such Issuer Order.

SECTION 2.2. Global Notes.

Each of the Notes, upon original issuance, shall be issued in the form of one or more book-entry global certificates (the "Global Notes" and each, a "Global Note") to be deposited with the Indenture Trustee as custodian for The Depository Trust Company, the initial Depository, by or on behalf of the Issuer. All Global Notes shall be initially registered on the Note Register in the name of Cede & Co., the nominee of DTC and no Note Owner will receive a definitive note (a "Definitive Note") representing such Note Owner's interest in the related Class of Notes, except as provided in Section 2.3 hereof. Unless and until Definitive Notes have been issued in respect of a Class of Notes pursuant to Section 2.3:

(a) the provisions of this Section 2.2 shall be in full force and effect with respect to such Class of Notes;

(b) the Issuer, the Servicer and the Indenture Trustee may deal with the Depository and the Depository Participants for all purposes with respect to such Notes (including the making of distributions on such Notes) as the authorized representatives of the respective Note Owners;

(c) to the extent that the provisions of this Section 2.2 conflict with any other provisions of this Indenture, the provisions of this Section 2.2 shall control; and

(d) the rights of the respective Note Owners of a Class of Notes shall be exercised only through the Depository and the Depository Participants and shall be limited to those established by law and agreements between the respective Note Owners and the Depository and/or the Depository Participants. Pursuant to the Depository Agreement, unless and until Definitive Notes are issued in respect of the Notes pursuant to Section 2.3 hereof, the Depository will make book-entry transfers among the Depository Participants and receive and transmit distributions of principal of, and interest on, the Notes to the Depository Participants.

SECTION 2.3. Definitive Notes.

If (a) the Depository advises the Indenture Trustee in writing that the Depository is no longer willing, qualified or able to properly discharge its responsibilities as Depository with respect to the Global Notes and the Issuer is unable to locate a qualified successor, (b) the Issuer, at its sole option, advises the Indenture Trustee in writing that it elects to terminate the book-entry system with respect to any or all Classes of Notes though the Depository, or (c) after the occurrence of an Event of Default, Note Owners evidencing not less than 66-2/3% of the Adjusted Note Balance of such Class of Notes, advise the Indenture Trustee and the Depository through the Depository Participants in writing that the continuation of a book-entry system with respect to such Class of Notes, respectively, through the Depository is no longer in the best interest of such Note Owners, the Indenture Trustee shall use its best efforts to notify all affected Note Owners through the Depository of the occurrence of any such event and of the availability of Definitive Notes to such Note Owners. None of the Issuer, the Indenture Trustee or the Servicer shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Notes, the Issuer, the Indenture Trustee, the Note Registrar and the Servicer shall recognize holders of Definitive Notes as Noteholders hereunder. Upon the issuance of Definitive Notes, all references herein to obligations imposed upon or to be performed by the Depository shall be deemed to be imposed upon and performed by the Indenture Trustee, to the extent applicable with respect to such Definitive Notes.

SECTION 2.4. Registration, Transfer and Exchange of Notes.

(a) The Issuer shall cause to be kept at the Corporate Trust Office a register (the "Note Register") for the registration, transfer and exchange of Notes. The Indenture Trustee is hereby appointed "Note Registrar" for purposes of registering Notes and transfers of Notes as herein provided. The names and addresses of all Noteholders and the names and addresses of the transferees of any Notes shall be registered in the Note Register; provided, however, in no event shall the Note Registrar be required to maintain in the Note Register the names of the individual participants holding Notes through the Depository. The Person in whose name any Note is so registered shall be deemed and treated as the sole owner and Noteholder thereof for all purposes of this Indenture and the Note Registrar, the Issuer, the Indenture Trustee, the Servicer and any agent of any of them shall not be affected by any notice or knowledge to the contrary. A Definitive Note is transferable or exchangeable only upon the surrender of such Note to the Note Registrar at the Corporate Trust Office together with an assignment and transfer (executed by the Holder or his duly authorized attorney), subject to the applicable requirements of this Section 2.4. Upon request of the Indenture Trustee, the Note Registrar shall provide the Indenture Trustee with the names and addresses Noteholders.

(b) Upon surrender for registration of transfer of any Definitive Note, subject to the applicable requirements of this Section 2.4, the Issuer shall execute and the Indenture Trustee shall duly authenticate in the name of the designated transferee or transferees, one or more new Notes in denominations of a like aggregate denomination as the Definitive Note being surrendered. Each Note surrendered for registration of transfer shall be canceled and subsequently destroyed by the Note Registrar. Each new Note issued pursuant to this Section 2.4

shall be registered in the name of any Person as the transferring Holder may request, subject to the applicable provisions of this Section 2.4. All Notes issued upon any registration of transfer or exchange of Notes shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

(c) The issuance of the Notes will not be registered or qualified under the Securities Act or the securities laws of any state. No resale or transfer of any Note may be made unless such resale or transfer is made in accordance with this Indenture and only if (i) in the United States to a person whom the transferor reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A) that is purchasing for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A as certified by the transferee (other than the Initial Purchaser and their respective initial transferees) in a letter in the form of Exhibit B hereto, (ii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if available) or (iii) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (iii) in accordance with any applicable securities laws of any state of the United States. Each transferee and each subsequent transferee will be required to notify any subsequent purchaser of such Notes from it of the resale restrictions described herein. None of the Issuer, the Servicer or the Indenture Trustee is obligated to register or qualify the Notes under the Securities Act or any other securities law or to take any action not otherwise required under this Indenture to permit the transfer of any Note without registration.

(d) No resale or other transfer of any Note may be made to any transferee unless (i) such transferee is not, and will not acquire such Note on behalf or with the assets of, any Benefit Plan or (ii) no "prohibited transaction" under ERISA or section 4975 of the Code or Similar Law that is not subject to a statutory, regulatory or administrative exemption will occur in connection with purchaser's or such transferee's acquisition or holding of such Note. In addition, the Notes may not be purchased by or transferred to any Benefit Plan or person acting on behalf of or with assets of any Benefit Plan, unless it represents that it is not sponsored (within the meaning of Section 3(l6)(B) of ERISA) by the Issuer, the Depositor, the Originators, the Servicer, the Indenture Trustee, the Owner Trustee, the Administrator, The Paying Agent, the Custodian, the Backup Servicer, the Lockbox Bank or the Initial Purchaser, or by any affiliate of any such person. In addition to the applicable provisions of this Section 2.4 and the rules of the Depository, the exchange, transfer and registration of transfer of Global Notes shall only be made in accordance with Section 2.4(c) and this Section 2.4(d).

(e) No fee or service charge shall be imposed by the Note Registrar for its services in respect of any registration of transfer or exchange referred to in this Section 2.4. The Note Registrar may require payment by each transferor of a sum sufficient to cover any tax, expense or other governmental charge payable in connection with any such transfer.

(f) None of the Issuer, the Indenture Trustee, the Servicer or the Note Registrar is obligated to register or qualify the Notes under the Securities Act or any other securities law or to take any action not otherwise required under this Indenture to permit the transfer of such Notes without registration or qualification. Any such Noteholder desiring to effect such transfer shall, and does hereby agree to, indemnify the Issuer, the Indenture Trustee,

the Servicer and the Note Registrar against any loss, liability or expense that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

(g) The Servicer agrees to cause the Issuer, and the Issuer agrees to provide, such information as required under Rule 144A under the Securities

Act so as to allow resales of Notes to "qualified institutional buyers" (as defined therein) in accordance herewith.

(h) The Notes represent the sole obligation of the Issuer payable from the Trust Estate and do not represent the obligations of the Originators, the Servicer, the Depositor, the Backup Servicer, the Owner Trustee, the Indenture Trustee, Administrator or the Custodian.

SECTION 2.5. Mutilated, Destroyed, Lost and Stolen Notes.

(a) If any mutilated Note is surrendered to the Indenture Trustee, the Issuer shall execute and the Indenture Trustee shall authenticate and deliver in exchange therefore a replacement Note of like tenor and principal amount and bearing a number not contemporaneously outstanding.

(b) If there shall be delivered to the Issuer and the Indenture Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Note and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless then, in the absence of actual notice to the Issuer or the Indenture Trustee that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Indenture Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Note, a replacement Note of like tenor and principal amount and bearing a number not contemporaneously outstanding.

(c) In case the final installment of principal on any such mutilated, destroyed, lost or stolen Note has become or will at the next Payment Date become due and payable, the Issuer, in its discretion, may, instead of issuing a replacement Note, pay such Note.

(d) Upon the issuance of any replacement Note under this Section 2.5, the Issuer or the Indenture Trustee may require the payment by the Noteholder of a sum sufficient to cover any Tax or other governmental charge that may be imposed as a result of the issuance of such replacement Note.

(e) Every replacement Note issued pursuant to this Section 2.5 in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(f) The provisions of this Section 2.5 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

SECTION 2.6. Payment of Interest and Principal; Rights Preserved.

(a) Any installment of interest or principal, payable on any Note that is punctually paid or duly provided for by or on behalf of the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Note was registered at the close of business on the Record Date for such Payment Date by check mailed to the address specified in the Note Register, or if a Holder has provided wire transfer instructions to the Indenture Trustee at least 5 Business Days prior to the applicable Payment Date, upon the request of a Holder, by wire transfer of federal funds to the account and number specified in the Note Register, in each case on such Record Date for such Person (which shall be, as to each original purchaser of the Notes, the account and number specified by such purchaser to the Indenture Trustee in writing, or, if no such account or number is so specified, then by check mailed to such Person's address as it appears in the Note Register on such Record Date).

(b) All reductions in the principal amount of a Note effected by payments of principal made on any Payment Date shall be binding upon all Holders of such Note and of any Note issued upon the registration of transfer thereof or in exchange therefore or in lieu thereof, whether or not such payment is noted on such Note. All payments on the Notes shall be paid without any requirement of presentment, but each Holder of any Note shall be deemed to agree, by its acceptance of the same, to surrender such Note at the Corporate Trust Office within thirty (30) days after receipt of the final principal payment of such Note.

SECTION 2.7. Persons Deemed Owners.

Prior to due presentment of a Note for registration of transfer, the issuer, the Indenture Trustee, and any agent of the Issuer or the Indenture Trustee may treat the registered Noteholder as the owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Indenture Trustee, nor any agent of the Issuer or the Indenture Trustee shall be affected by notice to the contrary.

SECTION 2.8. Cancellation.

All Notes surrendered for registration of transfer or exchange or following final payment shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly canceled by it. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Indenture Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section 2.8, except as expressly permitted by this Indenture. All canceled Notes held by the Indenture Trustee may be disposed of in the normal course of its business or as directed by an Issuer Order.

SECTION 2.9. Noteholder Lists.

The Indenture Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of the Noteholders. In

the event the Indenture Trustee no longer serves as the Note Registrar, the Issuer (or any other obligor upon the Notes) shall furnish to the Indenture Trustee at least 5 Business Days before each Payment Date (and in all events in intervals of not more than 6 months) and at such other times as the Indenture Trustee may request in writing a list in such form and as of such date as the Indenture Trustee may reasonably require of the names and addresses of the Noteholders.

SECTION 2.10. Treasury Notes.

In determining whether the Noteholders of the required Outstanding Note Balance of the Notes have concurred in any direction, waiver or consent, Notes held or redeemed by the Issuer or any other obligor in respect of the Notes or held by an Affiliate of the Issuer or such other obligor shall be considered as though not Outstanding, except that for the purposes of determining whether the Indenture Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which a Responsible Officer of the Indenture Trustee knows are so owned shall be so disregarded.

SECTION 2.11. Notice to Depository.

Whenever notice or other communication to the Holders of Global Notes is required under this Indenture, unless and until Definitive Notes have been issued to the related Note Owners pursuant to Section 2.3 hereof, the Indenture Trustee shall give all such notices and communications specified herein to be given to such Note Owners to the Depository.

SECTION 2.12. Confidentiality.

Each Noteholder, by acceptance of a Note, agrees and covenants that it shall hold in confidence all Confidential Information; provided, however, that any Noteholder may deliver or disclose Confidential Information to (i) its directors, officers, trustees, managers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the investment represented by the Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential such information substantially in accordance with the terms of this Section 2.12, (iii) any other Noteholder, (iv) any institutional investor to which such Noteholder sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such confidential information to be bound by the provisions of this Section 2.12), (v) any federal or state regulatory authority having jurisdiction over such Noteholder, (vi) the National

Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agencies that requires access to information about such Noteholder's investment portfolio, (vii) the Rating Agencies or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Noteholder, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Noteholder is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Noteholder may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under the Notes and the Transaction Documents.

ARTICLE III.

ACCOUNTS; COLLECTION AND APPLICATION OF MONEYS; REPORTS

SECTION 3.1. Trust Accounts: Investments by Indenture Trustee.

(a) On or before the Closing Date, the Indenture Trustee shall establish in the name of the Indenture Trustee for the benefit of the Noteholders as provided in this Indenture, the Trust Accounts, which accounts (other than the Lockbox Account) shall be Eligible Bank Accounts maintained at the Corporate Trust Office.

Subject to the further provisions of this Section 3.1(a), the Indenture Trustee shall, upon receipt or upon transfer from another account, as the case may be, deposit into such Trust Accounts all amounts received by it which are required to be deposited therein in accordance with the provisions of this Indenture. All such amounts and all investments made with such amounts, including all income and other gain from such investments, shall be held by the Indenture Trustee in such accounts as part of the Trust Estate as herein provided, subject to withdrawal by the Indenture Trustee in accordance with, and for the purposes specified in the provisions of, this Indenture.

(b) The Indenture Trustee shall assume that any amount remitted to it in respect of the Trust Estate is to be deposited into the Collection Account pursuant to Section 3.2(a) hereof unless a Responsible Officer of the Indenture Trustee receives written instructions from the Servicer to the contrary.

(c) None of the parties hereto shall have any right of set−off with respect to any Trust Account or any investment therein.

(d) So long as no Event of Default shall have occurred and be continuing, all or a portion of the amounts in any Trust Account (other than the Lockbox Account) shall be invested and reinvested by the Indenture Trustee pursuant to an Issuer Order in one or more Eligible Investments. Subject to the restrictions on the maturity of investments set forth in Section 3.1(f) below, each such Issuer Order may authorize the Indenture Trustee to make the specific Eligible Investments set forth therein, to make Eligible Investments from time to time consistent with the general instructions set forth therein, in each ease, in such amounts as such Issuer Order shall specify.

(e) In the event that either (i) the Issuer shall have failed to give investment directions to the Indenture Trustee by 9:30 A.M., New York City time on any Business Day on which there may be uninvested cash or (ii) an Event of Default shall be continuing, the Indenture Trustee shall promptly invest and reinvest the funds then in the designated Trust Account to the fullest extent practicable in those obligations or securities described in clause (e) of the definition of "Eligible Investments". All investments made by the Indenture Trustee shall mature no later than the maturity date therefor permitted by Section 3.1(f) below.

(f) No investment of any amount held in any Trust Account shall mature later than the Business Day immediately preceding the Payment Date which is scheduled to occur immediately following the date of investment. All income or other gains (net of losses) from the investment of moneys deposited in any Trust Account shall be deposited by the Indenture Trustee in such account immediately upon receipt.

(g) Subject to Section 3.1(d) above, any investment of any finds in any Trust Account shall be made under the following terms and conditions:

(i) each such investment shall be made in the name of the Indenture Trustee, in each case in such manner as shall be necessary to maintain the identity of such investments as assets of the Trust Estate; and

(ii) any certificate or other instrument evidencing such investment shall be delivered directly to the Indenture Trustee, and the Indenture Trustee shall have sole possession of such instrument, and all income on such investment.

(h) The Indenture Trustee shall not in any way be held liable by reason of any insufficiency in any Trust Account resulting from losses on investments made in accordance with the provisions of this Section 3.1 including, but not limited to, losses resulting from the sale or depreciation in the market value of such investments (but the institution serving as Indenture Trustee shall at all times remain liable for its own obligations, if any, constituting part of such investments). The Indenture Trustee shall not be liable for any investment or liquidation of an investment made by it in accordance with this Section 3.1 on the grounds that it could have made a more favorable investment or a more favorable selection for sale of an investment.

SECTION 3.2. Establishment and Administration of the Trust Accounts.

(a) Collection Account. The Issuer hereby directs and the Indenture Trustee hereby agrees to cause to be established and maintained an account (the "Collection Account") for the benefit of the Noteholders. The Collection Account shall be an Eligible Bank Account initially established at the corporate trust department of the Indenture Trustee, bearing the following designation "BXG Receivables Note Trust 2002-A, Timeshare Loan-Backed Notes, Series 2002-A -- Collection Account, U.S. Bank National Association, as Indenture Trustee for the benefit of the Noteholders". The Indenture Trustee on behalf of the Noteholders shall possess all right, title and interest in all funds on deposit from time to time in the Collection Account and in all proceeds thereof. The Collection Account shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Noteholders as their interests appear in the Trust Estate. If, at any time, the Collection Account ceases to be an Eligible Bank Account, the Indenture Trustee shall within two (2) Business Days establish a new Collection Account which shall be an Eligible Bank Account, transfer any cash and/or any investments to such new Collection Account, and from the date such new Collection Account is established, it shall be the "Collection Account". The Indenture Trustee agrees to immediately deposit any amounts received by it into the Collection Account. Amounts on deposit in the Collection Account shall be invested in accordance with Section 3.1 hereof. Withdrawals and payments from the Collection Account will be made on each Payment Date as provided in Section 3.4 or Section 6.6

hereof, as applicable. The Indenture Trustee, at the written direction of the Servicer, shall withdraw (no more than once per calendar week) from the Collection Account and return to the Servicer or as directed by the Servicer, any amounts which (i) were mistakenly deposited by the Lockbox Bank in the Collection Account, including, without limitation, amounts representing Misdirected Payments and (ii) represent Additional Servicing Compensation. The Indenture Trustee may conclusively rely on such written direction.

(b) General Reserve Account. The Issuer hereby directs and the Indenture Trustee hereby agrees to cause to be established and maintained an account (the "General Reserve Account") for the benefit of the Noteholders. On the Closing Date, the Indenture Trustee shall deposit, from the proceeds from the sale of the Notes, an amount equal to the General Reserve Account Initial Deposit. The General Reserve Account shall be an Eligible Bank Account initially established at the corporate trust department of the Indenture Trustee, bearing the following designation "BXG Receivables Note Trust 2002-A -- General Reserve Account, U.S. Bank National Association, as Indenture Trustee for the benefit of

the Noteholders". The Indenture Trustee on behalf of the Noteholders shall possess all right, title and interest in all funds on deposit from time to time in the General Reserve Account and in all proceeds thereof. The General Reserve Account shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Noteholders as their interests appear in the Trust Estate. If, at any time, the General Reserve Account ceases to be an Eligible Bank Account, the Indenture Trustee shall within two (2) Business Days establish a new General Reserve Account which shall be an Eligible Bank Account transfer any cash and/or any investments to such new General Reserve Account, and from the date such new General Reserve Account is established, it shall be the "General Reserve Account". Amounts on deposit in the General Reserve Account shall be invested in accordance with Section 3.1 hereof. Deposits to the General Reserve Account shall be made in accordance with Section 3.4 hereof. Withdrawals and payments from the General Reserve Account shall be made in the following manner:

(i) Withdrawals. Subject to Sections 3.2(b)(ii) and (iii) below, if on any Payment Date, Available Funds (without giving effect to any deposit from the General Reserve Account) would be insufficient to pay any portion of the Required Payments on such Payment Date, the Indenture Trustee shall, based on the Monthly Servicer Report, withdraw from the General Reserve Account an amount equal to the lesser of such insufficiency and the amount on deposit in the General Reserve Account and deposit such amount in the Collection Account.

(ii) Sequential Pay Event. Upon the occurrence of a Sequential Pay Event, the Indenture Trustee shall withdraw all amounts on deposit in the General Reserve Account and shall deposit such amounts to the Collection Account for distribution in accordance with Section 6.6 hereof.

(iii) Stated Maturity or Payment in Full. On the earlier to occur of the Stated Maturity and the Payment Date on which the Outstanding Note Balance of all Classes of Notes will be reduced to zero, the Indenture Trustee shall withdraw all amounts on deposit in the General Reserve Account and shall deposit such amounts to the Collection Account.

(iv) Amounts in Excess of General Reserve Account Required Balance. Except if a Cash Accumulation Event shall have occurred and is continuing, on any Payment Date, if amounts on deposit in the General Reserve Account are greater than the General Reserve Account Required Balance (after giving effect to all other distributions and disbursements on such Payment Date), the Indenture Trustee shall, based on the Monthly Servicer Report, withdraw funds in excess of the General Reserve Account Required Balance from the General Reserve Account and disburse such amounts to Owner Trustee to be distributed in accordance with the Trust Agreement.

(c) Class D Reserve Account. The Issuer hereby directs and the Indenture Trustee hereby agrees to cause to be established and maintained an account (the "Class D Reserve Account") for the benefit of the Class D Noteholders. The Class D Reserve Account shall be an Eligible Bank Account initially established at the corporate trust department of the Indenture Trustee, bearing the following designation "BXG Receivables Note Trust 2002-A -- Class D Reserve Account, U.S. Bank National Association, as Indenture Trustee for the benefit of the Class D Noteholders". The Indenture Trustee on behalf of the Class D Noteholders shall possess all right, title and interest in all funds on deposit from time to time in the Class D Reserve Account and in all proceeds thereof. The Class D Reserve Account shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Class D Noteholders as their interests appear in the Trust Estate. If, at any time, the Class D Reserve Account ceases to be an Eligible Bank Account, the Indenture Trustee shall within two (2) Business Days establish a new Class D Reserve Account which shall be an Eligible Bank Account, transfer any cash and/or any investments to such new Class D Reserve Account and from the date such new Class D Reserve Account is established, it shall be the "Class D Reserve Account". Amounts on deposit in the Class D Reserve Account shall be invested in accordance with Section 3.1 hereof. Deposits to the Class D Reserve Account shall be made in accordance with Section 3.4 hereof. Withdrawals and payments from the Class D Reserve Account shall be made in the following manner:

(i) Withdrawals. Subject to Sections 3.2(c)(ii) and (iii) below, if on any Payment Date, Available Funds (after giving effect to deposits from the General Reserve Account) would be insufficient to pay any portion of

the Class D Interest Distribution Amount and/or the Class D Principal Distribution Amount on such Payment Date, the Indenture Trustee shall, based on the Monthly Servicer Report, withdraw from the Class D Reserve Account an amount equal to the lesser of such insufficiency and the amount on deposit in the Class D Reserve Account and deposit such amount in the Collection Account for distribution in accordance with Section 3.4 hereof.

(ii) Sequential Pay Event. Upon the occurrence of a Sequential Pay Event, the Indenture Trustee shall withdraw all amounts on deposit in the Class D Reserve Account and shall deposit such amounts to the Collection Account for distribution to the Class D Noteholders in accordance with Section 6.6 hereof.

(iii) Stated Maturity or Payment in Full. On the earlier to occur of the Stated Maturity and when the Payment Date on which the Outstanding Note Balance of all Classes of Notes will be reduced to zero, the Indenture Trustee shall withdraw all

amounts on deposit in the Class D Reserve Account and shall deposit such amounts to the Collection Account.

(iv) Amounts in Excess of Class D Reserve Account Required Balance. On any Payment Date, if amounts on deposit in the Class D Reserve Account are greater than the Class D Reserve Account Required Balance (after giving effect to all other distributions and disbursements on such Payment Date), the Indenture Trustee shall, based on the Monthly Servicer Report, withdraw funds in excess of the Class D Reserve Account Required Balance from the Class D Reserve Account and disburse such amounts to Owner Trustee to be distributed in accordance with the Trust Agreement.

(d) Closing Date Delinquency Reserve Account. The Issuer hereby directs and the Indenture Trustee hereby agrees to cause to be established and maintained an account (the "Closing Date Delinquency Reserve Account") for the benefit of the Noteholders. On the Closing Date, the Indenture Trustee shall deposit from the proceeds from the sale of the Notes, an amount equal to the Closing Date Delinquency Reserve Account Initial Deposit. The Closing Date Delinquency Reserve Account shall be an Eligible Bank Account initially established at the corporate trust department of the Indenture Trustee, bearing the following designation "BXG Receivables Note Trust 2002-A -- Closing Date Delinquency Reserve Account, U.S. Bank National Association, as Indenture Trustee for the benefit of the Noteholders". The Indenture Trustee on behalf of the Noteholders shall possess all right, title and interest in all funds on deposit from time to time in the Closing Date Delinquency Reserve Account and in all proceeds thereof. The Closing Date Delinquency Reserve Account shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Noteholders as their interests appear in the Trust Estate. If, at any time, the Closing Date Delinquency Reserve Account ceases to be an Eligible Bank Account, the Indenture Trustee shall within two (2) Business Days establish a new Closing Date Delinquency Reserve Account which shall be an Eligible Bank Account, transfer any cash and/or any investments to such new Closing Date Delinquency Reserve Account and from the date such new Closing Date Delinquency Reserve Account is established, it shall be the "Closing Date Delinquency Reserve Account". Amounts on deposit in the Closing Date Delinquency Reserve Account shall be invested in accordance with Section 3.1 hereof. Upon the earlier of the Payment Date in September 2003 or a Sequential Pay Event, the Indenture Trustee shall withdraw the amount on deposit in the Closing Date Delinquency Reserve Account and deposit such amount to the Collection Account for distribution to the parties and in the manner as required by Section 3.4 or Section 6.6 hereof, as applicable.

SECTION 3.3. Reserved.

SECTION 3.4. Distributions.

(a) So long as no Sequential Pay Event has occurred, on each Payment Date, to the extent of Available Funds and based on the Monthly Servicer Report, the Indenture Trustee shall withdraw funds from the Collection Account to make the following disbursements and distributions to the following parties, in the following order of priority:

(i) to the Indenture Trustee, the Indenture Trustee Fee, plus any accrued and unpaid Indenture Trustee Fees with respect to prior Payment Dates, and any extraordinary out−of−pocket expenses of the Indenture Trustee (up to $10,000 per Payment Date and no more than a cumulative total of $100,000 for Servicer Termination Costs) incurred and not reimbursed in connection with its obligations and duties under the Indenture;

(ii) to the Owner Trustee, the Owner Trustee Fee, plus any accrued and unpaid Owner Trustee Fees with respect to prior Payment Dates;

(iii) to the Administrator, the Administrator Fee, plus any accrued and unpaid Administrator Fees with respect to prior Payment Dates;

(iv) to the Custodian, the Custodian Fee, plus any accrued and unpaid Custodian Fees with respect to prior Payment Dates;

(v) to the Lockbox Bank, the Lockbox Fee, plus any accrued and unpaid Lockbox Fees with respect to prior Payment Dates;

(vi) to the Servicer, the Servicing Fee, plus any accrued and unpaid Servicing Fees with respect to prior Payment Dates;

(vii) to the Backup Servicer, the Backup Servicing Fee, plus any accrued and unpaid Backup Servicing Fees with respect to prior Payment Dates (less any amounts received from the Indenture Trustee, as successor Servicer);

(viii) to the Class A Noteholders, the Class A Interest Distribution Amount;

(ix) to the Class B Noteholders, the Class B Interest Distribution Amount;

(x) to the Class C Noteholders, the Class C Interest Distribution Amount;

(xi) to the Class D Noteholders, the Class D Interest Distribution Amount;

(xii) to the Class A Noteholders, the Class A Principal Distribution Amount;

(xiii) to the Class B Noteholders, the Class B Principal Distribution Amount;

(xiv) to the Class C Noteholders, the Class C Principal Distribution Amount;

(xv) to the Class D Noteholders, the Class D Principal Distribution Amount;

(xvi) to (a) the Class A Noteholders, (b) the Class B Noteholders, (c) the Class C Noteholders and (d) the Class D Noteholders, in that order, the Deferred Interest Amount for such Class, if any;

(xvii) to the General Reserve Account, any remaining Available Funds until the amounts on deposit in the General Reserve Account shall equal the General Reserve Account Required Balance;

(xviii) if a Cash Accumulation Event shall have occurred and is continuing, to the General Reserve Account, all remaining Available Funds (notwithstanding that the amount on deposit in the General Reserve Account is equal to or greater than General Reserve Account Required Balance);

(xix) to the Class D Reserve Account, any remaining Available Funds until the amounts on deposit in the Class D Reserve Account shall equal the Class D Reserve Account Required Balance;

(xx) to the Indenture Trustee, any extraordinary out−of−pocket expenses of the Indenture Trustee not paid in accordance with (i) above; and

(xxi) to the Owner Trustee, any remaining Available Funds, to be distributed in accordance with the Trust Agreement.

(b) On and after the Assumption Date, the Indenture Trustee, as successor Servicer, shall pay the Backup Servicing Fee from amounts received in respect of the Servicing Fee.

(c) So long as no Sequential Pay Event has occurred, on any Payment Date, if Available Funds are insufficient to pay any portion of the Class D Interest Distribution Amount and the Class D Principal Distribution Amount, the Indenture Trustee shall withdraw from the Collection Account and pay to the Class D Noteholders, all amounts deposited therein from the Class D Reserve Account.

(d) Upon the occurrence of a Sequential Pay Event, distributions shall be made in accordance with Section 6.6. hereof.

SECTION 3.5. Reports to Noteholders.

On each Payment Date, the Indenture Trustee shall account to the Initial Purchaser, each Noteholder, each Note Owner and to each Rating Agency the portion of payments then being made which represents principal and the amount which represents interest, and shall contemporaneously advise the Issuer of all such payments. The Indenture Trustee may satisfy its obligations under this Section 3.5 by making available electronically the Monthly Servicer Report to the Initial Purchaser, the Noteholders, each Rating Agency and the Issuer; provided, however, the Indenture Trustee shall have no obligation to provide such information described in this Section 3.5 until it has received the requisite information from the Issuer or the Servicer. On or before the fifth day prior to the final Payment Date with respect to any Class, the Indenture Trustee shall send notice of such Payment Date to each Rating Agency, the Initial Purchaser and the Noteholders of such Class. Such notice shall include a statement that if such Notes are paid in flu on the final Payment Date, interest shall cease to accrue as of the day immediately preceding such final Payment Date. In addition, the Indenture Trustee shall deliver

to the Note Owners, all notices, compliance reports and other certificates delivered by the Servicer or the Issuer pursuant to this Indenture. At a Note Owner's request, the Indenture Trustee agrees to provide such Note Owner an accounting of balances in the General Reserve Account, the Closing Date Delinquency Reserve Account and the Class D Reserve Account.

The Indenture Trustee may make available to the Noteholders, Note Owner and each Rating Agency, via the Indenture Trustee's internet website, the Monthly Servicer Report available each month and, with the consent or at the direction of the Issuer, such other information regarding the Notes and/or the Timeshare Loans as the Indenture Trustee may have in its possession, but only with the use of a password provided by the Indenture Trustee or its agent to such Person upon receipt by the Indenture Trustee from such Person of a certification in the form of Exhibit F; provided, however, that the Indenture Trustee or its agent shall provide such password to the parties to this Agreement and the Rating Agencies without requiring such certification. The Indenture Trustee will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

The Indenture Trustee's internet website shall be specified by the Indenture Trustee from time to time in writing to the Issuer, the Servicer, the Noteholders and the Rating Agencies. For assistance with this service, Noteholders may call the customer service desk at (800) 934−68O2. In connection with providing access to the Indenture Trustee's internet website, the Indenture Trustee may require registration and the acceptance of a disclaimer. The Indenture Trustee shall not be liable for the dissemination of information in accordance with this Agreement.

The Indenture Trustee shall have the right to change the way Monthly Servicer Reports are distributed in order to make such distribution more convenient and/or more accessible to the above parties and the indenture Trustee shall provide timely and adequate notification to all above parties regarding any such changes.

Annually (and more often, if required by applicable law), the Indenture Trustee shall distribute to Noteholders any Form 1099 or similar information returns required by applicable tax law to be distributed to the Noteholders. The Servicer shall prepare or cause to be prepared all such information for distribution, by the Indenture Trustee to the Noteholders.

SECTION 3.6. Note Balance Write-Down Amounts.

The Note Balance Write-Down Amount, if any, on each Payment Date shall be applied to the Adjusted Note Balance of a Class of Notes immediately following the distribution of Available Funds and any amounts from the Class D Reserve Account in the following order of priority: first, to the Class D Notes until the Adjusted Note Balance thereof is reduced to zero; second, to the Class C Notes until the Adjusted Note Balance thereof is reduced to zero; third, to the Class B Notes until the Adjusted Note Balance thereof is reduced to zero; and fourth, to the Class A Notes until the Adjusted Note Balance thereof is reduced to zero. The application of the Note Balance Write-Down Amount to a Class of Notes shall not reduce such Class' entitlement to unpaid Principal Distribution Amounts.

SECTION 3.7. Withholding Taxes.

The Indenture Trustee, on behalf of the Issuer, shall comply with all requirements of the Code and applicable Treasury Regulations and applicable state and local law with respect to the withholding from any distributions made by it to any Noteholder of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

ARTICLE IV.

THE TRUST ESTATE

SECTION 4.1. Acceptance by Indenture Trustee.

(a) Concurrently with the execution and delivery of this Indenture, the Indenture Trustee does hereby acknowledge and accept the conveyance by the Issuer of the assets constituting the Trust Estate. The Indenture Trustee shall hold the Trust Estate in trust for the benefit of the Noteholders, subject to the terms and provisions hereof. In connection with the conveyance of the Trust Estate to the Indenture Trustee, the Issuer has delivered or has caused the Depositor to deliver (i) to the Custodian, the Timeshare Loan Files, and (ii) to the Servicer, the Timeshare Loan Servicing Files for each Timeshare Loan conveyed on the Closing Date. On or prior to each Transfer Date, the Issuer will deliver or cause to be delivered (i) to the Custodian, the Timeshare Loan Files, and (ii) to the Servicer, the Timeshare Loan Servicing Files, for each Qualified Substitute Timeshare Loan to be conveyed on such Transfer Date.

(b) The Indenture Trustee shall perform its duties under this Section 4.1 and hereunder on of the Trust Estate and for the benefit of the Noteholders in accordance with the terms of this Indenture and applicable law and, in each case, taking into account its other obligations hereunder, but without regard to:

(i) any relationship that the Indenture Trustee or any Affiliate of the Indenture Trustee may have with an Obligor;

(ii) the ownership of any Note by the Indenture Trustee or any Affiliate of the Indenture Trustee;

(iii) the Indenture Trustee's right to receive compensation for its services hereunder or with respect to any particular transaction; or

(iv) the ownership, or holding in trust for others, by the Indenture Trustee of any other assets or property.

SECTION 4.2. Grant of Security Interest; Tax Treatment.

(a) The conveyance by the Issuer of the Timeshare Loans to the Indenture Trustee shall not constitute and is not intended to result in an assumption by the Indenture Trustee or any Noteholder of any obligation of the Issuer or the Servicer to the Obligors, the insurers under any insurance policies, or any other Person in connection with the Timeshare Loans.

(b) It is the intention of the parties hereto that, with respect to all taxes, the Notes will be treated as indebtedness of the Issuer to the Noteholders secured by the Timeshare Loans (the "Intended Tax Characterization"). The provisions of this Indenture shall be construed in furtherance of the Intended Tax Characterization. Each of the Issuer, the Servicer, the Indenture Trustee, the Club Trustee and the Backup Servicer by entering into this Indenture, and each Noteholder by the purchase of a Note, agree to report such transactions for purposes of all taxes in a manner consistent with the Intended Tax Characterization, unless otherwise required by applicable law.

(c) None of the Issuer, the Servicer, the Club Trustee or the Backup Servicer shall take any action inconsistent with the Indenture Trustee's interest in the Timeshare Loans and shall indicate or shall cause to be indicated in its books and records held on its behalf that each Timeshare Loan and the other Timeshare Loans constituting the Trust Estate has been assigned to the Indenture Trustee on behalf of the Noteholders.

SECTION 4.3. Further Action Evidencing Assignments.

(a) The Issuer and the Indenture Trustee each agrees that, from time to time, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or appropriate, or that the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes may reasonably request, in order to perfect, protect or more fully evidence the security interest in the Timeshare Loans or to enable the Indenture Trustee to exercise or enforce any of its rights hereunder. Without limiting the generality of the foregoing, the Issuer will, without the necessity of a request and upon the request of the Indenture Trustee, execute and file or record (or cause to be executed and filed or recorded) such Assignments of Mortgage, financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate to create and maintain in the Indenture Trustee a first priority perfected security interest, at all times, in the Trust Estate, including, without limitation, recording and filing UCC−1 financing statements, amendments or continuation statements prior to the effective date of any change of the name, identity or structure or relocation of its chief executive office or any change that would or could affect the perfection pursuant to any financing statement or continuation statement or assignment previously filed or make any UCC−1 or continuation statement previously filed pursuant to this Indenture seriously misleading within the meaning of applicable provisions of the UCC (and the Issuer shall give the Indenture Trustee at least thirty (30) Business Days prior notice of the expected occurrence of any such circumstance). The Issuer shall deliver promptly to the Indenture Trustee file−stamped copies of any such filings.

(b) (i) The Issuer hereby grants to each of the Servicer and the Indenture Trustee a power of attorney to execute all documents including, but not limited to, Assignments of Mortgage, UCC−l financing statements, amendments or continuation statements, on behalf of the Issuer as may be necessary or desirable to effectuate the foregoing and (ii) the Servicer hereby grants to the Indenture Trustee a power of attorney to execute all documents on behalf of the Servicer as may be necessary or desirable to effectuate the foregoing; provided, however, that such grant shall not create a duty on the part of the Indenture Trustee or the Servicer to file,

prepare, record or monitor, or any responsibility for the contents or adequacy of, any such documents.

SECTION 4.4. Substitution and Repurchase of Timeshare Loans.

(a) Mandatory Substitution and Repurchase of Timeshare Loans for Breach of Representation or Warranty. If at any time, any party hereto obtains knowledge, discovers, or is notified by any other party hereto, that any of the representations and warranties of the Depositor in the Sale Agreement were incorrect at the time such representations and warranties were made, then the party discovering such defect, omission, or circumstance shall promptly notify the other parties to this Indenture, the Rating Agencies, the Depositor and the Club Originator. In the event any such representation or warranty of the Depositor is incorrect and materially and adversely affects the value of a Timeshare Loan or the interests of the Noteholders therein, then the Issuer and the Indenture Trustee shall require the Depositor, within 60 days after the date it is first notified of, or otherwise obtains Knowledge of such breach, to eliminate or otherwise cure in all material respects the circumstance or condition which has caused such representation or warranty to be incorrect or (1) if the breach relates to a particular Timeshare Loan and is not cured in all material respects (such Timeshare Loan, a "Defective Timeshare Loan"), either (a) repurchase the Issuer's interest in such Defective Timeshare Loan at the Repurchase Price or (b) provide one or more Qualified Substitute Timeshare Loans and pay the Substitution Shortfall Amounts, if any. The Indenture Trustee is hereby appointed attorney−in−fact, which appointment is coupled with an interest and is therefore irrevocable, to act on behalf and in the name of the Issuer to enforce the Depositor's repurchase or substitution obligations if the Depositor has not complied with its repurchase or substitution obligations under the Sale Agreement within 30 days after the end of the aforementioned 60−day period.

(b) Optional Purchase or Substitution of Upgraded Club Loans. Pursuant to the Transfer Agreements and the Purchase Agreement, with respect to any Upgraded Club Loan, on any date, the Club Originator, as designee of the Depositor, shall have the option, but not the obligation, to (i) pay to the Collection Account the Repurchase Price for an Upgraded Club Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for an Upgraded Club Loan and pay the related Substitution Shortfall Amounts, if any; provided, however, that the option to substitute one or more Qualified Substitute Timeshare Loans for an Upgraded Club Loan is limited on any date to (A) 20% of the Cut−Off Date Aggregate Loan Balance of the Timeshare Loans less (B) the Loan Balances of the Upgraded Club Loans previously substituted by the Club Originator pursuant to this Section 4.4(b) on the related substitution dates. The Club Originator, as designee of the Depositor, shall deposit the related Repurchase Price and Substitution Shortfall Amounts, if any, in the Collection Account as set forth in Section 4.4(d) below.

(c) Optional Purchase or Substitution of Defaulted Timeshare Loans. Pursuant to the Transfer Agreements and the Purchase Agreement, with respect to any Defaulted Timeshare Loans, on any date, the Club Originator, as designee of the Depositor shall have the option, but not the obligation, to either (i) purchase the Defaulted Timeshare Loan at the Repurchase Price for such Defaulted Timeshare Loan or (ii) substitute one or more Qualified Substitute Timeshare Loans for such Defaulted Timeshare Loan and pay the related Substitution

Shortfall Amounts, if any; provided, however, that the option to repurchase a Defaulted Timeshare Loan or to substitute one or more Qualified Substitute Timeshare Loans for a Defaulted Timeshare Loan is limited on any date to the Optional Purchase Limit and the Optional Substitution Limit, respectively. The Club Originator, as designee of the Depositor, shall purchase or substitute Defaulted Timeshare Loans as provided herein and the Club Originator shall deposit the related Repurchase Price and Substitution Shortfall Amounts, if any, in the Collection Account as set forth in Section 4.4(d) below. The Club Originator, may irrevocably waive the Club Originator's option to purchase or substitute a Defaulted Timeshare Loan by delivering or causing to be delivered to the Indenture Trustee a Waiver Letter in the form of Exhibit G attached hereto.

(d) Payment of Repurchase Prices and Substitution Shortfall Amounts. The Issuer and the Indenture Trustee shall direct that the Depositor remit or cause to be remitted all amounts in respect of Repurchase Prices and Substitution Shortfall Amounts payable during the related Due Period in

immediately available funds to the Indenture Trustee on the Transfer Date for deposit in the Collection Account.

(e) Schedule of Timeshare Loans. The Issuer and Indenture Trustee shall direct the Depositor to provide or cause to be provided to the Indenture Trustee on any date on which a Timeshare Loan is purchased, repurchased or substituted with an electronic supplement to the Schedule of Timeshare Loans reflecting the removal and/or substitution of Timeshare Loans and subjecting any Qualified Substitute Timeshare Loans to the provisions thereof.

(f) Officer's Certificate. No substitution of a Timeshare Loan shall be effective unless the Issuer and the Indenture Trustee shall have received an Officer's Certificate from the Club Originator indicating that (1) the new Timeshare Loan meets all the criteria of the definition of "Qualified Substitute Timeshare Loan", (2) the Timeshare Loan Files for such Qualified Substitute Timeshare Loan have been delivered to the Custodian, and (3) the Timeshare Loan Servicing Files for such Qualified Substitute Timeshare Loan have been delivered to the Servicer.

(g) Qualified Substitute Timeshare Loans. On the related Transfer Date, the Issuer and the Indenture Trustee shall direct the Depositor to deliver or cause the delivery of the Timeshare Loan Files of the related Qualified Substitute Timeshare Loans to the Custodian on the related Transfer Date in accordance with the provisions of this Indenture and the Custodial Agreement.

SECTION 4.5. Release of Lien.

(a) The Issuer shall be entitled to obtain a release from the Lien of the Indenture for any Timeshare Loan purchased, repurchased or substituted under Section 4.4 hereof, (i) upon satisfaction of each of the applicable provisions of Section 4.4 hereof, (ii) in the case of any purchase or repurchase, after a payment by the Depositor of the Repurchase Price of the Timeshare Loan, and (iii) in the case of any substitution, after payment by the Depositor of the applicable Substitution Shortfall Amounts, if any, pursuant to Section 4.4 hereof.

(b) The Issuer shall be entitled to obtain a release from the Lien of the Indenture for any Timeshare Loan which has been paid in full.

(c) In addition, on any Payment Date if (i) Available Funds are sufficient to pay the Required Payments, (ii) the amount on deposit in the General Reserve Account is at least equal to the General Reserve Account Required Balance, (iii) the amount on deposit in the Class D Reserve Account is at least equal to the Class D Reserve Account Required Balance, (iv) no Event of Default has occurred and is continuing, (v) the Optional Purchase Limit is greater than zero and (vi) the Aggregate Outstanding Note Balance is not greater than 94% of the Aggregate Loan Balance, the Indenture Trustee shall release Defaulted Timeshare Loans that have not been purchased, repurchased or substituted under Section 4.4 hereof from the Lien of the Indenture, without additional payment.

(d) In connection with (a), (b) and (c) above, the Issuer and Indenture Trustee will execute and deliver such releases, endorsements and assignments as are provided to it by the Depositor, in each case, without recourse, representation or warranty, as shall be necessary to vest in the Depositor or its designee, the legal and beneficial ownership of each Timeshare Loan being released pursuant to this Section 4.5. The Servicer shall deliver a Request for Release to the Custodian with respect to the related Timeshare Loan Files and Timeshare Loan Servicing Files being released pursuant to this Section 4.5, and such files shall be transferred to the Depositor or its designee.

SECTION 4.6. Appointment of Custodian and Paying Agent.

(a) The Indenture Trustee may appoint a Custodian to hold all or a portion of the Timeshare Loan Files as agent for the Indenture Trustee. Each Custodian shall be a depository institution supervised and regulated by a federal or state banking authority, shall have combined capital and surplus of at least $10,000,000, shall be qualified to do business in the jurisdiction in which it holds any Timeshare Loan File and shall not be the Issuer or an Affiliate of the Issuer. The initial Custodian shall be U.S. Bank National Association. The Indenture Trustee shall not be responsible for paying the Custodian Fee or any other amounts owed to the Custodian.

(b) The Issuer hereby appoints the Indenture Trustee as a Paying Agent. The Issuer may appoint other Paying Agents from time to time. Any such other Paying Agent shall be appointed by Issuer Order with written notice thereof to the Indenture Trustee. Any Paying Agent appointed by the Issuer shall be a Person who would be eligible to be Indenture Trustee hereunder as provided in Section 7.7 hereof.

SECTION 4.7. Sale of Timeshare Loans.

The parties hereto agree that none of the Timeshare Loans in the Trust Estate may be sold or disposed of in any manner except as expressly provided for herein.

ARTICLE V.

SERVICING OF TIMESHARE LOANS

SECTION 5.1. Appointment of Servicer and Backup Servicer; Servicing Standard.

(a) Subject to the terms and conditions herein, the Issuer and the Indenture Trustee hereby appoint Bluegreen as the initial Servicer hereunder. The Servicer shall service and administer the Timeshare Loans and perform all of its duties hereunder in accordance the Servicing Standard.

(b) Subject to the terms and conditions herein and in the Backup Servicing Agreement, the Issuer hereby appoints Concord Servicing Corporation to act as the initial Backup Servicer hereunder. The Backup Servicer shall service and administer the Timeshare Loans and perform all of its duties hereunder and under the Backup Servicing Agreement in accordance the Servicing Standard.

SECTION 5.2. Payments on the Timeshare Loans.

(a) The Servicer shall, in a manner consistent with the Servicing Standard, collect all payments made under each Timeshare Loan and direct each Obligor to timely make all payments in respect of his or her Timeshare Loan to the Lockbox Account maintained at the Lockbox Bank.

(b) On the Closing Date, the Servicer shall cause to be deposited to the Collection Account all amounts collected and received in respect of the Timeshare Loans after the Initial Cut-Off Date (without deduction for any Liquidation Expenses).

(c) Subject to subsection (d) below, on each Monday, Wednesday, Friday (or, if such day is not a Business Day, then on the next Business Day) and the last Business Day of the related calendar month, the Indenture Trustee shall direct the Lockbox Bank to remit all collections in respect of the Timeshare Loans on deposit in the Lockbox Account to the Collection Account.

(d) Liquidation Expenses shall be reimbursed to the Servicer in accordance with Section 3.2(a) hereof. To the extent that the Servicer has received any Liquidation Expenses as Additional Servicing Compensation and shall subsequently recover any portion of such Liquidation Expenses from the related Obligor, the Servicer shall deposit such amounts into the Collection Account in accordance with Section 5.3(b) hereof.

(e) The Servicer agrees that to the extent it receives any amounts in respect of any insurance policies which are not payable to the Obligor or any other collections relating to the Trust Estate, it shall deposit such amounts to the Collection Account within two (2) Business Days of receipt thereof (unless otherwise expressly provided herein).

SECTION 5.3. Duties and Responsibilities of the Servicer.

(a) In addition to any other customary services which the Servicer may perform or may be required to perform hereunder, the Servicer shall perform or cause to be performed through sub-servicers, the following servicing and collection activities in accordance with the Servicing Standard:

(i) perform standard accounting services and general record keeping services with respect to the Timeshare Loans;

(ii) respond to telephone or written inquiries of Obligors concerning the Timeshare Loans;

(iii) keep Obligors informed of the proper place and method for making payment with respect to the Timeshare Loans;

(iv) contact Obligors to effect collections and to discourage delinquencies in the payment of amounts owed under the Timeshare Loans and doing so by any lawful means;

(v) report tax information to Obligors and taxing authorities to the extent required by law;

(vi) take such other action as may be necessary or appropriate in the discretion of the Servicer for the purpose of collecting and transferring to the Indenture Trustee for deposit into the Collection Account all payments received by the Servicer or remitted to the Lockbox Account in respect of the Timeshare Loans (except as otherwise expressly provided herein), and to carry out the duties and obligations imposed upon the Servicer pursuant to the terms of this Indenture;

(vii) arranging for Liquidations of Timeshare Properties related to Defaulted Timeshare Loans and the remarketing of such Timeshare Properties as provided in Section 5.3(b) below;

(viii) use reasonable best efforts to enforce the purchase and substitution obligations of the Club Originator under the Transfer Agreements or the Purchase Agreement;

(ix) refrain from modifying, waiving or amending the terms of any Timeshare Loan; provided, however, the Servicer may modify, waive or amend a Timeshare Loan for which a default on such Timeshare Loan has occurred or is imminent or and such modification, amendment or waiver will not (i) materially alter the interest rate on or the principal balance of such Timeshare Loan, (ii) shorten the final maturity of, lengthen the timing of payments of either principal or interest, or any other terms of, such Timeshare Loan in any manner which would have a material adverse affect on the Noteholders, (iii) adversely affect the Timeshare Property underlying such Timeshare Loan or (iv) reduce materially the likelihood that payments of interest and principal on such Timeshare Loan

shall be made when due; provided, further, the Servicer may grant a single extension of the final maturity of a Timeshare Loan if the Servicer, in its reasonable discretion, determines that (A) such Timeshare Loan is in default or a default on such Timeshare Loan is likely to occur in the foreseeable future and (B) the value of such Timeshare Loan will be enhanced by such extension; provided, further, the Servicer shall not be permitted to modify, waive or amend the terms of any Timeshare Loan if the sum of the Cut-Off Date Loan Balance of such Timeshare Loan and the Cut-Off Date Loan Balances of all other Timeshare Loans for which the Servicer has modified, waived or amended the terms thereof exceeds 1% of the Cut-Off Date Aggregate Loan Balance.

(x) work with Obligors in connection with any transfer of ownership of a Timeshare Property by an Obligor to another Person (to the extent permitted), whereby the Servicer may consent to the assumption by such Person of the Timeshare Loan related to such Timeshare Property (to the extent permitted); provided, however, in connection with any such assumption, the rate of interest borne by, the maturity date of, the principal amount of, the timing of payments of principal and interest in respect of, and all other material terms of, the related Timeshare Loan shall not be changed other than as permitted in (ix) above; and

(xi) to the extent that the Custodian Fees or the Lockbox Fees are, in the Servicer's reasonable business judgment, no longer commercially reasonable, use commercially reasonable efforts to exercise its rights under the Custodial Agreement or the Lockbox Agreement to replace the Custodian or Lockbox Bank, as applicable. Any such successor shall be reasonably acceptable to the Indenture Trustee

(xii) delivery of such information and data to the Backup Servicer as is required under the Backup Servicing Agreement

(xiii) delivery of any new or amended ACH Forms executed by an Obligor to the Custodian to be held as part of the related Timeshare Loan File.

(b) In the event that a Defaulted Timeshare Loan is not or cannot be released from the Lien of the Indenture pursuant to Section 4.5 hereof, the Servicer shall, in accordance with the Servicing Standard, promptly institute collection procedures, which may include, but is not limited to, cancellation, forfeiture, termination or foreclosure proceedings or obtaining a deed-in-lieu of foreclosure (each, a "Foreclosure Property"). Upon the Timeshare Property becoming a Foreclosure Property, the Servicer shall promptly attempt to remarket such Foreclosure Property. The Issuer acknowledges that the Club Originator or the Aruba Originator may be in the best position to remarket the Foreclosure Property in connection with such Originator's overall marketing program for the applicable Timeshare Project. The Servicer shall select the remarketing option reasonably anticipated to produce the highest Net Liquidation Proceeds, giving effect to the gross price obtainable, broker's commissions, foreclosure costs, sales and marketing expenses and other factors. The Servicer shall be entitled to reimbursement of Liquidation Expenses out of Liquidation Proceeds. Any Liquidation Expenses later recovered by the Servicer shall be deposited by the Servicer in the Collection Account in accordance with Section 5.2(c) and (d) hereof.

(i) To the extent that one of the Originators or an Affiliate thereof is selected to remarket a Foreclosure Property, the Servicer shall cause such Originator or Affiliate thereof to agree that it will remarket such Foreclosure Property in the ordinary course in a manner similar and consistent with (or better than) the manner in which it remarkets or sells other timeshare properties it or its Affiliates owns.

(ii) The Servicer (if Bluegreen Corporation or its Affiliate is acting as Servicer) on behalf of the Issuer and the Indenture Trustee shall take all necessary steps to have the record title of the applicable Timeshare Properties subject to such Defaulted Timeshare Loans continue to be held by the Club Trustee. In such event, the Servicer shall direct the Club Trustee, directly or through its agents to exercise the remedies provided for in the Club Trust Agreement, in the Mortgage Note themselves or in the other Club documents with respect to such Defaulted Timeshare Loans and the Obligors thereunder, and the Owner Beneficiary Rights will be remarketed with the purpose of obtaining the maximum Net Liquidation Proceeds in respect of such Defaulted Timeshare Loans.

(iii) The Servicer shall reserve its rights under the Club Trust Agreement and/or the applicable Mortgages to obtain, at any time, record title and all beneficial interests in respect of the Timeshare Properties related to Defaulted Timeshare Loans. All actions taken by the Servicer in respect of any Defaulted Timeshare Loans shall, at all times, be carried out in a manner such that none of the Trust, the Owner Trustee, the Indenture Trustee or the Noteholders shall, under applicable law, be deemed to be the developer or declarant of any Resort or the Club.

(iv) The Servicer agrees that it shall require that any liquidation Proceeds be in the form of cash only.

(c) In connection with the Servicer's performance of its duties under Section 5.3(b), (i) the Servicer will undertake such duties in the ordinary course in a manner similar and consistent with (or better than) the manner in which the Servicer sells or markets other timeshare properties it or its Affiliates owns and (ii) the Servicer may not sell any of the Defaulted Timeshare Loans that are an asset of the Trust Estate except for or as specifically permitted by this Indenture.

(d) For so long as Bluegreen or any of its Affiliates controls the Resorts, the Servicer shall use commercially reasonable best efforts to maintain or cause to maintain the Resorts in good repair, working order and condition (ordinary wear and tear excepted).

(e) For so long as Bluegreen or any of its Affiliates controls the Resorts, the manager, related management contract and master marketing and sale contract (if applicable) for each Resort at all times shall be reasonably satisfactory to the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes. For so long as Bluegreen or any of its Affiliates controls the Timeshare Association for a Resort, and Bluegreen or an Affiliate thereof is the manager, the related management contract and master marketing and sale contract may be amended or modified only with the prior written consent of the Holders representing at

least 66−2/3% of the Adjusted Note Balance of each Class of Notes, which consent shall not be unreasonably withheld or delayed.

(f) In the event any Lien (other than a Permitted Lien) attaches to any Timeshare Loan or related collateral from any Person claiming from and through Bluegreen or one of its Affiliates which materially adversely affects the Issuer's interest in such Timeshare Loan, Bluegreen shall, within the earlier to occur of ten (10) Business Days after such attachment or the respective lienholders' action to foreclose on such lien, either (a) cause such Lien to be released of record, (b) provide the Indenture Trustee with a bond in accordance with the applicable laws of the state in which the Timeshare Property is located, issued by a corporate surety acceptable to the Indenture Trustee, in an amount and in form reasonably acceptable to the Indenture Trustee or (c) provide the Indenture Trustee with such other security as the Indenture Trustee may reasonably require.

(g) The Servicer shall: (a) promptly notify the Indenture Trustee of (i) any claim, action or proceeding which may be reasonably expected to have a material adverse effect on the Trust Estate, or any material part thereof, and (ii) any action, suit, proceeding, order or injunction of which Servicer becomes aware after the date hereof pending or threatened against or affecting Servicer or any Affiliate which may be reasonably expected to have a material adverse effect on the Trust Estate or the Servicer's ability to service the same; (b) at the request of Indenture Trustee with respect to a claim or action or proceeding which arises from or through the Servicer or one of its Affiliates, appear in and defend, at Servicer's expense, any such claim, action or proceeding which would have a material adverse effect on the Timeshare Loans or the Servicer's ability to service the same; and (c) comply in all respects, and shall cause all Affiliates to comply in all respects, with the terms of any orders imposed on such Person by any governmental authority the failure to comply with which would have a material adverse effect on the Timeshare Loans or the Servicer's ability to service the same.

(h) Except as contemplated by the Transaction Documents, the Servicer shall not, and shall not permit the Club Managing Entity to, encumber, pledge or otherwise grant a Lien or security interest in and to the Reservation System (including, without limitation, all hardware, software and data in respect thereof) and furthermore agrees, and shall cause the Club Managing Entity, to use commercially reasonable efforts to keep the Reservation System operational, not to dispose of the same and to allow the Club the use of, and access to, the Reservation System in accordance with the terms of the Club Management Agreement.

(i) The Servicer shall comply in all material respects with the Collection Policy in effect on the Closing Date (or, as amended from time to time with the consent of the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes) and with the terms of the Timeshare Loans.

SECTION 5.4. Servicer Events of Default.

(a) A "Servicer Event of Default" means, the occurrence and continuance of any of the following events:

(i) any failure by the Servicer to make any required payment, transfer or deposit when due hereunder and the continuance of such default for a period of two (2) Business Days;

(ii) any failure by the Servicer to provide any required report within five (5) Business Days of when such report is required to be delivered hereunder;

(iii) any failure by the Servicer to observe or perform in any material respect any other covenant or agreement which has a material adverse effect on the Noteholders and such failure is not remedied within 30 days (or, if the Servicer shall have provided evidence satisfactory to the Indenture Trustee that such covenant cannot be cured in the 30−day period and that it is diligently pursuing a cure, 60 days), after the earlier of (x) the Servicer first acquiring Knowledge thereof and (y) the Indenture Trustee's giving written notice thereof to the Servicer;

(iv) any representation or warranty made by the Servicer in this Indenture shall prove to be incorrect in any material respect as of the time when the same shall have been made, and such breach is not remedied within 30 days (or, if the Servicer shall have provided evidence satisfactory to the Indenture Trustee that such breach cannot be cured in the 30−day period and that it is diligently pursuing a cure, 60 days) after the earlier of (x) the Servicer first acquiring Knowledge thereof and (y) the Indenture Trustee's giving written notice thereof to the Servicer;

(v) the entry by a court having competent jurisdiction in respect of the Servicer of (i) a decree or order for relief in respect of the Servicer in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or (ii) a decree or order adjudging the Servicer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of the Servicer under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Servicer, or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days;

(vi) the commencement by the Servicer of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by either to the entry of a decree or order for relief in respect of the Servicer in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of the Servicer or of any substantial part of its property, or the making by it of an

assignment for the benefit of creditors, or the Servicer's failure to pay its debts generally as they become due, or the taking of corporate action by the Servicer in furtherance of any such action;

(vii) the occurrence of the Cash Accumulation Event whereby the Servicer (if Bluegreen) fails to have at least $75,000,000 in financing facilities in place, or

(viii) a Cash Accumulation Event (other than as described in (vii) above) that remains uncured for two consecutive Due Periods.

If any Servicer Event of Default shall have occurred and not been waived hereunder, the Indenture Trustee may, and upon notice from Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes shall, terminate, on behalf of the Noteholders, by notice in writing to the Servicer, all of the rights and obligations of the Servicer, as Servicer under this Indenture. The Indenture Trustee shall immediately give written notice of such termination to the Backup Servicer.

Unless consented to by the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes, the Issuer may not waive any Servicer Event of Default.

(b) Replacement of Servicer. From and after the receipt by the Servicer of such written termination notice or the resignation of the Servicer pursuant to Section 5.10 hereof, all authority and power of the Servicer under this Indenture, whether with respect to the Timeshare Loans or otherwise, shall, pass to and be vested in the Indenture Trustee, and the Indenture Trustee shall be the successor Servicer hereunder and the duties and obligations of the Servicer shall terminate. The Servicer shall perform such actions as are reasonably necessary to assist the Indenture Trustee and the Backup Servicer in such transfer. If the Servicer fails to undertake such action as is reasonably necessary to effectuate such a transfer, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of and at the expense of the Servicer, as attorney−in−fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things reasonably necessary to effect the purposes of such notice of termination. The Servicer agrees that if it is terminated pursuant to this Section 5.4, it shall promptly (and, in any event, no later than five (5) Business Days subsequent to its receipt of the notice of termination from the Indenture Trustee) provide the Indenture Trustee, the Backup Servicer or their respective designees (with reasonable costs being borne by the Servicer) with all documents and records (including, without limitation, those in electronic form) reasonably requested by it to enable the Indenture Trustee to assume the Servicer's functions hereunder and for the Backup Servicer to assume the functions required by the Backup Servicing Agreement, and the Servicer shall cooperate with the Indenture Trustee in effecting the termination of the Servicer's responsibilities and rights hereunder and the assumption by a successor of the Servicer's obligations hereunder, including, without limitation, the transfer within one (1) Business Day to the Indenture Trustee or its designee for administration by it of all cash amounts which shall at the time or thereafter received by it with respect to the Timeshare Loans (provided, however, that the Servicer shall continue to be entitled to receive all amounts accrued or owing to it under this Indenture on or prior to the date of such termination). The Indenture Trustee shall be entitled to renegotiate the Servicing Fee; provided,

however, no change to the Servicing Fee may be made unless the Indenture Trustee shall have (i) submitted a servicing fee proposal (a "New Servicing Fee Proposal") to S&P seeking written confirmation as to whether or not the New Servicing Fee Proposal would result in a qualification, downgrade or withdrawal of any rating assigned to a Class of Notes, (ii) notified the Noteholders of S&P's response, and (iii) received the written consent of Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes. Notwithstanding anything herein to the contrary, in no event shall the Indenture Trustee or Bluegreen be liable for any Servicing Fee or for any differential in the amount of the Servicing Fee paid hereunder and the amount necessary to induce any successor Servicer to assume the obligations of Servicer under this Indenture.

The Indenture Trustee shall be entitled to be reimbursed by the Servicer, (or by the Trust Estate to the extent set forth in Section 3.4(a)(i) or Section 6.6(a)(i) hereof) if the Servicer is unable to fulfill its obligations hereunder for all Servicer Termination Costs.

The successor Servicer shall have (i) no liability with respect to any obligation which was required to be performed by the terminated Servicer prior to the date that the successor Servicer becomes the Servicer or any claim of a third party based on any alleged action or inaction of the terminated Servicer, (ii) no obligation to perform any repurchase obligations, if any, of the Servicer, (iii) no obligation to pay any taxes required to be paid by the Servicer, (iv) no obligation to pay any of the fees and expenses of any other party involved in this transaction that were incurred by the prior Servicer and (v) no liability or obligation with respect to any Servicer indemnification

obligations of any prior Servicer including the original Servicer.

Notwithstanding anything contained in the Indenture to the contrary, any successor Servicer is authorized to accept and rely on all of the accounting, records (including computer records) and work of the prior Servicer relating to the Timeshare Loans (collectively, the "Predecessor Servicer Work Product"), without any audit or other examination thereof, and such successor Servicer shall have no duty, responsibility, obligation or liability for the acts and omissions of the prior Servicer. If any error, inaccuracy, omission or incorrect or nonstandard practice or procedure (collectively, "Errors") exist in any Predecessor Servicer Work Product and such Errors make it materially more difficult to service or should cause or materially contribute to the successor Servicer making or continuing any Errors (collectively, "Continued Errors"), the successor Servicer shall have no duty, responsibility, obligation or liability for such Continued Errors; provided, however, that each successor Servicer shall agree to use its best efforts to prevent further Continued Errors. In the event that the successor Servicer becomes aware of Errors or Continued Errors, the successor Servicer shall, with the prior consent of the Indenture Trustee, use its best efforts to reconstruct and reconcile such data as is commercially reasonable to correct such Errors and Continued Errors and to prevent future Continued Errors and to recover its costs thereby.

The Indenture Trustee may appoint an Affiliate as the successor Servicer and the provisions of this Section 5.4(b) related to the Indenture Trustee shall apply to such Affiliate.

(c) Any successor Servicer, including the Indenture Trustee, shall not be deemed to be in default or to have breached its duties as successor Servicer hereunder if the predecessor Servicer shall fail to deliver any required deposit to the Collection Account or

otherwise fail to cooperate with, or take any actions required by such successor Servicer related to the transfer of servicing hereunder.

SECTION 5.5. Accountings; Statements and Reports.

(a) Monthly Servicer Report. Not later than two (2) Business Days prior to the Payment Date, the Servicer shall deliver to the Issuer, the Indenture Trustee, the Rating Agencies and the Initial Purchaser, a report (the "Monthly Servicer Report") substantially in the form of Exhibit D hereto, detailing certain activity relating to the Timeshare Loans. The Monthly Servicer Report shall be completed with the information specified therein for the related Due Period and shall contain such other information as may be reasonably requested by the Issuer, the Indenture Trustee or the Initial Purchaser in writing at least five (5) Business Days prior to such Determination Date. Each such Monthly Servicer Report shall be accompanied by an Officer's Certificate of the Servicer in the form of Exhibit E hereto, certifying the accuracy of the computations reflected in such Monthly Servicer Report.

(b) Certification as to Compliance. The Servicer shall deliver to the Issuer, the Indenture Trustee, the Rating Agencies and the Initial Purchaser, an Officer's Certificate on or before April 30 of each year commencing in 2003: (x) to the effect that a review of the activities of the Servicer during the preceding calendar year, and of its performance under this Indenture during such period has been made under the supervision of the Officers executing such Officer's Certificate with a view to determining whether during such period, to the best of such officer's knowledge, the Servicer had performed and observed all of its obligations under this Indenture, and either (A) stating that based on such review, no Servicer Event of Default is known to have occurred and is continuing, or (B) if such a Servicer Event of Default is known to have occurred and is continuing, specifying such Servicer Event of Default and the nature and status thereof.

(c) Annual Accountants' Reports. On or before each April 30 of each year commencing in 2003, the Servicer shall (i) cause a firm of independent public accountants to furnish a certificate or statement (and the Servicer shall provide a copy of such certificate or statement to the Issuer, the Indenture Trustee, the Rating Agencies and the Initial Purchaser), to the effect that (1) such firm has examined and audited the Servicer's servicing controls and procedures for the previous calendar year and that such independent public accountants have examined certain documents and records (including computer records) and servicing procedures of the Servicer relating to the Timeshare

Loans, (2) they have examined the most recent Monthly Servicer Report prepared by the Servicer and three other Monthly Servicer Reports chosen at random by such firm and compared such Monthly Servicer Reports with the information contained in such documents and records, (3) their examination included such tests and procedures as they considered necessary in the circumstances, (4) their examinations and comparisons described under clauses (1) and (2) above disclosed no exceptions which, in their opinion, were material, relating to such Timeshare Loans or such Monthly Servicer Reports, or, if any such exceptions were disclosed thereby, setting forth such exceptions which, in their opinion, were material, (5) on the basis of such examinations and comparison, such firm is of the opinion that the Servicer has, during the relevant period, serviced the Timeshare Loans in compliance with this Indenture and the other Transaction Documents in all material respects and that such documents and records have been maintained in accordance with this Indenture and the

other Transaction Documents in all material respects, except in each case for (A) such exceptions as such firm shall believe to be immaterial and (B) such other exceptions as shall be set forth in such written report. The report will also indicate that such firm is independent of the Servicer within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants. In the event such independent public accountants require the Indenture Trustee to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this Section 5.5(c), the Servicer shall direct the Indenture Trustee in writing to so agree; it being understood and agreed that the Indenture Trustee will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and the Indenture Trustee has not made any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

(d) Report on Proceedings and Servicer Event of Default. (i) Promptly upon a Responsible Officer of the Servicer's obtaining Knowledge of any proposed or pending investigation of it by any Governmental Authority or any court or administrative proceeding which involves or is reasonably likely to involve the possibility of materially and adversely affecting the properties, business, prospects, profits or conditions (financial or otherwise) of the Servicer and its subsidiaries, as a whole, the Servicer shall send written notice specifying the nature of such investigation or proceeding and what action the Servicer is taking or proposes to take with respect thereto and evaluating its merits, or (ii) immediately upon obtaining Knowledge of the existence of any condition or event which constitutes a Servicer Event of Default, the Servicer shall send written notice to the Issuer, the Indenture Trustee and the Initial Purchaser describing its nature and period of existence and what action the Servicer is taking or proposes to take with. respect thereto.

SECTION 5.6. Records.

The Servicer shall maintain all data for which it is responsible (including, without limitation, computerized tapes or disks) relating directly to or maintained in connection with the servicing of the Timeshare Loans (which data and records shall be clearly marked to reflect that the Timeshare Loans have been Granted to the Indenture Trustee on behalf of the Noteholders and constitute property of the Trust Estate) at the address specified in Section 13.3 hereof or, upon fifteen (15) days' notice to the Issuer and the Indenture Trustee, at such other place where any Servicing Officer of the Servicer is located (or upon 24 hours' written notice if an Event of Default or Servicer Event of Default shall have occurred).

SECTION 5.7. Fidelity Bond and Errors and Omissions Insurance.

The Servicer shall maintain or cause to be maintained fidelity bond and errors and omissions insurance with respect to the Servicer in such form and in amounts as is customary for institutions acting as custodian of funds in respect of timeshare loans or receivables on behalf of institutional investors; provided that such insurance shall be in a minimum amount of $1,000,000 per policy and shall name the Indenture Trustee as an additional insured. No provision of this Section 5.7 requiring such fidelity bond or errors and omissions insurance shall diminish or relieve the Servicer from its duties and obligations as set forth in this Indenture. The Servicer shall be deemed to have complied with this provision if one of its respective Affiliates has such

fidelity bond or errors and omissions insurance coverage and, by the terms of such fidelity bond or errors and omissions insurance policy, the coverage afforded thereunder extends to the Servicer. Upon a request of the Indenture Trustee, the Servicer shall deliver to the Indenture Trustee, a certification evidencing coverage under such fidelity bond and the errors and omissions insurance. Any such fidelity bond or errors and omissions insurance policy shall not be canceled or modified in a materially adverse manner without ten (10) Business Days' prior written notice to the Indenture Trustee.

SECTION 5.8. Merger or Consolidation of the Servicer.

(a) The Servicer shall promptly provide written notice to the Indenture Trustee and the Rating Agencies of any merger or consolidation of the Servicer. The Servicer shall keep in full effect its existence, rights and franchise as a corporation under the laws of the state of its incorporation except as permitted herein, and shall obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture or any of the Timeshare Loans and to perform its duties under this Indenture.

(b) Any Person into which the Servicer may be merged or consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Servicer shall be a party, or any Person succeeding to the business of the Servicer, shall be the successor of the Servicer hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that the successor or surviving Person (i) is a company whose business includes the servicing of assets similar to the Timeshare Loans and shall be authorized to lawfully transact business in the state or states in which the related Timeshare Properties it is to service are situated; (ii) is a U.S. Person, and (iii) delivers to the Indenture Trustee (1) an agreement, in form and substance reasonably satisfactory to the Indenture Trustee, which contains an assumption by such successor entity of the due and punctual performance and observance of each covenant and condition to be performed or observed by the Servicer under this Indenture and the other Transaction Documents to which the Servicer is a party and (2) an opinion of counsel as to the enforceability of such agreement; provided, further, that the Rating Agencies shall have confirmed that such action will not result in a downgrade or withdrawal of any rating assigned to a Class of Notes.

SECTION 5.9. Sub-Servicing.

(a) The Servicer may enter into one or more sub-servicing agreements with a sub-servicer upon delivery to the Indenture Trustee of a written confirmation from the Rating Agencies that the execution of such sub-servicing agreement and the retention of such sub-servicer would not result in the qualification, downgrade or withdrawal of any rating assigned to a Class of Notes. References herein to actions taken or to be taken by the Servicer in servicing the Timeshare Loans include actions taken or to be taken by a sub-servicer on behalf of the Servicer. Any sub-servicing agreement will be upon such terms and conditions as the Servicer may reasonably agree and as are not inconsistent with this Indenture. The Servicer shall be solely responsible for any sub-servicing fees due and payable to such sub-servicer.

(b) Notwithstanding any sub-servicing agreement, the Servicer shall remain obligated and liable for the servicing and administering of the Timeshare Loans in accordance with this Indenture, without diminution of such obligation or liability by virtue of such sub- servicing agreement, and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Timeshare Loans.

SECTION 5.10. Servicer Resignation.

The Servicer shall not resign from the duties and obligations hereby imposed on it under this Indenture unless and until (i) a successor servicer, acceptable to the Issuer, the Indenture Trustee and the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes, enters into an agreement in form and substance satisfactory to the Indenture Trustee and the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes, which contains an assumption by such successor servicer of the due and punctual performance and observance of each covenant and condition to be performed or observed by the Servicer under this Indenture from and after the date of assumption, (ii) the Issuer, the Indenture Trustee and Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes consent to the assumption of the duties, obligations and liabilities of this Indenture by such successor Servicer, and (iii) the ratings of the Notes will not be qualified, downgraded or withdrawn (as evidenced by a letter from each Rating Agency to the Indenture Trustee to such effect, which letter shall be obtained at the expense of the Servicer, without right of reimbursement). Upon such resignation, the Servicer shall comply with Section 5.4(b) hereunder.

Except as provided in the immediately preceding paragraph or elsewhere in this Indenture, or as provided with respect to the survival of indemnifications herein, the duties and obligations of a Servicer under this Indenture shall continue until this Agreement shall have been terminated as provided herein. The duties and obligations of a Servicer hereunder shall survive the exercise by the Indenture Trustee of any right or remedy under this Indenture or the enforcement by the Indenture Trustee of any provision of this Indenture.

SECTION 5.11. Fees and Expenses.

As compensation for the performance of its obligations under this Indenture, the Servicer shall be entitled to receive on each Payment Date, from amounts on deposit in the Collection Account and in the priorities described in Sections 3.2(a) and 3.4 hereof, the Servicing Fee and any Additional Servicing Compensation. Other than Liquidation Expenses, the Servicer shall pay all expenses incurred by it in connection with its servicing activities hereunder.

SECTION 5.12. Access to Certain Documentation.

Upon ten (10) Business Days' prior written notice (or, one Business Day's prior written notice after the occurrence and during the continuance of an Event of Default or a Servicer Event of Default), the Servicer will, from time to time during regular business hours, as requested by the Issuer, the Indenture Trustee or any Noteholder and, prior to the occurrence of a Servicer Event of Default, at the expense of the Issuer or such Noteholder and upon the

occurrence and continuance of a Servicer Event of Default, at the expense of the Servicer, permit the Issuer, the Indenture Trustee or any Noteholder or its agents or representatives (i) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of the Servicer relating to the servicing of the Timeshare Loans serviced by it and (ii) to visit the offices and properties of the Servicer for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to the Timeshare Loans with any of the officers, employees or accountants of the Servicer having knowledge of such matters. Nothing in this Section shall affect the obligation of the Servicer to observe any applicable law prohibiting disclosure of information regarding the Obligors, and the failure of the Servicer to provide access to information as a result of such obligation shall not constitute a breach of this Section.

SECTION 5.13. No Offset.

Prior to the termination of this Indenture, the obligations of Servicer under this Indenture shall not be subject to any defense, counterclaim or right of offset which the Servicer has or may have against the Issuer, the Indenture Trustee or any Noteholder, whether in respect of this Indenture, any Timeshare Loan or otherwise.

SECTION 5.14. Account Statements.

In connection with the Servicer's preparation of the Monthly

Servicer Reports, the Indenture Trustee agrees to deliver to the Servicer a monthly statement providing account balances of each of the Trust Accounts.

SECTION 5.15. Indemnification; Third Party Claim.

The Servicer agrees to indemnify the Issuer, the Indenture Trustee and the Noteholders from and against any and all actual damages (excluding economic losses related to the collectibility of any Timeshare Loan), claims, reasonable attorneys' fees and related costs, judgments, and any other costs, fees and expenses that each may sustain because of the failure of the Servicer to service the Timeshare Loans in accordance with the Servicing Standard or otherwise perform its obligations and duties hereunder in compliance with the terms of this Indenture, or because of any act or omission by the Servicer due to its negligence or willful misconduct in connection with its maintenance and custody of any funds, documents and records under this Indenture, or its release thereof except as contemplated by this Indenture. The Servicer shall immediately notify the Issuer and the Indenture Trustee if it has Knowledge of a claim made by a third party with respect to the Timeshare Loans, and, if such claim relates to the servicing of the Timeshare Loans by the Servicer, the Servicer shall assume, with the consent of the Indenture Trustee, the defense of any such claim and pay all expenses in connection therewith, including reasonable counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it. This Section 5.15 shall survive the termination of this indenture or the resignation or removal of the Servicer hereunder.

SECTION 5.16. Backup Servicer.

(a) Backup Servicing Agreement. The Issuer, the Indenture Trustee, the Servicer, the Depositor and the Backup Servicer hereby agree to execute the Backup Servicing Agreement. The Backup Servicer shall be responsible for each of the duties and obligations imposed upon it by the provisions of the Backup Servicing Agreement and shall have no duties or obligations under any Transaction Document to which it is not a party.

(b) Termination of Servicer; Cooperation. In the event that the Servicer is terminated or resigns in accordance with the terms of this Indenture, the Backup Servicer agrees to continue to perform it duties and obligations hereunder and in the Backup Servicing Agreement without interruption. The Backup Servicer agrees to cooperate in good faith with any successor Servicer to effect a transition of the servicing obligations by the Servicer to any successor Servicer. The Indenture Trustee agrees to provide such information regarding the Trust Accounts as the Backup Servicer shall require to produce the Monthly Servicer Report on and after the Assumption Date.

(c) Backup Servicer Duties After Assumption Date. In the event that the Servicer is terminated or resigns in accordance with this Indenture, the Backup Servicer agrees that it shall undertake those servicing duties and obligations as set forth in Section 2 and Schedule V of the Backup Servicing Agreement. Notwithstanding Section 5.9 hereof, so long as Concord Servicing Corporation is the Backup Servicer, the Indenture Trustee, as successor Servicer, will not be obligated or liable for the servicing and administration activities to the extent that the Backup Servicer is responsible for such activities under the Backup Servicing Agreement.

(d) Backup Servicing Fee. Prior to the Assumption Date, the Backup Servicer should receive its Backup Servicing Fee in accordance with Sections 3.4 or 6.6, as applicable. On and after the Assumption Date, the Indenture Trustee, as successor Servicer, will be obligated to distribute the Backup Servicing Fee to the Backup Servicer from amounts received by the Indenture Trustee in respect of the Servicing Fee.

(e) Termination of Backup Servicer. Notwithstanding anything to the contrary herein, the Indenture Trustee shall have the right to remove the Backup Servicer with or without cause at any time and replace the Backup Servicer pursuant to the provisions of the Backup Servicing Agreement. In the event that the Indenture Trustee shall exercise its rights to remove and replace Concord Servicing Corporation as Backup Servicer, Concord Servicing Corporation shall have no further obligation to perform the duties of the Backup Servicer under this Indenture. In the event of a termination of the Backup Servicing Agreement, the Indenture Trustee shall appoint a successor Backup Servicer reasonably acceptable to the Indenture Trustee. Upon the termination or resignation of the Backup Servicer, the Indenture Trustee shall be deemed to represent, warrant and

covenant that it will service or engage a subservicer to perform each of the servicing duties and responsibilities described in this Indenture.

SECTION 5.17. Aruba Notices. By December 31, 2002 (with respect to Timeshare Loans in the Trust Estate on the Closing Date or within 30 days of the related Transfer Date (with respect to a Subsequent Timeshare Loan or Qualified Substitute Timeshare Loan), as the case maybe, the Servicer shall confirm that notices have been mailed out to each Obligor under

a Timeshare Loan with respect to any Resort in the country of Aruba that such Timeshare Loan has been transferred and assigned to the Issuer and that the Issuer has in turn, pledged such Timeshare Loan to the Indenture Trustee, in trust, for the benefit of the Noteholders. Such notice may include any notice or notices that the Aruba Originator's predecessors in title to the Timeshare Loan may give to the same Obligor with respect to any transfers and assignments of the Timeshare Loan by such predecessors. Such notice shall be in the form attached hereto as Exhibit H, as the same may be amended, revised or substituted by the Indenture Trustee and the Servicer from time to time.

SECTION 5.18. Recordation. As soon as practicable after the Closing Date or Transfer Date, as applicable (but in no event later than 10 Business Days (or 60 days with respect to Timeshare Loans for which the original Mortgages are still at the related recording office) after such date), the Servicer shall cause all Assignments of Mortgage in respect of the Timeshare Loans to be recorded in the appropriate offices. The Servicer agrees to cause all evidences of recordation to be delivered to the Custodian to be held as part of the Timeshare Loan Files.

ARTICLE VI.

EVENTS OF DEFAULT; REMEDIES

SECTION 6.1. Events of Default.

"Event of Default' wherever used herein with respect to Notes, means any one of the following events:

(a) a default in the making of Interest Distribution Amounts, Principal Distribution Amounts, Deferred Interest Amounts or any other payments in respect of any Note when such become due and payable, and continuance of such default for three (3) Business Days;

(b) a non−monetary default in the performance, or breach, of any covenant of the Issuer in this Indenture (other than a covenant dealing with a default in the performance of which, or the breach of which, is specifically dealt with elsewhere in this Section 6.1), the continuance of such default or breach for a period of 30 days (or, if the Issuer shall have provided evidence satisfactory to the Indenture Trustee that such covenant cannot be cured in the 30−day period and that it is diligently pursuing a cure, 60 days) after the earlier of (x) the Issuer first acquiring Knowledge thereof, and (y) the Indenture Trustee's giving written notice thereof to the Issuer; provided, however, that if such default or breach is in respect of the negative covenants contained in Section 8.6(a)(i) or (ii) hereof, there shall be no grace period whatsoever; or

(c) if any representation or warranty of the Issuer made in this Indenture shall prove to be incorrect in any material respect as of the time when the same shall have been made, and such breach is not remedied within 30 days (or, if the Issuer shall have provided evidence satisfactory to the Indenture Trustee that such representation or warranty cannot be cured in the 30−day period and that it is diligently pursuing a cure, 60 days) after the earlier of (x) the Issuer

first acquiring Knowledge thereof, and (y) the Indenture Trustee's giving written notice thereof to the Issuer; or

(d) the entry by a court having jurisdiction over the Issuer of (i) a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or (ii) a decree or order adjudging the Issuer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of the Issuer under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Issuer, or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(e) the commencement by the Issuer of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by either to the entry of a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of the Issuer or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the Issuer's failure to pay its debts generally as they become due, or the taking of corporate action by the Issuer in furtherance of any such action; or

(f) the Issuer becoming subject to registration as an "investment company" under the Investment Company Act of 1940, as amended; or

(g) the impairment of the validity of any security interest of the Indenture Trustee in the Trust Estate in any material respect, except as expressly permitted hereunder, or the creation of any material encumbrance on or with respect to the Trust Estate or any portion thereof not otherwise permitted, which is not stayed or released within ten (10) days of the Issuer having Knowledge of its creation.

(h) the occurrence and continuance of a Servicer Event of Default that is uncured for two consecutive Due Periods.

SECTION 6.2. Acceleration of Maturity; Rescission and Annulment.

(a) Upon the occurrence and continuance of an Event of Default, if (i) such Event of Default of the kind specified in Section 6.1(d) or Section 6.1(e) above occurs, (ii) an Event of Default of the kind specified in Section 6.1(a) above occurs and (x) the Indenture Trustee has, in its good faith judgment, determined that the value of the assets comprising the Trust Estate is less than the Aggregate Outstanding Note Balance or (y) such Event of Default

continues for two consecutive Payment Dates, then each Class of Notes shall automatically become due and payable at its Outstanding Note Balance together with all accrued and unpaid interest thereon.

(b) Upon the occurrence and continuance of an Event of Default, if such Event of Default is of the kind specified in Section 6.1(a) above (other than as described in Section 6.2(a) above), the Indenture Trustee shall, upon notice from Holders representing at least 66−2/3% of the Adjusted Note Balance of the most senior Class of Notes then Outstanding (and, if payment of interest and principal on the most senior Class of Notes then Outstanding is current, the consent of the Holders representing at least 66−2/3% of the Adjusted Note Balance of the most senior Class of Notes which has failed to receive one or more payments of interest or principal), declare each Class of Notes to be immediately due and payable at its Outstanding Note Balance plus all accrued and unpaid interest thereon.

(c) Upon the occurrence and continuance of an Event of Default, if such Event of Default (other than an Event of Default of the kind described in

Sections 6.2(a) of (b) above) shall occur and is continuing, the Indenture Trustee shall, upon notice from Holders representing at least 66−2/3% of the Adjusted Note Balance of the most senior Class of Notes then Outstanding, declare each Class of Notes to be immediately due and payable at its Outstanding Note Balance plus all accrued and unpaid interest thereon.

(d) Upon any such declaration or automatic acceleration, the Outstanding Note Balance of each Class of Notes together with all accrued and unpaid interest thereon shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Issuer. The Indenture Trustee shall promptly send a notice of any declaration or automatic acceleration to each Rating Agency.

(e) At any time after such a declaration of acceleration has been made but before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article provided, the Holders representing at least 66−2/3% of the Outstanding Note Balance of the most senior Class Outstanding (and, if the consent of another Class shall have been required for such declaration, Holders representing at least 66−2/3% of the Outstanding Note Balance of such Class) by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(1) all principal due on any Class of Notes which has become due otherwise than by such declaration of acceleration and interest thereon from the date when the same first became due until the date of payment or deposit,

(2) all interest due with respect to any Class of Notes and, to the extent that payment of such interest is lawful, interest upon overdue interest from the date when the same first became due until the

date of payment or deposit at a rate per annum equal to the applicable Note Rate, and

(3) all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements, and advances of each of the Indenture Trustee and the Servicer, its agents and counsel;

and

(ii) all Events of Default with respect to the Notes, other than the non−payment of the Outstanding Note Balance of each Class of Notes which became due solely by such declaration of acceleration, have been cured or waived as provided in Section 6.13 hereof.

(f) An automatic acceleration under Section 6.2(a) may only be rescinded and annulled by Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes then Outstanding.

(g) Notwithstanding Section 6.2(d) and (e) above, (i) if the Indenture Trustee shall have commenced making payments as described in Section 6.6, no acceleration may be rescinded or annulled and (ii) no rescission shall affect any subsequent Events of Default or impair any rights consequent thereon.

SECTION 6.3. Remedies.

(a) If an Event of Default with respect to the Notes occurs and is continuing of which a Responsible Officer of the Indenture Trustee has Knowledge, the Indenture Trustee shall immediately give notice to each Noteholder as set forth in Section 7.2 and shall solicit such Noteholders for advice. The Indenture Trustee shall then take such action as so directed by the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes then Outstanding subject to the provisions of this Indenture.

(b) Following any acceleration of the Notes, the Indenture Trustee shall have all of the rights, powers and remedies with respect to the Trust

Estate as are available to secured parties under the UCC or other applicable law, subject to the limitations set forth in subsection (d) below and provided such action is not inconsistent with any other provision of this Agreement. Such rights, powers and remedies may be exercised by the Indenture Trustee in its own name as trustee of an express trust.

(c) (i) If an Event of Default specified in Section 6.1(a) above occurs and is continuing, the Indenture Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the Aggregate Outstanding Note Balance and interest remaining unpaid with respect to the Notes.

(ii) Subject to the provisions set forth herein, if an Event of Default occurs and is continuing, the Indenture Trustee may, in its discretion, and at the instruction of the

Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes shall, proceed to protect and enforce its rights and the rights of the Noteholders by such appropriate judicial or other proceedings as the Indenture Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy. The Indenture Trustee shall notify the Issuer, the Rating Agencies, the Servicer and the Noteholders of any such action.

(d) If the Indenture Trustee shall have received instructions, within 45 days from the date notice pursuant to Section 6.3(a) is first given, from Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes that such Persons approve of or request the liquidation of all of the Timeshare Loans, the Indenture Trustee shall to the extent lawful, promptly sell, dispose of or otherwise liquidate all of the Timeshare Loans in a commercially reasonable manner and on commercially reasonable terms, which shall include the solicitation of competitive bids from third parties including any Noteholder (other than Bluegreen or any Affiliates thereof), such bids to be approved by the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes. The Indenture Trustee may obtain a prior determination from any conservator, receiver or liquidator of the Issuer that the terms and manner of any proposed sale, disposition or liquidation are commercially reasonable.

SECTION 6.4. Indenture Trustee May File Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding related to the Issuer, or any other obligor in respect of the Notes, or the property of the Issuer, or such other obligor or their creditors, the Indenture Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand on the Issuer for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee and any predecessor Indenture Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and any predecessor Indenture Trustee, their agents and counsel) and of the Noteholders allowed in such judicial proceeding;

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and

(iii) to participate as a member, voting or otherwise, of any official committee of creditors appointed in such matter;

and any custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Noteholder to make such payments to

the Indenture Trustee and to pay to the Indenture Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and any predecessor Indenture Trustee, their agents and counsel, and any other amounts due the Indenture Trustee and any predecessor Indenture Trustee under Section 7.6 hereof.

(b) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize, consent to, accept or adopt on behalf of any Noteholder any plan of reorganization, agreement, adjustment or composition affecting the Notes or the rights of any Noteholder thereof or affecting the Timeshare Loans or the other assets constituting the Trust Estate or to authorize the Indenture Trustee to vote in respect of the claim of any Noteholder in any such proceeding.

SECTION 6.5. Indenture Trustee May Enforce Claims Without Possession of Notes

All rights of action and claims under this Indenture, the Notes, the Timeshare Loans or the other assets constituting the Trust Estate may be prosecuted and enforced by the Indenture Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provisions for the payment of reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and any predecessor Indenture Trustee, their agents and counsel, be for the benefit, of the Noteholders in respect of which such judgment has been recovered, and distributed pursuant to the priorities contemplated by Section 3.4 and Section 6.6 hereof, as applicable.

SECTION 6.6. Application of Money Collected.

(a) If a Payment Default Event shall have occurred and the Indenture Trustee has not yet effected the remedies under Section 6.3(d) and Section 6.16 hereof, any money collected by the Indenture Trustee in respect of the Trust Estate and any other money that may be held thereafter by the Indenture Trustee as security for the Notes, including, without limitation, the amounts on deposit in the General Reserve Account and the Class D Reserve Account (which shall only be available to pay shortfalls on the Class D Interest Distribution Amount and principal on the Class D Notes), shall be applied in the following order on each Payment Date:

(i) to the Indenture Trustee, any unpaid Indenture Trustee Fees and any extraordinary out−of−pocket expenses of the Indenture Trustee related to a servicing transfer (up to $10,000 per Payment Date, and no more than a cumulative total of $100,000) incurred and not reimbursed as of such date;

(ii) to the Owner Trustee, any accrued and unpaid Owner Trustee Fees;

(iii) to the Administrator, any accrued and unpaid Administrator Fees;

(iv) to the Custodian, any accrued and unpaid Custodian Fees;

(v) to the Lockbox Bank, any accrued and unpaid Lockbox Fees;

(vi) to the Servicer, any accrued and unpaid Servicing Fees;

(vii) to the Backup Servicer, any accrued and unpaid Backup Servicing Fees;

(viii) to the Class A Noteholders, the Class A Interest Distribution Amount;

(ix) to the Class B Noteholders, the Class B Interest Distribution Amount;

(x) to the Class C Noteholders, the Class C Interest Distribution Amount;

(xi) to the Class D Noteholders, the Class D Interest Distribution Amount;

(xii) to the Class A Noteholders, all remaining amounts until the Outstanding Note Balance of the Class A Notes is reduced to zero;

(xiii) to the Class B Noteholders, all remaining amounts until the Outstanding Note Balance of the Class B Notes is reduced to zero;

(xiv) to the Class C Noteholders, all remaining amounts until the Outstanding Note Balance of the Class C Notes is reduced to zero;

(xv) to the Class D Noteholders, all remaining amounts until the Outstanding Note Balance of the Class D Notes is reduced to zero;

(xvi) to (a) the Class A Noteholders, (b) the Class B Noteholders, (c) the Class C Noteholders and (d) the Class D Noteholders, in that order, the Deferred Interest Amount for such Class, if any;

(xvii) to the Indenture Trustee, any extraordinary out−of−pocket expenses of the Indenture Trustee not paid in accordance with (i) above; and

(xviii) to the Owner Trustee, any remaining amounts, in accordance with the Trust Agreement.

(b) If (i) (A) a Payment Default Event shall have occurred or (B) each Class of Notes shall otherwise have been declared due and payable following an Event of Default and (ii) the Indenture Trustee shall have effected a sale of the Trust Estate under Section 6.3(d) and Section 6.16 hereof ((i) and (ii), a "Trust Estate Liquidation Event"), any money collected by the Indenture Trustee in respect of the Trust Estate and any other money that may be held thereafter by the Indenture Trustee as security for the Notes, including without limitation the amounts on deposit in the General Reserve Account and the Class D Reserve Account (which shall only be available to pay shortfalls on the Class D Interest Distribution Amount and principal on the Class D Notes), shall be applied in the following order on each Payment Date:

(i) to the Indenture Trustee, any unpaid Indenture Trustee Fees and other expenses incurred and charged and unpaid as of such date;

(ii) to the Owner Trustee, any accrued and unpaid Owner Trustee Fees;

(iii) to the Administrator, any accrued and unpaid Administrator Fees;

(iv) to the Custodian, any accrued and unpaid Custodian Fees;

(v) to the Lockbox Bait, any accrued and unpaid Lockbox Fees;

(vi) to the Servicer, any accrued and unpaid Servicing Fees;

(vii) to the Backup Servicer, any accrued and unpaid Backup Servicing Fees;

(viii) to the Class A Noteholders, the Class A Interest Distribution Amount;

(ix) to the Class A Noteholders, the Class A Deferred Interest Amount, if any;

(x) to the Class A Noteholders, all remaining amounts until the Outstanding Note Balance of the Class A Notes is reduced to zero;

(xi) to the Class B Noteholders, the Class B Interest Distribution Amount;

(xii) to the Class B Noteholders, the Class B Deferred Interest Amount, if any;

(xiii) to the Class B Noteholders, all remaining amounts until the Outstanding Note Balance of the Class B Notes is reduced to zero;

(xiv) to the Class C Noteholders, the Class C Interest Distribution Amount;

(xv) to the Class C Noteholders, the Class C Deferred Interest Amount, if any;

(xvi) to the Class C Noteholders, all remaining amounts until the Outstanding Note Balance of the Class C Notes is reduced to zero;

(xvii) to the Class D Noteholders, the Class D Interest Distribution Amount;

(xviii) to the Class D Noteholders, the Class D Deferred Interest Amount if any;

(xix) to the Class D Noteholders, all remaining amounts until the outstanding Note Balance of the Class D Notes is reduced to zero; and

(xx) to the Owner Trustee, any remaining amounts, in accordance with the Trust Agreement.

(c) Notwithstanding the occurrence and continuation of an Event of Default, prior to the occurrence of a Sequential Pay Event, Noteholders shall continue to be paid in the manner and priorities described in Section 3.4 hereof.

SECTION 6.7. Limitation on Suits.

No Noteholder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or for any other remedy hereunder, unless:

(a) there is a continuing Event of Default and such Noteholder has previously given written notice to the Indenture Trustee of a continuing Event of Default;

(b) such Noteholder or Noteholders have offered to the Indenture Trustee reasonable indemnity (which may be in the form of written assurances) against the costs, expenses and liabilities to be incurred in compliance with such request;

(c) the Indenture Trustee, for 30 days after its receipt of such notice, request and offer of indemnity, has failed to institute any such proceeding; and

(d) no direction inconsistent with such written request has been given to the Indenture Trustee during such 30-day period by the Holders representing at least 66-2/3% of the Adjusted Note Balance of each Class of Notes Outstanding;

it being understood and intended that no one or more of such Noteholders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholders, or to obtain or to seek to obtain priority or preference over any other Noteholders or to enforce any right under this Indenture, except in the manner herein provided and for the ratable benefit of all such Noteholders it is further understood and intended that so long as any portion of the Notes remains Outstanding, the Servicer shall not have any fight to institute any proceeding, judicial or otherwise, with respect to this Indenture (other than for the enforcement of Section 3.4 hereof or for the appointment of a receiver or trustee (including without limitation a proceeding under the Bankruptcy Code), or for any other remedy hereunder. Nothing in this Section 6.7 shall be

construed as limiting the rights of otherwise qualified Noteholders to petition a court for the removal of a Indenture Trustee pursuant to Section 7.8 hereof

SECTION 6.8. Unconditional Right of Noteholders to Receive Principal and Interest.

Notwithstanding any other provision in this Indenture, other than the provisions hereof limiting the right to recover amounts due on the Notes to recoveries from the property comprising the Trust Estate, the Holder of any Note shall have the absolute and unconditional right to receive payment of the principal of, and interest on, such Note as such payments of principal and interest become due, including on the Stated Maturity, and such right shall not be impaired without the consent of such Noteholder.

SECTION 6.9. Restoration of Rights and Remedies.

If the Indenture Trustee or any Noteholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Indenture Trustee or to such Noteholder, then and, in every such case, subject to any determination in such proceeding, the

Issuer, the Indenture Trustee and the Noteholders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Indenture Trustee and the Noteholders continue as though no such proceeding had been instituted.

SECTION 6.10. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Notes in the last paragraph of Section 2.5 hereof, no right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 6.11. Delay or Omission Not Waiver.

No delay or omission of the Indenture Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a Waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Indenture Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Noteholders, as the case may be.

SECTION 6.12. Control by Noteholders.

Except as may otherwise be provided in this Indenture, until such time as the conditions specified in Sections 11.1(a)(i) and (ii) hereof have been satisfied in full, the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee, with respect to the Notes. Notwithstanding the foregoing:

(i) no such direction shall be in conflict with any rule of law or with this Indenture;

(ii) the Indenture Trustee shall not be required to follow any such direction which the Indenture Trustee reasonably believes might result in any personal liability on the part of the Indenture Trustee for which the Indenture Trustee is not adequately indemnified; and

(iii) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee which is not inconsistent with any such direction; provided that the Indenture Trustee shall give notice of any such action to each Noteholder.

SECTION 6.13. Waiver of Events of Default.

(a) Unless a Sequential Pay Event shall have occurred, the Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes may, by one or more instruments in writing, waive any Event of Default hereunder and its consequences, except a continuing Event of Default:

(i) in respect of the payment of the principal of or interest on any Note (which may only be waived by the Holder of such Note), or

(ii) in respect of a covenant or provision hereof which under Article IX hereof cannot be modified or amended without the consent of the Holder of each Outstanding Note affected (which only may be waived by the Holders of all Outstanding Notes affected).

(b) A copy of each waiver pursuant to Section 6.13(a) above shall be furnished by the Issuer to the Indenture Trustee and each Noteholder. Upon any such waiver, such Event of Default shall cease to exist and shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

SECTION 6.14. Undertaking for Costs.

All parties to this Indenture agree (and each Holder of any Note by its acceptance thereof shall be deemed to have agreed) that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to (i) any suit instituted by the Indenture Trustee, (ii) to any suit instituted by any Noteholder, or group of Noteholders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes Outstanding, or (iii) to any suit instituted by any Noteholder for the enforcement of the payment of the principal of or interest on any Note on or after the maturities for such payments, including the Stated Maturity, as applicable.

SECTION 6.15. Waiver of Stay or Extension Laws.

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 6.16. Sale of Trust Estate.

(a) The power to effect the sale of the Trust Estate pursuant to Section 6.3 hereof shall continue unimpaired until the entire Trust Estate shall have been sold or all amounts payable on the Notes shall have been paid or losses allocated thereto and borne thereby. The Indenture Trustee may from time to time, upon directions in accordance with Section 6.12 hereof, postpone any public sale by public announcement made at the time and place of such sale.

(b) Unless required by applicable law, the Indenture Trustee shall not sell to a third party the Trust Estate, or any portion thereof except as permitted under Section 6.3(d) hereof

(c) In connection with a sale of the Trust Estate:

(i) any one or more Noteholders (other than Bluegreen or any Affiliates thereof) may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain, and possess and dispose of such property, without further accountability, and any Noteholder (other than Bluegreen or any Affiliates thereof) may, in paying the purchase money therefor, deliver in lieu of cash any Outstanding Notes or claims for interest thereon for credit in the amount that shall, upon distribution of the net proceeds of such sale, be payable thereon, and the Notes, in ease the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Noteholders after being appropriately stamped to show such partial payment;

(ii) the Indenture Trustee shall execute and deliver an appropriate instrument of conveyance prepared by the Servicer transferring the Indenture Trustee's interest in the Trust Estate without recourse, representation or warranty in any portion of the Trust Estate in connection with a sale thereof;

(iii) the Indenture Trustee is hereby irrevocably appointed the agent and attorney−in−fact of the Issuer to transfer and convey the Issuer's interest in any portion of the Trust Estate in connection with a sale thereof, and to take all action necessary to effect such sale;

(iv) no purchaser or transferee at such a sale shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys; and

(v) The method, manner, time, place and terms of any sale of the Trust Estate shall be commercially reasonable.

(vi) None of Bluegreen or its Affiliates may bid for and purchase the Timeshare Loans offered for sale by the Indenture Trustee in Section 6.16(c)(i) above.

SECTION 6.17. Action on Notes.

The Indenture Trustee's right to seek and recover judgment on the Notes or under this Indenture or any other Transaction Document shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture or any other Transaction Document. Neither the Lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Noteholders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Trust Estate or upon any of the assets of the Issuer. Any money or property collected by the Indenture Trustee shall be applied in accordance with the provisions of this Indenture.

SECTION 6.18. Performance and Enforcement of Certain Obligations.

Promptly following a request from the Indenture Trustee, the Issuer shall take all such lawful action as the Indenture Trustee may request to compel or secure the performance and observance by the Depositor, the Club Originator and the Servicer, as applicable, of each of their respective obligations to the Issuer under or in connection with the Sale Agreement and any other Transaction Document and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with the Sale Agreement or any other Transaction Document to the extent and in the manner directed by the Indenture Trustee, including the transmission of notices of default on the part of the Depositor, the Club Originator or the Servicer thereunder and the institution of legal or administrative actions or proceedings to compel or secure performance by the Depositor, the Club Originator or the Servicer of each of their obligations under the Sale Agreement and the other Transaction Documents.

ARTICLE VII.

SECTION 7.1. Certain Duties.

(a) The Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee; except as expressly set forth herein, the Indenture Trustee shall have no obligation to monitor the performance of the Servicer under the Transaction Documents.

(b) In the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture; provided, however, the Indenture Trustee shall not be required to verify or recalculate the contents thereof

(c) In case an Event of Default or a Servicer Event of Default (resulting in the appointment of the Indenture Trustee as successor Servicer) has occurred and is continuing, the Indenture Trustee shall exercise such of the tights and powers vested in it by this Indenture, and

use the same degree of care and skill in their exercise, as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs; provided, however, that no provision in this Indenture shall be construed to limit the obligations of the Indenture Trustee to provide notices under Section 7.2 hereof.

(d) The Indenture Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Noteholders pursuant to this Indenture, unless such Noteholders shall have offered to the Indenture Trustee reasonable security or indemnity acceptable to the Indenture Trustee (which may be in the form of written assurances) against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(e) No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this Section shall not be construed to limit the effect of Section 7.1(a) and (b) above;

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it shall be proved that the Indenture Trustee shall have been negligent in ascertaining the pertinent facts; and

(iii) the Indenture Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the holders of the requisite principal amount of the outstanding Notes, or in accordance with any written direction delivered to it under Sections 6.2(a), (b) or (c) hereof relating to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture.

(f) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section 7.1.

(g) The Indenture Trustee makes no representations or warranties with respect to the Timeshare Loans or the Notes or the validity or sufficiency of any assignment of the Timeshare Loans to the Issuer or to the Trust Estate.

(h) Notwithstanding anything to the contrary herein, the Indenture Trustee is not required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 7.2. Notice of Events of Default.

The Indenture Trustee shall promptly (but, in any event, within three (3) Business Days) notify the Issuer, the Servicer, the Rating Agencies and the Noteholders upon a Responsible Officer obtaining actual knowledge of any event which constitutes an Event of Default or a Servicer Event of Default or would constitute an Event of Default or a Servicer Event of Default but for the requirement that notice be given or time elapse or both.

SECTION 7.3. Certain Matters Affecting the Indenture Trustee.

Subject to the provisions of Section 7.1 hereof:

(a) The Indenture Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) Any request or direction of any Noteholders, the Issuer, or the Servicer mentioned herein shall be in writing;

(c) Whenever in the performance of its duties hereunder the Indenture Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Indenture Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate or an opinion of counsel;

(d) The Indenture Trustee may consult with counsel, and the advice of such counsel or any Opinion of Counsel shall be deemed authorization in respect of any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon;

(e) Prior to the occurrence of an Event of Default or after the curing of all Events of Default which may have occurred, the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper document, unless requested in writing so to do by Noteholders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes; provided, however, that if the payment within a reasonable time to the Indenture Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the reasonable opinion of the Indenture Trustee, not reasonably assured to the Indenture Trustee by the security afforded to it by the terms of this Indenture, the Indenture Trustee may require reasonable indemnity against such cost, expense or liability as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Servicer or, if paid by the Indenture Trustee, shall be reimbursed by the Servicer upon demand;

(f) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a

custodian (which may be an Affiliate of the Indenture Trustee), and the Indenture Trustee shall not be liable for any acts or omissions of such agents, attorneys or custodians appointed with due care by it hereunder; and

(g) Delivery of any reports, information and documents to the Indenture Trustee provided for herein or any other Transaction Document is for informational purposes only (unless otherwise expressly stated), and the Indenture Trustee's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein, including the Servicer's or Issuer's compliance with any of its representations, warranties or covenants hereunder (as to which the Indenture Trustee is entitled to rely exclusively on Officer's Certificates).

SECTION 7.4. Indenture Trustee Not Liable for Notes or Timeshare Loans.

(a) The Indenture Trustee makes no representations as to the validity or sufficiency of this Indenture or any Transaction Document, the Notes (other than the authentication thereof) or of any Timeshare Loan. The Indenture Trustee shall not be accountable for the use or application by the Issuer of funds paid to the Issuer in consideration of conveyance of the Timeshare Loans and related assets to the Trust Estate.

(b) The Indenture Trustee (in its capacity as Indenture Trustee) shall have no responsibility or liability for or with respect to the validity of any security interest in any property securing a Timeshare Loan; the existence or validity of any Timeshare Loan, the validity of the assignment of any Timeshare Loan to the Trust Estate or of any intervening assignment; the review of any Timeshare Loan, any Timeshare Loan File, the completeness of any Timeshare Loan File, the receipt by the Custodian of any Timeshare Loan or Timeshare Loan File (it being understood that the Indenture Trustee has not reviewed and does not intend to review such matters); the performance or enforcement of any Timeshare Loan; the compliance by the Servicer or the Issuer with any covenant or the breach by the Servicer or the Issuer of any warranty or representation made hereunder or in any Transaction Document or the accuracy of any such warranty or representation; the acts or omissions of the Servicer, the Issuer or any Obligor; or any action of the Servicer or the Issuer taken in the name of the Indenture Trustee.

SECTION 7.5. Indenture Trustee May Own Notes.

The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Notes with the same rights as it would have if it were not the Indenture Trustee. Any Paying Agent, Note Registrar, co-registrar or co-paying agent may become the owner or pledgee of Notes with the same rights as it would have if it were not the Paying Agent, Note Registrar, co-registrar or co-paying agent.

SECTION 7.6. Indenture Trustee's Fees and Expenses.

On each Payment Date, the Indenture Trustee shall be entitled to the Indenture Trustee Fee and reimbursement of out-of-pocket expenses incurred by it in connection with its responsibilities hereunder in the priorities provided in Sections 3.4 or 6.6 hereof, as applicable.

SECTION 7.7. Eligibility Requirements for Indenture Trustee.

Other than the initial Indenture Trustee, the Indenture Trustee hereunder shall at all times (a) be a corporation, depository institution, or trust company organized and doing business under the laws of the United States of America or any state thereof authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $100,000,000, (b) be subject to supervision or examination by federal or state authority, (c) be capable of maintaining an Eligible Bank Account, (d) have a long-term unsecured debt rating of not less than "Baa2" from Moody's and "BBB" from S&P, and (e) shall be acceptable to Noteholders representing at least 66-2/3% of the Adjusted Note Balance of the each Class of Notes. If such institution publishes reports of condition at least annually, pursuant to or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 7.7, the combined capital and surplus of such institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section

7.7, the Indenture Trustee shall resign in the manner and with the effect specified in Section 7.8 below.

SECTION 7.8. Resignation or Removal of Indenture Trustee.

(a) The Indenture Trustee may at any time resign and be discharged with respect to the Notes by giving 60 days' written notice thereof to the Servicer, the Issuer, the Rating Agencies, the Noteholder and the Noteholders. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor Indenture Trustee not objected to by Noteholders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes within 30 days after prior written notice, by written instrument, in sextuplicate, one counterpart of which installment shall be delivered to each of the Issuer, the Servicer, the Rating Agencies, the Noteholders, the successor indenture Trustee and the predecessor Indenture Trustee. If no successor Indenture Trustee shall have been so appointed and have accepted appointment within 60 days after the giving of such notice of resignation, the resigning Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(b) If at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of Section 7.7 hereof and shall fail to resign after written request therefor by the Issuer, or if at any time the Indenture Trustee shall be legally unable to act, fails to perform in any material respect its obligations under this Indenture, or shall be adjudged a bankrupt or insolvent, or a receiver of the Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer or Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes may direct the Issuer to remove the Indenture Trustee. If it removes the Indenture Trustee under the authority of the immediately preceding sentence, the Issuer shall promptly appoint a successor Indenture Trustee not objected to by Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes, within 30 days after prior written notice, by written instrument, in sextuplicate, one counterpart of which instrument shall be delivered to each of the Issuer, the Servicer, the

Noteholders, the Rating Agencies, the successor Indenture Trustee and the predecessor Indenture Trustee.

(c) Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee pursuant to any of the provisions of this Section 7.8 shall not become effective until acceptance of appointment by the successor Indenture Trustee as provided in Section 7.9 hereof.

SECTION 7.9. Successor Indenture Trustee.

(a) Any successor Indenture Trustee appointed as provided in Section 7.8 hereof shall execute, acknowledge and deliver to each of the Servicer, the Issuer, the Rating Agencies, the Noteholders and to its predecessor Indenture Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Indenture Trustee shall become effective and such successor Indenture Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor Indenture Trustee hereunder with like effect as if originally named a Indenture Trustee. The predecessor Indenture Trustee shall deliver or cause to be delivered to the successor Indenture Trustee or its custodian any Transaction Documents and statements held by it or its custodian hereunder; and the Servicer and the Issuer and the predecessor Indenture Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for the full and certain vesting and confirmation in the successor Indenture Trustee of all such rights; powers, duties and obligations.

(b) In case of the appointment hereunder of a successor Indenture Trustee with respect to the Notes, the Issuer, the retiring Indenture Trustee and each successor Indenture Trustee with respect to the Notes shall execute and deliver an indenture supplemental hereto wherein each successor Indenture Trustee shall accept such appointment and which (i) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Indenture Trustee all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect to the Notes to which the

appointment of such successor Indenture Trustee relates, (ii) if the retiring Indenture Trustee is not retiring with respect to all Notes, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect to the Notes as to which the retiring Indenture Trustee is not retiring shall continue to be vested in the retiring Indenture Trustee, and (iii) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the Trust Estate hereunder by more than one Indenture Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Indenture Trustees co-trustees of the same allocated trust and that each such Indenture Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Indenture Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Indenture Trustee shall become effective to the extent provided therein and each such successor Indenture Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect to the Notes to which the appointment of such successor Indenture Trustee relates; but, on request of the Issuer

or any successor Indenture Trustee, such retiring Indenture Trustee shall duly assign, transfer and deliver to such successor Indenture Trustee all property and money held by such retiring Indenture Trustee hereunder with respect to the Notes of that or those to which the appointment of such successor Indenture Trustee relates.

Upon request of any such successor Indenture Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor trustee all such rights, powers and trusts referred to in the preceding paragraph.

(c) No successor Indenture Trustee shall accept appointment as provided in this Section 7.9 unless at the time of such acceptance such successor Indenture Trustee shall be eligible under the provisions of Section 7.7 hereof.

(d) Upon acceptance of appointment by a successor Indenture Trustee as provided in this Section 7.9, the Servicer shall mail notice of the succession of such Indenture Trustee hereunder to each Noteholder at its address as shown in the Note Register. If the Servicer fails to mail such notice within ten (10) days after acceptance of appointment by the successor Indenture Trustee, the successor Indenture Trustee shall cause such notice to be mailed at the expense of the Issuer and the Servicer.

SECTION 7.10. Merger or Consolidation of Indenture Trustee.

Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Indenture Trustee, shall be the successor of the Indenture Trustee hereunder; provided such corporation shall be eligible under the provisions of Section 7.7 hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 7.11. Appointment of Co-Indenture Trustee or Separate Indenture Trustee.

(a) At any time or times for the purpose of meeting any legal requirement of any jurisdiction in which any part of the Trust Estate may at the time be located or in which any action of the Indenture Trustee may be required to be performed or taken, the Indenture Trustee, the Servicer or the Holders representing at least 66-2/3% of the Adjusted Note Balance of each Class of Notes, by an instrument in writing signed by it or them, may appoint, at the reasonable expense of the Issuer and the Servicer, one or more individuals or corporations to act as separate trustee or separate trustees or co-trustee, acting jointly with the Indenture Trustee, of all or any part of the Trust Estate, to the full extent that local law makes it necessary for such separate trustee or separate trustees or co-trustee acting jointly with the Indenture Trustee to act. Notwithstanding the appointment of any separate or co-trustee,

the Indenture Trustee shall remain obligated and liable for the obligations of the Indenture Trustee under this Indenture.

(b) The Indenture Trustee and, at the request of the Indenture Trustee, the Issuer shall execute, acknowledge and deliver all such instruments as may be required by the legal requirements of any jurisdiction or by any such separate trustee or separate trustees or co−

trustee for the purpose of more fully confirming such title, rights, or duties to such separate trustee or separate trustees or co−trustee. Upon the acceptance in writing of such appointment by any such separate trustee or separate trustees or co−trustee, it, he, she or they shall be vested with such title to the Trust Estate or any part thereof, and with such rights, powers, duties and obligations as shall be specified in the instrument of appointment, and such rights, powers, duties and obligations shall be conferred or imposed upon and exercised or performed by the Indenture Trustee, or the Indenture Trustee and such separate trustee or separate trustees or co−trustees jointly with the Indenture Trustee subject to all the terms of this Indenture, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such separate trustee or separate trustees or co−trustee, as the case may be. Any separate trustee or separate trustees or co−trustee may, at any time by an instrument in writing, constitute the Indenture Trustee its attorney−in−fact and agent with full power and authority to do all acts and things and to exercise all discretion on its behalf and in its name. In any case any such separate trustee or co−trustee shall die, become incapable of acting, resign or be removed, the title to the Trust Estate and all assets, property, rights, power duties and obligations and duties of such separate trustee or co−trustee shall, so far as permitted by law, vest in and be exercised by the Indenture Trustee, without the appointment of a successor to such separate trustee or co−trustee unless and until a successor is appointed.

(c) All provisions of this indenture which are for the benefit of the Indenture Trustee shall extend to and apply to each separate trustee or co−trustee appointed pursuant to the foregoing provisions of this Section 7.11.

(d) Every additional trustee and separate trustee hereunder shall, to the extent permitted by law, be appointed and act and the Indenture Trustee shall act, subject to the following provisions and conditions (i) all powers, duties and obligations and rights conferred upon the Indenture Trustee in respect of the receipt, custody, investment and payment of monies shall be exercised solely by the Indenture Trustee; (ii) all other rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed and exercised or performed by the Indenture Trustee and such additional trustee or trustees and separate trustee or trustees jointly except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Timeshare Properties in any such jurisdiction) shall be exercised and performed by such additional trustee or trustees or separate trustee or trustees; (iii) no power hereby given to, or exercisable by, any such additional trustee or separate trustee shall be exercised hereunder by such trustee except jointly with, or with the consent of, the Indenture Trustee; and (iv) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

If at any time, the Indenture Trustee shall deem it no longer necessary or prudent in order to conform to such law, the Indenture Trustee shall execute and deliver all instruments and agreements necessary or proper to remove any additional trustee or separate trustee.

(e) Any request, approval or consent in writing by the Indenture Trustee to any additional trustee or separate trustee shall be sufficient warrant to such additional trustee or separate trustee, as the case may be, to take such action as may be so requested, approved or consented to.

(f) Notwithstanding any other provision of this Section 7.11, the powers of any additional trustee or separate trustee shall not exceed those of the Indenture Trustee hereunder.

SECTION 7.12. Paying Agent and Note Registrar Rights.

So long as the Indenture Trustee is the Paying Agent and Note Registrar, the Paying Agent and Note Registrar shall be entitled to the rights, benefits and immunities of the Indenture Trustee as set forth in Article VII to the same extent and as fully as though named in place of the Indenture Trustee herein. The Paying Agent shall be compensated out of the Indenture Trustee Fee.

SECTION 7.13. Authorization.

The Issuer hereby authorities and directs the Indenture Trustee to enter into the Lockbox Agreement. Pursuant to the Lockbox Agreement, the Indenture Trustee agrees to cause to be established and maintained an account (the "Lockbox Account") for the benefit of the Noteholders. The Lockbox Account will be titled as follows "U.S. Bank National Association, as Indenture Trustee of BXG Receivables Note Trust 2002-A-Blocked Account", Timeshare Loan-Backed Notes, Series 2002-A". The Indenture Trustee is authorized and directed to act as titleholder of the Lockbox Account in accordance with the terms of the Lockbox Agreement for the benefit of the Noteholders with interests in the funds on deposit in such accounts. In addition, the Indenture Trustee is hereby authorized to enter into, execute, deliver and perform under, each of the applicable Transaction Documents and the Depository Agreement. The Lockbox Bank will be required to transfer and will be permitted to withdraw funds from the Lockbox Account in accordance with the Lockbox Agreement.

SECTION 7.14. Maintenance of Office or Agency.

The Indenture Trustee will maintain in the Borough of Manhattan, the City of New York, an office or agency where Notes may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Indenture Trustee in respect of the Notes and this Indenture may be served. The Indenture Trustee will give prompt written notice to the Issuer, the Servicer and the Noteholders of the location, and of any Change in the location, of any such office or agency or shall fail to furnish the Issuer or the Servicer with the address thereof, such surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Issuer hereby appoints the Indenture Trustee as its agent to receive all such surrenders, notices and demands.

ARTICLE VIII.

COVENANTS OF THE ISSUER

SECTION 8.1. Payment of Principal and Interest.

The Issuer will cause the due and punctual payment of the principal of, and interest on, the Notes in accordance with the terms of the Notes and this Indenture.

SECTION 8.2. Reserved.

SECTION 8.3. Money for Payments to Noteholders to Be Held in Trust.

(a) All payments of amounts due and payable with respect to any Notes that are to be made from amounts withdrawn from the Trust Accounts pursuant to Sections 3.4 or 6.6 hereof shall be made on behalf of the Issuer by the Indenture Trustee, and no amounts so withdrawn from the Collection Account for payments of Notes shall be paid over to the Issuer under any circumstances, except as provided in this Section 8.3, in Section 3.4 or Section 6.6, as the case may be.

(b) In making payments hereunder, the Indenture Trustee will hold all sums held by it for the payment of amounts due with respect to the Notes in

trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided.

(c) Except as required by applicable law, any money held by the Indenture Agent in trust for the payment of any amount due with respect to any Note shall not bear interest and if remaining unclaimed for two (2) years after such amount has become due and payable to the Noteholder shall be discharged from such trust and, subject to applicable escheat laws, and so long as no Event of Default has occurred and is continuing, paid to the Issuer upon request; otherwise, such amounts shall be redeposited in the Collection Account as Available Funds, and such Noteholder shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Indenture Trustee or the Paying Agent with respect to such trust money shall thereupon cease; provided, however, that the Indenture Trustee or the Paying Agent, before being required to make any such repayment, shall cause to be published once, at the expense and direction of the Issuer, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Indenture Trustee or the Paying Agent shall also adopt an employ, at the expense and direction of the Issuer, any other reasonable means of notification of such repayment (including, but not limited to, mailing notice of such repayment to Noteholders whose Notes have been called but have not been surrendered for redemption or whose right to or interest in moneys due and payable but not claimed is determinable) from the records of the Indenture Trustee or of any Paying Agent, at the last address of record for each such Noteholder.

(d) The Issuer will cause each Paying Agent to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee is the Paying Agent, it hereby so agrees), subject to the provisions of this Section 8.3, that such Paying Agent will:

(i) give the Indenture Trustee notice of any occurrence that is, or with notice or with the lapse of time or both would become, an Event of Default by the Issuer of which it has actual knowledge in the making of any payment required to be made with respect to the Notes;

(ii) at any time during the continuance of any such occurrence described in clause (i) above, upon the written request of the Indenture Trustee, pay to the Indenture Trustee all sums so held in trust by such Paying Agent;

(iii) immediately resign as a Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards required to be met by a Paying Agent at the time of its appointment; and

(iv) comply with all requirements of the Code or any applicable state law with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Order direct any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; and upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such monies.

SECTION 8.4. Existence: Merger: Consolidation, etc.

(a) The Issuer will keep in full effect its existence, rights and franchises as a statutory trust under the laws of the State of Delaware, and will obtain and preserve its qualification to do business as a foreign business trust in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the Notes or any

of the Timeshare Loans.

(b) The Issuer shall at all times observe and comply in all material respects with (i) all laws applicable to it, (ii) all requirements of law in the declaration and payment of distributions, and (iii) all requisite and appropriate formalities in the management of its business and affairs and the conduct of the transactions contemplated hereby.

(c) The Issuer shall not (i) consolidate or merge with or into any other Person or convey or transfer its properties and assets substantially as an entirety to any other Person or (ii) commingle its assets with those of any other Person.

(d) The Issuer shall not become an "investment company" or under the "control" of an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (or any successor or amendatory statute), and the rules and regulations thereunder (taking into account not only the general definition of the term "investment company" but also any available exceptions to such general definition); provided however, that the Issuer shall be in compliance with this Section 8.4 if it shall have obtained an order exempting it from regulation as an "investment company" so long as it is in compliance with the conditions imposed in such order,

SECTION 8.5. Protection of Trust Estate: Further Assurances.

(a) The Issuer will from time to time execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance, and other instruments, and will take such other action as may be necessary or advisable to:

(i) Grant more effectively the assets comprising all or any portion of the Trust Estate;

(ii) maintain or preserve the Lien of this Indenture or carry out more effectively the purposes hereof,

(iii) publish notice of, or protect the validity of, any Grant made or to be made by this Indenture and perfect the security interest contemplated hereby in favor of the Indenture Trustee in each of the Timeshare Loans and all other property included in the Trust Estate; provided, that the Issuer shall not be required to cause the recordation of the Indenture Trustee's name as Lien holder on the related title documents for the Timeshare Properties so long as no Event of Default has occurred and is continuing;

(iv) enforce or cause the Servicer to enforce any of the Timeshare Loans in accordance with the Servicing Standard, provided, however, the Issuer will not cause the Servicer to obtain on behalf of the Indenture Trustee or the Noteholders, any Timeshare Property or to take any actions with respect to any property the result of which would adversely affect the interests of the Indenture Trustee or the Noteholders (including, but not limited to, actions which would cause the Indenture Trustee or the related Noteholders to be considered a holder of title, mortgagee−in−possession, or otherwise, or an "owner" or "operator" of Property not in compliance with applicable environmental statutes); and

(v) preserve and defend title to the Timeshare Loans (including the right to receive all payments due or to become due thereunder), the interests in the Timeshare Properties, or other property included in the Trust Estate and preserve and defend the rights of the Indenture Trustee in the Trust Estate (including the right to receive all payments due or to become due thereunder) against the claims of all Persons and parties other than as permitted hereunder.

(b) The Issuer will not take any action and will use its commercially reasonable efforts not to permit any action to be taken by others that would release any Person from any of such Person's material covenants or obligations under any instrument or agreement included in the Trust Estate or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or agreement, except as expressly provided in this Indenture or the Custodial Agreement or such other instrument or agreement.

(c) The Issuer may contract with or otherwise obtain the assistance of other Persons to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Indenture Trustee in an Officer's Certificate of the Issuer shall be deemed to be action taken by the Issuer, provided, however that no appointment of such Person shall relieve the Issuer of its duties and obligations hereunder. Initially, the Issuer has contracted with the Servicer, Indenture Trustee and the Custodian pursuant to this Indenture to assist the Issuer in performing its duties under this Indenture and the other Transaction Documents.

(d) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the Transaction Documents and in the instruments and agreements included in the Trust Estate.

(e) Without derogating from the absolute nature of the assignment granted to the Indenture Trustee under this Indenture or the rights of the Indenture Trustee hereunder, the Issuer agrees (i) that it will not, without the prior written consent of the Indenture Trustee and the Noteholders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes, amend, modify, waive, supplement, terminate or surrender, or agree to any amendment, modification, supplement, termination, waiver or surrender of, the terms of any Timeshare Loan (except to the extent otherwise provided in this Indenture or in the Timeshare Loan Documents) or the Transaction Documents, or waive timely performance or observance by the Servicer, the Indenture Trustee, the Custodian, the Paying Agent or the Depositor under this Indenture; and (ii) that any such amendment shall not (A) reduce in any manner the amount of, or accelerate or delay the timing of, distributions that are required to be made for the benefit of the Noteholders or (B) reduce the aforesaid percentage of the Notes that is required to consent to any such amendment, without the consent of the Noteholders of all the Outstanding Notes. If any such amendment, modification, supplement or waiver shall be so consented to by the Indenture Trustee and the Noteholders, the Issuer agrees, promptly following a request by the Indenture Trustee, to execute and deliver, at its own expense, such agreements, instruments, consents and other documents as the Indenture may deem necessary or appropriate in the circumstances.

The Issuer, upon the Issuer's failure to do so, hereby irrevocably designates the Indenture Trustee and the Servicer, severally, its agents and attorneys−in−fact to execute any financing statement or continuation statement or Assignment of Mortgage required pursuant to this Section 8.5; provided, however, that such designation shall not be deemed to create a duty in the Indenture Trustee to monitor the compliance of the Issuer with the foregoing covenants, and provided, further, that the duty of the Indenture Trustee or the Servicer to execute any

instrument required pursuant to this Section 8.5 shall arise only if a Responsible Officer of the Indenture Trustee or the Servicer, as applicable, has Knowledge of any failure of the Issuer to comply with the provisions of this Section 8.5.

SECTION 8.6. Additional Covenants.

(a) The Issuer will not:

(i) sell, transfer, exchange or otherwise dispose of any portion of the Trust Estate except as expressly permitted by this Indenture;

(ii) claim any credit on, or make any deduction from, the principal of, or interest on, any of the Notes (other than amounts properly withheld from such payments under the Code) or any applicable state law or assert any claim against any present or former Noteholder by reason of the

payment of any taxes levied or assessed upon any portion of the Trust Estate; or

(iii) engage in any business or activity other than as permitted by this Indenture, the Trust Agreement and the other Transaction Documents and any activities incidental thereto, or amend the Trust Agreement as in effect on the Closing Date other than in accordance with Article XI thereof;

(iv) issue debt of obligations under any indenture other than this Indenture;

(v) incur or assume, directly or indirectly, any indebtedness, except for such: indebtedness as may be incurred by the Issuer pursuant to this Indenture, or guaranty any indebtedness or other obligations of any Person (other than the Timeshare Loans), or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of or any other interest in, or make any capital contribution to, any other Person (other than the Timeshare Loans);

(vi) dissolve or liquidate in whole or in part or merge or consolidate with any other Person;

(vii) (A) permit the validity or effectiveness of this Indenture or any Grant hereby to be impaired, or permit the Lien of this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations under this Indenture, except as may be expressly permitted hereby, (B) permit any lien, charge, security interest, mortgage or other encumbrance to be created on or to extend to or otherwise arise upon or burden the Trust Estate or any part thereof or any interest therein or the proceeds thereof (other than tax liens, mechanics; liens and other liens that arise by operation of law, in each case on any of the Resort Interests and arising solely as a result of an act or omission of the related Obligor) other than the Lien of this Indenture or (C) except as otherwise contemplated in this Indenture, permit the Lien of this Indenture (other than with respect to any Permitted Liens or such tax, mechanic's or other lien) not to constitute a valid first priority security interest in the Trust Estate

(viii) take any other action or fail to take any actions which may cause the Issuer to be taxable as an association pursuant to Section 7701 of the Code and the corresponding regulations, (b) a publicly traded partnership taxable as a corporation pursuant to Section 7704 of the Code and the corresponding regulations or (c) a taxable mortgage pool pursuant to Section 7701(i) of the Code and the corresponding regulations; and

(ix) change the location of its principal place of business without the prior notice to the Indenture Trustee and the Noteholders.

(b) Notice of Events of Defaults. Immediately upon the Issuer having Knowledge of the existence of any condition or event which constitutes a Default or an Event of Default or a Servicer Event of Default, the Issuer shall deliver to the Indenture Trustee a written notice describing its nature and period of existence and what action the Issuer is taking or proposes to take with respect thereto.

(c) Report on Proceedings. Promptly upon the Issuer's becoming aware of (i) any proposed or pending investigation of it by any governmental authority or agency; or (ii) any pending or proposed court or administrative proceeding which involves or is reasonably likely to involve the possibility of materially and adversely affecting the properties, business, prospects, profits or condition (financial or otherwise) of the Issuer, the Issuer shall deliver to the Indenture Trustee a written notice specifying the nature of such investigation or proceeding and what action the Issuer is taking or proposes to take with respect thereto and evaluating its merits.

SECTION 8.7. Taxes.

The Issuer shall pay all taxes when due and payable or levied against its assets, properties or income, including any property that is part of the Trust Estate, except to the extent the Issuer is contesting the same in good faith and has set aside adequate reserves in accordance with accounting

principles generally accepted in the United States for the payment thereof.

SECTION 8.8. Restricted Payments.

The Issuer shall not, directly or indirectly, (i) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to the Owner Trustee or any owner of a beneficial interest in the Issuer or otherwise with respect to any ownership or equity interest to security in or of the Issuer, the Club Originator, the Depositor or to the Servicer, (ii) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or security or (iii) set aside or otherwise segregate any amounts for any such purpose; provided, however that the Issuer may make, or cause to be made, payments and distributions to or on behalf of the Servicer, the Club Originator, the Depositor, the Indenture Trustee, the Owner Trustee, the Noteholders and the Certificateholders as contemplated by, and to the extent finds are available for such purpose under, this Indenture, the Sale Agreement, the Trust Agreement or the other Transaction Documents. The Issuer will not, directly or indirectly, make or cause to be made payments to or distributions from the Collection Account except in accordance with this Indenture and the other Transaction Documents.

SECTION 8.9. Treatment of Notes as Debt for Tax Purposes.

The Issuer shall treat the Notes as indebtedness for all federal, state and local income and franchise tax purposes.

SECTION 8.10. Further Instruments and Acts.

Upon request of the Indenture Trustee, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this indenture.

SECTION 8.11. [Reserved].

ARTICLE IX.

SUPPLEMENTAL INDENTURES

SECTION 9.1. Supplemental Indentures.

(a) The Issuer and the Indenture Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Indenture Trustee, for any of the following purposes:

(i) without the consent of any Noteholder; (x) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or to better assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the Lien of this Indenture; provided, such action pursuant to this clause (i) shall not adversely affect the interests of the Noteholders in any respect; or

(1) to evidence and provide for the acceptance of appointment hereunder by a successor Indenture Trustee with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Indenture Trustee, pursuant to the requirements of Section 7.9 hereof; or

(2) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture; provided that such action pursuant to this clause (2) shall not adversely affect the interests of any of the Holders of Notes.

(b) Notwithstanding anything to the contrary in this Section 9.1 or this Indenture, no supplement as provided for in this Section 9.1 shall cause the Issuer to fail to be

treated as a "qualified special purpose entity" as defined in Financial Accounting Standards Board Statement No. 140.

(c) The Indenture Trustee shall promptly deliver, at least five (5) Business Days prior to the effectiveness thereof, to each Noteholder and the Rating Agencies, a copy of any supplemental indenture entered into pursuant to this Section 9.1(a).

SECTION 9.2. Supplemental Indentures with Consent of Noteholders.

(a) With the consent of Holders representing at least 66−2/3% of the Adjusted Note Balance of each Class of Notes then Outstanding and by Act of said Noteholders delivered to the Issuer and the Indenture Trustee, the Issuer and the Indenture Trustee may, pursuant to an issuer Order, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Noteholders under this Indenture; provided, that no supplemental indenture shall, without the consent of the Holder of each Outstanding Note affected thereby,

(i) change the Stated Maturity of any Note or the amount of principal payments or interest payments due or to become due on any Payment Date with respect to any Note, or change the priority of payment Thereof as set forth herein, or reduce the principal amount thereof or the Note Rate thereon, or change the place of payment where, or the coin or currency in which, any Note or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity;

(ii) reduce the percentage of the Outstanding Note Balance or Adjusted Note Balance, the consent of the Noteholders of which is required for any supplemental indenture, for any waiver of compliance with provisions of this Indenture or Events of Default and their consequences;

(iii) modify any of the provisions of this Section 9.2 or Section 6.13 hereof except to increase any percentage of Noteholders required for any modification or waiver or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby;

(iv) modify or alter the provisions of the proviso to the definition of the term "Outstanding"; or

(v) permit the creation of any lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the Trust Estate or terminate the Lien of this Indenture on any property at any time subject hereto or deprive any Noteholder of the security afforded by the Lien of this Indenture;

provided, no such supplemental indenture may modify or change any terms whatsoever of the Indenture that could be construed as increasing the Issuer's or the Servicer's discretion hereunder.

(b) The Indenture Trustee shall promptly deliver, at least five (5) Business Days prior to the effectiveness thereof to each Noteholder and the Rating Agencies, a copy of any supplemental indenture entered into pursuant to Section 9.2(a) above.

SECTION 9.3. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any

supplemental indenture (a) pursuant to Section 9.1 of this Indenture or (b) pursuant to Section 9.2 of this Indenture without the consent of each Holder of the Notes to the execution of the same, or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and (subject to Section 7.1 hereof) shall be, fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any supplemental indenture which affects the Indenture Trustee's own rights, duties, obligations, or immunities under this Indenture or otherwise.

SECTION 9.4. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore or thereafter authenticated, and delivered hereunder shall be bound thereby.

SECTION 9.5. Reference in Notes to Supplemental Indentures.

Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Indenture Trustee, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. New Notes so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

ARTICLE X.

REDEMPTION OF NOTES

SECTION 10.1. Optional Redemption: Election to Redeem.

The Servicer shall have the option to redeem not less than all of the Notes and thereby cause the early repayment of the Notes on any date after the Optional Redemption Date by payment of an amount equal to the Redemption Price and any amounts, fees and expenses that are required to be paid pursuant to Section 6.6(b) hereof (unless amounts in the Trust Accounts are sufficient to make such payments).

SECTION 10.2. Notice to Indenture Trustee.

The Servicer shall give written notice of its intention to redeem the Notes to the Indenture Trustee at least fifteen (15) days prior to the Redemption Date (unless a shorter period shall be satisfactory to the Indenture Trustee).

SECTION 10.3. Notice of Redemption by the Servicer.

Notices of redemption shall be given by first class mail, postage prepaid, mailed not less than for fifteen (15) days prior to the Redemption Date to each Noteholder, at the address listed in the Note Register and to the Rating Agencies. All notices of redemption shall state (a) the Redemption Date, (b) the Redemption Price, (c) that on the Redemption Date, the Redemption Price will become due and payable in respect of each Note, and that interest thereon shall cease to accrue if payment is made on the Redemption Date and (d) the office of the Indenture Trustee where the Notes are to be surrendered for payment of the Redemption Price. Failure to give notice of redemption, or any defect therein, to any Noteholder shall not impair or affect the validity of the redemption of any other Note.

SECTION 10.4. Deposit of Redemption Price.

On or before the Business Day immediately preceding the Redemption Date, the Servicer shall deposit with the Indenture Trustee an amount equal to the Redemption Price and any amounts, fees and expenses that are required to be paid hereunder (less any portion of such payment to be made from funds held in any of the Trust Accounts).

SECTION 10.5. Notes Payable on Redemption Date.

Notice of redemption having been given as provided in Section 10.3 hereof and deposit of the Redemption Price with the Indenture Trustee having been made as provided in Section 10.4 hereof, the Notes shall on the Redemption Date, become due and payable at the Redemption Price, and, on such Redemption Date, such Notes shall cease to accrue interest. The Indenture Trustee shall apply all available funds in accordance with Section 6.6(b) hereof and the Noteholders shall be paid the Redemption Price by the Indenture Trustee on behalf of the Servicer upon presentment and surrender of their Notes at the office of the Indenture Trustee. If the Servicer shall have failed to deposit the Redemption Price with the Indenture Trustee, the principal and interest with respect to each Class of Notes shall, until paid, continue to accrue interest at their respective Note Rates. The Servicer's failure to deposit the Redemption Price shall not constitute an Event of Default hereunder.

ARTICLE XI.

SATISFACTION AND DISCHARGE

SECTION 11.1. Satisfaction and Discharge of Indenture.

(a) This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Notes herein expressly provided for),

and the Indenture Trustee, on demand of, and at the expense of, the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when:

(i) either:

(1) all Notes theretofore authenticated and delivered (other than (A) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.5 hereof and (B) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 8.3(c) hereof) have been delivered to the Indenture Trustee for cancellation; or

(2) the final installments of principal on all such Notes not theretofore delivered to the Indenture Trustee for cancellation (x) have become due and payable, or (y) will become due and payable at their Stated Maturity, as applicable within one year, and the Issuer has irrevocably deposited or caused to be deposited with the Indenture Trustee in trust an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Indenture Trustee for cancellation, for principal and interest to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity thereof;

(ii) the Issuer and the Servicer have paid or caused to be paid all other sums payable hereunder by the Issuer and the Servicer for the benefit of the Noteholders and the Indenture Trustee; and

(iii) the Issuer has delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

At such time, the Indenture Trustee shall deliver to the Issuer all cash, securities and other property held by it as part of the Trust Estate other than funds deposited with the Indenture Trustee pursuant to Section 11.l(a)(i) above, for the payment and discharge of the Notes.

(b) Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Indenture Trustee under Section 7.6 hereof and, if money shall have been deposited with the Indenture Trustee

pursuant to Section 1 1.1(a)(i) above, the obligations of the Indenture Trustee under Sections 11.2 and 8.3(c) hereof shall survive.

SECTION 11.2. Application of Trust Money; Repayment of Money Held by Paying Agent.

Subject to the provisions of Section 8.3(c) hereof, all money deposited with the Indenture Trustee pursuant to Sections 11.1 and 8.3 hereof shall be held in trust and applied by

the Indenture Trustee in accordance with the provisions of the Notes, this Indenture and the Trust Agreement, to the payment, either directly or through a Paying Agent, as the Indenture Trustee may determine, to the Persons entitled thereto, of the principal and interest for whose payment such money has been deposited with the Indenture Trustee:

In connection with the satisfaction and discharge of this Indenture, all moneys than held by any Paying Agent other than the Indenture Trustee under the provisions of this Indenture with respect to the Notes shall, upon demand of the Issuer, be paid to the Indenture Trustee to be held and applied according to Section 3.2 hereof and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

SECTION 11.3. Trust Termination Date.

Upon the full application of (a) moneys deposited pursuant to this Article 11 or (b) proceeds of the Timeshare Loans pursuant to Sections 3.4 or 6.6 hereof, the Trust Estate created by this Indenture shall be deemed to have terminated and all Liens granted hereunder shall be released.

ARTICLE XII.

REPRESENTATIONS AND WARRANTIES AND COVENANTS

SECTION 12.1. Representations and Warranties of the Issuer.

The Issuer represents and warrants to the Indenture Trustee, the Servicer, the Backup Servicer and the Noteholders as of the Closing Date, as follows:

(a) Organization and Good Standing. The Issuer has been duly formed and is validly existing and in good standing under the laws of the State of Delaware, with power and authority to own its properties and to conduct its business as presently conducted and has the power and authority to own and convey all of its properties and to execute and deliver this Indenture and the Transaction Documents and to perform the transactions contemplated hereby and thereby;

(b) Binding Obligation. This Indenture and the Transaction Documents to which it is a party have each been duly executed and delivered on behalf of the Issuer and this Indenture and each Transaction Document to which it is a party constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights and by general principles of equity;

(c) No Consents Required. No consent of, or other action by, and no notice to or filing with, any Governmental Authority or any other party, is required for the due execution, delivery and performance by the Issuer of this Indenture or any of the Transaction Documents or for the perfection of or the exercise by the Indenture Trustee or the Noteholders of any of their rights or remedies thereunder which have not been duly obtained;

(d) No Violation. The consummation of the transaction contemplated by this Indenture and the fulfillment of the terms hereof shall not conflict with, result in any material breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the organizational documents of the Issuer, or any indenture, agreement or other instrument to which the Issuer is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than this Indenture);

(e) No Proceedings. There is no pending or, to the Issuer's Knowledge, threatened action, suit or proceeding, nor any injunction, writ, restraining order or other order of any nature against or affecting the Issuer, its officers or directors, or the property of the Issuer, in any court or tribunal, or before any arbitrator of any kind or before or by any Governmental Authority (i) asserting the invalidity of this Indenture or any of the Transaction Documents, (ii) seeking to prevent the sale and assignment of any Timeshare Loan or the consummation of any of the transactions contemplated thereby, (iii) seeking any determination or ruling that might materially and adversely affect (A) the performance by the Issuer of this Indenture or any of the Transaction Documents or the interests of the Noteholders, (B) the validity or enforceability of this Indenture or any of the Transaction Documents, (C) any Timeshare Loan, or (D) the Intended Tax Characterization, or (iv) asserting a claim for payment of money adverse to the Issuer or the conduct of its business or which is inconsistent with the due consummation of the transactions contemplated by this Indenture or any of the Transaction Documents;

(f) Issuer Not Insolvent. The Issuer is solvent and will not become insolvent after giving effect to the transactions contemplated by this Indenture and each of the Transaction Documents;

(g) Name. The legal name of the Issuer is as set forth in the signature page of this Indenture and the Issuer does not have any tradenames, fictitious names, assumed names or "doing business as" names.

SECTION 12.2. Representations and Warranties of the Servicer.

The Servicer hereby represents and warrants to the Indenture Trustee, the Issuer, the Backup Servicer and the Noteholders, as of the Closing Date, the following:

(a) Organization and Authority. The Servicer:

(i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Massachusetts;

(ii) has all requisite power and authority to own and operate its properties and to conduct its business as currently conducted and as proposed to be conducted as contemplated by the Transaction Documents to which it is a party, to enter into the Transaction Documents to which it is a party and to perform its obligations under the Transaction Documents to which it is a party; and

(iii) has made all filings and holds all material franchises, licenses, permits and registrations which are required under the laws of each jurisdiction in which the properties owned (or held under lease) by it or the nature of its activities makes such filings, franchises, licenses, permits or registrations necessary, except where the failure to make such filing will not have a material adverse effect on the Servicer activities or its ability to perform its obligations under the Transaction Documents.

(b) Place of Business. The address of the principal place of business and chief executive office of the Servicer is 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431 and there have been no other such locations during the immediately preceding four months.

(c) Compliance with Other Instruments, etc. The Servicer is not in violation of any term of its certificate of incorporation and by-laws. The execution, delivery and performance by the Servicer of the Transaction Documents to which it is a party do not and will not (i) conflict with or violate the organizational documents of the Servicer, (ii) conflict with or result in a

breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation of any Lien on any of the properties or assets of the Servicer pursuant to the terms of any instrument or agreement to which the Servicer is a party or by which it is bound where such conflict would have a material adverse effect on the Servicer's activities or its ability to perform its obligations under the Transaction Documents or (iii) require any consent of or other action by any trustee or any creditor of, any lessor to or any investor in the Servicer.

(d) Compliance with Law. The Servicer is in material compliance with all statutes, laws and ordinances and all governmental rules and regulations to which it is subject, the violation of which, either individually or in the aggregate, could materially adversely affect its business, earnings, properties or condition (financial or other). The internal policies and procedures employed by the Servicer are in material compliance with all applicable statutes, laws and ordinances and all governmental rules and regulations. The execution, delivery and performance of the Transaction Documents to which it is a party do not and will not cause the Servicer to be in violation of any law or Ordinance, or any order, rule or regulation, of any federal, state, municipal or other governmental or public authority or agency where such violation would, either individually or in the aggregate, materially adversely affect its business, earnings, properties or condition (financial or other).

(e) Pending Litigation or Other Proceedings. Except as specified in "RISK FACTORS" in the Offering Circular, there is no pending or, to the best of the Servicer's Knowledge, threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting the Servicer which, if decided adversely, would materially and adversely affect (i) the condition (financial or otherwise), business or operations of the Servicer, (ii) the ability of the Servicer to perform its obligations under, or the validity or enforceability of this Agreement or any other documents or transactions contemplated under this Agreement, (iii) any property or title of any Obligor to any Property or (iv) the Indenture Trustee's ability to foreclose or otherwise enforce the Liens of the Timeshare Loans,

(f) Taxes. The Servicer has filed all tax returns (federal, state and local) which are required to be filed and has paid all taxes related thereto, other than those which are being contested in good faith or where the failure to file or pay would not have a material adverse effect on the Servicer's activities or its ability to perform its obligations under the Transaction Documents.

(g) Transactions in Ordinary Course. The transactions contemplated by this Agreement are in the ordinary course of business of the Servicer.

(h) Securities Laws. The Servicer is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(i) Proceedings. The Servicer has taken all action necessary to authorize the execution and delivery by it of the Transaction Documents to which it is a party and the performance of all obligations to be performed by it under the Transaction Documents.

(j) Defaults. The Servicer is not in default under any material agreement, contract, instrument or indenture to which it is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body, which default would have a material adverse effect on the transactions contemplated hereunder; and to the servicer's Knowledge, no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body.

(k) Insolvency. The Servicer is solvent. Prior to the date hereof, the Servicer did not, and is not about to, engage in any business or transaction for which any property remaining with the Servicer would constitute an unreasonably small amount of capital. In addition, the Servicer has not incurred debts that would be beyond the Servicer's ability to pay as such debts matured.

(l) No Consents. No prior consent, approval or authorization of, registration, qualification, designation, declaration or filing with, or notice to any federal, state or local governmental or public authority or agency, is,

was or will be required for the valid execution, delivery and performance by the Servicer of the Transaction Documents to which it is a party. The Servicer has obtained all consents, approvals or authorizations of, made all declarations or filings with, or given all notices to, all federal, state or local governmental or public authorities or agencies which are necessary for the continued conduct by the Servicer of its respective businesses as now conducted, other than such consents, approvals, authorizations, declarations, filings and notices which, neither individually nor in the aggregate, materially and adversely affect, or in the future will materially and adversely affect, the business, earnings, prospects, properties or condition (financial or other) of the Servicer.

(m) Name. The legal name of the Servicer is as set forth in the signature page of this Indenture and the Servicer does not have any tradenames, fictitious names, assumed names or "doing business as" names.

(n) Information. No document, certificate or report furnished by the Servicer, in writing, pursuant to this Agreement or in connection with the transactions contemplated hereby, contains or will contain when furnished any untrue statement of a material fact or fails or will fail to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. There are no facts relating to the Servicer as of the Closing Date which when taken as a whole, materially adversely affect the financial condition or assets or business of the Servicer, or which may impair the ability of the Servicer to perform its obligations under this Agreement, which have not been disclosed herein or in the certificates and other documents furnished by or on behalf of the Servicer pursuant hereto or thereto specifically for use in connection with the transactions contemplated hereby or thereby.

(o) Ratings. The ratings assigned to each of the Resorts as specified in Exhibit I hereto is true and correct as of the Closing Date.

(p) ACH Form. The Servicer has delivered a form of the ACH Form attached to the Sale Agreement to the Backup Servicer for its review.

SECTION 12.3. Representations and Warranties of the Indenture Trustee.

The Indenture Trustee hereby represents and warrants to the Servicer, the Issuer, the Backup Servicer and the Noteholders as of the Closing Date, the following:

(a) The Indenture Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States.

(b) The execution and delivery of this Indenture and the other Transaction Documents to which the Indenture Trustee is a party, and the performance and compliance with the terms of this Indenture and the other Transaction Documents to which the Indenture Trustee is a party by the Indenture Trustee, will not violate the Indenture Trustee's organizational documents or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in a breach of any material agreement or other material instrument to which it is a party or by which it is bound.

(c) Except to the extent that the laws of certain jurisdictions in which any part of the Trust Estate may be located require that a co-trustee or separate trustee be appointed to act with respect to such property as contemplated herein, the Indenture Trustee has the full power and authority to carry on its business as now being conducted and to enter into and consummate all transactions contemplated by this Indenture and the other Transaction Documents, has duly authorized the execution, delivery and performance of this Indenture and the other Transaction Documents to which it is a party, and has duly executed and delivered this Indenture and the other Transaction Documents to which it is a party.

(d) This Indenture, assuming due authorization, execution and delivery by the other parties hereto, constitutes a valid and binding obligation of the Indenture Trustee, enforceable against the Indenture Trustee in accordance with the terms hereof, subject to (A) applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the

enforcement of creditors' rights generally and the rights of creditors of banks and (B) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law.

(e) The Indenture Trustee is not in violation of, and its execution and delivery of this Indenture and the other Transaction Documents to which it is a party and its performance and compliance with the terms of this Indenture and the other Transaction Documents to which it is a party will not constitute a violation of, any law, any order or decree of any court or arbiter, or any order, regulation or demand of any federal, state or local governmental or regulatory authority, which violation, in the Indenture Trustees good faith and reasonable judgment, is likely to affect materially and adversely the ability of the Indenture Trustee to perform its obligations under any Transaction Document to which it is a party.

(f) No litigation is pending or, to the best of the Indenture Trustee's knowledge, threatened against the Indenture Trustee that, if determined adversely to the Indenture Trustee, would prohibit the Indenture Trustee from entering into any Transaction Document to which it is a party or, in the Indenture Trustee's good faith and reasonable judgment, is likely to materially and adversely affect the ability of the Indenture Trustee to perform its obligations under any Transaction Document to which it is a party.

(g) Any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by the Indenture Trustee of or compliance by the Indenture Trustee with the Transaction Documents to which it is a party or the consummation of the transactions contemplated by the Transaction Documents has been obtained and is effective.

SECTION 12.4. Multiple Roles.

The parties expressly acknowledge and consent to U.S. Bank National Association, acting in the multiple roles of Indenture Trustee, the Paying Agent, the successor Servicer (in the event the Backup Servicer shall not serve as the successor Servicer) and the Custodian. U.S. Bank National Association may, in such capacities, discharge its separate functions fully, without hindrance or regard to conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by U.S. Bank National Association of express duties set forth in this Indenture in any of such capacities, all of which defenses, claims or assertions are hereby expressly waived by the other parties hereto, except in the case of negligence (other than errors in judgment) and willful misconduct by U.S. Bank National Association.

SECTION 12.5. [Reserved].

SECTION 12.6. Covenants of the Club Trustee.

Until the date on which each Class of Notes has been paid in full, the Club Trustee hereby covenants that:

(a) No Conveyance. The Club Trustee agrees not to convey any Resort Interest (as defined in the Club Trust Agreement) in the Club relating to a Timeshare Loan unless the Indenture Trustee shall have issued an instruction to the Club Trustee pursuant to Section 8.07(c) of the Club Trust Agreement in connection with its exercise of its rights as an Interest Holder Beneficiary (as defined in the Club Trust Agreement) under Section 7.02 of the Club Trust Agreement.

(b) Separate Corporate Existence. The Club Trustee shall:

(i) Maintain its own deposit account or accounts,

separate from those of any Affiliate, with commercial banking institutions. The funds of the Club Trustee will not be diverted to any other Person or for other than trust or corporate uses of the Club Trustee, as applicable.

(ii) Ensure that to the extent that it shares the same officers or other employees as any of its stockholders, beneficiaries or Affiliates, the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with all such common officers and employees.

(iii) Ensure that, to the extent that the Club Trustee and the Servicer (together with their respective stockholders or Affiliates) jointly do business with vendors or service providers or share overhead expenses, the costs incurred in so doing shall be allocated fairly among such entities, and each such entity shall bear its fair share of such costs. To the extent that the Club Trustee and the Servicer (together with their respective stockholders or Affiliates) do business with vendors or service providers when the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods and services are provided, and each such entity shall bear its fair share of such costs. All material transactions between Club Trustee and any of its Affiliates shall be only on an arms' length basis.

(iv) To the extent that the Club Trustee and any of its stockholders, beneficiaries or Affiliates have offices in the same location, there shall be a fair and appropriate allocation of overhead costs among them, and each such entity shall bear its fair share of such expenses.

(v) Conduct its affairs strictly in accordance with the Club Trust Agreement or its amended and restated articles of incorporation, as applicable, and observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special stockholders', trustees' and directors' meetings appropriate to authorize all trust and corporate action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions

taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts.

(c) Merger or Consolidation. The Club Trustee shall not consolidate with or merge into any other corporation or convey, transfer or lease substantially all of its assets as an entirety to any Person unless the corporation formed by such consolidation or into which the Club Trustee, as the case may be, has merged or the Person which acquires by conveyance, transfer or lease substantially all the assets of the Club Trustee, as the case may be, as an entirety, can lawfully perform the obligations of the Club Trustee hereunder and executes and delivers to the Indenture Trustee an agreement in form and substance reasonably satisfactory to the Indenture Trustee which contains an assumption by such successor entity of the due and punctual performance and observance of each covenant and condition to be performed or observed by the Club Trustee under this Indenture.

(d) Corporate Matters. Notwithstanding any other provision of this Section and any provision of law, the Club Trustee shall not do any of the following:

(i) engage in any business or activity other than as set forth herein or in or as contemplated by the Club Trust Agreement or its amended and restated articles of incorporation, as applicable;

(ii) without the affirmative vote of a majority of the members of the board of directors (or Persons performing similar functions) of the Club Trustee (which must include the affirmative vote of at least one duly appointed Independent Director (as defined in the Club Trust Agreement)), (A) dissolve or liquidate, in whole or in part, or institute proceedings to be adjudicated bankrupt or insolvent, (B) consent to the institution of bankruptcy or insolvency proceedings against it, (C) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy, (D) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the corporation or a substantial part of its property, (E) make a general assignment for the benefit of creditors, (F) admit in writing its inability to pay its debts generally as they become due, (G) terminate the Club Managing Entity as manager under the Club Management Agreement or (H) take any corporate action in furtherance of the actions set forth in clauses (A) through (G) above; provided, however, that no director may be required by any shareholder or beneficiary of the Club Trustee to consent to the institution of bankruptcy or insolvency proceedings against the Club Trustee so long as it is solvent;

(iii) merge or consolidate with any other corporation, company or entity or sell all or substantially all of its assets or acquire all or substantially all of the assets or capital stock or other ownership interest of any other corporation, company or entity; or

(iv) with respect to the Club Trustee, amend or otherwise modify its amended and restated articles of incorporation or any definitions contained therein in a manner adverse to the Indenture Trustee or any Noteholder without the prior written consent of the Agent.

(e) The Club Trustee shall not incur any indebtedness other than (i) trade payables and operating expenses (including taxes) incurred in the ordinary course of business or (ii) in connection with servicing Resort Interests included in the Club's trust estate in the ordinary course of business consistent with past practices; provided, that in no event shall the Club Trustee incur indebtedness for borrowed money.

SECTION 12.7. Representations and Warranties of the Backup Servicer.

The Backup Servicer hereby represents and warrants to the Indenture Trustee, the Issuer, the Servicer and the Noteholders, as of the Closing Date, the following

(i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Arizona;

(ii) has all requisite power and authority to own and operate its properties and to conduct its business as currently conducted and as proposed to be conducted as contemplated by the Transaction Documents to which it is a party, to enter into the Transaction Documents to which it is a party and to perform its obligations under the Transaction Documents to which it is a party; and

(iii) has made all filings and holds all material franchises, licenses, permits and registrations which are required under the laws of each jurisdiction in which the properties owned (or held under lease) by it or the nature of its activities makes such filings, franchises, licenses, permits or registrations necessary, except where the failure to make such filing will not have a material adverse effect on the Backup Servicer activities or its ability to perform its obligations under the Transaction Documents.

(b) Place of Business. The address of the principal place of business and chief executive office of the Backup Servicer is as set forth in Section 13.3 and there have been no other such locations during the immediately preceding four months.

(c) Compliance with Other Instruments, etc. The Backup Servicer is not in violation of any term of its certificate of incorporation and by−laws. The execution, delivery and performance by the Backup Servicer of the Transaction Documents to which it is a party do not and will not (i) conflict with or violate the organizational documents of the Backup Servicer, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation of any Lien on any of the properties or assets of the Backup Servicer pursuant to the terms of any instrument or agreement to which the Backup Servicer is a party or by which it is bound where such conflict would have a material adverse effect on the Backup Servicer's activities or its ability to perform its obligations under the Transaction Documents or (iii) require any consent of or other action by any trustee or any creditor or any lessor to or any investor in the Servicer.

(d) Compliance with Law. The Backup Servicer is in material compliance with all statutes, laws and ordinances and all governmental rules and regulations to which it is subject, the violation of which, either individually or in the aggregate, could materially adversely affect its business, earnings, properties or condition (financial or other). The internal policies and procedures employed by the Backup Servicer are in material compliance with all applicable statutes, laws and ordinances and all governmental rules and regulations. The execution, delivery and performance of the Transaction Documents to which it is a party do not and will not cause the Backup Servicer to be in violation of any law or ordinance, or any order, rule or regulation, of any federal, state, municipal or other governmental or public authority or agency where such violation would, either individually or in the aggregate, materially adversely affect its business, earnings, properties or condition (financial or other).

(e) Pending Litigation or Other Proceedings. There is no pending or, to the best of the Backup Servicer's Knowledge, threatened action, suit, proceeding or investigation before any court, administrative agency, arbitrator or governmental body against or affecting the Backup Servicer which, if decided adversely, would materially and adversely affect (i) the condition (financial or otherwise), business or operations of the Backup Servicer, (ii) the ability of the Backup Servicer to perform its obligations under, or the validity or enforceability of this Agreement or any other documents or transactions contemplated under this Agreement, (iii) any property or title of any Obligor to any Property or (iv) the Indenture Trustee's ability to foreclose or otherwise enforce the Liens of the Timeshare Loans.

(f) Taxes. The Backup Servicer has filed all tax returns (federal, state and local) which are required to be filed and has paid all taxes related thereto, other than those which are being contested in good faith or where the failure to file or pay would not have a material adverse effect on the Backup Servicer's activities or its ability to perform its obligations under the Transaction Documents.

(g) Transactions in Ordinary Course. The transactions contemplated by this Agreement are in the ordinary course of business of the Backup Servicer.

(h) Securities Laws. The Backup Servicer is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(i) Proceedings. The Backup Servicer has taken all action necessary to authorize the execution and delivery by it of the Transaction Documents to which it is a party and the performance of all obligations to be performed by it under the Transaction Documents.

(j) Defaults. The Backup Servicer is not in default under any material agreement, contract, instrument or indenture to which it is a party or by which it or its properties is or are bound, or with respect to any order of any court, administrative agency, arbitrator or governmental body, which default would have a material adverse effect on the transactions contemplated hereunder; and to the Backup Servicer's Knowledge, no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such

agreement, contract, instrument or indenture, or with respect to any such order of any court, administrative agency, arbitrator or governmental body.

(k) Insolvency. The Backup Servicer is solvent. Prior to the date hereof, the Backup Servicer did not, and is not about to, engage in any business or transaction for which any property remaining with the Backup Servicer would constitute an unreasonably small amount of capital. In addition, the Backup Servicer has not incurred debts that would be beyond the Backup Servicer's ability to pay as such debts matured.

(l) No Consents. No prior consent, approval or authorization of, registration, qualification, designation, declaration or filing with, or notice to any federal, state or local governmental or public authority or agency, is, was or will be required for the valid execution, delivery and performance by the Backup Servicer of the Transaction Documents to which it is a party. The Backup Servicer has obtained all consents, approvals or authorizations of, made all declarations or filings with, or given all notices to, all federal, state or local governmental or public authorities or agencies which are necessary for the continued conduct by the Backup Servicer of its respective businesses as now conducted, other than such consents, approvals, authorizations, declarations, filings and notices which, neither individually nor in the aggregate, materially and adversely affect, or in the future will materially and adversely affect, the business, earnings, prospects, properties or condition (financial or other) of the Backup Servicer.

(m) Name. The legal name of the Backup Servicer is as set forth in the signature page of this Indenture, and the Backup Servicer does not have any tradenames, fictitious names, assumed names or "doing business as" names.

(n) Information. No document, certificate or report furnished by the Backup Servicer, in writing, pursuant to this Agreement or in connection with the transactions contemplated hereby, contains or will contain when furnished any untrue statement of a material fact or fails or will fail to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. There are no facts relating to the Backup Servicer as of the Closing Date which when taken as a whole, materially adversely affect the financial condition or assets or business of the Backup Servicer, or which may impair the ability of the Backup Servicer to perform its obligations under this Agreement or any other Transaction Document to which it is a party, which have not been disclosed herein or in the certificates and other documents furnished by or on behalf of the Servicer pursuant hereto or thereto specifically for use in connection with the transactions contemplated hereby or thereby.

ARTICLE XIII.

MISCELLANEOUS

SECTION 13.1. Officer's Certificate and Opinion of Counsel as to Conditions Precedent.

Upon any request or application by the Issuer (or any other obligor in respect of the Notes) to the Indenture Trustee to take any action under this Indenture, the Issuer (or such other obligor) shall furnish to the Indenture Trustee:

(a) an Officer's Certificate (which shall include the statements set forth in Section 13.2 hereof) stating that all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) at the request of the Indenture Trustee, an Opinion of Counsel (which shall include the statements set forth in Section 13.2 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

SECTION 13.2. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

SECTION 13.3. Notices.

(a) All communications, instructions, directions and notices to the parties thereto shall be (i) in writing (which may be by telecopy, followed by delivery of original documentation within one Business Day), (ii) effective when received and (iii) delivered or mailed first class mail, postage prepaid to it at the following address:

If to the Issuer:

BXG Receivables Note Trust 2002-A
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Attention: Corporate Trust Administration
Telecopier No.: (302) 651-8882

with a copy to:

Akerman Senterfitt
One Southeast Third Avenue
Miami, Florida 33131
Attention: Milton A. Vescovacci, Esq.
Telecopier No.: (305) 374-5600

If to the Club Trustee:

Vacation Trust, Inc.
4950 Blue Lake Drive
Suite 400
Boca Raton, Florida 33431
Attention: Randi S. Tompkins
Telecopier No.: (561) 912-7999

If to the Servicer

Bluegreen Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431
Attention: Allan Herz, Vice President
Telecopier No.: (561) 912-7915

with a copy to:

Akerman Senterfitt
One Southeast Third Avenue
Miami, Florida 33131
Attention: Milton A. Vescovacci, Esq.
Telecopier No.: (305) 374-5600

If to the Backup Servicer:

Concord Servicing Corporation
6560 North Scottsdale Road
Suite G-100
Scottsdale, Arizona 85253
Facsimile Number: (480) 951-8879
Attention: Frederick G. Pink, Esq.

If to the Indenture Trustee, Paying Agent and Custodian:

U.S. Bank National Association
180 East Fifth Street
St. Paul, Minnesota 55101
Attention: Corporate Trust Services/Asset-Backed Administration
Facsimile Number: (651) 244-0089
Telephone Number: (651) 244-0011

If to the Rating Agencies:

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10004
Attention: Residential Mortgage Pass-Through Surveillance Group

Standard & Poor's, a division of the McGraw-Hill Companies, Inc.
55 Water Street, 41st Floor
New York, New York 10041-0003
Attention: ABS Surveillance

or at such other address as the party may designate by notice to the other parties hereto, which shall be effective when received.

(b) All communications and notices described hereunder to a Noteholder shall be in writing and delivered or mailed first class mail, postage prepaid or overnight courier at the address shown in the Note Register. The Indenture Trustee agrees to deliver or mail to each Noteholder upon receipt, all notices and reports that the Indenture Trustee may receive hereunder and under any Transaction Documents. Unless otherwise provided herein, the Indenture Trustee may consent to any requests received under such documents or, at its option, follow the directions of Holders representing at least 66-2/3% of the Adjusted Note Balance of each Class of Notes within 30 days after prior written notice to the Noteholders. All notices to Noteholders (or any Class thereof) shall be sent simultaneously. Expenses for such communications and notices shall be borne by the Servicer.

SECTION 13.4. No Proceedings.

The Noteholders, the Servicer, the Indenture Trustee, the Custodian, the Club Trustee and the Backup Servicer each hereby agrees that it will not, directly or indirectly institute, or cause to be instituted, against the Issuer, the Trust Estate or the Depositor any

proceeding of the type referred to in Sections 6.1(d) and (e) hereof, so long as there shall not have elapsed one year plus one day after payment in full of the Notes.

SECTION 13.5. Limitation of Liability of Owner Trustee.

Notwithstanding anything contained herein or in any other Transaction Document to the contrary, it is expressly understood and agreed by the parties hereto that (a) this Indenture is executed and delivered by Wilmington Trust Company, not individually or personally, but solely as Owner Trustee on behalf of the Issuer, in the exercise of the powers and authority

conferred and vested in it under the Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as a personal representation, undertaking or agreement by Wilmington Trust Company but is made and intended for the purpose for binding only the Issuer and the Trust Estate, and (c) under no circumstances shall Wilmington Trust Company be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Indenture or any other related documents.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

BXG RECEIVABLES NOTE TRUST 2002-A,

By: Wilmington Trust Company, as Owner Trustee

By: /s/ Jeanne M. Oller
_____
Name: Jeanne M. Oller
Title: Financial Services Officer

BLUEGREEN CORPORATION,
as Servicer

By: /s/ John F. Chiste
_____
Name: John F. Chiste
Title: Senior Vice President

CONCORD SERVICING CORPORATION,
as Backup Servicer

By:
_____
Name:
Title:

VACATION TRUST, INC.,
as Club Trustee

By:
_____
Name:
Title:

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Indenture Trustee

By:
_____
Name:
Title:

[Signature Page to the Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

BXG RECEIVABLES NOTE TRUST 2002-A,

By: Wilmington Trust Company, as Owner Trustee

By:
_____
Name:
Title:

BLUEGREEN CORPORATION,
as Servicer

By:
_____
Name:
Title:

CONCORD SERVICING CORPORATION,
as Backup Servicer

By: /s/ Fred Pink
_____
Name: Fred Pink
Title: Vice President & General Counsel

VACATION TRUST, INC.,
as Club Trustee

By:
_____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Indenture Trustee

By:
_____
Name:
Title:

[Signature Page to the Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

BXG RECEIVABLES NOTE TRUST 2002-A,

By: Wilmington Trust Company, as Owner Trustee

By:
_____
Name:
Title:

BLUEGREEN CORPORATION,
as Servicer

By:
_____
Name: John F. Chiste
Title: Senior Vice President

CONCORD SERVICING CORPORATION,
as Backup Servicer

By:
_____
Name:
Title:

VACATION TRUST, INC.,
as Club Trustee

By: /s/ Shari A. Basye
_____
Name: Shari A. Basye
Title: Secretary

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Indenture Trustee

By:
_____
Name:
Title:

(Signature Page to the Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

BXG RECEIVABLES NOTE TRUST 2002-A,

By: Wilmington Trust Company, as Owner Trustee

By:
_____
Name:
Title:

BLUEGREEN CORPORATION,
as Servicer

By:
_____
Name:
Title:

CONCORD SERVICING CORPORATION,
as Backup Servicer

By:
_____
Name:
Title:

VACATION TRUST, INC.,
as Club Trustee

By:
_____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Indenture Trustee

By: /s/ Tamara Schultz-Fugh
_____
Name: Tamara Schultz-Fugh
Title: Vice President

[Signature Page to the Indenture]

EXHIBIT 10.153

SECOND AMENDED AND RESTATED LOAN AGREEMENT

Wachovia Bank, National Association
214 North Hogan Street – FL007
Jacksonville, Florida 32202
(Hereinafter referred to as the "Bank")

Bluegreen Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33341

Bluegreen Resorts Management, Inc.
f/k/a RDI Resort Services Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Vacations Unlimited, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Holding Corporation (Texas)
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Properties of the Southwest One, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Southwest One, L.P.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Asset Management Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Carolina Lands, LLC
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Corporation of Tennessee
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Corporation of the Rockies
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Properties of Virginia, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Resorts International, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Carolina National Golf Club, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Leisure Capital Corporation
4960 Conference Way North, Suite 100

Boca Raton, Florida 33431

Bluegreen West Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

BG/RDI Acquisition Corp.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Corporation Great Lakes (WI)
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Corporation of Canada
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Golf Clubs, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Interiors, LLC
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Southwest Land, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

New England Advertising Corp.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

South Florida Aviation, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Winding River Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Jordan Lake Preserve Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Leisure Communication Network, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Managed Assets Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

travelheads, inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Encore Rewards, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Leisurepath, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

BXG Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Mystic Shores Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Brickshire Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Catawba Falls, LLC
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Preserve at Jordan Lake Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Purchasing & Design, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Great Vacation Destinations, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Lake Ridge Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

(Individually or collectively, jointly and severally, the "Borrower")

This Amended and Restated Loan Agreement ("Agreement") is entered into as of December 31, 2002

Borrower requested and First Union National Bank ("First Union") made that certain $5,000,000.00 line of credit available to Borrower (the "Loan") as evidenced by that certain Promissory Note dated as of September 23, 1998 and certain other documents including that certain Loan Agreement dated as of September 23, 1998. The Loan has been previously amended, increased and extended pursuant to the terms and conditions of certain documents including, without limitation, that certain $10,000,000.00 Renewal Promissory Note dated as of December 31, 2000, that certain Modification Number One to the Loan Agreement dated as of August 1, 1999, that certain Modification Number Two to Loan Agreement dated as of November 3, 1999, that certain Modification Number Three to Loan Agreement dated as of December 31, 2000, and certain other documents.

Borrower subsequently requested and First Union agreed to amend, increase and extend the Loan as evidenced by (i) that certain Amended and Restated Promissory Note executed by Borrower, jointly and severally, dated as of December 31, 2001, and made payable to First Union in the original principal amount of $12,500,000.00; (ii) that certain Amended and Restated Loan Agreement dated as of December 31, 2001; and (iii) certain other loan documents dates as of December 31, 2001.

Borrower has requested and Bank (successor by merger to First Union) has agreed to further amend and extend the Loan pursuant to the terms of (i) that certain Second Amended and Restated Promissory Note executed by Borrower, jointly and severally, of even date herewith and made payable to Bank in the original principal amount of $12,500,000.00 (the "Note") and (ii) this Agreement. The Note, this Agreement and all other documents executed in connection with the Loan are hereinafter collectively referred to as the "Loan Documents". All capitalized terms used herein and not otherwise defined shall have those meanings ascribed to them in the Loan Documents.

Line of Credit. Borrower may borrow, repay, and reborrow, from time to time, so long as the total indebtedness outstanding under the Loan at one time does not exceed the principal amount minus the sum of (i) the amount available to be drawn plus (ii) the amount of unreimbursed drawings under all letters of credit issued by Bank for account of Borrower. The Loan proceeds are to be used by Borrower solely for working capital and to issue letters of credit from time to time. The Borrower shall deliver a Borrowing Certificate attached as Exhibit "A" to Bank with each borrowing under the Loan. Each borrowing request shall be in compliance with the eligibility formula of the Borrowing Certificate. Advances under the Loan shall be repaid within ninety (90) days of such advance and the Borrower shall pay down the outstanding balance under the Loan to a maximum of $100.00 for forty−five (45) consecutive days annually. The total amount of letters of credit to be issued under the Note shall not exceed $500,000.00 at

any time nor have maturities greater than the maturity date of the Loan. The maturity date of the Loan shall be December 31, 2003.

Availability Fee. Borrower shall pay to Bank an availability fee in the amount of $15,000.00 upon the execution and delivery of this Agreement.

Representations. Borrower represents that from the date of this Agreement and until final payment in full of the Obligations: Accurate Information. All information now and hereafter furnished to Bank is and will be true, correct and complete. Any such information relating to Borrower's financial condition will accurately reflect Borrower's financial condition as of the date(s) thereof, (including all contingent liabilities of every type), and Borrower further represents that its financial condition has not changed materially or adversely since the date(s) of such documents. Authorization; Non−Contravention. The execution, delivery and performance by Borrower of this Agreement and other Loan Documents to which it is a party are within its power, have been duly authorized as may be required and, if necessary, by making appropriate filings with any governmental agency or unit and are the legal, binding, valid and enforceable obligations of Borrower; and do not (i) contravene, or constitute (with or without the giving of notice or lapse of time or both) a violation of any provision of applicable law, a violation of the organizational documents of Borrower, or a default under any agreement, judgment, injunction, order, decree or other

instrument binding upon or affecting Borrower, (ii) result in the creation or imposition of any lien (other than the lien(s) created by the Loan Documents) on any of Borrower's assets, or (iii) give cause for the acceleration of any obligations of Borrower or any guarantor to any other creditor. Asset Ownership. Borrower has good and marketable title to all of the properties and assets reflected on the balance sheets and financial statements supplied Bank by Borrower, and all such properties and assets are free and clear of mortgages, security deeds, pledges, liens, charges, and all other encumbrances, except as otherwise disclosed to Bank by Borrower in writing and approved by Bank ("Permitted Liens"). To Borrower's knowledge, no default has occurred under any Permitted Liens and no claims or interests adverse to Borrower's present rights in its properties and assets have arisen. Discharge of Liens and Taxes. Borrower has duly filed, paid and/or discharged all taxes or other claims which may become a lien on any of its property or assets, except to the extent that such items are being appropriately contested in good faith and an adequate reserve for the payment thereof is being maintained. Sufficiency of Capital. Borrower is not, and after consummation of this Agreement and after giving effect to all indebtedness incurred and liens created by Borrower in connection with the Note and any other Loan Documents, will not be, insolvent within the meaning of 11 U.S.C. ss. 101(32). Compliance with Laws. Borrower is in compliance in all respects with all federal, state and local laws, rules and regulations applicable to its properties, operations, business, and finances, including, without limitation, any federal or state laws relating to liquor (including 18 U.S.C. ss. 3617, et seq.) or narcotics (including 21 U.S.C. ss. 801, et seq.) and/or any commercial crimes; all applicable federal, state and local laws and regulations intended to protect the environment; and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), if applicable. Organization and Authority. Each Borrower is duly created, validly existing and in good standing under the laws of the state of its organization, and has all powers, governmental licenses, authorizations, consents and approvals required to operate its business as now conducted. Each Borrower is duly qualified, licensed and in good standing in each jurisdiction where qualification or licensing is required by the nature of its business or the character and location of its property, business or customers, and in which the failure to so qualify or be licensed, as the case may be, in the aggregate, could have a material adverse effect on the business, financial position, results of operations, properties or prospects of Borrower or any such guarantor. No Litigation. There are no pending or threatened suits, claims or demands against Borrower or any guarantor that have not been disclosed to Bank by Borrower in writing, and approved by Bank. ERISA. Each employee pension benefit plan, as defined in ERISA, maintained by Borrower meets, as of the date hereof, the minimum funding standards of ERISA and all applicable regulations thereto and requirements thereof, and of the Internal Revenue Code of 1954, as amended. No "Prohibited Transaction" or "Reportable Event" (as both terms are defined by ERISA) has occurred with respect to any such plan.

AFFIRMATIVE COVENANTS. Borrower agrees that from the date hereof and until final payment in full of the Obligations, unless Bank shall otherwise consent in writing, Borrower will: Business Continuity. Conduct its business in

substantially the same manner and locations as such business is now and has previously been conducted. Maintain Properties. Maintain, preserve and keep its property in good repair, working order and condition, making all needed replacements, additions and improvements thereto, to the extent allowed by this Agreement. Access to Books and Records. Allow Bank, or its agents, during normal business hours and upon prior advance written notice, access to the books, records and such other documents of Borrower as Bank shall reasonably require, and allow Bank to make copies thereof at Bank's expense. Insurance. Maintain adequate insurance coverage with respect to its properties and business against loss or damage of the kinds and in the amounts customarily insured against by companies of establiHed reputation engaged in the same or similar businesses including, without limitation, commercial general liability insurance, workers compensation insurance, and business interruption insurance; all acquired in such amounts and from such companies as Bank may reasonably require. Notice of Default and Other Notices. (a) Notice of Default. Furnish to Bank immediately upon becoming aware of the existence of any condition or event which constitutes a Default (as defined in the Loan Documents) or any event which, upon the giving of notice or lapse of time or both, may become a Default, written notice specifying the nature and period of existence thereof and the action which Borrower is taking or proposes to take with respect thereto. (b) Other Notices. Promptly notify Bank in writing of (i) any material adverse change in its financial condition or its business; (ii) any default under any material agreement, contract or other instrument to which it is a party or by which any of its properties are bound, or any acceleration of the maturity of any indebtedness owing by Borrower; (iii) any material

adverse claim against or affecting Borrower or any part of its properties; (iv) the commencement of, and any material determination in, any litigation with any third party or any proceeding before any governmental agency or unit affecting Borrower in a claimed amount in excess of $1,500,000.00; and (v) at least 30 days prior thereto, any change in Borrower's name or address as shown above, and/or any material change in Borrower's structure. Compliance with Other Agreements. Comply with all terms and conditions contained in this Agreement, and any other Loan Documents, and swap agreements, if applicable, as defined in the 11 U.S.C. ss. 101. Payment of Debts. Pay and discharge when due, and before subject to penalty or further charge, and otherwise satisfy before maturity or delinquency, all obligations, debts, taxes, and liabilities of whatever nature or amount, except those which Borrower in good faith disputes. Reports and Proxies. Deliver to Bank, promptly, a copy of all financial statements, reports, notices, and proxy statements, sent by Borrower to stockholders, and all regular or periodic reports required to be filed by Borrower with any governmental agency or authority. Other Financial Information. Deliver promptly such other information regarding the operation, business affairs, and financial condition of Borrower which Bank may reasonably request. Non−Default Certificate From Borrower. Deliver to Bank, with the Financial Statements required herein, a certificate signed by Borrower, if Borrower is an individual, or by a principal financial officer of Borrower warranting that no "Default as specified in the Loan Documents nor any event which, upon the giving of notice or lapse of time or both, would constitute such a Default, has occurred. Estoppel Certificate. Furnish, within 15 days after request by Bank, a written statement duly acknowledged of the amount due under the Loan and whether offsets or defenses exist against the Obligations.

Negative Covenants. Borrower agrees that from the date of this Agreement and until final payment in full of the Obligations, unless Bank shall otherwise consent in writing, Borrower will not: Default on Other Contracts or Obligations. Default on any material contract with or obligation when due to a third party or default in the performance of any obligation to a third party incurred for money borrowed. Judgment Entered. Permit the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due Borrower. Government Intervention. Permit the assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Borrower or any guarantor is displaced of its authority in the conduct of its respective business or its such business is curtailed or materially impaired. Prepayment of Other Debt. Retire any long−term debt entered into prior to the date of this Agreement in advance of its legal obligation to do so. Retire or Repurchase Capital Stock. Retire or otherwise acquire any of its capital stock, except as permitted by waiver letter from Bank to Borrower dated as of May 13, 1999 authorizing the repurchase of up to two million shares of capital stock under Borrower's existing share repurchase program.

Financial Covenants. Borrower, on a consolidated Basis, agrees to the following

provisions from the date hereof until final payment in full of the Obligations, unless Bank shall otherwise consent in writing: Adjusted Tangible Net Worth. Borrower shall at all times, maintain an Adjustable Net Worth of at least $165,000,000.00. "Adjustable Tangible Net Worth" shall mean the total assists minus the total liabilities. For purposes of this computation, the aggregate amount of any intangible assets of Borrower including , without limitation, goodwill, franchises, licenses, patents, trademarks, trade names, copyrights, service marks, and brand names, shall be subtracted from total assets, and total liabilities shall exclude debt subordinated to Bank. Adjusted Total Liabilities to Adjusted Tangible Net Worth Ratio. Borrower shall, at all times, maintain a ratio of Adjusted Total Liabilities to Adjusted Tangible Net Worth of not more than 2.00 to 1.00. For purposes of this computation, "Adjusted Total Liabilities" shall mean the sum of total liabilities, including capitalized leases and all reserves for deferred taxes and other deferred sums appearing on the liabilities side of the balance Sheets, in accordance with generally accepted accounting principles applied on a consistent basis, excluding debt subordinated to the Bank. Liquidity Requirement. Borrower shall, at all times, maintain unrestricted cash and unencumbered timeshare receivables of not less than $20,000,000.00. Deposit Relationship. Borrower shall maintain its primary depository account with Bank. Compliance Certificate. Borrower shall furnish Bank with a quarterly covenant compliance certificate demonstrating Borrower's compliance with the above Financial Covenants.

Annual Financial Statements. Borrower shall deliver to Bank, within 90 days after the close of each fiscal year, audited financial statements reflecting its operations during such fiscal year, including, without limitation, a balance Sheets, profit and loss statement and statement of cash flows, with supporting schedules; all on a consolidated and consolidating basis and in reasonable detail, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year. All such statements shall be compiled by an independent certified public accountant acceptable to Bank. The opinion of such independent certified public accountant shall not be acceptable to Bank if qualified due to any limitations in scope imposed by Borrower or its Subsidiaries, if any. Any other qualification of the opinion by the accountant shall render the acceptability of the financial statements subject to Bank's approval.

Periodic Financial Statements. Borrower shall deliver to Bank unaudited management−prepared quarterly financial statements including, without limitation, a balance Sheets, profit and loss statement and statement of cash flows, with supporting schedules, as soon as available and in any event within 45 days after the close of each such period; all in reasonable detail and prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year. Such statements shall be certified as to their correctness by a principal financial officer of Borrower and in each case, if audited statements are required, subject to audit and year−end adjustments.

Attorneys' Fees. Borrower shall pay all of Bank's reasonable expenses incurred to enforce or collect any of the Advances, including, without limitation, reasonable arbitration, attorneys' and experts' fees and expenses, whether incurred without the commencement of a suit, in any trial, arbitration, or administrative proceeding, or in any appellate or bankruptcy proceeding.

Waivers. Borrower hereby waives presentment, protest, notice of dishonor, demand for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of sale and all other notices of any kind whatsoever. Any failure by Bank to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any time.

Amendment and Severability. No amendment to or modification of this Agreement shall be binding upon Bank unless in writing and signed by it. If any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective but only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Miscellaneous. This Agreement is fully assignable by Bank and all rights of Bank thereunder shall inure to the benefit of its successors and assigns. This Agreement shall be binding upon Borrower and its successors and assigns. The captions contained in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of the Agreement. This Agreement shall be governed by and interpreted in accordance with the laws of the state where

Bank's office as shown herein is located, without regard to that state's conflict of laws principles.

Notices. Any notices to Borrower shall be sufficiently given, if in writing and mailed or delivered to the Borrower's address shown above (attention Borrower's Corporate General Counsel) or such other address as provided hereunder, and to Bank, if in writing and mailed or delivered to Bank's office address shown above or such other address as Bank may specify in writing from time to time. In the event that Borrower changes Borrower's address at any time prior to the date the Obligations are paid in full, Borrower agrees to promptly give written notice of said change of address by registered or certified mail, return receipt requested, all charges prepaid.

Conditions Precedent. All advances under the Note are subject to the following conditions precedent: (a) Non-Default. Borrower shall be in compliance with all of the terms and conditions set forth herein and an Event of Default as specified herein, or an event which upon notice or lapse of time or both would constitute such an Event of Default, shall not have occurred or be continuing at the time of such Advance. (b) Borrowing Resolution. Bank shall have received all certified resolutions authorizing borrowings by Borrower under this Agreement. (c) Financial Information and Documents. Borrower shall deliver to

Bank such information and documents as Bank may request from time to time, including without limitation, financial statements, information pertaining to Borrower's financial condition and additional supporting documents. (d) Purchase/Warehousing Facility. Borrower shall provide evidence to Bank regarding availability under its then existing purchase/warehousing facility in an amount not less than that requested advance plus the then outstanding balance of the Loan. (e) Certificates of Good Standing. Borrower shall have delivered a Certificate of Good Standing for each Borrower (all dated within thirty days of the date of this Agreement) issued by the respective Secretary of State.

Amended and Restated Loan Agreement. This Second Amended and Restated Loan Agreement, amends, replaces and supercedes in its entirety that certain Amended and Restated Loan Agreement dated as of December 31, 2001, executed by Borrower in favor of First Union (the "Original Loan Agreement"). Should there be any conflict between any of the terms of the Original Loan Agreement, and the terms of this Agreement, the terms of this Agreement shall control.

ARBITRATION. Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of or relating to this Agreement or any other document executed in connection herewith between parties hereto (a "Dispute") shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA") and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, a dispute as to whether a matter is subject to arbitration, claims brought as class actions, or claims arising from documents executed in the future. A judgment upon the award may be entered in any court having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements. Special Rules. All arbitration hearings shall be conducted in Broward County, Florida. A hearing shall begin within 90 days of demand for arbitration and all hearings shall conclude within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than $1,000,000.00. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not waive applicable Federal or state substantive law except as provided herein. Preservation and Limitation of Remedies. Notwithstanding the preceding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self-help to exercise or prosecute the following remedies, as applicable: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (ii) all rights of self-help including peaceful occupation of real property and collection of rents, set-off, and peaceful possession of personal property; (iii) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (iv) when

applicable, a judgment by confession of judgment. Any claim or controversy with regard to any party's entitlement to such remedies is a Dispute. Waiver of Exemplary Damages. The parties agree that they shall not have a remedy of punitive or exemplary damages against other parties in any Dispute and hereby waive any right or claim to punitive or exemplary damages they have now or which may arise in the future in connection with any Dispute whether the Dispute is resolved by arbitration or judicially. Waiver of Jury Trial. THE PARTIES ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO JURY TRIAL WITH REGARD TO A DISPUTE.

[EXECUTIONS COMMENCE ON FOLLOWING PAGE]

The parties hereto have duly executed this instrument as of the date stated above

Bluegreen Corporation, a Massachusetts corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0300793

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation, a Massachusetts corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Resorts Management, Inc., a Delaware corporation f/k/a RDI Resort Services Corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Vice President
Taxpayer Identification Number: 65-0520217

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Vice President of Bluegreen Resorts Management, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Vacations Unlimited, Inc., a
Florida corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0433722

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Vacations Unlimited, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Holding Corporation (Texas), a
Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0796382

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Holding Corporation (Texas), a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Properties of the Southwest One, Inc., a
Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0315835

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Properties of the Southwest One, Inc., a Delaware corporation , on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Southwest One, L.P., a Delaware limited partnership

By: Bluegreen Southwest Land, Inc., a Delaware corporation, Its General Partner

CORPORATE SEAL

By: /S/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0796380

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Southwest Land, Inc. a Delaware corporation, the General Partner of Bluegreen Southwest One, L.P., a Delaware limited partnership, on behalf of the limited partnership. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Asset Management Corporation, a Delaware corporation, successor by merger to Bluegreen Corporation of Montana

CORPORATE SEAL

By: /S/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0325365

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____day of December, 2002, by John Chiste, as Treasurer of Bluegreen Asset Management Corporation, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Carolina Lands, LLC, a Delaware limited liability company

By: Bluegreen Corporation, a Massachusetts corporation, its Managing Member

CORPORATE SEAL

By: /S/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0941345

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December ,

2002, by John Chiste, as Treasurer of Bluegreen Corporation, a Massachusetts corporation, the Managing Member of Bluegreen Carolina Lands, LLC, a Delaware limited liability company, on behalf of the limited liability company and corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Corporation of Tennessee, a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0316460

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation of Tennessee, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Corporation of the Rockies, a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0349373

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation of the Rockies, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Properties of Virginia, Inc., a
Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 52-1752664

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Properties of Virginia, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Resorts International, Inc., a
Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE

John F. Chiste, Vice President
Taxpayer Identification Number: 65-0803615

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Vice President of Bluegreen Resorts International, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Carolina National Golf Club, Inc., a North
Carolina corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 62-1667685

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Carolina National Golf Club, Inc., a North Carolina corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Leisure Capital Corporation, a Vermont corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0327285

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of Leisure Capital Corporation, a Vermont corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen West Corporation, a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 59-3300205

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen West Corporation, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

BG/RDI Acquisition Corp., a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0776572

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December , 2002, by John Chiste, as Treasurer of BG/RDI Acquisition Corp., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Corporation Great Lakes (WI), a Wisconsin corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 36-3520208

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation Great Lakes (WI), a Wisconsin corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Corporation of Canada, a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 03- 0311034

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation of Canada, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Golf Clubs, Inc., a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Identification Number: 65-0912659

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Golf Clubs, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Interiors, LLC, a Delaware limited liability company

By: Bluegreen Vacations Unlimited, Inc., a Florida corporation, its Managing Member

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0929952

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Vacations Unlimited, Inc., a Florida corporation, the Managing Member of Bluegreen Interiors, LLC, a Delaware limited liability company, on behalf of the limited liability company and corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Southwest Land, Inc., a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0912249

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this __ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Southwest Land, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

New England Advertising Corp., a Vermont corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE

John F. Chiste, Tresurer
Taxpayer Identification Number: 03-0295158

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of New England Advertising Corp., a Vermont corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

South Florida Aviation, Inc., a Florida corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0341038

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of South Florida Aviation, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Winding River Realty, Inc., a North Carolina corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 56-20955309

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Winding River Realty, Inc., a North Carolina corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Jordan Lake Preserve Corporation, a North Carolina corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-1038536

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Jordan Lake Preserve Corporation, a North Carolina corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Leisure Communication Network, Inc., a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-1049209

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Leisure Communication Network, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Managed Assets Corporation, a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-1079961

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Managed Assets Corporation, a Delaware corporation, on behalf of the corporation. He is personally known to me or has

produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

travelheads, inc., a Florida corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Vice President
Taxpayer Identification Number: 65-1129982

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Vice President of travelheads, inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Encore Rewards, Inc., a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Vice President
Taxpayer Identification Number: 65-1138973

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Vice President of Encore Rewards, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Leisurepath, Inc., a Florida corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Vice President
Taxpayer Identification Number: 03-0407452

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Vice President of Leisurepath, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____

Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

BXG Realty, Inc., a Delaware corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 04-3693479

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of BXG Realty, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Mystic Shores Realty, Inc., a Texas corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 04-3678944

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Mystic Shores Realty, Inc., a Texas corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Brickshire Realty, Inc., a Virginia corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 01-0706966

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Brickshire Realty, Inc., a Virginia

corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Catawba Falls, LLC, a North Carolina limited liability company

By: Bluegreen Corporation, a Massachusetts corporation, its Managing Member

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0466014

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation, a Massachusetts corporation, the Managing Member of Catawba Falls, LLC, a North Carolina limited liability company, on behalf of the company and corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Preserve at Jordan Lake Realty, Inc., a North Carolina corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 06-1638828

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Preserve at Jordan Lake Realty, Inc., a North Carolina corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Purchasing & Design, Inc., a Florida corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 54-2064090

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Purchasing & Design, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Great Vacation Destinations, Inc., a Florida corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 51-0420655

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Great Vacation Destinations, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Lake Ridge Realty, Inc., a Texas corporation

CORPORATE SEAL

By: /S/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 55-0794661

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Lake Ridge Realty, Inc., a Texas corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

EXHIBIT 10.154

SECOND AMENDED AND RESTATED PROMISSORY NOTE

$12,500,000.00

December 31, 2002

Bluegreen Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33341

Bluegreen Resorts Management, Inc.
f/k/a RDI Resort Services Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Vacations Unlimited, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Holding Corporation (Texas)
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Properties of the Southwest One, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Southwest One, L.P.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Asset Management Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Carolina Lands, LLC
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Corporation of Tennessee
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Corporation of the Rockies
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Properties of Virginia, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Resorts International, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Carolina National Golf Club, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Leisure Capital Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen West Corporation

4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

BG/RDI Acquisition Corp.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Corporation Great Lakes (WI)
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Corporation of Canada
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Golf Clubs, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Interiors, LLC
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Southwest Land, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

New England Advertising Corp.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

South Florida Aviation, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Winding River Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Jordan Lake Preserve Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Leisure Communication Network, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Managed Assets Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

travelheads, inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Encore Rewards, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Leisurepath, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

BXG Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Mystic Shores Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Brickshire Realty, Inc.
4960 Conference Way North, Suite 100

Boca Raton, Florida 33431

Catawba Falls, LLC
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Preserve at Jordan Lake Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Bluegreen Purchasing & Design, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Great Vacation Destinations, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

Lake Ridge Realty, Inc.
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431

(Individually and collectively, jointly and severally the "Borrower")

Wachovia Bank, National Association
214 North Hogan Street − FL0070
Jacksonville, Florida 32202
(Hereinafter referred to as "Bank")

Borrower promises to pay to the order of Bank, in lawful money of the United States of America, at its office indicated above or wherever else Bank may specify, the sum of TWELVE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($12,500,000.00) or such sum as may be advanced and outstanding from time to time, with interest on the unpaid principal balance at the rate and on the terms provided in this Second Amended and Restated Promissory Note (including all renewals, extensions or modifications hereof, ("Note").

RENEWAL/MODIFICATION. This Note amends, restates renews, extends and modifies in its entirety that certain Amended and Restated Promissory Note dated December 31, 2001 (the "Original Promissory Note"), evidencing an original principal amount of $12,500,000.00 of which $0.00 is currently outstanding. This Note is not a novation.

LOAN AGREEMENT. This Note is subject to the provisions of that certain Second Amended and Restated Loan Agreement between Bank and Borrower dated of even date herewith, as modified from time to time.

INTEREST RATE. Interest shall accrue on the unpaid principal balance of this Note from the date hereof at the LIBOR Market Index Rate plus 2.00%, as that rate may change from day to day in accordance with changes in the LIBOR Market Index Rate ("Interest Rate"). "LIBOR Market Index Rate", for any day, is the rate for 1 month U.S. dollar deposits as reported on Telerate page 3750 as of 11:00 a.m., London time, on such day, or if such day is not a London business day, then the immediately preceding London business day (or if not so reported, then as determined by Bank from another recognized source or interbank quotation).

DEFAULT RATE. In addition to all other rights contained in this Note, if a Default (as defined herein) occurs and as long as a Default continues, all outstanding Obligations shall bear interest at the Interest Rate plus 3% ("Default Rate"). The Default Rate shall also apply from acceleration until the Obligations or any judgment thereon is paid in full.

INTEREST AND FEE(S) COMPUTATION (ACTUAL/360). Interest and fees, if any, shall be computed on the basis of a 360−day year for the actual number of days in the applicable period ("Actual/360 Computation"). The Actual/360 Computation determines the annual effective interest yield by taking the stated (nominal) rate for a year's period and then dividing said rate by 360 to determine the daily periodic rate to be applied for each day in the applicable period. Application of the Actual/360 Computation produces an annualized effective rate exceeding the nominal rate.

REPAYMENT TERMS. This Note shall be due and payable in consecutive monthly

payments of accrued interest only, commencing on January 3, 2003, and continuing on the same day of each month thereafter until fully paid. In any event, all principal and accrued interest shall be due and payable on December 31, 2003.

APPLICATION OF PAYMENTS. Monies received by Bank from any source for application toward payment of the Obligations shall be applied to accrued interest and then to principal. If a Default occurs, monies may be applied to the Obligations in any manner or order deemed appropriate by Bank.

If any payment received by Bank under this Note or other Loan Documents is rescinded, avoided or for any reason returned by Bank because of any adverse claim or threatened action, the returned payment shall remain payable as an obligation of all persons liable under this Note or other Loan Documents as though such payment had not been made.

DEFINITIONS. Loan Documents. The term "Loan Documents" used in this Note and the other Loan Documents refers to all documents executed in connection with or related to the loan evidenced by this Note and any prior notes which evidence all or any portion of the loan evidenced by this Note, and any letters of credit issued pursuant to any loan agreement to which this Note is subject, any applications for such letters of credit and any other documents executed in connection therewith or related thereto, and may include, without limitation, a commitment letter that survives closing, the Amended and Restated

Loan Agreement of even date herewith, this Note, guaranty agreements, security agreements, security instruments, financing statements, mortgage instruments, any renewals or modifications, whenever any of the foregoing are executed, but does not include swap agreements (as defined in 11 U.S.C. ss. 101). Obligations. The term "Obligations" used in this Note refers to any and all indebtedness and other obligations under this Note, all other obligations under any other Loan Document(s), and all obligations under any swap agreements (as defined in 11 U.S.C. ss. 101) between Borrower and Bank whenever executed. Certain Other Terms. All terms that are used but not otherwise defined in any of the Loan Documents shall have the definitions provided in the Uniform Commercial Code.

LATE CHARGE. If any payments are not timely made, Borrower shall also pay to Bank a late charge equal to 5% of each payment past due for 10 or more days.

Acceptance by Bank of any late payment without an accompanying late charge shall not be deemed a waiver of Bank's right to collect such late charge or to collect a late charge for any subsequent late payment received.

ATTORNEYS' FEES AND OTHER COLLECTION COSTS. Borrower shall pay all of Bank's reasonable expenses incurred to enforce or collect any of the Obligations including, without limitation, reasonable arbitration, attorneys' and experts' fees and expenses, whether incurred without the commencement of a suit, in any trial, arbitration, or administrative proceeding, or in any appellate or bankruptcy proceeding.

USURY. If at any time the effective interest rate under this Note would, but for this paragraph, exceed the maximum lawful rate, the effective interest rate under this Note shall be the maximum lawful rate, and any amount received by Bank in excess of such rate shall be applied to principal and then to fees and expenses, or, if no such amounts are owing, returned to Borrower.

DEFAULT. If any of the following occurs, a default ("Default") under this Note shall exist: Nonpayment; Nonperformance. The failure of timely payment or performance of the Obligations or Default under this Note or any other Loan Documents. False Warranty. A warranty or representation made or deemed made in the Loan Documents or furnished Bank in connection with the loan evidenced by this Note proves materially false, or if of a continuing nature, becomes materially false. Cross Default. At Bank's option, any default in payment or performance of any obligation under any other loans, contracts or agreements of Borrower, any Subsidiary or Affiliate of Borrower, any general partner of or the holder(s) of the majority ownership interests of Borrower with Bank or its affiliates ("Affiliate" shall have the meaning as defined in 11 U.S.C. ss. 101, except that the term "Borrower" shall be substituted for the term "Debtor" therein; "Subsidiary" shall mean any business in which Borrower holds, directly or indirectly, a controlling interest). Cessation; Bankruptcy. The death of, appointment of a guardian for, dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or commencement of any bankruptcy or insolvency proceeding by or against Borrower, its Subsidiaries or Affiliates, if any, or

any general partner of or the holder(s) of the majority ownership interests of Borrower, or any party to the Loan Documents. Material Capital Structure or Business Alteration of Borrower. Without prior written consent of Bank, (i) a material alteration in the kind or type of Borrower's business; (ii) the sale of substantially all of the business or assets of Borrower or a material portion (10% or more) of such business or assets if such a sale is outside the ordinary course of business of Borrower or more than 50% of the outstanding stock or voting power of or in any such entity in a single transaction or a series of transactions; (iii) Borrower's acquisition of substantially all of the business or assets or more than 50% of the outstanding stock or voting power of any other entity; or (iv) should any Borrower or any of Borrower's Subsidiaries or Affiliates or any guarantor enter into any merger or consolidation other than with another Borrower or any of Borrower's Subsidiaries or Affiliates. Material Capital Structure or Business Alteration of Borrower's Subsidiaries or Affiliates. Borrower's failure to provide Bank with an annual report detailing (in such detail as required by bank) any of the following transactions: (i) a material alteration in the kind or type of Borrower's Subsidiaries' or Affiliates' business; (ii) the sale of substantially all of the business or assets of any of Borrower's Subsidiaries or Affiliates, or a material portion (10% or more) of such business or assets if such a sale is outside the ordinary course of business of Borrower's Subsidiaries or Affiliates or any guarantor, or more than 50% of the outstanding stock or voting power of or in any such entity in a single transaction or a

series of transactions; (iii) Borrower's Subsidiaries' or Affiliates' acquisition of substantially all of the business or assets or more than 50% of the outstanding stock or voting power of any other entity; or (iv) should any of Borrower's Subsidiaries or Affiliates or any guarantor enter into any merger or consolidation other than with another one of Borrower's Subsidiaries or Affiliates.

REMEDIES UPON DEFAULT. If a Default occurs under this Note or any Loan Documents, Bank may at any time thereafter, take the following actions: Bank Lien. Foreclose its security interest or lien against Borrower's accounts without notice. Acceleration Upon Default. Accelerate the maturity of this Note and, at Bank's option, any or all other Obligations, whereupon this Note and the accelerated Obligations shall be immediately due and payable. Cumulative. Exercise any rights and remedies as provided under the Note and other Loan Documents, or as provided by law or equity.

FINANCIAL AND OTHER INFORMATION. Borrower shall deliver to Bank such information as Bank may reasonably request from time to time, including without limitation, financial statements and information pertaining to Borrower's financial condition. Such information shall be true, complete, and accurate.

LINE OF CREDIT ADVANCES. Borrower may borrow, repay and reborrow, and Bank may advance and readvance under this Note respectively from time to time until the maturity hereof (each an "Advance" and together the "Advances"), so long as the total principal balance outstanding under this Note at any one time does not exceed the principal amount stated on the face of this Note, subject to the limitations described in that certain Amended and Restated Loan Agreement to which this Note is subject. Bank's obligation to make Advances under this Note shall terminate if Borrower is in Default. As of the date of each proposed Advance, Borrower shall be deemed to represent that each representation made in the Loan Documents is true as of such date.

If Borrower subscribes to Bank's cash management services and such services are applicable to this line of credit, the terms of such service shall control the manner in which funds are transferred between the applicable demand deposit account and the line of credit for credit or debit to the line of credit.

WAIVERS AND AMENDMENTS. No waivers, amendments or modifications of this Note and other Loan Documents shall be valid unless in writing and signed by an officer of Bank. No waiver by Bank of any Default shall operate as a waiver of any other Default or the same Default on a future occasion. Neither the failure nor any delay on the part of Bank in exercising any right, power, or remedy under this Note and other Loan Documents shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Each Borrower liable under this Note waives presentment, protest, notice of dishonor, demand for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of sale and all other notices of any kind.

Further, each agrees that Bank may extend, modify or renew this Note or make a novation of the loan evidenced by this Note for any period, and grant any releases, compromises or indulgences with respect to any collateral securing this Note, or with respect to any other Borrower or any other person liable under this Note or other Loan Documents, all without notice to or consent of each Borrower or each person who may be liable under this Note or any other Loan Document and without affecting the liability of Borrower or any person who may be liable under this Note or any other Loan Document.

MISCELLANEOUS PROVISIONS. Assignment. This Note and the other Loan Documents shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Bank's interests in and rights under this Note and the other Loan Documents are freely assignable, in whole or in part, by Bank. In addition, nothing in this Note or any of the other Loan Documents shall prohibit Bank from pledging or assigning this Note or any of the other Loan Documents or any interest therein to any Federal Reserve Bank. Borrower shall not assign its rights and interest hereunder without the prior written consent of Bank, and any attempt by Borrower to assign without Bank's prior written consent is null and void. Any assignment shall not release Borrower from the Obligations. Applicable Law; Conflict Between Documents. This Note and, unless otherwise provided in any other Loan Document, the other Loan Documents shall be governed by and construed under the

laws of the state named in Bank's address shown above without regard to that state's conflict of laws principles. If the terms of this Note should conflict with the terms of any loan agreement or any commitment letter that survives closing, the terms of this Note shall control. Borrower's Accounts. Except as prohibited by law, Borrower grants Bank a security interest in all of Borrower's accounts with Bank and any of its affiliates. Jurisdiction. Borrower irrevocably agrees to non−exclusive personal jurisdiction in the state named in Bank's address shown above. Severability. If any provision of this Note or of the other Loan Documents shall be prohibited or invalid under applicable law, such provision shall be ineffective but only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note or other such document. Notices. Any notices to Borrower shall be sufficiently given, if in writing and mailed or delivered to the Borrower's address shown above (attention Borrower's Corporate General Counsel) or such other address as provided hereunder, and to Bank, if in writing and mailed or delivered to Bank's office address shown above or such other address as Bank may specify in writing from time to time. In the event that Borrower changes Borrower's address at any time prior to the date the Obligations are paid in full, Borrower agrees to promptly give written notice of said change of address by registered or certified mail, return receipt requested, all charges prepaid. Plural; Captions. All references in the Loan Documents to Borrower, guarantor, person, document or other nouns of reference mean both the singular and plural form, as the case may be, and the term "person" shall mean any individual, person or entity. The captions contained in the Loan Documents are inserted for convenience only and shall not affect the meaning or interpretation of the Loan Documents. Binding Contract. Borrower by executions of and Bank by acceptance of this Note agree that each party is bound to all terms and provisions of this Note. Advances. Bank may, in its sole discretion, make other advances which shall be deemed to be advances under this Note, even though the stated principal amount of this Note may be exceeded as a result thereof. Joint and Several Obligations. Each entity who signs this Note as a Borrower is jointly and severally obligated. Fees and Taxes. Borrower shall promptly pay all documentary, intangible recordation and/or similar taxes on this transaction whether assessed at closing or arising from time to time.

AMENDED AND RESTATED PROMISSORY NOTE. This Note, amends, replaces and supercedes in its entirety that certain Amended and Restated Promissory Note dated December 31, 2001 executed by Borrower in favor of Bank (the "Original Renewal Note"). Should there be any conflict between any of the terms of the Original Renewal Note, and the terms of this Note, the terms of this Note shall control.

ARBITRATION. Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of or relating to the Loan Documents between parties hereto (a "Dispute") shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA") and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, a dispute as to whether a matter is subject to arbitration, claims brought as class actions, or claims arising from documents executed in the future. A judgment upon the award

may be entered in any court having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements. Special Rules. All arbitration hearings shall be conducted in Broward County, Florida. A hearing shall begin within 90 days of demand for arbitration and all hearings shall conclude within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than $1,000,000.00. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not waive applicable Federal or state substantive law except as provided herein. Preservation and Limitation of Remedies. Notwithstanding the proceeding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self-help to exercise or prosecute the following remedies, as applicable: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (ii) all rights of self-help including peaceful occupation of real property and collection of rents, set-off, and peaceful possession of personal property; (iii) obtaining provisional or

ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (iv) when applicable, a judgment by confession of judgment. Any claim or controversy with regard to any party's entitlement to such remedies is a Dispute. Waiver of Exemplary Damages. The parties agree that they shall not have a remedy of punitive or exemplary damages against other parties in any Dispute and hereby waive any right or claim to punitive or exemplary damages they have now or which may arise in the future in connection with any Dispute whether the Dispute is resolved by arbitration or judicially. Waiver of Jury Trial. THE PARTIES ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO JURY TRIAL WITH REGARD TO A DISPUTE.

[EXECUTIONS COMMENCE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower, jointly and severally, on the day and year first above written, has caused this Note to be executed under seal.

Bluegreen Corporation, a Massachusetts corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0300793

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation, a Massachusetts corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Resorts Management, Inc., a Delaware corporation
f/k/a RDI Resort Services Corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
John F. Chiste, Vice President
Taxpayer Identification Number: 65-0520217

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Vice President of Bluegreen Resorts Management, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Vacations Unlimited, Inc., a Florida corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0433722

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Vacations Unlimited, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Holding Corporation (Texas), a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0796382

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Holding Corporation (Texas), a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large

Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Properties of the Southwest One, Inc., a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0315835

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of Properties of the Southwest One, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Southwest One, L.P., a Delaware limited partnership

By: Bluegreen Southwest Land, Inc., a Delaware corporation,
Its General Partner

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0796380

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Southwest Land, Inc. a Delaware corporation, the General Partner of Bluegreen Southwest One, L.P., a Delaware limited partnership, on behalf of the limited partnership. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Asset Management Corporation, a Delaware corporation,
successor by merger to Bluegreen Corporation of Montana

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0325365

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____day of December, 2002, by John Chiste, as Treasurer of Bluegreen Asset Management Corporation, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Carolina Lands, LLC, a Delaware limited liability company

By: Bluegreen Corporation, a Massachusetts corporation, its Managing Member

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0941345

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December , 2002, by John Chiste, as Treasurer of Bluegreen Corporation, the Managing Member of Bluegreen Carolina Lands, LLC, a Delaware limited liability company, on behalf of the limited liability company. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Corporation of Tennessee, a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0316460

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation of Tennessee, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Corporation of the Rockies, a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0349373

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation of the Rockies, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Properties of Virginia, Inc., a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 52-1752664

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Properties of Virginia, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Resorts International, Inc., a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
John F. Chiste, Vice President
Taxpayer Identification Number: 65-0803615

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Vice President of Bluegreen Resorts International, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____

Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Carolina National Golf Club, Inc., a North Carolina corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 62-1667685

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Carolina National Golf Club, Inc., a North Carolina corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Leisure Capital Corporation, a Vermont corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0327285

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of Leisure Capital Corporation, a Vermont corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen West Corporation, a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 59-3300205

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen West Corporation, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

BG/RDI Acquisition Corp., a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0776572

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of BG/RDI Acquisition Corp., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Corporation Great Lakes (WI), a Wisconsin corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 36-3520208

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation Great Lakes (WI), a Wisconsin corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Corporation of Canada, a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer

Taxpayer Identification Number: 03-0311034

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation of Canada, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Golf Clubs, Inc., a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0912659

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Golf Clubs, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Interiors, LLC, a Delaware limited liability company

CORPORATE SEAL

By: /s/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0929952

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Interiors, LLC, a Delaware limited liability company, on behalf of the limited liability company. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Southwest Land, Inc., a Delaware corporation

CORPORATE

By: /s/ JOHN F. CHISTE

SEAL

_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0912249

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this __ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Southwest Land, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

New England Advertising Corp., a Vermont corporation

CORPORATE
SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0295158

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2002, by John Chiste, as Treasurer of New England Advertising Corp., a Vermont corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

South Florida Aviation, Inc., a Florida corporation

CORPORATE
SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-0341038

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ____ day of December , 2002, by John Chiste, as Treasurer of South Florida Aviation, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Winding River Realty, Inc., a North Carolina corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 56-20955309

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Winding River Realty, Inc., a North Carolina corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Jordan Lake Preserve Corporation, a North Carolina corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-1038536

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Jordan Lake Preserve Corporation, a North Carolina corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____
My Commission Expires: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Leisure Communication Network, Inc., a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-1049209

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Leisure Communication Network, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or

other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Managed Assets Corporation, a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 65-1079961

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Managed Assets Corporation, a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

travelheads, inc., a Florida corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Vice President
Taxpayer Identification Number: 65-1129982

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Vice President of travelheads, inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Encore Rewards, Inc., a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Vice President
Taxpayer Identification Number: 65-1138973

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Vice President of Encore Rewards, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Leisurepath, Inc., a Florida corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE

John F. Chiste, Vice President
Taxpayer Identification Number: 03-0407452

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Vice President of Leisurepath, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

BXG Realty, Inc., a Delaware corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 04-3693479

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of BXG Realty, Inc., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Mystic Shores Realty, Inc., a Texas corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 04-3678944

State of _____)

) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Mystic Shores Realty, Inc., a Texas corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Brickshire Realty, Inc., a Virginia corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 01-0706966

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Brickshire Realty, Inc., a Virginia corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____ at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Catawba Falls, LLC, a North Carolina limited liability company

By: Bluegreen Corporation, a Massachusetts corporation, its Managing Member

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____
John F. Chiste, Treasurer
Taxpayer Identification Number: 03-0466014

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Corporation, a Massachusetts corporation, the Managing Member of Catawba Falls, LLC, a North Carolina limited liability company, on behalf of the companys. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Preserve at Jordan Lake Realty, Inc., a North Carolina corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE
_____

John F. Chiste, Treasurer
Taxpayer Identification Number: 06-1638828

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Preserve at Jordan Lake Realty, Inc., a North Carolina corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Bluegreen Purchasing & Design, Inc., a Florida corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 54-2064090

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Bluegreen Purchasing & Design, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Great Vacation Destinations, Inc., a Florida corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 51-0420655

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Great Vacation Destinations, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

[EXECUTIONS CONTINUE ON FOLLOWING PAGE]

Lake Ridge Realty, Inc., a Texas corporation

CORPORATE SEAL

By: /s/ JOHN F. CHISTE

John F. Chiste, Treasurer
Taxpayer Identification Number: 55-0794661

State of _____)
) SS:
County of _____)

The foregoing instrument was acknowledged before me this ___ day of December, 2002, by John Chiste, as Treasurer of Lake Ridge Realty, Inc., a Texas corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license, passport or military identification, or other form of identification and did not take an oath.

Print or Stamp Name: _____
Notary Public, State of _____at Large
Commission No.: _____

EXHIBIT 10.155

LOAN AGREEMENT

between

RESIDENTIAL FUNDING CORPORATION,
a Delaware corporation

("Lender")

and

BLUEGREEN VACATIONS UNLIMITED, INC.,
a Florida corporation

("Borrower")

$15,000,000
Amount of Loan

February 10, 2003
Date

RESORT FINANCE

TABLE OF CONTENTS

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Loan Agreement") is made as of February 10, 2003 by and between BLUEGREEN VACATIONS UNLIMITED, INC., a Florida corporation (the "Borrower") and RESIDENTIAL FUNDING CORPORATION, a Delaware corporation (the "Lender").

RECITALS:

A. The Borrower has applied to the Lender for a revolving loan in the principal amount of $15,000,000 (the "Loan") to finance various time-share acquisition, development and construction projects which the Borrower anticipates undertaking.

B. The Lender is willing to make the requested loan upon and subject to the terms and conditions set forth in this Loan Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the covenants and conditions herein contained, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Certain Defined Terms

As used herein (including any Exhibits attached hereto), the following terms have the meanings set forth below (unless expressly stated to the contrary):

"Affiliate" means a Person that, directly or indirectly, controls, is controlled by, or is under common control with, a referenced Person.

"Addendum to Note" means the Addendum to Note that a Project Owner will be required to sign if such Project Owner is not already a Borrower, as the same may be amended or otherwise modified from time to time.

"Appraisal Report" means, with respect to a Project in which the Lender requires an appraisal report, a real estate appraisal report which (i) has been prepared by an Appraiser, (ii) at the time it is submitted to the Lender is not more than 3 months old, or was updated by letter not more than 3 months prior to the date of submission to the Lender, (iii) states that it is prepared in accordance with the applicable standards of the American Institute of Real Estate Appraisers for such reports, (iv) provides an appraisal of the Project or portion thereof required to be appraised thereunder, and (v) employs a customary methodology and provides limiting conditions satisfactory to the Lender.

"Appraiser" means, with respect to a Project in which the Lender requires an Appraisal Report, a Person who is qualified to appraise property similar in size and scope to the Project which such Person is acceptable to the Lender in its sole and absolute discretion.

"Approval Period" means the period during which new projects will be considered for approval for funding from proceeds of the Loan, which period will commence on the Effective Date of this Loan Agreement and will end on the Approval Period Termination Date.

"Approval Period Termination Date" means the date which is 24 months after the Effective Date of this Loan Agreement.

"Approved Costs" means the categories of costs in the Budget identified by the Lender as approved costs, which shall include Land acquisition costs (including reasonable closing costs actually paid to unaffiliated third parties), acquisition commissions, capitalized interest, and hard development costs (including engineering and architectural costs, permit and impact fees, and bonding costs), but shall exclude soft costs such as marketing costs, advertising costs, Borrower's overhead costs, and carrying costs.

"Articles of Organization" means the charter, articles, operating agreement, joint venture agreement, partnership agreement, by−laws and any other written documents evidencing the formation, organization, governance and continuing existence of an entity.

"Assignment" means, with respect to a Project, that certain Assignment of Construction Items previously executed or to be executed by the Borrower in favor of the Lender, as the same may be amended or otherwise modified from time to time.

"Available Amount" means the amount of the Loan which is available with respect to any project which is proposed to be included as a Project, which amount will equal the Loan Amount less the total of all Project Loan Committed Amounts.

"Bluegreen Corporation" means Bluegreen Corporation, a Massachusetts corporation.

"Borrower" means, initially, Bluegreen Vacations Unlimited, Inc., a Florida corporation, together with all Project Owners, jointly and severally.

"Budget" means, with respect to a Project, the itemized acquisition, development and construction budget for such Project submitted to and approved by the Lender, as such budget may be amended in accordance with the provisions of this Loan Agreement.

"Business Day" means a day other than Saturday, Sunday or a day on which national banks are legally closed for business in the States of Illinois, Minnesota or Arizona.

"Change" means, with respect to a Project, any material extra work not contemplated by the Plans and Specifications, the installation of materially additional or different materials from that set forth in the Plans and Specifications, or any other material change in the Plans and Specifications.

"CLPI Assignment" means with respect to a Project a written assignment executed and delivered to Lender or to be executed and delivered to Lender by Borrower and creating in favor of Lender a perfected, direct, first and exclusive assignment of the Contracts, Licenses, Permits and Other Intangibles with respect to such Project in order to facilitate performance of the Borrower's obligations under the Loan Documents, as it may be from time to time renewed, amended, restated or replaced.

"Commitment Fee" means 3/4 of 1% of the Loan Amount, i.e. $112,500. Borrower and Lender agree that (i) Lender has earned the entire amount of the Commitment Fee as of the Effective Date and (ii) Borrower is required to pay the Commitment Fee in advance on the dates set forth in Section 2.4.

"Construction Agreements" means, with respect to a Project, all agreements (including, without limitation, construction contracts) entered into between the Borrower and any contractor, architect, engineer, supplier or other Person with respect to the development or construction of the Project, as such agreements may be amended or otherwise modified from time to time in accordance with the Loan Agreement.

"Construction Progress Schedule" means, with respect to a Project, the schedule for the Development Work submitted to and approved by the Lender, as such schedule may be adjusted in accordance with the provisions of this Loan Agreement.

"Contracts, Licenses, Permits and Other Intangibles" means all contracts, licenses, permits and other intangibles (excluding the reservation system) in which Borrower now or hereafter has rights and are now or hereafter used in connection with the marketing and sale of Time-Share Interests corresponding to a Project and the management and/or operation of a Project .

"Debt" means, for any Person, without duplication, the sum of the following:

(1) indebtedness for borrowed money,

(2) obligations evidenced by bonds, debentures, notes or other similar instruments,

(3) obligations to pay the deferred purchase price of property or services,

(4) obligations as lessee under leases which have been or should be, in accordance with GAAP, recorded as capital leases,

(5) obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property,

(6) obligations of such Person to reimburse any bank or other Person in respect of amounts actually paid under a letter of credit or similar instrument,

(7) indebtedness or obligations of others secured by a lien on any asset of such Person, whether or not such indebtedness or obligations are assumed by such Person (to the extent of the value of the asset),

(8) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (1) through (7) above, and

(9) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA.

"Deed of Trust" means, with respect to a Project, that certain Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents, Proceeds and Agreements (or substantially similar mortgage, if a deed of trust is not available under state law) previously executed or to be executed by the Borrower, or the applicable Project Owner, as trustor, for the benefit of the Lender, as the same may be amended or otherwise modified from time to time, including but not limited to any modifications entered into between the Borrower or the Project Owner, as applicable and the Lender.

"Default Rate" means 2% above the Interest Rate.

"Development Work" means, with respect to a Project, the renovation of existing Improvements and/or the construction of Improvements all to be performed on or with respect to the Land, all

of which work and construction will be completed by or on behalf of the Borrower in accordance with the Plans and Specifications.

"Draw Request Certification" means, with respect to a requested disbursement of the Loan to fund Approved Costs for acquisition of Land, Improvements or Development Work, a certification of the Borrower delivered to the Lender substantially in the form of Exhibit E.

"Effective Date" means the date of this Loan Agreement.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and rulings issued thereunder.

"Environmental Indemnity" means that certain Hazardous Substances Remediation and Indemnification Agreement dated as of the date hereof executed by the Borrower and Guarantor, if any, in favor of the Lender, as the same may be amended or otherwise modified from time to time.

"Event of Default" means the occurrence, after any applicable grace period, of any of the events listed in Section 8.1.

"Force Majeure Event" means fire, flood, labor dispute, weather, governmental action or other cause beyond the reasonable control of the Borrower that delays the Development Work.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession prevalent in the United States of America.

"Guarantor" means Bluegreen Corporation and any other Person who executes a Guaranty with respect to the Loan or any portion thereof at any time after the Effective Date.

"Guaranty" means that primary, joint and several guaranty and subordination agreement of even date herewith executed by the Guarantor in favor of the Lender, as the same may be amended or otherwise modified from time to time.

"Hazardous Materials" means the following:

(1) any oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials or pollutants, exposure to which is prohibited, limited or regulated by any governmental authority pursuant to any Hazardous Materials Law;

(2) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million, exposure to which is prohibited, limited or regulated by any governmental authority pursuant to any Hazardous Materials Law;

(3) any chemical, material or substance defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", or "toxic substances" or words of similar import under any Hazardous Material Laws; and

(4) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority pursuant to any Hazardous Materials Law.

"Hazardous Materials Claims" means any and all enforcement, clean-up, removal or other governmental or regulatory actions or orders threatened, instituted or completed pursuant to any Hazardous Materials Laws, together with all claims made or threatened by any third party relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

"Hazardous Materials Laws" means any federal, state or local laws, ordinances and the regulations, policies or publications promulgated pursuant thereto relating to (i) the environment, (ii) health and safety, (iii) any Hazardous Materials (including, without limitation, the use, handling, transportation, production, disposal, discharge or storage thereof), (iv) industrial hygiene or (v) environmental conditions on, under or about property, including, without limitation, soil and groundwater conditions; including, but not limited to: the Clean Air Act, as amended, 42 U.S.C. Section 7401, et seq.; the Clean Water Act, 33 U.S.C. Section 1251, et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. Section 11001, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 5101, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; the Safe Drinking Water Act, 42 U.S.C. Sections 300f to 300j; the Solid Waste Disposal Act, 42 U.S.C. Section 3251, et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq.; the Occupational Safety and Health Act, 29 U.S.C. ss. 651 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. ss.ss. 136 et seq.; the Endangered Species Act, 16 U.S.C. ss.ss. 1531 et seq. and the National Environmental Policy Act, 42 U.S.C. ss. 4321 et seq.

"Improvements" means all buildings, structures and improvements of every nature whatsoever situated on or to be constructed on the Land in accordance with the Plans and Specifications, inclusive of the Units to be used as part of the Time-Share Program.

"Indemnified Party" means the Lender and any Affiliate of Lender and any successors or assigns of Lender or any such Affiliate and each of their officers, directors, employees, agents, attorneys, consultants and advisors.

"Inspector" means, with respect to a Project, the inspector(s) or engineer(s) engaged by the Lender, at the expense of the Borrower, to provide to Lender consultation services in connection with the Project.

"Interest Due Date" means the 15th calendar day of each month in which the Lender has sent a statement of interest due pursuant to the terms of Section 2.6(b).

"Interest Rate" means the variable interest rate per annum equal to LIBOR plus 4.75%.

"Interest Reserve" means, with respect to a Project, the amount within the Budget which has been designated by the Borrower and approved by the Lender as available to pay the interest on the Loan.

"Land" means, with respect to a Project, that certain real property which is suitable for and is substantially entitled for the Improvements and the use thereof as part of a Time-Share Program, as such real property is legally described in the Deed of Trust.

"Laws and Regulations" shall mean (i) all laws, regulations, orders, codes, ordinances, rules, statutes and policies of all local, regional, county, state and federal governmental authorities having jurisdiction over a Project and (ii) all restrictive covenants and other title encumbrances, permits and approvals, leases and other rental agreements which in any case relate to the development, occupancy, ownership, management, use, and/or operation of a Project.

"Lender" means Residential Funding Corporation, a Delaware corporation, and its successors or assigns.

"Lender's Escrow Instructions" shall mean, with respect to a Project, the escrow instructions issued by the Lender, or the Lender's legal counsel on behalf of the Lender, to the Title Company and accepted in writing by the Title Company, specifying (i) the terms and conditions under which the Title Company may disburse the initial disbursement of the Project Loan and (ii) the Lender's requirements with respect to the title insurance policy to be issued with respect to the Project.

"Lender's Release Price" means, with respect to a Time-Share Interest within a Project which Borrower requests Lender to release from the lien of the Deed of Trust encumbering such Time-Share Interest, an amount acceptable to Lender in its sole discretion and provided for in the Project Commitment, which amount, as adjusted from time to time in accordance with Section 2.9 hereof and the terms of the Project Commitment, will be sufficient to repay the Project Loan Amount upon the sale of 80% of the planned Time-Share Interests within such Project.

"LIBOR" means the average of interbank offered rates for 30-day dollar deposits in the London market based on quotations of five major banks, as published from time to time in The Wall Street Journal. In the event that The Wall Street Journal ceases to be published or ceases to publish such a compilation of interbank offered rates, the Borrower and the Lender will agree on a substitute source and method of determining the interest rate generally known as the one-month (or 30-day) LIBOR rate.

"Loan" means the revolving loan described in this Loan Agreement in a principal amount not to exceed the Loan Amount.

"Loan Agreement" means this Loan Agreement, as the same may be amended or otherwise modified from time to time in accordance with the terms hereof.

"Loan Amount" means $15,000,000.

"Loan Documents" means, as to the Loan, all documents, instruments, agreements, assignments and certificates relating thereto, including, without limitation, any and all loan or credit agreements, promissory notes, deeds of trust, mortgages, financing statements, security agreements, assignments of rents, assignments of leases, assignments of contracts, environmental indemnities, guaranties, contractor's consent agreements, lender's title insurance policies, opinions of counsel, evidences of authorization or incumbency, escrow instructions, and architect's consent agreements to be executed (and acknowledged where applicable) by the Borrower, the Guarantor, if any, and/or the Lender (where applicable), all in connection with the Lender making the Loan to the Borrower as the same may be amended or otherwise modified from time to time in accordance with this Loan Agreement. The Loan Documents will include, but not be limited to, the following:

(1) this Loan Agreement;

(2) the Note;

(3) the Guaranty;

(4) the Environmental Indemnity; and

(5) the Project Documents.

"Map" shall mean, with respect to a Project, a final subdivision, parcel, plat or condominium map consistent with the Plans and Specifications and with the Laws and Regulations.

"Material Adverse Change" means any material and adverse change in, or a change which has a material adverse effect upon, any of:

(1) the business, properties, operations or condition (financial or otherwise) of the Borrower or any Guarantor which, with the giving of notice or the passage of time, or both, could reasonably be expected to result in either (i) the Borrower or any Guarantor failing to comply with any of the financial covenants contained in Section 5.5 or (ii) the Borrower's or any Guarantor's inability to perform its or their respective obligations pursuant to the terms of the Loan Documents; or

(2) the legal or financial ability of the Borrower or any Guarantor to perform its or their respective obligations under the Loan Documents and to avoid any Potential Default or Event of Default; or

(3) the legality, validity, binding effect or enforceability against the Borrower or any Guarantor of any Loan Document.

"Maturity Date" means the first to occur of (i) the Project Loan Repayment Date set forth in the last Project Commitment incorporated into this Loan Agreement, (ii) the date which is 6 years from the Effective Date, or (iii) any earlier date on which the Loan is accelerated or otherwise required to be repaid pursuant to the terms of this Loan Agreement.

"Minimum Required Principal Payment" means, with respect to each Project Loan, the minimum required principal payment for each loan year as set forth in the Project Commitment related to such Project Loan.

"Net Worth" means (i) total assets, as would be reflected on a balance sheet prepared on a consolidated basis and in accordance with GAAP, consistently applied, exclusive of Intellectual Property, experimental or organization expenses, franchises, licenses, permits, and other intangible assets, treasury stock, unamortized underwriters' debt discount and expenses, and goodwill minus (ii) total liabilities, as would be reflected on a balance sheet prepared on a consolidated basis and in accordance with GAAP consistently applied.

"Note" means that certain Revolving Promissory Note dated as of the date of this Agreement executed by the Borrower and made payable to the order of Lender, as holder, in the Loan Amount and maturing on the Maturity Date, as such Note may be amended or otherwise modified from time to time.

"Permitted Exceptions" means, with respect to a Project, (i) real estate taxes and assessments not yet due and payable and possible supplemental assessments for improvements constructed on the Land, (ii) exceptions to title which are approved in writing by the Lender (including such easements, dedications, covenants and such which Lender consents to in writing after the Effective Date of this Loan Agreement), and (iii) the exceptions set forth in the Title Policy.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Plans and Specifications" means, with respect to a Project, the final set of architectural, structural, mechanical, electrical, grading, sewer, water, street and utility plans and specifications for the Development Work, including all supplements, amendments and modifications thereto signed and affixed with the architect's registration stamp or seal, all in form and substance reasonably

satisfactory to the Lender and the Inspector.

"Potential Default" means the existence of any event, which with the giving of notice, the passage of time, or both, would constitute an Event of Default hereunder or an event of default (however described) under any other of the Loan Documents.

"Prepayment Premium" means an amount to be paid pursuant to Section 2.10 upon a prepayment of a Project Loan (Borrower is not required to pay a Prepayment Premium under the terms of this Loan Agreement).

"Project" means any acquisition, development and/or construction project located in an area permitted by the Project Requirements or such other area as approved by Lender in its sole and absolute discretion, as to which the Lender has issued a Project Commitment and made proceeds

of the Loan available for disbursement, which such project shall include (i) the Land, (ii) the existing Improvements (if any) and (iii) the Development Work to be completed on the Land, which Project shall be used part of a Time−Share Program.

"Project Commitment" means, with respect to a Project, the project commitment issued by the Lender to the Borrower for the Project, wherein the Lender agrees, subject to the terms and conditions of such project commitment and the other Loan Documents and subject to Borrower signing such project commitment, to make proceeds of the Loan available for the Project. The terms of each Project Commitment, once it is signed by both the Borrower and the Lender, will supplement the terms of this Loan Agreement with respect to the stated Project, the related Project Loan and the related Project Security Documents. The Project Commitments will be substantially in the form of Exhibit D.

"Project Documents" means, with respect to a Project, all documents, instruments, agreements, assignments and certificates relating thereto, including, without limitation, any and all loan or credit agreements, promissory notes, deeds of trust, mortgages, financing statements, security agreements, assignments of rents, assignments of leases, assignments of contracts, environmental indemnities, guaranties, contractor's consent agreements, lender's title insurance policies, opinions of counsel, evidences of authorization or incumbency, escrow instructions, and architect's consent agreements previously executed or to be executed (and acknowledged where applicable) by the Borrower, any Guarantor and/or the Lender (where applicable), all in connection with the Lender making proceeds of the Loan available to the Borrower for the Project, as the same may be amended or otherwise modified from time to time in accordance with this Loan Agreement. The Project Documents will include, but not be limited to, the following:

(1) the Project Commitment;

(2) the Project Security Instruments;

(3) in the event the Project is to be owned by a new Project Owner, the Addendum to Note;

(4) the Plans and Specifications;

(5) the Lender's Escrow Instructions; and

(6) the Title Policy.

The Project Documents will include those forms of documents, instruments, agreements, assignments and certificates which the Lender approves at the time of its execution and delivery of this Loan Agreement, as evidenced by a written certificate executed by the Borrower and the Lender. The forms of the Project Documents may be supplemented or amended from time to time to add or amend form Project Documents approved by the Lender.

"Project Loan" or "Project Loan Amount" means the loan or loan amount for the acquisition and development of a Project with disbursements under such loan not to exceed the principal amount set forth in the Project Commitment.

"Project Loan Advance Period" means, with respect to a Project Loan, the period of time commencing on the date of the Project Documents and expiring on the date set forth in the applicable Project Commitment as the termination date for the Project Loan Advance Period.

"Project Loan Committed Amount" means the portion of a Project Loan Amount which (a) has been advanced and not repaid plus (b) is available to be disbursed for Approved Costs.

"Project Loan Repayment Date" means, with respect to a Project, the first to occur of (i) the date which is set forth in the Project Commitment as the date on which all proceeds of the Project Loan Amount must be repaid or (ii) the date on which the Loan is required to be repaid pursuant to Section 8.2.

"Project Owner" means the Person who owns a particular Project or Projects, and which Person must also be a Borrower.

"Project Requirements" means, for any project proposed to be included as a Project pursuant to the terms of this Loan Agreement, the requirements listed in Exhibit B.

"Project Security Instruments" means, with respect to a Project, all pledge agreements, guaranties, deeds of trust, mortgages, security agreements, assignments and other agreements or instruments previously executed or to be executed by the Borrower and/or the Guarantor, if any granting in favor of the Lender a lien or encumbrance on or a security interest in any property or right or interest of the Borrower or any Guarantor as security for the Loan, as the same may be amended or otherwise modified from time to time in accordance with this Loan Agreement, including but not limited to the following:

(1) the Deed of Trust;

(2) the UCC Financing Statement;

(3) the CLPI Assignment; and

(4) the Assignment.

"Project Specific Default" means a default under the Loan related to the development, operation or management of a particular Project or to a particular entity forming Borrower, which default is identified in one or more of Section 8.1(a)(10) and Section 8.1(a)(14) through Section 8.1(a)(18).

"Project Underwriting Documents" means, for any project proposed to be included as a Project pursuant to the terms of this Loan Agreement, the documents listed in Exhibit C and any other documents relating to the proposed project which the Lender requests, all in form and substance satisfactory to the Lender.

"Receivables Loan" means the revolving receivables loan made by Lender to Borrower's Affiliates in the maximum principal amount of $50,000,000 pursuant to the Receivables Loan Agreement.

"Receivables Loan Agreement" means that certain Loan and Security Agreement entered into between Lender and Borrower's Affiliates of even date with this Loan Agreement, whereby Lender agreed to make the Receivables Loan to Borrower's Affiliates.

"Receivables Loan Documents" means the Receivables Loan Agreement and the other documents executed in connection with the Receivables Loan to evidence and secure such loan, as they may be from time to time renewed, amended, restated or replaced.

"Resolution" means a resolution of a corporation certified as true and correct by an authorized officer of such corporation, a certificate signed by the manager of a limited liability company and such members whose approval is required, or a partnership certificate signed by all of the general partners of such partnership and such other partners whose approval is required.

"Retainage" means, with respect to a Project, the amount set forth in the Project Commitment as the amount to be retained or held back from each approved disbursement on a construction contract until the completion of such construction contract and the satisfaction of all conditions precedent for the final payment under such construction contract.

"Sales Agreement" means, with respect to a Project, a written agreement for the sale of a Time-Share Interest between the Borrower and a Person who is not an Affiliate of the Borrower.

"Staged Draw Schedule" means, with respect to a Project, the schedule of draws for the various stages of the Development Work which such schedule, and the components of the Development Work which fit within each stage, are specified in the exhibit attached to the Project Commitment.

"Time-Share Interest" means the time-share estate acquired pursuant to a Sales Agreement, which interest is defined in the Receivables Loan Agreement.

"Time-Share Program" means a program to be created by which Persons may own Time-Share Interests, enjoy their respective Time-Share Interests on a recurring basis, and share the expenses associated with the operation and management of such program.

"Title Insurance Company" means a title insurance company acceptable to the Lender.

"Title Policy" means, with respect to a Project, that certain policy of title insurance accepted by the Lender for the Project, which policy of title insurance shall:

(1) be an ALTA loan form (10-17-92 or the equivalent thereof) title insurance policy;

(2) be issued in the amount specified by the Lender in the Lender's Escrow Instructions;

(3) be issued by the Title Insurance Company;

(4) insure the Lender that the applicable Deed of Trust is an enforceable first lien against marketable fee simple title to the Project, subject only to Permitted Exceptions;

(5) provide mechanics' lien coverage;

(6) have all standard exceptions deleted therefrom; and

(7) have appended thereto the following endorsements (as Lender requires):

(A) a comprehensive endorsement;

(B) a usury endorsement;

(C) a revolving loan credit and variable rate endorsement;

(D) an environmental lien endorsement;

(E) a patent endorsement;

(F) a water endorsement;

(G) an endorsement deleting the creditors' rights exclusion;

(H) an endorsement removing the arbitration provision

(I) a tie-in endorsement (as applicable); and

(J) such other endorsements as the Lender requires with respect to the Project.

"Transfer" means, with respect to any Project and/or the Borrower, the occurrence of any of the following:

(1) any sale, conveyance, assignment, transfer, alienation, mortgage, conveyance of security title, encumbrance or other disposition of any kind of the Project, or any other transaction the result of which is, directly or indirectly, to divest the Borrower of any portion of its title to or interest in the Project, voluntarily or involuntarily, other than transfers and sales of the Time-Share Interests in the ordinary course of business, it being the express intention of the Borrower and the Lender that the Borrower is prohibited from granting to any Person a lien or encumbrance upon the Project (other than Permitted Encumbrances), regardless of whether such lien is senior or subordinate to the Lender's lien;

(2) any sale, conveyance, assignment, transfer, alienation, mortgage, conveyance of security title, encumbrance or other disposition of any kind of any other collateral for the Loan, or any other transaction the result of which is, directly or indirectly, to divest the Borrower of any portion of its title to or interest in such collateral, voluntarily or involuntarily, it being the express intention of the Borrower and the Lender that the Borrower is prohibited from granting to any Person a lien or encumbrance upon such other collateral, regardless of whether such lien is senior or subordinate to the Lender's lien;

(3) any merger, consolidation or dissolution involving the Borrower;

(4) the sale or transfer of a majority of the assets of the Borrower;

(5) with respect to any Borrower which is a corporation:

(A) the transfer of any portion of the voting stock of the Borrower;

(B) the transfer of any portion of the voting stock of any corporation which is the direct or indirect owner of 10% or more of the voting stock of the Borrower, provided that the foregoing restriction shall not apply to Guarantor or to any Borrower that is wholly owned by Guarantor;

(C) the transfer of any partnership interest in any partnership which is the direct or indirect owner of 10% or more of the voting stock of the Borrower; or

(D) the transfer of any membership interest in any limited liability company which is the direct or indirect owner of 10% or more of the voting stock of the Borrower;

(6) with respect to any Borrower which is a partnership:

(A) any merger, consolidation or dissolution involving the general partner of the Borrower;

(B) the sale or transfer of a majority of the assets of any general partner of the Borrower;

(C) the transfer of any general partnership interest in the Borrower to another Person;

(D) with respect to any general partner of the Borrower which is a corporation, the transfer of any portion of the voting stock of such general partner to another Person;

(E) with respect to any general partner of the Borrower which is a general partnership or limited partnership, the transfer of any partnership interest of such general partner to another Person;

(F) with respect to any general partner of the Borrower which is a limited liability company, the transfer of any membership interest of such general partner to another Person;

(G) the conversion of any general partnership interest of the Borrower to a limited partnership interest; or

(H) the addition of any general partner or limited partner to the Borrower;

(7) with respect to any Borrower which is a limited liability company:

(A) any merger, consolidation or dissolution involving the managing member of the Borrower;

(B) the sale or transfer of a majority of the assets of any managing member of the Borrower;

(C) the transfer of any managing member interest in the Borrower to another Person;

(D) with respect to any managing member of the Borrower which is a corporation, the transfer of any portion of the voting stock of such managing member to another Person;

(E) with respect to any managing member of the Borrower which is a general partnership or limited partnership, the transfer of any partnership interest of such general partner to another Person;

(F) with respect to any managing member of the Borrower which is a limited liability company, the transfer of any membership interest of such general partner to another Person;

(G) the conversion of any managing member interest of the Borrower to a non-managing member interest; or

(H) the addition of any managing member or member to the Borrower.

"UCC Financing Statement" means, with respect to a Project, any UCC financing statement, whether executed or not by the applicable Project Owner, naming such Project Owner, as debtor, in favor of the Lender, as secured party, in connection with the Lender making proceeds of the Loan available to the Borrower for the Project, as such UCC financing statement may be amended or otherwise modified from time to time with or without Project Owner's signature.

"Unit" means a dwelling unit in the Project.

Section 1.2 Other Definitional Provisions

(a) Accounting terms not defined herein will have the respective meanings given to them under GAAP. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under GAAP, the definitions contained herein will control.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Loan Agreement will refer to this Loan Agreement as a whole and not to any particular provision of this Loan Agreement.

(c) In this Loan Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

ARTICLE II THE LOAN

Section 2.1 Agreement to Lend and Borrow and Project Loan Maturity

(a) The Lender agrees, on the terms and conditions hereinafter set forth, to make the Loan to the Borrower through one or more Project Loans for the purpose of providing financing for the acquisition, development and construction of Projects; provided however, that the obligation of the Lender to make the Loan is conditioned upon the Lender's receipt of the documents and the satisfaction of the other items set forth in Exhibit A attached hereto. The Borrower will repay the Loan pursuant to Section 2.6 and Section 2.9, may prepay the Loan pursuant to Section 2.10 and may reborrow proceeds of the Loan pursuant to this Section 2.1(a) and Section 2.14.

(b) The outstanding principal balance of each Project Loan, together with accrued and unpaid interest thereon and all other amounts payable by the Borrower under the terms of the Loan Documents relating to such Project Loan, will be due and payable on the applicable Project Loan Repayment Date.

(c) The outstanding principal balance of the Loan (which includes all outstanding Project Loans), together with accrued and unpaid interest thereon and all other amounts payable by the Borrower under the terms of the Loan Documents, will be due and payable on the Maturity Date.

Section 2.2 Disbursements of the Loan

The Lender shall make disbursements of the Loan in accordance with and subject to the terms of Article III hereof.

Section 2.3 Use of Disbursements

The Borrower will ensure the use of disbursements of the Loan only for Approved Costs.

Section 2.4 Commitment Fee

Borrower will pay to Lender the Commitment Fee on the following dates: (i) a good faith deposit of $25,000 was paid by Borrower to Lender on the date that Borrower accepted the term sheet for the Loan; and (ii) the remaining amount of the Commitment Fee in the amount of $87,500 shall be paid to Borrower on the Effective Date.

Section 2.5 No Reduction in Commitment Fee

The Borrower acknowledges that the Commitment Fee, required to be paid to Lender pursuant to the provisions of Section 2.4, has been earned upon Lender's execution of this Loan Agreement and is not refundable. Regardless of whether (a) Lender advances any amounts under the terms of this Loan Agreement or (b) Borrower repays or is required to repay the Loan on the date required by Section 8.2, the Borrower will not be entitled to any refund of the Commitment Fee previously paid.

Section 2.6 Interest

(a) The Loan will bear interest from the date of disbursement hereunder on the unpaid principal at an annual rate equal to the Interest Rate.

(b) On or before the 5th Business Day of each month, commencing with the first month after the Lender has disbursed proceeds of the Loan, the Lender shall send to the Borrower an invoice setting forth the amount of interest due for the previous month. The Borrower will pay the interest due for the previous month on or before the Interest Due Date, except if the Budget for any Project includes an Interest Reserve, then the Borrower may direct the Lender to make a disbursement of the Loan to pay the interest due on the Loan with respect to such Project until such time as such Interest Reserve is fully disbursed, upon and subject to the terms and conditions contained herein.

(c) Payments of principal, interest and any other amounts due and payable under the Loan Documents shall earn interest after they are due at the rate of the Default Rate. At the option of Lender, while an Event of Default exists, interest shall accrue at the Default Rate.

Section 2.7 Interest Rate Limitation

The provisions of this Loan Agreement and the other Loan Documents are hereby expressly limited so that in no contingency or event whatever will the amount paid or agreed to be paid to the Lender for the use, forbearance or detention of the sums evidenced by this Loan Agreement exceed the maximum amount permissible under applicable law. If from any circumstance whatever the performance or fulfillment of any provision of this Loan Agreement or of any other Loan Document should involve or purport to require any payment in excess of the limit prescribed by law, then the obligation to be performed or fulfilled is hereby reduced to the limit of such validity. In addition, if, from any circumstance whatever, the Lender should ever receive as interest an amount which would exceed the highest lawful rate under applicable law, then the amount which would be excessive interest will be applied as an optional reduction of principal (or, at the Lender's option, be paid over to the Borrower), and will not be counted as interest.

Section 2.8 Repayment of Principal

Principal of the Loan will be due and payable as follows:

(1) Concurrent with the closing of the sale of a Time−Share Interest, the Borrower will make a principal payment in an amount equal to Lender's Release Price, which amount shall be applied, until paid in full, to the payment of the outstanding amount of the Project Loan Amount corresponding to the Project within which the Time−Share Interest was sold.

(2) In the event that, for any reason, the aggregate payments to Lender of the Lender's Release Price for any Project Loan are less than the Minimum Required Principal Payment for such Project Loan during any loan year, then within fifteen (15) days after the end of such loan year (each loan year ends on the anniversary of the

Effective Date), the Borrower shall make an additional annual payment on such Project Loan to the Lender from Borrower's own funds of an amount equal to the difference between the Minimum Required Principal Payment for such loan year and the aggregate payments to Lender of Lender's Release Price for such loan year with respect to such Project Loan.

(3) Upon a Project Specific Default and so long as there is no other Event of Default or Potential Default, the Borrower may, at its option (but only if exercised prior to the earlier of (i) the Lender's exercise of its remedies under Section 8.2 and (ii) 30 days after the occurrence of the Project Specific Default), repay the outstanding balance of the Project Loan Amount corresponding to the Project Specific Default.

(4) If the Project Loan Amount has not been repaid on or before the Project Loan Repayment Date for such Project, the Borrower must on such date repay the entire outstanding principal amount of the Project Loan together with all accrued and unpaid interest relating thereto.

(5) In the event that the sum of the Project Loan Committed Amounts for all Projects at any time exceeds the Loan Amount, the Borrower must immediately make a principal repayment in an amount sufficient to eliminate any such excess, which payment shall be applied by Lender in its discretion.

(6) On the Maturity Date, the Borrower is required to repay the entire outstanding principal amount of the Loan together with all accrued and unpaid interest and all other amounts owed to Lender under the Loan Documents.

Section 2.9 Adjustment to Lender's Release Price.

Lender, in its sole and absolute discretion, reserves the right to adjust the Lender's Release Price applicable to a Project at any time before the applicable Project Loan Repayment Date to ensure that such fee is sufficient to repay the Project Loan Amount upon the sale of 80% of the planned Time−Share Interests within such Project.

Section 2.10 Prepayment of the Loan

The Borrower shall have the option to prepay each Project Loan in full but not in part without penalty upon 30 days prior written notice to the Lender.

Section 2.11 Payments

(a) All payments of principal, interest and fees on the Loan must be made to the Lender by federal funds wire transfer as instructed by the Lender in immediately available funds not later than 1:00 p.m. (Minneapolis time) on the dates such payments are to be made. Any payment received after 1:00 p.m. (Minneapolis Time) will be deemed received by the Lender on the next Business Day.

(b) If any payment of principal, interest or fees to be made by the Borrower becomes due on a day other than a Business Day, such payment will be made on the next succeeding Business Day and such extension of time will be included in computing any interest with respect to such payment.

(c) Throughout the term of the Loan, interest and fees will be calculated on the basis of the actual number of days elapsed during the period for which interest and fees are being charged predicated on a year consisting of 365 days.

Section 2.12 Applications of Payments; Late Charges

(a) Payments received by the Lender pursuant to the terms hereof will be applied in the following manner:

(1) first, to the payment of all expenses, charges, costs and fees incurred by or payable to the Lender and for which the Borrower is obligated pursuant to the terms of the Loan Documents;

(2) second, to the payment of all interest accrued to the date of such payment, except that the payments made pursuant to Section 2.8(1) will be applied to the payment of principal in accordance with subparagraph (3) below and not the payment of interest; and

(3) third to the payment of principal.

Notwithstanding anything to the contrary contained herein, after the occurrence and during the continuation of an Event of Default, all amounts received by the Lender from any party will be applied in such order as the Lender, in its sole discretion, may elect.

(b) If any installment of interest and/or the payment of principal is not received by the Lender within 5 Business Days after the due date thereof, then in addition to the remedies conferred upon the Lender pursuant to Section 8.2 hereof and the other Loan Documents, the Lender may elect to assess a late charge of 4% of the amount of the installment due and unpaid, which such late charge will be added to the delinquent amount to compensate the Lender for the expense of handling the delinquency. The Borrower and the Lender agree that such late charge represents a good faith and fair and reasonable estimate of the probable cost to the Lender of such delinquency. The Borrower acknowledges that during the time that any such amount is in default, the Lender will incur losses which are impracticable, costly and inconvenient to ascertain and that such late charge represents a reasonable sum considering all of the circumstances existing on the Effective Date of this Loan Agreement and represents a reasonable estimate of the losses the Lender will incur by reason of late payment. The Borrower further agrees that proof of actual losses would be costly, inconvenient, impracticable and extremely difficult to fix. Acceptance of such late charge will not constitute a waiver of the default with respect to the overdue installment, and will not prevent the Lender from exercising any of the other rights and remedies available hereunder.

Section 2.13 Approval Period

(a) During the Approval Period, Borrower may request the approval of a Project for funding from the proceeds of the Loan by complying with the terms and conditions of Section 3.1.

(b) Commencing on the Approval Period Termination Date, Borrower may not request the approval of new Projects, although proceeds of the Loan will continue to be disbursed with respect to the then existing Projects in accordance with the provisions of Article III.

Section 2.14 Revolving Nature of Loan

The Loan is a revolving loan and any amounts which are repaid may, subject to the terms of the Loan Documents limiting the amounts which may be drawn for any Project and the terms restricting disbursements of proceeds of the Loan, be redrawn.

Section 2.15 Security

Payment of the Loan by the Borrower and performance of the Borrower's other obligations under the Loan Documents will be secured by the Guaranty and the collateral described in the Project Security Instruments. The Borrower warrants that the Project Security Instruments will create a valid and first−lien position with respect to the Projects, subject only to Permitted Exceptions.

ARTICLE III APPROVAL OF PROJECTS; DISBURSEMENTS OF THE LOAN

Section 3.1 Project Approvals; Project Commitments and Project Documents

(a) During the Approval Period, the Borrower may submit to the Lender projects proposed to be included as Projects, all pursuant to and in accordance with the terms of this Loan Agreement. Upon approval as a Project and compliance with the requirements of Section 3.2 and the other terms and provisions of the Loan Documents, disbursements of the Loan will be made with respect to the Approved Costs for such Project in accordance with this Loan Agreement.

(b) In order to include a proposed project as a Project, the Borrower must submit to the Lender a complete description of the proposed project, including the Project Underwriting Documents, and evidence that the proposed project complies with the Project Requirements.

(c) In the event that any Project is to be owned by a Person other than Borrower, the Project Underwriting Documents must specify the Project Owner, which must be a Person which is owned 100% by Borrower, or is otherwise acceptable to Lender. The Project Documents relating to that Project will contain a provision whereby the Project Owner, in addition to Borrower, assumes all of the obligations of Borrower then, or at any time in the future, contained in this Loan Agreement and the other Loan Documents and agrees to be bound by and comply with all the terms hereof and thereof. In such an instance, the Project Underwriting Documents must include (i) the name of the Project Owner, (ii) the charter and organizational documents for the Project Owner, including such documents as will specify who is to manage the Project Owner, and (iii) such other information as the Lender, in its sole and absolute discretion, will require regarding the Project Owner.

(d) Upon its receipt of the Project Underwriting Documents, the Lender will have 30 days to review and, in its sole and absolute discretion, approve or disapprove the proposed project as a Project which may be financed from proceeds of the Loan. Upon any such approval, the Lender will issue a Project Commitment with respect thereto and such proposed project will become a Project for purposes of this Loan Agreement upon Borrower returning to Lender a copy of the Project Commitment containing the original signature of Borrower accepting the supplemental terms and conditions set forth in the Project Commitment; provided however, that no Project Commitment will be issued with respect to any proposed project unless the Available Amount (plus any cash equity provided by the Borrower (as provided for in the Project Commitment)) is at least equal to the amount required to complete the acquisition of the Land and the performance of the Development Work for such proposed project. The terms of each Project Commitment issued by the Lender and signed by the Borrower shall supplement the terms of this Loan Agreement and shall be applicable with respect to the stated

Project, the related Project Loan and the related Project Security Documents.

(e) It is a condition precedent to the approval of any proposed project that the Lender shall have performed, at Borrower's expense, a site inspection/market review with respect to

such proposed project, and the Lender must be satisfied with the results of such inspection and review.

Section 3.2 Project Closings

Upon issuance of a Project Commitment with respect to a Project, the Borrower and the Lender shall proceed to execute and deliver the other required Project Documents for such Project and close the transaction, thereafter allowing proceeds of the Loan to be disbursed for such Project. The following shall be the conditions precedent to the closing for each Project:

(1) The Borrower has delivered to the Lender the Project Underwriting Documents, all the documents described in the Project Commitment, executed originals of the other Project Documents and such other agreements, instruments, certificates and opinions as the Lender requires in connection with such Project.

(2) The Deed of Trust must be duly recorded and in a first−priority lien position, which first−priority lien positions shall be evidenced and insured by the Title Policy.

(3) The Lender's security interests in all personal property and any fixtures covered by the Deed of Trust must be duly perfected and in a first−priority lien position.

(4) All taxes, fees and other charges in connection with the preparation, execution, delivery and recording/filing of the Project Documents have been paid by Borrower. All delinquent taxes, assessments or other governmental charges or liens affecting the Project, if any, have been paid, or if not paid, the Borrower has posted a bond or other security acceptable to the Lender with respect to such unpaid taxes.

(5) An opinion of legal counsel located in the state where the Project is located in substantially the form required by paragraph (2) of Exhibit A relative to the Project Documents.

(6) As to any Project Owner for which such resolutions have not previously been delivered to the Lender, a certified copy of the resolutions adopted by the Project Owner authorizing the Project Owner to incur or assume the debt related to the Loan and the Project and authorizing certain officers of the Project Owner to execute and deliver the Project Documents.

Section 3.3 Disbursements of Loan Proceeds to Acquire Land and for Development Work

(a) Disbursements to finance the Borrower's acquisition of the Land for each Project will be made upon the terms and conditions set forth in the Project Commitment for the Project.

(b) All requests for disbursements of proceeds of the Loan to fund Development Work must comply with the terms of this Section 3.3, subject to such Retainage requirements and such conditions precedent, if any, as are set forth in the Project Commitments and subject to any

additional limitations set forth in the Project Commitments. Disbursements related to the Development Work with respect to all Projects will be available

twice per month.

(c) Each disbursement request to fund Development Work must be evidenced by a Draw Request Certification and must be accompanied by the following:

(1) a written summary prepared by the Borrower, in detail acceptable to the Lender, of the billings of each subcontractor or vendor with respect to the Development Work for which a disbursement is being requested, together with copies of the billings of each such subcontractor or vendor;

(2) at Lender's request, a written certification from the Inspector to Lender, in a form satisfactory to Lender, that (i) the portion of the Development Work for which payment is being sought has been completed, (ii) all Development Work done for which payment is being sought has been completed with sound new materials and fixtures, or refurbished materials and fixtures that meet the requirements of the Plans and Specifications, and in a good and workmanlike manner, (iii) the Development Work is being performed within the Budget and in accordance with the Plans and Specifications, and (iv) sufficient funds are available to Borrower to complete the Development Work;

(3) at Borrower's expense, a "date down" endorsement to the Title Policy insuring that there are no liens imposed by law for services, labor or materials appearing in the public records, and insuring the full amount of the disbursement, provided that any such endorsement may show mechanics' liens resulting from the Development Work if and only if the Title Company will issue an endorsement which insures Lender against any loss by reason of such mechanics' liens and Borrower has complied in all respects with the requirements of Section 6.18; and

(4) such other documents specified in the Project Commitment.

The foregoing submissions must reflect the cost of all Development Work for which payment is to be made. The Draw Request Certification must specify the portion of such costs which will be paid out of the requested disbursement of Loan proceeds, and, if any portion of such costs are to be paid by the Borrower, the portion of such costs to be paid by the Borrower.

(d) After the expiration of the applicable Project Loan Advance Period, Lender shall have no further obligations to make any disbursements under the Project Loan. In addition, the Lender shall have no obligation to make any disbursement of proceeds under a Project Loan if the initial disbursement of proceeds under such Project Loan is not made on or before the Approval Period Termination Date.

(e) Provided that no Event of Default or Potential Default exists, and subject to the terms and conditions set forth herein, including the provisions of Section 3.4, the Lender will use its reasonable best efforts to disburse to the Borrower the amount requested relating to the Development Work within 5 Business Days after receipt of a Draw Request Certification meeting the requirements of this Loan Agreement. In the event the Lender is unable to make the disbursement within such time period, the Lender will disburse the proceeds of the Loan as soon

thereafter as possible. All disbursements will be delivered to Borrower by federal funds wire transfer as instructed by Borrower.

Section 3.4 Provisions Applicable to All Disbursements

The obligation of Lender to make any disbursement requested by the Borrower of proceeds of the Loan is subject to fulfillment of all of the following conditions precedent:

(1) No Event of Default or Potential Default has occurred and is continuing, or would result from such disbursements or from the application of the proceeds therefrom.

(2) Following the requested disbursement of proceeds of the Loan, (i) the outstanding principal amount of the Loan shall not exceed the Loan Amount, and (ii) with respect to any Project, the principal amount advanced shall not exceed the Project Loan Amount for that Project.

(3) Each Project shall comply with all requirements set forth in the Project Commitment for such Project and the other Loan Documents.

(4) The proceeds of the Loan which remain available for disbursement for the Development Work for the Projects shall be sufficient to complete the Development Work related to such Projects; provided, however, that the Lender will be obligated to make a disbursement notwithstanding such a deficiency in the event that (i) the Budget for the acquisition of the Land and the Development Work of the applicable Project and the amount of the Loan available for such acquisition of the Land and such Development Work have been increased by an amount at least equal to such deficiency in accordance with the terms of Section 6.15(e),or (ii) the Borrower provides to the Lender evidence that it has paid from its own funds, in addition to any Borrower funds which the Budget for such Project requires, an amount at least equal to the amount of such deficiency.

(5) All costs requested to be funded from the proceeds of such disbursement shall relate to costs which are Approved Costs for such Project.

(6) No liens (other than liens for real property taxes that are not yet delinquent) have been filed against the Project, except as permitted by Section 6.18.

(7) All statements made in the applicable Draw Request Certification shall be true and correct on and as of the date of the requested disbursement, before and after giving effect thereto and to the application of the proceeds therefrom.

(8) The representations and warranties of Borrower and Guarantor, if any, contained in the Loan Documents are true and correct in all material respects on and as of the date of the requested disbursement, before and after giving effect thereto and to the application of the proceeds therefrom, as though made on and as of such date.

(9) The interest rate applicable to the disbursement (before giving effect to any savings clause) will not exceed the maximum rate permitted by law.

(10) All disbursements must comply with the Retainage requirements for such Project as set forth in the applicable Project Commitment.

Section 3.5 Application of Disbursements

All Loan proceeds disbursed to the Borrower will be used only for payment (or for reimbursement to Borrower for prior payment) of those items specified in the Draw Request Certification for which the particular disbursement was made. The Borrower will not use any such disbursement to pay or reimburse itself, directly or indirectly, for any amounts paid by the Borrower or any other Person but not included in the applicable Budget.

Section 3.6 The Lender May Make Disbursement Notwithstanding Noncompliance

Notwithstanding the failure of any condition precedent to the Lender's obligation to make any disbursement hereunder, the Lender may make such disbursement if the Lender, in its sole discretion, determines the making of the same to be advisable. The making of any disbursement, either before or after the satisfaction of all conditions precedent with respect to the Lender's obligation to make the same, will not be deemed to constitute an approval or acceptance by the Lender of the Development Work theretofore completed or a waiver of such condition with respect to a subsequent disbursement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.1 Consideration

As an inducement to the Lender to execute this Loan Agreement, make the Loan and disburse the proceeds of the Loan, the Borrower represents and warrants to the Lender the truth and accuracy of the matters set forth in this Article IV.

Section 4.2 Organization

The Borrower is duly organized, validly existing and in good standing under the laws of its state of organization, is duly qualified to do business and is in good standing in every jurisdiction where its business or properties require such qualification. The Borrower has all requisite power and authority to own and operate its properties and to carry on its business as now conducted or proposed to be conducted.

Section 4.3 Authorization

The execution, delivery and performance by the Borrower of the Loan Documents have been duly authorized by all necessary action and do not and will not (i) contravene the Articles of Organization of the Borrower, (ii) contravene any law, rule or regulation or any order, writ, judgment, injunction or decree or any contractual restriction binding on or affecting the Borrower, (iii) require any approval or consent of any member, partner, shareholder or any other Person, other than approvals or consents which have been previously obtained and disclosed in writing to the Lender, (iv) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Borrower is a party or by which the Borrower or its properties may be bound or affected, or (v) result in, or require the creation or imposition of, any lien of any nature (other than the liens contemplated hereby) upon or with respect to any of the properties now owned or hereafter acquired by the Borrower. The Borrower is not in default under any such law, rule, regulation, order, writ, judgment, injunction, decree or contractual restriction or any such indenture, agreement, lease or instrument.

Section 4.4 Governmental Consents

No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower and any Guarantor of the Loan Documents or any other document executed pursuant thereto or in connection therewith.

Section 4.5 Validity

The Loan Documents have been duly executed and delivered by and constitute the legal, valid and binding obligations of the Borrower and Guarantor, if any, enforceable in accordance with their respective terms.

Section 4.6 Financial Position

As of the dates prepared, the financial statements and all financial data heretofore delivered to the Lender in connection with the Loan and/or relating to the Borrower and Guarantor, if any, are true, correct and complete in all material respects and were prepared in accordance with GAAP consistently applied. Such financial statements fairly present the financial position of the Persons who are the subject thereof as of the dates thereof.

Section 4.7 Governmental Regulations

Neither the Borrower nor any Guarantor is subject to regulation under the Investment Company Act of 1940, the Federal Power Act, the Public Utility Holding Company Act of 1935, the Interstate Commerce Act, as the same may be amended from time to time, or any federal or state statute or regulation limiting its ability to incur Debt.

Section 4.8 Employee Benefit Plans

Neither the Borrower nor any Guarantor maintains any pension, retirement,

profit sharing or similar employee benefit plan that is subject to ERISA other than a plan pursuant to which such entity's contribution requirement is made contemporaneously with the employees' contributions.

Section 4.9 Securities Activities

Neither the Borrower nor any Guarantor is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System in effect from time to time) and not more than 25% of the value of the assets of either such entity consists of such margin stock.

Section 4.10 No Material Adverse Change

No Material Adverse Change has occurred.

Section 4.11 Payment of Taxes

All tax returns and reports required to be filed by the Borrower and any Guarantor have been timely filed, or proper extensions for filing have been obtained. All taxes, assessments, fees and other governmental charges upon the Borrower, any Guarantor and their properties, assets, income and franchises which are due and payable have been paid when due and payable, or proper extensions for payment have been obtained, except to the extent that such taxes, assessments, fees and other governmental charges or the failure to pay the same would not be material to the respective business, properties, assets, operations, condition (financial or otherwise) or business prospects of the Borrower or any Guarantor. Neither the Borrower nor any Guarantor has any knowledge of any proposed tax assessment against the Borrower or any Guarantor that could be material to its business, properties, assets, operations, condition (financial or otherwise) or business prospects.

Section 4.12 Litigation

There is no pending or, to the knowledge of the Borrower, threatened action, suit, proceeding or arbitration against or affecting the Borrower or any Guarantor before any court, governmental agency or arbitrator, which may result in a Material Adverse Change.

Section 4.13 Environmental Matters

(a) Projects. The Borrower's representations, warranties and covenants with respect to all environmental matters relating to the Projects are set forth in the Environmental Indemnity.

(b) Non−Projects. As to each "Non−Project" (defined as any project to be developed, under development, or developed by the Borrower or the Guarantor other than a Project), the operations of the Borrower and Guarantor, if any, comply in all respects with all Hazardous Materials Laws except such noncompliance which would not (if enforced in accordance with applicable law) reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change. As of the Effective Date of this Loan Agreement, (i) neither the Borrower, any Guarantor nor their present properties or operations is subject to any outstanding written order from, or settlement or consent agreement with, any governmental authority or other Person, nor is any of the foregoing subject to any judicial or docketed administrative proceeding respecting any Hazardous Materials Law, Hazardous Materials Claim or Hazardous Material, which would (if enforced in accordance with applicable law) reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change and (ii) there are no other conditions or circumstances known to the Borrower which may give rise to any Hazardous Materials Claim arising from the operations of the Borrower or any Guarantor, which would (if enforced in accordance with applicable law) reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change.

Section 4.14 No Burdensome Restrictions

Neither the Borrower nor any Guarantor is a party to or bound by any contract or agreement, or subject to any charter or corporate restriction or any requirement of law, which would reasonably be expected to result in a Material Adverse Change.

Section 4.15 Full Disclosure

None of the statements contained in any exhibit, report, statement or certificate furnished by or on behalf of the Borrower or any Guarantor in connection with the Loan Documents contains any untrue statement of a material fact, or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading; provided, however, that it is recognized by the Lender that projections and forecasts provided and to be provided by the Borrower and any Guarantor, while reflecting the Borrower's and any Guarantor's good faith projections and forecasts, based upon methods and data the Borrower and Guarantor believes to be reasonable and accurate, are not to be viewed as facts and that actual results during the period or periods covered by any such projections and forecasts may differ from the projected or forecasted results.

Section 4.16 Adequate Consideration

The Borrower represents and warrants to the Lender that prior to entering into this Loan Agreement, it has reviewed the benefits to be provided to it as a result of the Lender making the Loan and has concluded that such benefits are reasonably equivalent in value to the collateral to be pledged to secure the Loan and the obligations assumed and to be assumed by the Borrower pursuant to the Loan Documents.

Section 4.17 Compliance with Laws and Regulations

Borrower and the Project are in compliance in all material respects with all Laws and Regulations, and there are no, nor are there any alleged or asserted, violations of law, regulations, ordinances, codes, declarations, covenants, conditions, or restrictions of record, or other agreements relating to Borrower, any Guarantor, the Project, the Land, Improvements or the Development Work, or any part thereof.

Section 4.18 Survival and Additional Representations and Warranties

The representations and warranties and contained in this Article IV are in addition to, and not in derogation of, the representations and warranties contained elsewhere in the Loan Documents and shall be deemed to be made and reaffirmed as of the making of each disbursement of proceeds of the Loan.

ARTICLE V COVENANTS OF THE BORROWER

Section 5.1 Consideration

As an inducement to the Lender to execute this Loan Agreement, make the Loan and make each disbursement of the Loan, the Borrower hereby covenants that, so long as any amount payable hereunder or under any other Loan Document remains unpaid or the Lender has any commitment to disburse the Loan hereunder, Borrower shall comply with the covenants set forth in this Article V.

Section 5.2 Reporting Requirements

Borrower shall furnish or cause to be furnished to the Lender the following notices and reports:

(1) Quarterly Financial Reports. As soon as possible after each fiscal quarter of Bluegreen Corporation (other than the last quarter of any fiscal year) and in any event within 5 days after submission to the Securities and Exchange Commission, the following: (i) a copy of Bluegreen Corporation's 10Q filing certified by the Chief Financial Officer of Bluegreen Corporation to fairly present the financial condition of said

entity on a fully consolidated basis as at the end of such fiscal quarter and the results of the operations of Bluegreen Corporation on a fully consolidated basis for the period ending on such date; (ii) copies of any and all other financial reports and corrections thereto and to the 10Q filings required of Bluegreen Corporation under federal laws and regulations.

(2) Annual Financial Statements. As soon as possible after each fiscal year of Bluegreen Corporation and in any event within 5 days after submission to the Securities and Exchange Commission, the following: (i) a copy of Bluegreen Corporation's 10K filing certified by the Chief Financial Officer of Bluegreen Corporation to fairly present the financial condition of said entity on a fully consolidated basis at the end of such fiscal year and the results of the operations of such entity on a fully consolidated basis at the end of such fiscal year and the results of the operations of such entity on a fully consolidated basis for the period ending on such date; and (ii) copies of any and all other financial reports and corrections thereto and to the 10K filings required of Bluegreen Corporation under federal laws and regulations.

(3) Monthly Sales Reports and Sales Information. On or before the 20th day after the end of each month, Borrower will cause to be furnished to Lender, if requested by Lender, a sales report showing the number of sales and closings of Time−Share Interests and the aggregate dollar amount thereof, including down payments, during such month. Borrower will deliver current price lists for Time−Share Interests to Lender from to time to time within 10 Business Days after receipt of a written request from Lender to do so. Borrower will deliver to Lender from time to time, as available and promptly upon amendment or effective date, sales literature, consumer documents forms,

registrations/consents to sell, and final subdivision public reports/public offering statements/prospectuses.

(4) Notice of Labor Controversy or other Force Majeure Event. As soon as possible and in any event within 5 Business Days after the Borrower has knowledge of its occurrence, written notice of any labor controversy or other force majeure event resulting in a material strike, work stoppage, shutdown or other material disruption against or involving the Borrower, any Guarantor, or any Project.

(5) Notice of Material Adverse Change. As soon as possible after its occurrence, written notice and a description of any matter which has resulted, or may result, in a Material Adverse Change.

(6) Notice of Defaults or Potential Defaults. As soon as possible and in any event within 5 Business Days after the Borrower has knowledge of the occurrence of any Potential Default (however described) or Event of Default hereunder or an event of default (however described) under any other of the Loan Documents, written notice and a description of such Potential Default, Event of Default or event of default and the action which the Borrower proposes to take with respect thereto.

(7) Notices of Default Regarding Other Development Projects. As soon as possible and in any event within 5 Business Days after the Borrower has knowledge of the occurrence of (i) any event of default under any loan or other financing facility, including seller financing, made for a development or construction project comparable to a Project and involving the Borrower, any Guarantor or any of their Affiliates which event of default might result in a Material Adverse Change, or (ii) any material event of default under any other loan or credit agreement relating to other debt incurred by the Borrower, any Guarantor or any of their Affiliates which event of default might result in a Material Adverse Change. The written notice required herein shall contain a description of such event of default, the cure period and the action which the Borrower proposes to take with respect thereto.

(8) Notice of Litigation. As soon as possible and in any event within 5 Business Days after institution thereof, written notice and a description of any material adverse litigation, action or proceeding commenced against the Borrower, any Guarantor or any of their Affiliates or relating to any Project, and any adverse determination in any such litigation, action or proceeding.

(9) Notices Regarding Hazardous Materials. As soon as possible after the Borrower obtains knowledge of any material occurrence, written notice and a description of the release of any Hazardous Material, or any liability with respect thereto, on, under or in connection with a Project and the action which the Borrower proposes to take with respect thereto.

(10) Notices Regarding Projects. As soon as possible and in any event within 5 Business Days after receipt by the Borrower, copies of all (i) notices of violation relating to and adversely affecting any Project that the Borrower receives from any

governmental agency or authority, (ii) notices of default that the Borrower receives under the Construction Agreements or any other agreement relating to and adversely affecting any Project, and (iii) notices of default that the Borrower receives under any agreement relating to the borrowing of money by the Borrower for any Project from any Person.

(11) Other Information. Such other information respecting the business, properties, assets, operations and condition, financial or otherwise, of the Borrower, any Guarantor, their Affiliates and the Projects, including, without limitation, copies of Project construction and sales reports, and any other rights or interests subject to the Loan Documents, as the Lender may from time to time reasonably request.

Section 5.3 Borrower's Operations and Management

Borrower shall:

(1) Compliance with Laws, Etc. Comply in all material respects, with all applicable laws, rules, regulations and orders of any governmental authority, including but not limited to the Laws and Regulations, the noncompliance with which may result in a Material Adverse Change.

(2) Payment of Taxes and Claims. Pay (i) all taxes, assessments and other governmental charges imposed upon it or any of its properties or assets or in respect of any of its franchises, business, income or profits before any penalty accrues thereon, and (ii) subject to, with respect to the Projects, Section 6.18, all claims (including, without limitation, claims for labor, services, materials and supplies) for sums which have become due and payable and which by law have or may become a lien upon any of its properties or assets, except for those claims disputed by any of the entities comprising the Borrower in accordance with Section 6.18(b), but only so long as there is no threat of foreclosure of such lien.

(3) Maintenance of Properties; Books and Records. Maintain or cause to be maintained:

(A) in good repair, working order and condition all properties and assets material to the continued conduct of the business of the Borrower, and from time to time make or cause to be made all necessary repairs, renewals and replacements thereof; and

(B) proper books, records and accounts in which full, true and correct entries in accordance with GAAP consistently applied are made of all financial transactions and matters involving its assets and business.

(4) Change in Nature of Business. Make no material change in the nature of its business as carried on at the Effective Date hereof.

(5) Maintenance of Existence. Maintain and preserve its existence and all rights, privileges, qualifications, permits, licenses, franchises and other rights material to its business.

(6) Change in State of Registration or location of Executive Offices. Make no change to its state of organization or the location of its executive offices without giving the Lender at least 30 days' prior written notice.

(7) Management. Maintain professional and qualified management and staff to manage, operate and maintain its assets and business, including but not limited to the Projects.

(8) Inspection. At Borrower's expense, permit Lender and its representatives at all reasonable times to inspect each Project and to inspect, audit and copy Borrower's books and records, including, without limitation, the reasonable costs of travel, lodging and meals for representatives of Lender with respect to such inspections and audits.

Section 5.4 Insurance

(a) The Borrower will maintain or cause its contractors to maintain the insurance required by the terms of this Loan Agreement and will deposit with the Lender original, duplicate original or certified copies of insurance certificates issued by insurance companies with current Best's Key Ratings of not less than A/IX (as to those policies maintained by the Borrower) and A/VII (as to those policies maintained by its contractors) and written in form and content acceptable to the Lender, providing the following minimum insurance coverages:

(1) "Comprehensive General Liability" insurance in the minimum "general aggregate" amount of $2,000,000 for the Borrower and $1,000,000 for its contractors, in the minimum "occurrence" limit of $2,000,000 for the Borrower and $1,000,000 for its contractors, and in the minimum "umbrella" amount of $10,000,000 for the Borrower, all against claims for "personal injury" liability, including bodily injury, death or damage to the project liability, including completed operations and contractual liability and also including owners' and contractors' protective coverage naming the Lender as an additional insured.

(2) Insurance with respect to its properties, assets and business against loss or damage of the kinds customarily insured against by Persons of established reputation engaged in the same or similar business and similarly situated, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, all in accordance with reasonably prudent industry standards.

(3) Workers' compensation insurance as prescribed by the laws of each state in which the Borrower is required to maintain such insurance, and employers' liability with limits as prescribed by law.

(4) For each Project, broad form course of construction insurance covering all risks in the minimum amount of the proposed construction cost for such Project on a replacement cost basis, against loss or damage by hazards customarily included within "extended coverage" policies, and any other risks or hazards which in the Lender's reasonable judgment should be insured against, with a Lender's Loss Payable

Endorsement naming the Lender as an additional insured, together with a full replacement cost endorsement (without provisions for co-insurance).

(5) For each Project, flood insurance in the maximum amount of the budgeted construction costs or the maximum coverage available, whichever is less, designating the Lender as payee, or evidence satisfactory to the Lender that the Project is not located within an area designated as within the 100 year flood plain under the National Flood Insurance Program.

(b) Each policy of insurance required under this Section 5.4 must contain the "standard non-contributory mortgagee clause" and the "standard lenders' loss payable clause," or their equivalents, in favor of the Lender and/or its assignees, and must provide that it will not be modified or canceled without 30 days' prior written notice to the Lender. The Borrower must also furnish the Lender with receipts for the payment of premiums on such policies or other

evidence of such payment reasonably satisfactory to the Lender.

(c) In the event the Borrower does not deposit with the Lender a new policy of insurance with evidence of payment of premiums thereon at least 30 days prior to the expiration of any expiring policy, then the Lender may, but will not be obligated to, procure such insurance, and the Borrower will pay the premiums thereon to the Lender promptly upon demand.

(d) The Lender will not, by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any such insurance, incur any liability for the form or legal sufficiency of insurance contracts, solvency of insurers or payment of losses, and the Borrower hereby expressly assumes full responsibility therefor and all liability related thereto, if any.

Section 5.5 Financial Covenants

Borrower shall comply with, or ensure compliance with, the following:

(1) Net Worth. Bluegreen Corporation will maintain a Net Worth equal to or in excess of $130,000,000; and

(2) Ratio of Total Liabilities to Net Worth. At all times, the ratio of the Debt of Bluegreen Corporation determined in accordance with GAAP consistently applied on a consolidated basis, and not including but not limited to contingent liabilities, to its Net Worth shall not exceed 2.5:1.

Section 5.6 No Encumbrance; No Transfers

None of the entities comprising the Borrower (including the Project Owners) may encumber all or any portion of a Project or the Land that is encumbered by the Project Security Instruments for the benefit of a lender other than the Lender, except for leases and purchase money loans for equipment purchased in the ordinary course of business. The entities comprising Borrower will not make any Transfer unless the Borrower has obtained the written consent of the Lender, which consent may be granted or withheld in the Lender's sole and absolute discretion.

Section 5.7 Further Assurances

The Borrower shall execute and deliver, or cause the execution and delivery, at any time and from time to time any and all instruments, agreements and documents, and will take such other action, or cause such other action to be taken, as the Lender reasonably requires to maintain, perfect or insure the Lender's security provided for under the Loan Documents, including, without limitation, the execution of amendments to the Loan Documents.

Section 5.8 Survival of Covenants

The covenants contained in this Article V are in addition to, and not in derogation of, the covenants contained elsewhere in the Loan Documents and shall be deemed to be made and reaffirmed prior to the making of each disbursement of proceeds of the Loan.

ARTICLE VI THE PROJECTS

Section 6.1 Consideration

As an inducement to the Lender to finance each Project and to make each disbursement of the Loan for the Projects, the Borrower represents and warrants the truth and accuracy of the matters regarding each Project set forth in this Article VI and hereby covenants regarding each Project as set forth in this

Article VI. Each of the representations, warranties and covenants in this Article VI is made by the Borrower with respect to each Project individually, and as to all Projects collectively. The Borrower's execution and delivery to the Lender of the Project Commitment and other Project Documents for a Project shall be deemed a reaffirmation by the Borrower of the representations, warranties and covenants in this Article VI as to that Project.

Section 6.2 Title to Project

Except as may be otherwise provided in the conditions, covenants and restrictions governing the Time-Share Program, the Project Owner is, or will be upon acquisition of the Land, the Improvements, and the Development Work as contemplated by the Project Commitment, the sole legal and beneficial owner of the Land, the Improvements, and the Development Work, free and clear of all claims, liens and encumbrances other than Permitted Exceptions. Except as may be otherwise provided in the conditions, covenants and restrictions governing the Time-Share Program, all of the personal property which forms a part of the Improvements and the Development Work is or will be vested solely in the Project Owner, free and clear of all claims, liens and encumbrances, and the security interest of the Lender in such personal property is a first lien thereon

Section 6.3 No Prior Liens or Claims

(a) As to Projects as to which no prior work has commenced, except as otherwise may have been approved in writing by the Lender and as to which the Lender shall have received such endorsements (including mechanics lien coverage) to the Title Policy as the Lender may require to assure the priority of the Deed of Trust as a valid first lien on the Project, prior to recordation of the Deed of Trust, neither the Project Owner, nor anyone acting on the Project Owner's behalf has (i) commenced construction of the Development Work, or any grading or site clearance related thereto, (ii) purchased, contracted for or otherwise brought upon the Land any materials, specially fabricated or otherwise, to be incorporated into the Development Work, or (iii) entered into any contract or arrangement, the performance of which by any other party thereto could give rise to a lien or claim on the Project or any portion thereof.

(b) As to Projects as to which the Project Owner has disclosed that prior work has commenced and Lender has consented to such prior work, and notwithstanding that, prior to recordation of the Deed of Trust, the Project Owner has (i) commenced certain construction activity on the Land, (ii) purchased, contracted for or otherwise brought upon the Land materials, specially fabricated or otherwise, to be incorporated into the Development Work, and/or (iii) entered into certain contracts or arrangements, the performance of which by any other party

thereto could give rise to a lien or claim on the Project or any portion thereof, the Borrower represents none of such activities have given rise, nor shall any such activities give rise in the future, to any liens against the Project which could impair the priority of the Deed of Trust as a valid first lien on the Project.

Section 6.4 Access to the Project

All roads, streets, traffic turn lanes, and access ways necessary for the full utilization of the Project for its intended purpose have either been bonded around or completed or the necessary rights of way have either been acquired by the appropriate governmental authority or have been dedicated to public use and accepted by the appropriate governmental authority, and all necessary steps have been taken by the Project Owner and the appropriate governmental authority to assure the complete construction and installation thereof by the time needed for construction and/or occupancy and operation of the Project.

Section 6.5 Compliance with Project Requirements and Laws and Regulations

The Project and the Improvements, the proposed and actual use thereof, and the Development Work when completed will comply in all material respects with the Project Requirements and with the Laws and Regulations, and there is no action or proceeding pending or, to the knowledge of the Borrower (after due inquiry), threatened before any court, quasi-judicial body or administrative agency at the time of any disbursement by the Lender relating to the validity of the Loan or the proposed or actual use of the Project.

Section 6.6 Covenants, Zoning, Codes, Permits and Consents

The Borrower is familiar and has complied with all of the Laws and Regulations to be complied with in connection with the construction of the Development Work. All permits, licenses, consents, approvals or authorizations by, or registrations, declarations, withholding of objections or filings with any governmental body necessary in connection with the valid execution, delivery and performance of the Loan Documents, and any and all other documents executed in connection with any of the foregoing, necessary for the development of the Land and necessary for the construction of the Development Work, or in a timely manner will be obtained, and are valid, adequate and in full force and effect. Construction of the Development Work and the intended use of the Project as part of a Time−Share Program will in all respects conform to and comply with all Laws and Regulations, including without limitation all applicable zoning, subdivision, environmental protection, use and building codes, laws, regulations and ordinances.

Section 6.7 Utilities

All utility services and facilities necessary for the construction, sale and occupancy of the Project and the operation thereof for its intended purpose are either available at the boundaries of the Land, or, if not, all necessary steps have been taken by the Project Owner and the local authority or public utility company which provides such services to assure the complete installation and availability thereof when needed for construction, sale, occupancy and operation of the Project.

Section 6.8 Map, Permits, Licenses and Approvals

The Project Owner has obtained, or will in a timely manner obtain, the Map. Project Owner shall properly comply with and keep in effect the Map and all permits, licenses and approvals which are required to be obtained from governmental bodies in order to construct, occupy, operate, market and sell the Project. Project Owner shall promptly deliver copies of the Map and all such permits, licenses and approvals to Lender.

Section 6.9 Approval of Plans and Specifications and Approval of Budget

(a) The Plans and Specifications are a true, complete and accurate reflection of the Development Work that the Project Owner will construct. The Plans and Specifications are satisfactory to the Project Owner and have been reviewed and approved by the Project Owner and the general contractor for the Project (if different from the Project Owner), and have also been approved as required by all governmental bodies or agencies having jurisdiction (including, without limitation, any local design review boards) and, if required, by the beneficiary of any restrictive covenant affecting the Project. There are no structural defects in the Development Work as shown in the Plans and Specifications, and no violation of any of the Laws and Regulations exists with respect to the Plans and Specifications.

(b) After diligent investigation of all relevant conditions and due consultation with such parties as the Project Owner deems appropriate, the Project Owner represents that the Budget identifies on a line item basis all costs to be incurred in connection with the Development Work and all costs for which proceeds of the Loan are to be disbursed. The Budget reflects the Project Owner's best, true, accurate and complete estimate of the costs shown therein and of the costs estimated to be necessary to construct the Development Work in accordance with the Plans and Specifications.

Section 6.10 Adequacy of Loan Amount

The Loan Amount, when combined with Borrower's invested cash equity, is sufficient to pay all costs of the acquisition of the Land and the Improvements and all costs of the Development Work in accordance with the Plans and Specifications and all remaining costs related thereto, except as has been specifically disclosed to and approved in writing by the Lender.

Section 6.11 Construction Start and Completion

Subject to a Force Majeure Event (but not having any effect on Section 8.1(a)(14) and Section 8.1(a)(16)) the Project Owner shall commence construction of the Development Work no later than the date set forth in the Project

Commitment and shall thereafter diligently proceed with construction and completion of the Development Work in a good and workmanlike manner in normal course of business as a prudent developer. The Project Owner shall cause the Development Work at all times to materially conform to the Laws and Regulations and shall accomplish completion of the Development Work in the manner of a prudent developer. The Project Owner shall cooperate at all times with Lender in bringing about the timely completion of each element of the Development Work, and Project Owner shall use best efforts to resolve all

disputes arising during the work of construction in a manner which shall allow work to proceed expeditiously.

Section 6.12 Personal Property Incorporation

All personal property for which the Lender disburses Loan proceeds for the Project is to be stored on the Land and in the Lender's judgment must be reasonably secure from damage and theft and fully insured at all times.

Section 6.13 Contractors and Contracts

Upon demand by the Lender, the Project Owner shall furnish to the Lender, from time to time, correct lists of all contractors and subcontractors employed in connection with the Development Work. Each such list shall show the name, address and telephone number of each such contractor or subcontractor, a general statement of the nature of the work to be done, the labor and materials to be supplied, the names of materialmen, if known, and the approximate dollar value of such labor, work and materials with respect to each. Upon an Event of Default, the Lender shall have the right, and at any time the Inspector shall have the right (in both cases without either the obligation or the duty), to contact directly each contractor, subcontractor and materialman to verify the facts disclosed by said list or for any other purpose.

Section 6.14 Evidence of Ownership of Materials

If requested by the Lender, the Project Owner shall promptly deliver to Lender any bills of sale, statements, receipts, contracts or agreements under which the Project Owner claims title to any materials, fixtures or articles incorporated into the Development Work.

Section 6.15 Changes to Plans and Specifications and Budget

(a) The following Changes, whether made by change order or otherwise, to any of (i) the Budget or the schedule of the costs of the Development Work, (ii) the Plans and Specifications and/or (iii) working drawings relating to the Development Work, shall require the prior written approval of the Lender, and any request for such approval shall be accompanied by a written report from the Inspector stating that the Inspector has reviewed and approved such Changes:

(1) any Change which, together with all prior increases, will result in an increase to the total Budget for the Development Work of 5% or more, it being understood that the foregoing shall not apply to increases to particular line items of the Budget unless such increase to the line item will result in an increase to the total Budget for the Development Work of 5% or more;

(2) any Change which, together with all prior decreases, will result in a decrease to the total Budget for the Development Work of 5% or more, it being understood that the foregoing shall not apply to decreases to particular line items of the Budget unless such decrease to the line item will result in a decrease to the total Budget for the Development Work of 5% or more; provided, however, that the Project Owner shall not offset against each other increases and decreases in the total Budget for the Development Work, it

being the intent that an increase or a decrease in the total Budget for the Development Work which meets either the threshold set forth in subparagraph (a)(1) or the threshold set forth in this subparagraph (a)(2) shall require the prior approval of the Lender; and

(b) As a condition to its approval of any Change described in subparagraph (a), Lender may require verification that such Change:

(1) is a Change as to which the Project Owner has complied with the terms of subparagraph (c) of this Section 6.15;

(2) will not adversely affect the value of the Lender's security;

(3) is not a material change in structure, design, exterior appearance, square footage, or function;

(4) would not cause an increase in any line item or category of the Budget in excess of the contingencies (if any) specifically contained in the Budget for that line item or category; and

(5) would be consistent with the Laws and Regulations.

(c) The Lender is under no duty to review or inform the Borrower of the quality or suitability of the Plans and Specifications, any contract or subcontract or any changes thereto. Without limitation of the foregoing, the Project Owner shall obtain the Lender's prior written approval of any alteration in the Plans and Specifications which might adversely affect the value of the Lender's security or which, regardless of cost, is a material change in structure, design, function or exterior appearance.

(d) The Project Owner agrees to provide the Lender with copies of all change orders, together with all additional documents that the Lender may require in order to evaluate a request for approval of a Change of a type described in subparagraph (a) above. These documents may include the following: (i) a written description of the Change and related working drawings and (ii) a written estimate of the cost of the Change and the time necessary to complete it. The Lender may take a reasonable time to evaluate any requests for approval of a Change, and may require that all other approvals required from other parties be obtained before it reviews any requested Change. The Lender may approve or disapprove Changes in the exercise of its reasonable judgment. The Project Owner acknowledges that any requested Changes may result in delays and agrees that any delays caused by the Lender or otherwise shall not affect the Project Owner's obligation to complete each element of the Development Work in accordance with the Construction Progress Schedule.

(e) In the event that either:

(1) the proceeds of the Loan which are available for disbursement will not be sufficient to complete the Development Work as scheduled; or

(2) the costs of the Project have increased over the amount set forth in the Budget by an amount in excess of the amount set forth in subparagraph (a)(1),

then the Project Owner shall submit to the Lender a revised budget for the Project, together with (i) a request that the Lender approve an increase in the Project Loan Amount, which request the Lender may approve or disapprove in its absolute and sole discretion, or (ii) evidence that the Project Owner has sufficient funds to pay the increased costs, in which event the Lender shall not be obligated to disburse additional amounts of the Loan pursuant to Section 3.3 until such time as the Borrower provides to the Lender evidence that it has paid from its own funds, in addition to any Project Owner funds which the Budget requires, an amount at least equal to the increase. Any such revised Budget for the Project submitted to the Lender shall be accompanied by a written report from the Inspector stating that the Inspector has reviewed and approved the revised Budget.

(f) In addition to obtaining the prior written approval of the Lender in connection with any Change described in this Section 6.15, the Project Owner shall also obtain, to the extent that such approvals may be required, (i) the approvals of the appropriate governmental authorities to

any Change and (ii) from the appropriate persons or entities approvals of any alterations in the Map, the Plans and Specifications or any work, materials or contracts that are required by any of the Laws and Regulations or under the terms of the Project Commitment or the other Loan Documents.

Section 6.16 Lender Inspections, Appraisal and Information

During normal business hours, the Project Owner shall arrange for the Lender, the Inspector or any other authorized representative of Lender, at the expense of the Borrower, to visit, inspect or appraise the Project, the materials to be used thereon or therein, contracts, records, plans, specifications and shop drawings relating thereto, whether kept at the Borrower's offices or at the Project construction site or elsewhere, and the books, records, accounts and other financial and accounting records of the Borrower wherever kept, and to make copies and take extracts thereof and therefrom as often as may be reasonably requested by the Lender. The Borrower will cooperate with the Lender to enable the Lender, the Inspector or such other authorized representatives of the Lender to conduct such visits, inspections and appraisals. The costs of the Inspector and the other authorized representatives of the Lender, and of such inspections and appraisals shall be borne by the Borrower and shall be paid within 30 days of the Borrower's receipt of any invoice with respect thereto. Borrower agrees to keep at its offices or at the Project, and to make available to the Lender, the Inspector of any other representative of Lender during normal business hours, the Plans and Specifications on an as-built basis or, if unavailable, the final set of plans and specifications from which the Development Work were constructed ("As-Builts"), certified by a licensed architect or licensed contractor as true, correct and complete As-Builts.

Section 6.17 Correction of Defects

If Lender in its reasonable judgment determines that any Development Work or materials fail to conform to the Map, any Laws and Regulations, the Plans and Specifications, or that they otherwise depart from any of the requirements of this Loan Agreement, the Lender may require the work to be stopped and withhold disbursements until the matter is corrected. If this occurs, the Project Owner shall promptly correct the work to the Lender's satisfaction, and pending completion of such corrective work shall not allow any other work which is dependent upon or

directly related to the work requiring correction to proceed. No such action by the Lender shall affect the Project Owner's obligation to complete each element of the Development Work within the times required by this Loan Agreement. The disbursement of any Loan proceeds shall not constitute a waiver of the Lender's right to require compliance with this covenant.

Section 6.18 Protection Against Lien Claims

(a) The Project Owner shall pay and discharge, or cause to be paid and discharged, promptly and fully all claims for labor done and materials and services furnished in connection with the Development Work, and take or cause to be taken all reasonable steps to forestall the assertion of claims of lien against the Project or any part thereof. Upon the request of the Lender, the Project Owner shall obtain a lien waiver with respect to each payment by or to the Project Owner and each of the various subcontractors and materialmen (and the major subcontractors and submaterialmen under them). Lender, at any time, at its option, may require that any disbursement made hereunder be made by joint check made payable to the Project Owner and the subcontractor or sub-subcontractor for whose account such payment is to be made, as joint payees.

(b) Nothing herein contained shall require the Project Owner to pay any claims for labor, materials, or services which the Project Owner in good faith disputes and which the Project Owner, at its own expense, currently and diligently contests, provided that, in the event the aggregate amount of claims filed with respect to the Project exceeds $25,000, within 30 days after the Project Owner's actual receipt of notice of filing of that claim of lien which exceeds the specified amount, the Project Owner shall take one of the following actions with respect to all subsequent claims:

(1) record or cause to be recorded in the office of the recorder of the County in which the Project is located a surety bond sufficient to

release said claim of lien, or

(2) make or cause to be made a deposit of cash in the amount of 150% of the claim of lien with the Lender; or

(3) deliver or cause to be delivered to Lender a specific endorsement to the Title Policy which insures the Lender against any loss by reason of such claim of lien, or

(4) deliver or cause to be delivered to the Lender such other assurance as may be acceptable to the Lender.

Section 6.19 Conveyance, Lease or Encumbrance

The Project Owner shall not sell, agree to sell, convey, transfer, dispose of or further encumber the Project or any portion thereof or interest therein (other than the sale of Time-Share Interests on and subject to the terms of this Loan Agreement), or enter into a lease covering all or any portion thereof or interest therein, either voluntarily, involuntarily or otherwise, or enter into an agreement to do so, without the prior written consent of the Lender being first had and obtained. All easements, declarations, covenants, conditions, restrictions and dedications affecting the Project shall be submitted to the Lender for its approval, accompanied by a drawing

or survey showing the precise location thereof, and such approval shall be obtained prior to the execution or granting of any thereof by the Project Owner. The Project Owner shall not execute any lease of any portion of the Project without the prior written consent of the Lender. The Project Owner shall promptly notify the Lender of any event of default or cancellation under any lease now or hereafter in effect.

Section 6.20 Security Instruments

From time to time, upon the request of the Lender, the Project Owner shall execute and deliver to the Lender a security instrument or instruments naming the Lender as secured party covering all contracts of any kind entered into in connection with the Development Work and all other property of any kind whatsoever owned by the Project Owner and used, or to be used, in the use and enjoyment of the Project and concerning which the Lender may have any doubt as to its being subject to the lien of the Project Security Instruments.

Section 6.21 Further Assurances; Cooperation

The Project Owner will at any time and from time to time upon request of the Lender take or cause to be taken any action, execute, acknowledge, deliver or record any further documents, opinions, mortgages, security agreements, financing statements or other instruments or obtain such additional insurance as the Lender in its reasonable discretion deems necessary or appropriate to carry out the purposes of this Loan Agreement and to preserve, protect and perfect the security interest intended to be created and preserved in the Project, the Improvements, and the Development Work.

Section 6.22 Negative Covenants

So long as any amount payable under any Loan Document still remains unpaid or Lender shall have any commitment to disburse the Loan hereunder, the Project Owner shall not, unless the Lender shall otherwise consent in writing (i) create, assume or suffer to exist any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon the collateral for the Loan assigned to the Lender pursuant to Project Security Instruments, or (ii) sell, lease, transfer or otherwise dispose of (A) all or substantially all of its assets (in a single transaction or a series of related transactions), or (B) any of the collateral for the Loan assigned to the Lender by the Project Owner except in the ordinary course of business.

Section 6.23 Signs

Upon the request of the Lender, the Project Owner shall erect and place on or in the vicinity of the Project a sign or signs indicating that the Lender has provided construction financing for the Project. Said sign(s) shall comply with Laws and Regulations and remain the property of the Lender and shall be required to be removed only after the Development Work has been completed.

ARTICLE VII SALES OF TIME-SHARE INTERESTS AND RELEASES FROM DEED OF TRUST

Section 7.1 Sales and Closings

The Borrower may enter into Sales Agreements for the sale of Time-Share Interests in the ordinary course of business with bona fide third party buyers without the Lender's prior written consent if:

(1) a Sales Agreement is executed with the buyer which conforms to the requirements of this Loan Agreement; and

(2) the Borrower, acting in good faith following exercise of reasonable due diligence, has qualified the buyer under policies consistent with the Borrower's business practices applicable to its projects, generally.

The Borrower shall, upon the Lender's request, provide to Lender copies of the Sales Agreements. The Lender in the exercise of its reasonable discretion may consider any sale to be unsatisfactory if the sale fails to meet any of the requirements of this Loan Agreement. If this happens, or if any Event of Default has occurred and is continuing, the Lender may make written demand on Borrower to submit future Sales Agreements for the Lender's approval prior to execution, together in each instance with accompanying financial statements for the buyer and other information that the Borrower may have pertaining to the prospective buyer. The Borrower shall comply immediately with any such demand by the Lender.

Section 7.2 Sales Operations and Seller's Obligations

The Borrower shall at all times maintain adequate marketing capability for the sale of the Time-Share Interests, and shall perform all obligations required to be performed by it under each Sales Agreement.

Section 7.3 Sales Office

So long as any proceeds of the Loan remain outstanding with respect to the Project, the Borrower shall maintain a sales office at or near the Project, as the Borrower determines, to provide for adequate sales and marketing of the Project. The Borrower shall insure that sufficient adjacent parking for customers exists within the vicinity of the sales office. The Borrower shall maintain insurance coverage regarding the sales office as the Lender shall reasonably require.

Section 7.4 Releases from Lien of Deed of Trust

The Borrower may from time to time request that Lender release one or more Time-Share Interests from the lien of the Deed of Trust and the other Project Security Instruments encumbering such Time-Share Interests. The Lender agrees that it will use its best efforts to execute a partial release that releases the Lender's lien on such Time-Share Interests pursuant to

the Deed of Trust and the other Project Security Instruments within 5 Business Days after receipt of the release, provided that the following conditions precedent shall have been satisfied:

(1) the Lender shall have received a written notice requesting the partial release no fewer than 5 Business Days prior to the date on which the partial release is to be effective, which notice shall specify (i) the Project, (ii) the specific Time-Share Interests to be released, (iii) the Person(s) to whom such Time-Share Interests are being sold, which Person(s) shall not be an Affiliate of the Borrower or of any Guarantor, and (iv) the Lender's Release Price(s) therefor;

(2) the Lender shall have received evidence satisfactory to the Lender that, if the release is being sought precedent to a sale, (i) the closing of the sale and/or release of such Time−Share Interests shall be conducted through an escrow with a title company or an escrow agent specified by the Borrower and satisfactory to the Lender, and (ii) such title company shall have been instructed, which instructions shall have been acknowledged and agreed to by such title company and which cannot be changed or supplemented without the Lender's written concurrence, not to record the Lender's partial release until such title company receives in respect of such release an amount equal to Lender's Release Price for such Time−Share Interests and is irrevocably committed to disburse such amount to the Lender;

(3) the Lender shall have received executed originals of instruments, agreements and other documents, in form and substance satisfactory to the Lender, which the Lender determines are necessary or appropriate, to evidence and/or effectuate the partial release and to modify the Loan Documents as a result thereof;

(4) the Lender shall have received evidence satisfactory to Lender that the Borrower has satisfied all conditions precedent in the Loan Documents relating to the release of the Time−Share Interests; and

(5) no Event of Default shall exist, unless the Event of Default is a Project Specific Default and the Borrower seeks Lender's release of the entire Project as to which the Project Specific Default applies.

In connection with each release of a Time−Share Interest, provided all conditions to such release have been met, the Lender agrees to provide to the title insurance company an estoppel letter, in form and substance satisfactory to the Lender, specifying the Lender's Release Price for the applicable Project.

(b) In addition to the releases provided for in subparagraph (a), the Lender agrees that, without requiring payment of any release price, it shall release from the lien of the Deed of Trust and the other Project Security Instruments those portions of the Project necessary for utility easements and dedicated public roads, and Lender shall agree to subordinate its lien of the Deed of Trust and the other Project Security Instruments and/or to execute a non−disturbance agreement relative to the Project's common elements (including any parts of the Project to be transferred to a time−share association or the like) if required by any governmental agency; provided that the following conditions precedent shall have been satisfied:

(1) the Borrower complies with the requirements of subparagraphs (1), (3), (4) and (5) of subparagraph (a) above (except that the requirement of subparagraph (a)(1) requiring the written notice to specify the Lender's Release Price(s) shall not be applicable);

(2) the Lender is furnished with a survey, or another document reasonably satisfactory to the Lender, depicting and describing the real property affected; and

(3) such request is consistent in all material respects with the site plan or other depiction of the Project provided to the Lender as part of the Project Underwriting Documents.

(c) In addition to the releases provided for in subparagraphs (a) and (b), Lender agrees that it shall release the Deed of Trust and the Project Security Instruments for a particular Project upon the payment in full of the corresponding Project Loan Amount, provided that no Event of Default or Potential Default shall exist.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default

(a) The occurrence and continuance of any of the following events constitutes an "Event of Default" hereunder:

(1) The Borrower fails to pay any installment of principal on the Loan when due, whether at stated maturity, as a result of a mandatory prepayment requirement, upon acceleration or otherwise, or pay when due any interest, fees or other amounts payable hereunder or under the other Loan Documents.

(2) Any representation or warranty made by the Borrower or any Guarantor herein or in any other Loan Document is at any time incorrect in any material respect.

(3) The Borrower or any Guarantor fail to perform or observe any term, covenant or agreement contained in this Loan Agreement or any other Loan Document, and such failure remains unremedied for 30 days after notice thereof from the Lender to the Borrower or any Guarantor; provided that in the event the Borrower or any Guarantor commences and is diligently pursuing to completion action to cure the failure, such 30 day period may be extended for such period of time as is necessary to cure the failure, but in no event longer then 120 days from the date of the Lender's notice; provided further however, that in the event (i) the Lender reasonably determines that the failure to immediately declare an Event of Default could materially and adversely harm the rights of the Lender hereunder or under any other Loan Document, or the rights of the Lender with respect to the collateral pledged to secure the Loan, or (ii) the Lender reasonably determines that the failure to perform or observe the terms of this Loan Agreement or any other Loan Document cannot be remedied with the passage of 120 days, then the Lender may declare an immediate Event of Default in its notice given pursuant to this Section 8.1(a)(3).

(4) The Borrower or any Guarantor asserts the invalidity or unenforceability of any Loan Document or any Loan Document is adjudicated to be invalid or unenforceable in any material respect.

(5) Any event of default (however described) under any other Loan Document occurs and is not cured within the applicable grace period.

(6) Any Project Security Instrument, for any reason, ceases to create a valid and perfected first priority lien on or in the Land or other collateral relating thereto as described in the Loan Documents, or the Borrower so states in writing.

(7) The dissolution or winding up of the Borrower or any Guarantor.

(8) Any Transfer occurs which has not been consented to in writing by Lender.

(9) The Borrower or any Guarantor fails to comply with any of the financial covenants set forth in Section 5.5.

(10) A Material Adverse Change occurs.

(11) Any judgment or order for the payment of money in excess of $100,000, singularly or in the aggregate, is rendered against the Borrower or any Guarantor, and either (i) enforcement proceedings have been commenced by any creditor upon such judgment, or (ii) there is a period of 15 Business Days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect.

(12) The Borrower or any Guarantor fails to pay any Debt (other than the Debt incurred by the Borrower and any Guarantor with respect to the Loan, the Events of Default with respect to which are set forth elsewhere in this Section 8.1), or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; any other default under any agreement or instrument relating to any such Debt, or any other event, occurs and continues after the applicable

grace period, if any, specified in such agreement or instrument, if the effect of such failure to pay, default or event results in the acceleration, or permits the acceleration of, the maturity of such Debt; or any such Debt is declared to be due and payable, or is required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof; provided however that none of the foregoing events or inactions will constitute an Event of Default unless such event or inaction could result in a Material Adverse Change.

(13) The Borrower or any Guarantor generally does not pay its Debts as such Debts become due, or admits in writing its inability to pay its Debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the Borrower or any Guarantor seeking to adjudicate such party as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of such party's Debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for such party or for any substantial part of such party's property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding remains undismissed or unstayed for a period of 30 days (whether or not consecutive), or any of the actions sought in such proceeding (including, without, limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) occur; or the Borrower or any Guarantor takes any action to authorize any of the actions set forth above.

(14) With respect to any Project, the Borrower fails to commence construction of the Development Work or fails to satisfy all of the conditions of this Loan Agreement with respect to disbursement of Loan proceeds for costs of such construction on or before the expiration of 6 months after date of the Project Commitment issued for such Project.

(15) With respect to any Project, there shall occur substantial deviations in the Development Work from the Plans and Specifications without the prior approval of the Lender, or the existence of materially adverse defective workmanship or materials incorporated into the Development Work, such deviations and defects to be conclusively determined by the Lender after consultation with the Inspector.

(16) With respect to any Project, cessation of the Development Work prior to completion for a continuous period of (i) 90 days or more if such cessation is caused by a Force Majeure Event, or (ii) 30 days or more if such cessation is not caused by a Force Majeure Event.

(17) With respect to any Project, a court of competent jurisdiction enters an order enjoining construction of the Development Work, or such a court or an authorized governmental agency orders that sales of the Time−Share Interests be suspended or halted, or any required approval, license or permit is withdrawn or suspended, and the order, withdrawal or suspension remains in effect for a period of 15 Business Days.

(18) With respect to any Project, any surety obligated for any Development Work is called upon to perform its obligations and/or any person demands funds pursuant to any "set−aside" letter or "cash in lieu of bond agreement" issued by the Lender with respect to the Project.

(19) The assignment by the Borrower or any Guarantor of the rents or the income of any Project, or any part thereof or of any other revenues or sales proceeds relating to the Project (other than to the Lender).

(20) With respect to any Project, there occurs any attachment, levy, execution or other judicial seizure of any portion of the Project, any other collateral provided by the Borrower under any of the Loan Documents, or any substantial portion of the other assets of the Borrower, which is not released, expunged, discharged or dismissed prior to the earlier of (i) 20 days after such attachment, levy execution or seizure, or (ii) the sale of the assets affected thereby.

(21) Any event of default (however described) under the Receivables

Loan Documents occurs and is not cured within the applicable grace period.

(22) The occurrence of an event of default (however designated or defined) with respect to any loan made by Lender or any Affiliate of Lender to any one or more of Borrower, Guarantor, or any of their respective Affiliates.

(b) The Borrower acknowledges and agrees that all material non-monetary defaults are conclusively deemed to be and are defaults which impair the security of the Deed of Trust, and that the Lender shall be entitled to exercise any appropriate remedy, including without limitation, foreclosure of the Deed of Trust upon the occurrence of any such material non-monetary default.

Section 8.2 Remedies

(a) Upon the occurrence of any Event of Default, the following provisions apply:

(1) If such event is an Event of Default specified in Section 8.1(a)(13), the Lender's commitment to fund the Loan will terminate and the indebtedness evidenced by the Note and any other amounts payable under this Loan Agreement and the other Loan Documents will immediately and automatically become due and payable.

(2) Upon the occurrence of any other Event of Default, the Lender may, at its option, do any one or more of the following:

(A) Immediately terminate any further disbursement of Loan funds hereunder, and from time to time apply all or any portion of the undisbursed Loan funds to payment of accrued interest under the Note and/or upon any other obligations of the Borrower hereunder or under the Project Documents. Lender may also withhold any one or more disbursements after an event or condition occurs that with notice or the passage of time could become an Event of Default, unless the Borrower cures or corrects the event or condition to the reasonable satisfaction of the Lender prior to the occurrence of an Event of Default.

(B) Declare the Note to be immediately due and payable and record a notice of default under any Deed of Trust.

(C) Make any disbursements after the happening of any one or more Events of Default, without thereby waiving its right to demand payment of the Note and all other sums owing to Lender with respect to the Project Documents or any other rights or remedies described herein, and without liability to make any other or further disbursements, notwithstanding Lender's previous exercise of any such rights and remedies.

(D) Enter upon the Project and with or without legal process take possession of the Project, without breaching the peace, remove the Borrower and all employees, contractors and agents of the Borrower therefrom, and complete or attempt to complete construction of the Development Work in accordance with the Plans and Specifications with such changes, additions or corrections therein as the Lender may from time to time and in its judgment deem appropriate, and market, sell or lease the Project, at the risk and expense of the Borrower. The Lender shall have the right at any time to discontinue any work commenced by it in respect to the Development Work or to change any course of action undertaken by it and not be bound by any limitations or requirements of time whether set forth herein or otherwise. The Lender shall have the right and power (but shall not be obligated) to assume any construction contract made by or on behalf of the Borrower in any way relating to the Development Work and to take over and use all or any part of the labor, materials, supplies and equipment contracted for, by or on behalf of the Borrower whether or not previously incorporated into the Development Work, in the discretion of the Lender. The Lender may also modify or terminate any contractual arrangements, subject to its right at any time to discontinue any work without liability. If the Lender chooses to complete the Development Work, the Lender shall not assume any liability to the Borrower or any other person for completing them, or for the manner or quality of their

construction, and Borrower expressly waives any such liability. In connection with any work of construction undertaken by the Lender pursuant to the provisions of this subsection (3), the Lender may do any of the following:

i. engage builders, contractors, subcontractors, architects, engineers, suppliers, inspectors, consultants and others for the purpose of furnishing labor, materials, equipment and other services in connection with the work of construction, for the protection or clearance of title to the Project, or for the protection of the Lender's interests with respect thereto;

ii. pay, settle or compromise all bills or claims which may become liens against the Project or which have been or may be incurred in any manner in connection with completing construction of the Development Work or for the protection or clearance of title to the Project, or for the protection of the Lender's interests with respect thereto;

iii. prosecute and defend all actions and proceedings in connection with the Project;

iv. execute, acknowledge and deliver all other instruments and documents in the name of the Borrower that are necessary or desirable, to exercise the Borrower's rights under contracts concerning the Project; and

v. take such other action, including the employment of security personnel to protect the Development Work, or refrain from taking action under this Loan Agreement as the Lender may in its discretion determine from time to time.

The Borrower shall be liable to the Lender for sums paid or incurred for completing construction of the Development Work whether the same shall be paid or incurred pursuant to the provisions of this Section or otherwise, and all payments made or liabilities incurred by the Lender hereunder of any kind whatsoever shall be paid by the Borrower to the Lender upon demand with interest at the rate set forth in the Note, and all of the foregoing shall be deemed and shall constitute disbursements under this Loan Agreement and be secured by the Project Documents. For the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by this subsection (3), the Borrower hereby unconditionally and irrevocably constitutes and appoints the Lender its true and lawful attorney-in-fact to enter into such contracts, perform such acts and incur such liabilities as are referred to in said Section in the name and on behalf of the Borrower. This power of attorney is coupled with an interest.

(E) Where substantial deviations from the Plans and Specifications appear which have not been approved as set forth herein, or where defective or unworkmanlike labor or materials are being used in the construction of the Development Work, or upon receipt of knowledge of encroachments to which there has been no consent, or if the Lender determines that the Development

Work is not being constructed in accordance with any governmental requirements or any covenants, conditions, restrictions, agreements or other matters, whether or not of record, affecting the condition of title to the Project, the Lender shall have the right to immediately order stoppage of the construction and demand that such conditions be corrected. After issuance of such an order in writing,

no further work shall be done on that portion of the Development Work where there is a substantial deviation from the Plans and Specifications which has not been approved as set forth herein, where there is defective or unworkmanlike labor or materials, or which does not comply with governmental requirements or matters affecting title to the Project, without the prior written consent of the Lender, which consent shall not be unreasonably withheld, unless and until said condition has been fully corrected.

(F) Foreclose on any security for the Loan without waiving its rights to proceed against any other security or other entities or individuals directly or indirectly responsible for repayment of the Loan, or waive any and all security for the Loan as the Lender may in its discretion so determine, and pursue any such other remedy or remedies as the Lender may so determine to be in its best interest.

(G) If the Lender spends its funds in exercising or enforcing any of its rights or remedies under the Project Documents, the amount of funds spent shall be payable to the Lender upon demand, together with interest at the rate applicable to the principal balance of the Note, from the date such funds were spent until repaid. Such amounts shall be deemed secured by the Deed of Trust and other applicable Project Documents.

(H) Request and have appointed a receiver with respect to the Borrower and/or the collateral securing the Loan, and to that end, Borrower hereby consents to the appointment of a receiver by Lender in any action initiated by Lender pursuant to this Loan Agreement, and Borrower waives any notice and posting of a bond in connection therewith.

(I) Any and all other remedies available at law or in equity.

(b) Whether or not the Lender elects to employ any or all of the remedies available to it in connection with an Event of Default, the Lender shall not be liable for (i) the Borrower's or the Project Owner's construction of or failure to construct, complete or protect the Development Work, (ii) the payment of any expense incurred by the Lender for the construction or completion of the Development Work undertaken by the Borrower or the Project Owner, or (iii) the performance or non−performance of any other obligation of the Borrower.

(c) All remedies of the Lender provided for herein and in any other Loan Documents are cumulative and shall be in addition to all other rights and remedies provided by law or in equity. The exercise of any right or remedy by the Lender hereunder shall not in any way constitute a cure or waiver of default hereunder or under any other Loan Document or invalidate any act done pursuant to any notice of default, or prejudice the Lender in the exercise of any of its rights hereunder or under any other Loan Document. If the Lender exercises any of the rights or

remedies provided in this Article VIII, that exercise shall not make the Lender, or cause the Lender to be deemed to be, a partner or joint venturer of the Borrower. No disbursement of Loan funds by the Lender shall cure any default of the Borrower, unless the Lender agrees otherwise in writing in each instance.

(d) Upon the occurrence of any Event of Default, all of the Borrower' s obligations under the Loan Documents may become immediately due and payable without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, at the Lender's option, exercisable in its sole discretion. If such acceleration occurs, the Lender may apply the undisbursed Loan funds to the obligations of the Borrower under the Loan Documents, in any order and proportions that the Lender in its sole discretion may choose.

Section 8.3 Application of Proceeds During an Event of Default

Notwithstanding anything in the Loan Documents to the contrary, while an Event of Default exists, any cash received and retained by Lender in connection with the collateral securing the Loan may be applied to payment of the Borrower's obligations under the Loan Documents as Lender in its discretion may determine.

Section 8.4 Uniform Commercial Code Remedies; Sale; Assembly of Collateral

(a) UCC Remedies; Sale of Collateral. Lender shall have all of the rights and remedies of a secured party under the Uniform Commercial Code of the State of Arizona and all other rights and remedies accorded to a Secured Party at equity or law. Any notice of sale or other disposition of the Collateral given not less than 10 Business Days prior to such proposed action in connection with the exercise of Lender's rights and remedies shall constitute reasonable and fair notice of such action. Lender may postpone or adjourn any such sale from time to time by announcement at the time and place of sale stated on the notice of sale or by announcement of any adjourned sale, without being required to give a further notice of sale. Any such sale may be for cash or, unless prohibited by applicable law, upon such credit or installment as Lender may determine. Borrower shall be credited with the net proceeds of such sale only when such proceeds are actually received by Lender in good current funds. Despite the consummation of any such sale, Borrower shall remain liable for any deficiency on the Borrower's obligations under the Loan Documents which remains outstanding following such sale. All net proceeds recovered pursuant to a sale shall be applied in accordance with the provisions of Section 8.5.

(b) Lender's Right to Execute Conveyances. Lender may, in the name of Borrower or in its own name, make and execute all conveyances, assignments and transfers of the Collateral sold in connection with the exercise of Lender's rights and remedies; and Lender is hereby appointed Borrower's attorney−in−fact for this purpose.

(c) Obligation to Assemble Collateral. Upon request of Lender when an Event of Default exists, Borrower shall assemble the Collateral and make it available to Lender at a time and place designated by Lender, if it is not already in Lender's possession.

Section 8.5 Application of UCC Sale Proceeds

Should Lender exercise the rights and remedies specified in Section 8.4, unless otherwise required by applicable law, any proceeds received thereby shall be first applied to pay the costs and expenses, including reasonable attorneys' fees, incurred by Lender as a result of the Event of Default. The remainder of any proceeds, net of Lender's costs and expenses shall be applied to the satisfaction of the obligations under the Loan Documents as Lender in its discretion may determine until fully satisfied with any excess paid over to Borrower

Section 8.6 Authorization to Apply Assets to Payment of Loan

The Borrower hereby authorizes the Lender, following the occurrence of an Event of Default, without notice or demand, to apply any property, balances, credits, accounts or moneys of the Borrower or any Affiliate of the Borrower then in the possession of the Lender, or standing to the credit of the Borrower or any Affiliate of the Borrower, to the payment of the Loan.

ARTICLE IX MISCELLANEOUS

Section 9.1 Successors and Assigns; No Assignment by the Borrower

The provisions of this Loan Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that the Borrower may not assign or transfer any of its rights or obligations under this Loan Agreement or any of the other Loan Documents without the prior written consent of the Lender.

Section 9.2 Notices

(a) All notices, requests and demands to be made hereunder to the parties hereto must be in writing (at the addresses set forth below) and may be given by any of the following means:

(1) personal delivery;

(2) reputable overnight courier service;

(3) electronic communication, whether by telex, telegram or telecopying (if confirmed in writing sent by registered or certified, first class mail, return receipt requested); or

(4) registered or certified, first class mail, return receipt requested.

Any notice, demand or request sent pursuant to the terms of this Loan Agreement will be deemed received (i) if sent pursuant subsection (1), upon such personal delivery, (ii) if sent pursuant to subsection (2), on the next Business Day following delivery to the courier service, (iii) if sent pursuant to subsection (3), upon dispatch if such dispatch occurs between the hours of 9:00 a.m. and 5:00 p.m. (recipient's time zone) on a Business Day, and if such dispatch occurs other than during such hours, on the next Business Day following dispatch and (iv) if sent pursuant to subsection (4), 3 days following deposit in the mail.

The addresses for notices are as follows:

To the Lender:	Residential Funding Corporation 2415 E. Camelback Rd. Suite 700 Phoenix, AZ 85016 Attention: Managing Director Resort Finance Telephone No.: (602) 912-8504 Telecopier No.: (602) 912-8506
With a copy to:	Residential Funding Corporation 8400 Normandale Lake Boulevard, Suite 250 Minneapolis, Minnesota 55437 Attention: Chief Counsel

	Telephone No.: (952) 857-6911 Telecopier No.: (952) 857-6949
To the Borrower:	Bluegreen Corporation 4960 Conference Way North, Suite 100 Boca Raton, Florida 33431 Attention: John F. Chiste Telephone No.: (561) 912-8010 Telecopier No.: (561) 912-8123
With courtesy copies to:	Bluegreen Corporation 4960 Conference Way North, Suite 100 Boca Raton, FL 33431 Attention: Randi Tompkins Telephone No.: (561) 912-8012 Telecopier No.: (561) 912-8299

(b) The failure to provide courtesy copies will not affect or impair the Lender's rights and remedies against the Borrower. Such addresses may be changed by notice to the other parties given in the same manner as provided above.

(c) Notwithstanding the foregoing, all requests for disbursements of the Loan pursuant to Article II above will be deemed received only upon actual receipt, and such requests for disbursement must be given only to the Lender's primary addressee.

Section 9.3 Borrower's Representative

The Borrower hereby designates the following natural persons as its representatives and the representative of Guarantor, if any, for purposes of (i) making all decisions with respect to the Loan, the Projects and the Loan Documents, (ii) delivering all notices, certificates, Draw Request

Certifications, requests and other documents required by the terms of the Loan Documents or requested by the Borrower or any Guarantor in connection with the Loan and (iii) taking all other actions requested by the Borrower or any Guarantor in connection with the Loan, the Projects and the Loan Documents:

John F. Chiste, Senior Vice President
Bluegreen Corporation
4960 Conference Way North
Suite 100
Boca Raton, Florida 33431
Telephone No.: (561) 912-8010
Telecopier No.: (561) 912-8123
Allan J. Herz, Vice President
Bluegreen Corporation
4960 Conference Way North
Suite 100
Boca Raton, FL 33431
Telephone No.: (561) 912-8210
Telecopier No.: (561) 912-7915

In taking action pursuant to the terms of this Loan Agreement and the other Loan Documents, the Lender shall be entitled to rely, without further investigation, upon any notice, certificate, Draw Request Certification, request or other document delivered in writing and executed or signed by such representative of the Borrower and any Guarantor. In addition, the Lender may, at its option, refuse to take action in the event a notice, certificate, Draw Request Certification, request or other document is delivered to Lender which has not been executed or delivered by such representative of the Borrower and the Lender.

Section 9.4 Changes, Waivers, Discharge and Modifications in Writing

No provision of this Loan Agreement or any of the other Loan Documents may be changed, waived, discharged or modified except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or modification is sought.

Section 9.5 No Waiver; Remedies Cumulative

No disbursement of proceeds of the Loan will constitute a waiver of any conditions to the Lender's obligation to make further disbursements nor, in the event the Borrower is unable to satisfy any such conditions, will any such waiver have the effect of precluding the Lender from thereafter declaring such inability to constitute an Event of Default (however described) under this Loan Agreement or any other Loan Document. No failure or delay on the part of the Lender in the exercise of any power, right or privilege hereunder or under this Loan Agreement or any other Loan Document will impair such power, right or privilege or be construed to be a waiver of any Event of Default (however described) or acquiescence therein, nor will any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof, or of any other right, power or privilege. Except as specifically provided herein, all rights and remedies existing under this Loan Agreement and the other Loan Documents are cumulative to and not exclusive of any rights or remedies otherwise available.

Section 9.6 Costs, Expenses and Taxes

(a) The Borrower agrees to pay the costs, and all expenses incurred by the Lender in connection with the preparation, execution, delivery, administration, modification and amendment of this Loan Agreement, the other Loan Documents and any other documents to be delivered hereunder. The costs and expenses to be paid by the Borrower shall include, without limitation the following:

(1) the reasonable fees and out-of-pocket expenses of counsel for the Lender, including in-house counsel to the Lender, with respect thereto and with respect to advising the Lender as to its rights and responsibilities under this Loan Agreement and the other Loan Documents;

(2) any and all stamp and other taxes payable or determined to be payable in connection with the execution and delivery of this Loan Agreement, the other Loan Documents and the other documents to be delivered hereunder;

(3) the fees, costs and expenses of any Appraisers retained by the Lender;

(4) the fees, costs and expenses of any Inspectors retained by the Lender;

(5) the costs associated with the issuance of the Title Policy and the date-down endorsements required by the terms of Section 3.3(c);

(6) any and all reasonable travel expenses of Lender's employees in relation to the Loan; and

(7) any and all other costs and expenses incurred by Lender.

(b) The Borrower further agrees to pay all costs and expenses of the Lender, including, without limitation, reasonable counsel fees and expenses, court costs and all litigation expenses, (including, but not limited to, reasonable expert witness fees, document copying expenses, exhibit preparation, courier expenses, postage expenses and communication expenses) in connection with the enforcement of this Loan Agreement, the other Loan Documents and any other documents delivered hereunder, including, without limitation, costs and expenses incurred in connection with any bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceeding, or any refinancing or restructuring in the nature of a "workout" of the Loan Documents and any other documents delivered by the Borrower and any Guarantor related thereto.

(c) Payment from the Borrower of amounts due pursuant to this Section 9.6 will be due 10 Business Days after it has received from the Lender written notice of the nature of the item for which payment is required and the amount due.

Section 9.7 Disclaimer by the Lender; No Joint Venture

The Borrower acknowledges, understands and agrees as follows:

(1) The relationship between the Borrower and the Lender is, and will at all times remain, solely that of borrower and lender, and the Lender neither undertakes nor assumes any responsibility for or duty to the Borrower, any Guarantor or any Affiliate to select, review, inspect, supervise, pass judgment upon or inform the Borrower of the quality, adequacy or suitability of any matter or thing submitted to the Lender for its approval.

(2) The Lender owes no duty of care to protect the Borrower, any Guarantor or any Affiliate or any other Person against negligent, faulty, inadequate or defective building or construction.

(3) The Borrower is not and will not be an agent of the Lender for any purpose. The Lender is not a joint venture partner with the Borrower in any manner whatsoever. Approvals granted by the Lender for any matters covered under this Loan Agreement are to be narrowly construed to cover only the parties and facts identified in any such approval.

Section 9.8 Indemnification

In addition to the separate and independent Environmental Indemnity, the Borrower agrees to protect, indemnify, defend and hold harmless each Indemnified Party from and against any and all claims, damages, losses, liabilities, obligations, penalties, actions, judgments, suits, costs, disbursements and expenses (including, without limitation, reasonable fees and expenses of counsel and consultants and allocated costs of internal counsel (but not in duplication

of outside third party legal fees)) that may be incurred by or asserted against any Indemnified Party, in each case arising out of or in connection with or related to any of the following:

(1) the Loan, this Loan Agreement or any other Loan Document;

(2) any Project;

(3) the use of funds disbursed under the Loan Documents; or

(4) the failure of the Borrower, any Guarantor or any other party to the Loan Documents (other than the Lender) to comply fully with any and all laws applicable to it;

whether or not an Indemnified Party is a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such claims, damages, losses, liabilities, obligations, penalties, actions, judgments, suits, costs, obligations, penalties, disbursements and expenses are found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Party. Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 9.8 will survive the termination of this Loan Agreement and the other Loan Documents and the payment in full of the Loan.

Section 9.9 Consultants

The Borrower will pay any and all valid claims of any consultants, advisors, brokers or agents whom it has retained or with whom it has initiated contact with respect to the Loan who claims a right to any fees in connection with the Loan, and will indemnify, defend and hold the Lender harmless from such claims, whether or not they are valid.

Section 9.10 Titles and Headings

The titles and headings of sections of this Loan Agreement are intended for convenience only and are not in any way to affect the meaning or construction of any provision of this Loan Agreement.

Section 9.11 Counterparts

This Loan Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which will constitute one and the same agreement with the same effect as if all parties had signed the same signature page.

Section 9.12 The Lender's Rights with Respect to Loan

Notwithstanding any provision to the contrary contained in this Loan Agreement or any other Loan Document, the Lender may at any time sell, assign, grant or transfer to any Person all or a portion of its interest in or rights with respect to the Loan and in all or part of the obligations of the Borrower and any other obligated party under the Loan Documents. Lender agrees to use its best efforts to retain the servicing of the Loan.

Section 9.13 Confidentiality

The Borrower and the Lender shall mutually agree on the contents of any press release, public announcement or other public disclosure regarding this Loan Agreement and the transactions contemplated hereunder to be made following the mutual execution and delivery of this Loan Agreement; provided that the Lender may disclose the terms hereof and give copies of the Loan Documents to assignees and participants and to prospective assignees and participants. If either party fails to respond to the other party in writing with either an approval or a disapproval within 5 Business Days of a party's receipt of the other party's request for consent or approval as expressly contemplated pursuant to this Section 9.13, then such consent or approval will be deemed to have been given, provided that such 5 Business Day period will not commence to run unless and until the other party has received all information, materials, documents and other matters required to be submitted to it hereunder with respect to such consent or approval and all other information, materials, documents and other matters reasonably essential to its decision process.

Section 9.14 Time is of the Essence

Time is of the essence of this Loan Agreement.

Section 9.15 No Third Parties Benefited

This Loan Agreement is made and entered into for the sole protection and legal benefit of the Borrower, the Guarantor, if any, and the Lender and their permitted successors and assigns, and no other Person will be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with this Loan Agreement or any of the other Loan Documents. The Lender will not have any obligation to any Person not a party to this Loan Agreement or the other Loan Documents.

Section 9.16 Severability

The illegality or unenforceability of any provision of this Loan Agreement or any instrument or agreement required hereunder will not in any way affect or impair the legality or enforceability of the remaining provisions of this Loan Agreement or any instrument or agreement required hereunder.

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Section 9.17 FORUM SELECTION; JURISDICTION; CHOICE OF LAW

BORROWER ACKNOWLEDGES THAT THIS LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS WERE SUBSTANTIALLY NEGOTIATED IN THE STATE OF ARIZONA, THIS LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS WERE DELIVERED BY BORROWER INTO THE STATE OF ARIZONA, EXECUTED BY LENDER IN THE STATE OF ARIZONA AND ACCEPTED BY LENDER IN THE STATE OF ARIZONA AND THAT THERE ARE SUBSTANTIAL CONTACTS BETWEEN THE PARTIES AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THE STATE OF ARIZONA. FOR PURPOSES OF ANY ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, THE PARTIES HERETO HEREBY EXPRESSLY SUBMIT TO THE JURISDICTION OF ALL FEDERAL AND STATE COURTS LOCATED IN MARICOPA COUNTY, ARIZONA AND BORROWER CONSENTS THAT IT MAY BE SERVED WITH ANY PROCESS OR PAPER BY REGISTERED MAIL OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ARIZONA IN ACCORDANCE WITH APPLICABLE LAW. FURTHERMORE, BORROWER WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE ACTION, SUIT OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR THAT VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. IT IS THE INTENT OF THE PARTIES HERETO THAT ALL PROVISIONS OF THIS LOAN AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT THAT A COURT OF COMPETENT JURISDICTION FINDS ARIZONA LAW INAPPLICABLE WITH RESPECT TO ANY PROVISIONS OF THIS LOAN AGREEMENT OR THE NOTE, THEN, AS TO THOSE PROVISIONS ONLY, THE LAWS OF THE STATES WHERE THE COLLATERAL IS LOCATED SHALL BE DEEMED TO APPLY. NOTHING IN THIS SECTION SHALL LIMIT OR RESTRICT THE RIGHT OF LENDER TO COMMENCE ANY PROCEEDING IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATES IN WHICH THE COLLATERAL IS LOCATED TO THE EXTENT LENDER DEEMS SUCH PROCEEDING NECESSARY OR ADVISABLE TO EXERCISE REMEDIES AVAILABLE UNDER THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

Section 9.18 WAIVER OF JURY TRIAL

WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS LOAN AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF.

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BORROWER AND LENDER HEREBY AGREE THAT THIS LOAN AGREEMENT CONSTITUTES A WRITTEN CONSENT TO WAIVER OF TRIAL BY JURY PURSUANT TO THE PROVISIONS OF ALL APPLICABLE LAWS AND BORROWER DOES HEREBY CONSTITUTE AND APPOINT LENDER ITS TRUE AND LAWFUL ATTORNEY-IN-FACT, WHICH APPOINTMENT IS COUPLED WITH AN INTEREST. BORROWER DOES HEREBY AUTHORIZE AND EMPOWER LENDER, IN THE NAME, PLACE AND STEAD OF BORROWER, TO FILE THIS LOAN AGREEMENT WITH THE CLERK OR JUDGE OF ANY COURT OF COMPETENT JURISDICTION AS A STATUTORY WRITTEN CONSENT TO WAIVER OF TRIAL BY JURY.

Initials: Lender: _____

Borrower: _____ _____ _____ _____

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Section 9.19 Interpretation

This Loan Agreement and the other Loan Documents will not be construed against the Lender merely because of the Lender's involvement in the preparation of such documents and agreements.

Section 9.20 Destruction of Note

In the event the Note is mutilated or destroyed by any cause whatsoever, or otherwise lost or stolen and regardless of whether due to the act or neglect of the Lender, the Borrower will execute and deliver to the Lender in substitution therefor a duplicate promissory note containing the same terms and conditions as the Note, within 10 days after the Lender notifies the Borrower of any such mutilation, destruction, loss or theft of the Note. Upon the Borrower's delivery of such duplicate promissory note, the Borrower will be relieved of all obligations under the original Note and will thereafter be bound solely by the provisions of such duplicate promissory note.

Section 9.21 Cross-Collateralization of Loans.

The collateral securing the Loan shall also secure the Receivables Loan. All of the collateral securing the Receivables Loan as provided for in the Receivables Loan Documents shall secure the Loan and the Receivables Loan. Notwithstanding the foregoing, or anything to the contrary in any of the Loan Documents, provided no Event of Default exists, Lender agrees to deliver the Unit releases in accordance with Section 7.4 and to release the applicable Project Security Instruments upon repayment in full of the related Project Loan whether or not the Receivables Loan is paid in full.

Section 9.22 Entire Agreement

This Loan Agreement, together with the other Loan Documents, embodies the entire agreement and understanding among the Borrower, the Guarantor, if any, and the Lender and supersedes all prior or contemporaneous agreements and understandings of such persons, verbal

or written, relating to the subject matter hereof and thereof except for any prior arrangements made with respect to the payment by the Borrower of (or any indemnification for) any fees, costs or expenses payable to or incurred (or to be incurred) by or on behalf of the Lender.

IN WITNESS WHEREOF, the Lender and the Borrower have caused this Loan Agreement to be duly executed and delivered as of the date first above written.

BORROWER:

BLUEGREEN VACATIONS UNLIMITED, INC.,
a Florida corporation

By: /s/ JOHN F. CHISTE
_____

Printed Name: John F. Chiste

Title: Treasurer

LENDER:

RESIDENTIAL FUNDING CORPORATION,
a Delaware corporation

By: /s/ JEFF OWINGS

Printed Name: Jeff Owings

Title: Managing Director

REVOLVING PROMISSORY NOTE

(AD&C Loan)

Phoenix, Arizona
$15,000,000.00 February 10, 2003

FOR VALUE RECEIVED, BLUEGREEN VACATIONS UNLIMITED, INC., a Florida corporation ("Borrower"), promises unconditionally to pay to the order of RESIDENTIAL FUNDING CORPORATION, a Delaware corporation ("Holder"), in lawful money of the United States of America, in immediately available funds, the principal sum of Fifteen Million and No/100 Dollars ($15,000,000.00), or the portion of such principal amount outstanding from time to time, together with interest on such unpaid principal balance, as more fully provided below.

This Revolving Promissory Note (this "Note") is executed pursuant to a Loan Agreement dated as of even date herewith between Borrower and Holder (together with any and all extensions, renewals, modifications and restatements thereof, the "Loan Agreement") and evidences advances under a revolving acquisition, development and construction loan (the "Loan").

Section 1 Definitions

As used herein, the term "Holder" shall mean Holder and any subsequent holder of this Note, whichever is applicable from time to time. Initially capitalized terms used herein without definition shall have the meanings set forth in the Loan Agreement. The Loan Agreement and all other documents now or hereafter executed in connection with the Loan are collectively referred to herein as the "Loan Documents."

Section 2 Interest

(a) Except as otherwise provided herein, interest shall be computed and shall accrue at a variable interest rate per annum equal to LIBOR plus 4.75%, adjusted monthly on the first Business Day of each calendar month. As used herein, "LIBOR" means the average of interbank offered rates for 30-day dollar deposits in the London market based on quotations of five major banks, as published from time to time in The Wall Street Journal. In the event that The Wall Street Journal ceases to be published or ceases to publish such a compilation of interbank offered rates, the Borrower and the Lender will agree on a substitute source and method of determining the interest rate generally known as the one-month (or 30-day) LIBOR rate.

(b) Interest shall be computed on the outstanding principal balance of the Loan on the basis of the actual number of days elapsed during the period for which interest is being charged predicated on a year consisting of three hundred sixty five (365) days.

Section 3 Principal and Interest Payments

(a) Borrower shall make the principal payments required by Section 2.8 of the Loan Agreement.

(b) On or before the 5th Business Day of each month, commencing with the first month after the Holder has made a disbursement pursuant to the terms of the Loan Agreement, the Holder shall send to Borrower a statement setting forth the amount of interest due for the previous month. Borrower shall pay the interest due for the previous month on or before the 15th calendar day of the month in which it has received the Holder's statement of interest due.

(c) If any payment of interest or principal to be made by Borrower shall become due on a day other than a Business Day, such payment will be made on the next succeeding Business Day and such extension of time shall be included in computing any interest with respect to such payment.

Section 4 Maturity Date

The unpaid principal balance hereof, together with all unpaid interest accrued thereon, and all other amounts payable by Borrower under the terms of the Loan Documents shall be due and payable on the first to occur (the "Maturity Date") of (i) the date which is 6 years after the date of this Note, or (ii) the date on which this Note is required to be repaid pursuant to the Loan Agreement, including, without limitation, Section 8.2 of the Loan Agreement. If the Maturity Date should fall on a day other than a Business Day, payment of the outstanding principal and all unpaid interest due under the terms hereof shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

Section 5 Prepayment

Except as provided in the Loan Agreement, Borrower shall have the option to prepay a Project Loan in full but not in part upon 30 days prior written notice to the Holder. No Prepayment Premium or other penalty shall be required for prepayments of any Project Loan.

Section 6 Manner of Payment

Principal and interest are payable in lawful money of the United States of America. Payments shall be made in the manner prescribed in Section 2.11 of the Loan Agreement or in accordance with such other instructions that Holder may from time to time designate in writing.

Section 7 Applications of Payments; Late Charges

(a) Payments received by Holder pursuant to the terms hereof shall be applied in the manner required by Section 2.12 of the Loan Agreement.

(b) If any installment of interest and/or the payment of principal is not received by Holder within 5 Business Days after the due date thereof, then in addition to the remedies conferred upon Holder pursuant to Section 8 hereof and the other Loan Documents, the Holder

may elect to assess a late charge of 4% of the amount of the installment due and unpaid, which such late charge will be added to the delinquent amount to compensate Holder for the expense of handling the delinquency. Borrower and Holder agree that such late charge represents a good faith and fair and reasonable estimate of the probable cost to Holder of such delinquency. Borrower acknowledges that during the time that any such amount shall be in default, Holder will incur losses which are impracticable, costly and inconvenient to ascertain and that such late charge represents a reasonable sum considering all of the circumstances existing on the date of the execution of this Note and represents a reasonable estimate of the losses Holder will incur by reason of late payment. Borrower further agrees that proof of actual losses would be costly, inconvenient, impracticable and extremely difficult to fix. Acceptance of such late charge shall not constitute a waiver of the default with respect to the overdue installment, and shall not prevent Holder from exercising any of the other rights and remedies available hereunder.

Section 8 Remedies

Upon the occurrence of an Event of Default and without demand or notice, Holder shall have the option to declare the entire balance of principal together with all accrued interest thereon immediately due and payable and to exercise all rights and remedies available to it under the Loan Agreement and all other Loan Documents. Upon the occurrence of an Event of Default (and so long as such Event of Default shall continue), the entire balance of principal together with all accrued interest thereon shall bear interest at the Interest Rate plus 2% (the "Default Rate"). No delay or omission on the part of Holder hereof in exercising any right under this Note or under any of the Loan Documents shall operate as a waiver of such right. The application of the Default Rate shall not be interpreted or deemed to extend any cure period set forth in any Loan Document or otherwise limit in any way any of Holder's remedies hereunder or

thereunder.

Section 9 Waiver

Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note and expressly agrees that, without in any way affecting the liability of Borrower hereunder, Holder may extend the Maturity Date or the time for payment of any installment due hereunder, accept security, release any party liable hereunder and release any security hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, any other Loan Document or on any Deed of Trust, security agreement or other agreement now or hereafter securing this Note.

Section 10 Attorneys' Fees

If this Note is not paid when due or if any Event of Default occurs, Borrower promises to pay all costs of enforcement and collection, including, but not limited to, Holder's reasonable attorneys' fees, whether or not any action or proceeding is brought to enforce the provisions hereof, including, without limitation, any action or proceeding in connection with any bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceeding.

Section 11 Severability

Every provision of this Note is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

Section 12 Interest Rate Limitation

The provisions of this Note, the Loan Agreement and the other Loan Documents are hereby expressly limited so that in no contingency or event whatever shall the amount paid or agreed to be paid to Holder for the use, forbearance or detention of the sums evidenced by this Note exceed the maximum amount permissible under applicable law. If from any circumstance whatever the performance or fulfillment of any provision of this Note, the Loan Agreement or of any other Loan Document should involve or purport to require any payment in excess of the limit prescribed by law, then the obligation to be performed or fulfilled is hereby reduced to the limit of such validity. In addition, if, from any circumstance whatever, Holder should ever receive as interest an amount which would exceed the highest lawful rate under applicable law, then the amount which would be excessive interest shall be applied as an optional reduction of principal in accordance with the terms of Section 3 of this Note and the provisions of the Loan Agreement (or, at Holder's option, be paid over to Borrower), and will not be counted as interest.

Section 13 Headings

Headings at the beginning of each numbered section of this Note are intended solely for convenience and are not to be deemed or construed to be a part of this Note.

Section 14 Time is of the Essence

Time is of the essence with respect to all obligations under this Note.

Section 15 Successors

All of the rights, privileges and obligations hereof shall inure to the benefit of and shall be binding upon Lender and Borrower and any successors and permitted assigns, if applicable.

Section 16 CHOICE OF LAW; JURISDICTION AND VENUE

BORROWER ACKNOWLEDGES THAT THIS NOTE WAS SUBSTANTIALLY NEGOTIATED IN THE STATE OF ARIZONA, DELIVERED BY BORROWER IN THE STATE OF ARIZONA AND ACCEPTED BY HOLDER IN THE STATE OF ARIZONA AND THAT THERE ARE SUBSTANTIAL CONTACTS BETWEEN THE PARTIES AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THE STATE OF ARIZONA.

FOR PURPOSES OF ANY ACTION OR PROCEEDING ARISING OUT OF THIS NOTE OR ANY OF THE OTHER LOAN DOCUMENTS, BORROWER HEREBY EXPRESSLY SUBMITS TO THE JURISDICTION OF ALL FEDERAL AND STATE COURTS LOCATED IN MARICOPA COUNTY, ARIZONA AND BORROWER CONSENTS THAT IT MAY BE SERVED WITH ANY PROCESS OR PAPER BY

REGISTERED MAIL OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ARIZONA IN ACCORDANCE WITH APPLICABLE LAW. FURTHERMORE, BORROWER WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE ACTION, SUIT OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR THAT VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. IT IS THE INTENT OF THE PARTIES HERETO THAT ALL PROVISIONS OF THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OF CONFLICTS OF LAW. NOTHING IN THIS SECTION SHALL LIMIT OR RESTRICT THE RIGHT OF HOLDER TO COMMENCE ANY PROCEEDING IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATES IN WHICH THE COLLATERAL SECURING THE LOAN IS LOCATED TO THE EXTENT HOLDER DEEMS SUCH PROCEEDING NECESSARY OR ADVISABLE TO EXERCISE REMEDIES AVAILABLE UNDER THIS NOTE OR THE OTHER LOAN DOCUMENTS.

IN WITNESS WHEREOF, the undersigned has caused this Note to be duly executed and delivered as of the date first set forth above.

BORROWER:

BLUEGREEN VACATIONS UNLIMITED, INC., a Florida corporation

By: /S/ JOHN F. CHISTE
_____

Printed Name: John F. Chiste
_____

Its: Treasurer
_____

Federal ID #:
_____

EXHIBIT 10.157

LOAN AND SECURITY AGREEMENT

between

RESIDENTIAL FUNDING CORPORATION,
a Delaware corporation

("Lender")

and

BLUEGREEN CORPORATION,
a Massachusetts corporation

BLUEGREEN VACATIONS UNLIMITED, INC.,
a Florida corporation

BLUEGREEN/BIG CEDAR VACATIONS, LLC,
a Delaware limited liability company

("Borrower")

$50,000,000
Amount of Loan

February 10, 2003
Date

RESORT FINANCE

TABLE OF CONTENTS

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "Loan Agreement") is made as of February __, 2003 by and between BLUEGREEN CORPORATION, a Massachusetts corporation, BLUEGREEN VACATIONS UNLIMITED, INC., a Florida corporation and BLUEGREEN/BIG CEDAR VACATIONS, LLC, a Delaware limited liability company (collectively, the "Borrower") and RESIDENTIAL FUNDING CORPORATION, a Delaware corporation (the "Lender").

RECITALS:

A. The Borrower has applied to the Lender for a revolving receivables loan in the maximum principal amount of $50,000,000 (the "Loan") to be secured by time-share receivables assigned to Lender from time to time.

B. The Lender is willing to make the Loan upon and subject to the terms and conditions set forth in this Loan Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the covenants and conditions herein contained, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Certain Defined Terms

As used herein (including any Exhibits attached hereto), the following terms shall have the meanings set forth below (unless expressly stated to the contrary):

"A&D Loan" means the revolving acquisition, development and construction loan made by Lender to Borrower's Affiliates in the maximum principal amount of $15,000,000 pursuant to the terms and conditions of the A&D Loan Agreement.

"A&D Loan Agreement" means that certain Loan Agreement entered into between Lender and Borrower's Affiliates dated as of the Effective Date whereby Lender agreed to make the A&D Loan to Borrower's Affiliates, as it may be from time to time renewed, amended, restated or replaced.

"A&D Loan Documents" means the A&D Loan Agreement and the other documents executed in connection with the A&D Loan to evidence and secure such loan, as they may be from time to time renewed, amended, restated or replaced.

"Advance" means any advance of the proceeds of the Loan by Lender to Borrower in accordance with the terms and conditions of this Loan Agreement, including any New Collateral Advance or Availability Advance.

"Advance Period" means the period commencing on the Effective Date and ending on the close of the Business Day (or if not a Business Day, the first Business Day thereafter) on the date falling on the earlier of (i) 30 months from the Effective Date or (ii) 24 months from the date of the initial Advance.

"Affiliate" means a Person that, directly or indirectly, controls, is controlled by, or is under common control with, a referenced Person.

"Agents" mean the Servicing Agent, the Lockbox Agent and the Custodial Agent.

"Articles of Organization" means the charter, articles, operating agreement, joint venture agreement, partnership agreement, by-laws and any other written documents evidencing the formation, organization, governance and continuing existence of an entity.

"Assignment" means a written assignment of specific Instruments and their proceeds, executed by Borrower substantially in the form and substance of Exhibit G attached to the Loan Agreement.

"Availability Advance" means an Advance that Borrower may request against Eligible Instruments that are currently assigned to Lender and have been previously advanced against under the terms of this Loan Agreement.

"Big Cedar Wilderness Club Condominium Project" means that certain condominium project known as Big Cedar Wilderness Club Condominium Project located at 612 Devil's Pool Road, Ridgedale, MO 65739 currently consisting of 126 Units, as may

be subsequently expanded.

"Bluegreen/Big Cedar" means Bluegreen/Big Cedar Vacations, LLC, a Delaware limited liability company.

"Bluegreen Corporation" means Bluegreen Corporation, a Massachusetts corporation.

"Borrower" means the individual or business organization signing the Loan Agreement as "Borrower"; and, subject to the restrictions on assignment and transfer contained in this Loan Agreement, its successors and assigns.

"Borrowing Base" with respect to an Eligible Instrument, means an amount equal to 90% of the unpaid principal balance of such Eligible Instrument.

"Borrowing Base Shortfall" means, at any time, the amount by which the unpaid principal balance of the Loan exceeds the aggregate Borrowing Base of all Eligible Instruments assigned to Lender.

"Business Day" means any day other than Saturday, Sunday, or a day on which national banks are legally closed for business in Minnesota, Illinois or Arizona.

"Collateral" means (i) the Instruments which are now or hereafter assigned, endorsed or delivered to Lender pursuant to this Loan Agreement or against which an Advance has been made; (ii) all rights under all documents evidencing, securing or otherwise pertaining to such Instruments, including, without limitation, Purchaser Mortgages, Purchase Contracts, Title Policies (Collateral) and escrow agreements (which rights shall include, but not be limited to the Owner Beneficiary Rights (as defined in the Purchase Contracts) under the Trust Agreement; (iii) the Insurance Policies pertaining to the foregoing; (iv) all Borrower's rights under all escrow agreements and accounts pertaining to any of the foregoing, if any; (v) all files, books and records of Borrower pertaining to any of the foregoing; (vi) all rights of an Interest Holder Beneficiary (as defined in the Trust Agreement) pertaining to any of the foregoing, (vii) the cash and non−cash proceeds of all of the foregoing, including, without limitation (whether or not acquired with cash proceeds), all accounts, chattel paper, contract rights, documents, general intangibles, instruments, related to the foregoing and (viii) any and all other property now or hereafter serving as security for the obligations under the Loan Documents.

"Collateral Proceeds" means all proceeds of the Collateral, including, without limitation, all payments collected under the Instruments which constitute part of the Collateral.

"Custodial Agent" means U.S. Bank Trust National Association as the Custodial Agent, or its successor as Custodial Agent under the Custodial Agreement.

"Custodial Agreement" means an agreement dated as of the Effective Date among Lender, Borrower and Custodial Agent which provides for Custodial Agent to hold the Collateral, as a bailee, on behalf of Lender, as it may be from time to time renewed, amended, restated or replaced.

"Custodial Fee" means the fee payable in accordance with the Custodial Agreement with respect to each Instrument delivered to Lender or Custodial Agent.

"Debt" means, for any Person, without duplication, the sum of the following:

(1) indebtedness for borrowed money,

(2) obligations evidenced by bonds, debentures, notes or other similar instruments,

(3) obligations to pay the deferred purchase price of property or services,

(4) obligations as lessee under leases which have been or should be, in accordance with GAAP, recorded as capital leases,

(5) obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property,

(6) obligations of such Person to reimburse any bank or other Person in respect of amounts actually paid under a letter of credit or similar instrument,

(7) indebtedness or obligations of others secured by a lien on any asset of such Person, whether or not such indebtedness or obligations are assumed by such Person (to the extent of the value of the asset),

(8) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (1) through (7) above, and

(9) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA.

"Deeded Time−Share Interest" means a Time−Share Interest represented by a limited warranty deed issued by Bluegreen Vacations Unlimited, Inc. or Bluegreen/Big Cedar in the name of the Trustee.

"Default Rate" means 2% above the Interest Rate.

"Effective Date" means the date of this Loan Agreement.

"Eligible Instrument" means an Instrument which conforms to the standards set forth in Exhibit B attached to this Loan Agreement. An Instrument that has qualified as an Eligible Instrument shall cease to be an Eligible Instrument upon the date of the first occurrence of any of the following: (i) any installment due with respect to that Instrument becomes more than 89 days past due as of any calendar month end or (ii) that Instrument otherwise

fails to continue to conform to the standards set forth in Exhibit B attached to this Loan Agreement.

"Event of Default" means the occurrence, after any applicable grace period, of any of the events listed in Section 7.1.

"Force Majeure Event" means fire, flood, labor dispute, weather, governmental action or other cause beyond the reasonable control of the Borrower.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession prevalent in the United States of America.

"Guarantor" means any Person who executes a Guaranty with respect to the Loan or any portion thereof at any time after the Effective Date (as of the original closing date, there is no Guarantor of the Loan).

"Guaranty" means a primary, joint and several guaranty and subordination agreement made by a Guarantor, if applicable, with respect to all or any part of the Borrower's obligations under the Loan Documents, as it may be from time to time renewed, amended, restated or replaced.

"Hazardous Materials" means the following:

(1) any oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials or pollutants, exposure to which is prohibited, limited or regulated by any governmental authority pursuant to any Hazardous Materials Law;

(2) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million, exposure to which is prohibited, limited or regulated by any governmental authority pursuant to any Hazardous Materials Law;

(3) any chemical, material or substance defined as or included in

the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", or "toxic substances" or words of similar import under any Hazardous Material Laws; and

(4) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority pursuant to any Hazardous Materials Law.

"Hazardous Materials Laws" means any federal, state or local laws, ordinances and the regulations, policies or publications promulgated pursuant thereto relating to (i) the environment, (ii) health and safety, (iii) any Hazardous Materials (including, without limitation, the use,

handling, transportation, production, disposal, discharge or storage thereof), (iv) industrial hygiene or (v) environmental conditions on, under or about property, including, without limitation, soil and groundwater conditions; including, but not limited to: the Clean Air Act, as amended, 42 U.S.C. Section 7401, et seq.; the Clean Water Act, 33 U.S.C. Section 1251, et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. Section 11001, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 5101, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; the Safe Drinking Water Act, 42 U.S.C. Sections 300f to 300j; the Solid Waste Disposal Act, 42 U.S.C. Section 3251, et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq.; the Occupational Safety and Health Act, 29 U.S.C. ss. 651 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. ss.ss. 136 et seq.; the Endangered Species Act, 16 U.S.C. ss.ss. 1531 et seq. and the National Environmental Policy Act, 42 U.S.C. ss. 4321 et seq.

"Hazardous Substances Remediation and Indemnification Agreement" means a hazardous substances remediation and indemnification agreement dated as of the Effective Date executed and delivered to Lender by Borrower and such other persons as Lender may require and containing representations, warranties and covenants regarding the environmental condition of each Time-Share Project and the Collateral, as it may be from time to time renewed, amended, restated or replaced.

"Indemnified Party" means the Lender and any Affiliate of Lender and any successors or assigns of Lender or any such Affiliate and each of their officers, directors, employees, agents, attorneys, consultants and advisors.

"Instrument" means a purchase money promissory note which has arisen out of a sale of a Time-Share Interest by Borrower to a Purchaser, is made payable by such Purchaser to Borrower, and is secured by a Purchaser Mortgage.

"Insurance Policies" means the insurance policies that Borrower is required to maintain and deliver pursuant to Section 6.4.

"Interest Rate" means the variable interest rate per annum equal to LIBOR plus 4%, adjusted monthly on the first Business Day of each calendar month.

"Laws and Regulations" shall mean (i) all laws, regulations, orders, codes, ordinances, rules, statutes and policies of all local, regional, county, state and federal governmental authorities having jurisdiction over Borrower, the Collateral, a Time-Share Project or the sale of Time-Share Interests and (ii) all restrictive covenants and other title encumbrances, permits and approvals, contracts, leases and other rental agreements which in any case relate to the development, occupancy, ownership, management, use, and/or operation of a Time-Share Project or the sale of Time-Share Interests.

"Lender" means Residential Funding Corporation, a Delaware corporation, and its successors and assigns.

"LIBOR" means the average of interbank offered rates for 30−day dollar deposits in the London market based on quotations of five major banks, as published from time to time in The Wall Street Journal. In the event that The Wall Street Journal ceases to be published or ceases to publish such a compilation of interbank offered rates, the Borrower and the Lender will agree on a substitute source and method of determining the interest rate generally known as the one−month (or 30−day) LIBOR rate.

"Loan" means the revolving line of credit loan made pursuant to Article 2.

"Loan Agreement" means this Loan and Security Agreement with any and all addendums and exhibits as they may be from time to time renewed, amended, restated or replaced.

"Loan Amount" means $50,000,000.

"Loan Documents" means this Loan Agreement, the Note, any and all Guaranties, any and all Subordination Agreements, the Lockbox Agreement, the Servicing Agreement, the Custodial Agreement, the Hazardous Substances Remediation and Indemnification Agreement, the Security Documents, and all other documents now or hereafter executed in connection with the Loan, as they may be from time to time renewed, amended, restated or replaced.

"Loan Fee" means a one−time fee equal to 3/4 of 1% of the Loan Amount, i.e. $375,000, which is required to be paid by Borrower on the dates set forth in Section 2.14.

"Lockbox Agent" means Fleet National Bank as the Lockbox Agent, or its successor as Lockbox agent under the Lockbox Agreement.

"Lockbox Agreement" means an agreement dated as of the Effective Date among Lender, Borrower and Lockbox Agent which provides for Lockbox Agent to collect through a lockbox payments under Instruments constituting part of the Collateral and to remit them to Lender, as it may be from time to time renewed, amended, restated or replaced.

"Material Adverse Change" means any material and adverse change in, or a change which has a material adverse effect upon, any of:

(1) the business, properties, operations or condition (financial or otherwise) of the Borrower or of any Guarantor, which, with the giving of notice or the passage of time, or both, could reasonably be expected to result in either (i) the Borrower or any Guarantor failing to comply with any of the financial covenants contained in Section 6.5 or (ii) the Borrower's or any Guarantor's inability to perform its or their respective obligations pursuant to the terms of the Loan Documents; or

(2) the legal or financial ability of the Borrower or any Guarantor to perform its or their respective obligations under the Loan Documents and to avoid any Potential Default or Event of Default; or

(3) the legality, validity, binding effect or enforceability against the Borrower or any Guarantor of any Loan Document.

"Maturity Date" means the first to occur of (i) the date which is 7 years from the expiration of the Advance Period, or (ii) the date on which the Loan is required to be repaid pursuant to the terms of this Loan Agreement.

"New Collateral Advance" means an Advance that Borrower may request against Eligible Instruments that are (i) being assigned to Lender in connection with the New Collateral Advance and (ii) have not been previously advanced against under the terms of this Loan Agreement.

"Net Worth" means (i) total assets, as would be reflected on a balance sheet prepared on a consolidated basis and in accordance with GAAP, consistently applied, exclusive of intellectual property, experimental or organization expenses, franchises, licenses, permits, and other intangible assets, treasury stock, unamortized underwriters' debt discount and expenses, and goodwill minus (ii) total liabilities, as would be reflected on a balance sheet prepared on a

consolidated basis and in accordance with GAAP consistently applied.

"Non-Utilization Fee" means a fee equal to .5% of the excess of (a) $35,000,000 over (b) the average calendar month-end aggregate outstanding balance of the Loan and the A&D Loan, which average shall be determined on the dates set forth in Section 2.11(c) and calculated over the period of time set forth in that section.

"Note" means the promissory note to be made and delivered by Borrower to Lender having a face amount equal to the Loan Amount, dated as of even date herewith, and made payable to Lender to evidence the Loan, as it may be from time to time renewed, amended, restated or replaced.

"Owner Beneficiary" means the Purchaser under the Purchase Contract who acquires Owner Beneficiary Rights with appurtenant Vacation Points.

"Owner Beneficiary Rights" means the beneficial rights provided to an Owner Beneficiary under the Trust Agreement, which right shall specifically include the rights of performance provided to Owner Beneficiaries by the Trustee, and shall specifically include the right of performance provided for in the Trust Agreement, which Owner Beneficiary Rights shall specifically include as an appurtenance thereto Vacation Points.

"Permitted Encumbrances" means, with respect to a Purchaser Mortgage, (i) real estate taxes and assessments not yet due and payable, (ii) exceptions to title which are approved in writing by the Lender (including such easements, dedications, covenants and such which Lender consents to in writing after the date of this Loan Agreement).

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Purchase Contract" means an owner beneficiary agreement pursuant to which Borrower has agreed to sell and a Purchaser has agreed to purchase a Time-Share Interest.

"Potential Default" means the existence of any event, which with the giving of notice, the passage of time, or both, would constitute an Event of Default hereunder or an event of default (however described) under any other of the Loan Documents.

"Purchaser" means a purchaser who has executed a Purchase Contract.

"Purchaser Mortgage" means the purchase money mortgage/deed of trust/deed to secure debt given to secure an Instrument.

"Resolution" means a resolution of a corporation certified as true and correct by an authorized officer of such corporation, a certificate signed by the manager of a limited liability company and such members whose approval is required, or a partnership certificate signed by all of the general partners of such partnership and such other partners whose approval is required.

"Required Time Share Approvals" means all approvals required from governmental agencies in order to sell Time-Share Interests and offer them for sale, including without limitation, a copy of the registrations/consents to sell, the final subdivision public reports/public offering statements and/or prospectuses and approvals thereof required to be issued by or used in the jurisdiction where the applicable Time-Share Project is located and other jurisdictions where Time-Share Interests have been offered for sale or sold.

"Security Documents" means the Assignments, this Loan Agreement and all other documents now or hereafter securing Borrower's obligations under the Loan Documents, as they may be from time to time renewed, amended, restated or replaced.

"Servicing Agent" means Bluegreen Corporation, or its successor as Servicing Agent under the Servicing Agreement.

"Servicing Agreement" means the agreement dated as of the Effective Date among Lender, Borrower and Servicing Agent, which provides for Servicing Agent to perform for the benefit of Lender accounting, reporting and other servicing

functions with respect to the Collateral, as it may be from time to time renewed, amended, restated or replaced.

"Servicing Report Reconciliation" means a written reconciliation from Borrower and Servicing Agent reconciling the difference between the payments actually received by Lockbox Agent during the subject month and the payments stated in the servicing report to have been made by the Purchasers under the Instruments assigned to Lender during the same month.

"Third Party Consents" means those consents which Lender requires Borrower to obtain, or which Borrower is contractually or legally obligated to obtain, from others in connection with the transaction contemplated by the Loan Documents.

"Time–Share Association" means the association established in accordance with the Time–Share Declaration to manage the Time–Share Program and in which all owners of Time–Share Interests will be members.

"Time–Share Declaration" means that declaration of covenants, conditions and restrictions which will be (or has been) executed by Borrower, will be (or has been) recorded in the real estate records

of the county where the Time–Share Project is located, and will (or has) establish(ed) the Time–Share Program.

"Time–Share Interest" means a timeshare estate comprised of a right to use and occupy a Unit each year or every other year in perpetuity coupled with a freehold estate or an estate for years acquired pursuant to a Purchase Contract, which the Purchaser thereof directs Bluegreen Vacations Unlimited, Inc. and Bluegreen/Big Cedar, if applicable, to immediately convey to the Trustee and the Trustee holds such timeshare estate pursuant to the Trust Agreement, at which time, the Purchaser becomes a member and an Owner Beneficiary of the Vacation Club, is identified in a schedule attached to the Trust Agreement, amended from time to time to include each new Owner Beneficiary, and is entitled to certain Owner Beneficiary Rights under the Trust Agreement and a specific number of Vacation Points corresponding to such rights, which Vacation Points may be used by the Owner Beneficiary for lodging for varying lengths of time at the various Vacation Club resorts.

"Time–Share Management Agreement" means the management agreement from time to time entered into between the Time–Share Association and the Time–Share Manager for the management of the Time–Share Project.

"Time–Share Manager" means the person from time to time employed by Time–Share Association to manage the Time–Share Project.

"Time–Share Program" means the program to be created under the Time–Share Declaration and under the Trust Agreement by which Purchasers may own Time–Share Interests, enjoy their respective Time–Share Interests on a recurring basis, and share the expenses associated with the operation and management of such program.

"Time–Share Program Consumer Documents" means the Purchase Contract, Instrument, Purchaser Mortgage, deed of conveyance, credit application, truth–in–lending disclosures, rescission right notices, final subdivision public reports/prospectuses/ public offering statements, receipt for public report, exchange affiliation agreement and other documents used or to be used by Borrower in connection with the sale of Time–Share Interests.

"Time–Share Program Governing Documents" means the Time–Share Declaration, the Articles of Organization for the Time–Share Association, the Articles of Organization for the Vacation Club, the Trust Agreement, any and all rules and regulations from time to time adopted by the Time–Share Association, the Vacation Club, the Time–Share Management Agreement, the Vacation Club Management Agreement and any subsidy agreement by which Borrower or its Affiliate is obligated to subsidize shortfalls in the budget of the Time–Share Program in lieu of paying assessments.

"Time–Share Project" the time–share project, or, collectively, the time–share projects approved by Lender as of the Effective Date and subsequently approved by Lender after the Effective Date pursuant to Section 4.2, which approved projects are identified in Exhibit J attached to the Loan Agreement as it may be supplemented or replaced from time to time with Lender's written approval.

"Title Insurer (Collateral)" means a title company which is acceptable to Lender and issues a Title Policy (Collateral).

"Title Policy (Collateral)" means, in connection with each Purchaser Mortgage which is a part of the Collateral, an ALTA lender's policy of title insurance in an amount not less than the Borrowing Base of the Instrument secured by the Purchaser Mortgage, insuring Lender's interest in the Purchaser Mortgage as a perfected, direct, first and exclusive lien on the Deeded Time-Share Interest(s) encumbered thereby, subject only to the Permitted Encumbrances, issued by Title Insurer (Collateral) and in form and substance acceptable to Lender.

"Transfer" means, with respect to the Collateral and/or the Borrower, the occurrence of any of the following:

(1) any sale, conveyance, assignment, transfer, alienation, mortgage, conveyance of security title, encumbrance or other disposition of any kind of the Collateral, or any other transaction the result of which is, directly or indirectly, to divest the Borrower of any portion of its title to or interest in such Collateral, voluntarily or involuntarily, it being the express intention of the Borrower and the Lender that the Borrower is prohibited from granting to any Person a lien or encumbrance upon such Collateral (other than the Permitted Encumbrances), regardless of whether such lien is senior or subordinate to the Lender's lien;

(2) except for the sale of Time-Share Interests in the ordinary course of Borrower's business and except for the sale of furniture, fixtures and equipment for the Time-Share Project in the ordinary course of Borrower's business, any sale, conveyance, assignment, transfer, alienation, encumbrance or other disposition of any kind of Borrower's interest in a Time-Share Project, or any other transaction the result of which is, directly or indirectly, to divest the Borrower of any portion of its title to the Time-Share Project voluntarily or involuntarily, it being the express intention of the Borrower and the Lender that the Borrower is prohibited from granting to any Person a lien or encumbrance upon Borrower's interest in a Time-Share Project (other than the Permitted Encumbrances, any purchase money security interests relative to the purchase of new furniture, fixtures and equipment for the Time-Share Project in the ordinary course of Borrower's business, any encumbrance relative to the acquisition and development of a Time-Share Project in the ordinary course of Borrower's business (provided that Borrower shall provide Lender with written notice of such security interests and provided that such security interests shall be released in full with respect to the Collateral) and any other lien expressly approved by Lender), regardless of whether such lien is senior or subordinate to the Lender's lien;

(3) any merger, consolidation or dissolution involving the Borrower;

(4) the sale or transfer of a majority of the assets of the Borrower;

(5) with respect to any Borrower which is a corporation:

(A) the transfer of any portion of the voting stock of the Borrower, provided that the foregoing restriction shall not apply to Bluegreen Corporation;

(B) the transfer of any portion of the voting stock of any corporation which is the direct or indirect owner of 10% or more of the voting stock of the Borrower, provided that the foregoing restriction shall not apply to Bluegreen Corporation or to any Borrower that is wholly owned by Bluegreen Corporation;

(C) the transfer of any partnership interest in any partnership which is the direct or indirect owner of 10% or more of the voting stock of the Borrower; or

(D) the transfer of any membership interest in any limited liability company which is the direct or indirect owner of 10% or more of the voting stock of the Borrower;

(6) with respect to any Borrower which is a partnership:

(A) any merger, consolidation or dissolution involving the general partner of the Borrower;

(B) the sale or transfer of a majority of the assets of any general partner of the Borrower;

(C) the transfer of any general partnership interest in the Borrower to another Person;

(D) with respect to any general partner of the Borrower which is a corporation, the transfer of any portion of the voting stock of such general partner to another Person;

(E) with respect to any general partner of the Borrower which is a general partnership or limited partnership, the transfer of any partnership interest of such general partner to another Person;

(F) with respect to any general partner of the Borrower which is a limited liability company, the transfer of any membership interest of such general partner to another Person;

(G) the conversion of any general partnership interest of the Borrower to a limited partnership interest; or

(H) the addition of any general partner or limited partner to the Borrower;

(7) with respect to any Borrower which is a limited liability company:

(A) any merger, consolidation or dissolution involving the managing member of the Borrower;

(B) the sale or transfer of a majority of the assets of any managing member of the Borrower;

(C) the transfer of any managing member interest in the Borrower to another Person;

(D) with respect to any managing member of the Borrower which is a corporation, the transfer of any portion of the voting stock of such managing member to another Person;

(E) with respect to any managing member of the Borrower which is a general partnership or limited partnership, the transfer of any partnership interest of such general partner to another Person;

(F) with respect to any managing member of the Borrower which is a limited liability company, the transfer of any membership interest of such general partner to another Person;

(G) the conversion of any managing member interest of the Borrower to a non-managing member interest; or

(H) the addition of any managing member or member to the Borrower.

"Trust Agreement" means, collectively, that certain Bluegreen Vacation Club Amended and Restated Trust Agreement, dated as of May 18, 1994, by and among Bluegreen Vacations Unlimited, Inc., the Trustee, the Bluegreen Resorts Management, Inc. and Bluegreen Vacation Club, Inc., as amended, restated or otherwise modified from time to time, together with all other agreements, documents and instruments governing the operation of the Vacation Club.

"Trustee" means Vacation Trust, Inc., a Florida corporation, in its capacity as trustee under the Trust Agreement, and its permitted successors and assigns.

"Unit" means a dwelling unit in a Time-Share Project.

"Vacation Club" means Bluegreen Vacation Club Trust, doing business as Bluegreen Vacation Club, formed pursuant to the Club Trust Agreement.

"Vacation Club Management Agreement" means the management agreement from time to time entered into between Trustee and the Vacation Club Manager for the management of the Vacation Club.

"Vacation Club Manager" means the person from time to time employed by Trustee to manage the Vacation Club.

"Vacation Points" means the value placed upon a nightly or weekly occupancy of an Unit pursuant to the terms of the Purchase Contract, which value may be set forth within the Demand Balancing Standard (as defined in the Trust Agreement).

Section 1.2 Other Definitional Provisions

(a) Accounting terms not defined herein will have the respective meanings given to them under GAAP. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under GAAP, the definitions contained herein will control.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Loan Agreement will refer to this Loan Agreement as a whole and not to any particular provision of this Loan Agreement.

(c) In this Loan Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

ARTICLE II THE LOAN

Section 2.1 Loan Commitment; Advances

(a) Lender hereby agrees, on the terms and conditions set forth in this Loan Agreement, that so long as all applicable conditions precedent set forth in Section 2.6 of this Loan Agreement have been fully satisfied, to enter into this Loan Agreement and to make the Loan.

(b) Lender hereby agrees, on the terms and conditions set forth in this Loan Agreement, that so long as all applicable conditions precedent set forth in Article IV of this Loan Agreement have been fully satisfied, to make Advances to Borrower in accordance with the terms and conditions of this Loan Agreement.

(c) The maximum amount of a New Collateral Advance shall be equal to the aggregate Borrowing Base for all Eligible Instruments assigned to Lender as part of the New Collateral Advance; provided, however, the amount of the New Collateral Advance shall be reduced to the extent that, after taking into account the amount of the New Collateral Advance, (i) the unpaid principal balance of the Loan exceeds the Loan Amount and (ii) a Borrowing Base Shortfall exists.

(d) Borrower may request an Availability Advance only if the amount of the Borrowing Base of the Eligible Instruments assigned to Lender exceeds the unpaid principal balance of the Loan attributable to such Eligible Instruments. The maximum amount of an Availability Advance shall be equal to (i) the aggregate Borrowing Base of all Eligible Instruments assigned to Lender less (ii) the then unpaid principal balance of the Loan; provided, however, at no time shall the unpaid principal balance of the Loan exceed the Loan Amount. The substitution of an Eligible Instrument for an ineligible Instrument pursuant to Section 3.2

shall not be deemed to be an Availability Advance.

(e) Borrower shall not be entitled to obtain Advances after the expiration of the Advance Period unless Lender, in its discretion, agrees in writing with Borrower to make Advances thereafter on terms and conditions satisfactory to Lender.

Section 2.2 Minimum Amount and Maximum Frequency of Advances

Advances shall be made in amounts not less than $100,000. New Collateral Advances shall be made no more frequently in any calendar month than two times per month. An Availability Advance shall be made no more frequently than once per calendar month. In any month with more than two New Collateral Advances or more than one Availability Advance, each additional Advance (after the two New Collateral Advances or one Availability Advance, as applicable) will require Borrower to pay to Lender an administrative fee equal to the greater of (i) $500 or (ii) 1/4 of 1% of the amount of the Advance. If any request for Advance is rejected by Lender for any reason provided for in this Loan Agreement, Lender shall have no obligation to fund any amounts under such rejected request and Borrower shall be required to resubmit the request for Advance after correcting the applicable deficiencies.

Section 2.3 Disbursement of Advances

Advances will be payable to Borrower and disbursed by wire transfer. Borrower will pay Lender's reasonable charge in connection with any wire transfer, and Lender's current charge is $25. Lender may, at its option, upon notice to Borrower, withhold from any Advance any sum (including fees, costs, expenses or principal payments required to be made pursuant to Section 3.2 and Section 3.6) then due to it under the terms of the Loan Documents or which Borrower would be obligated to reimburse Lender pursuant to the Loan Documents if first paid directly by Lender.

Section 2.4 Revolving Loan

The Loan is a revolving line of credit; however, all of the Advances shall be viewed as a single loan.

Section 2.5 Continuation of Obligations

Whether or not Borrower's right to obtain Advances has terminated, this Loan Agreement and Borrower's liability for performance of all obligations under this Loan Agreement and the other Loan Documents shall continue until all of the obligations arising under the Loan Documents have been performed.

Section 2.6 Use of Advances

Borrower will use the proceeds of the Loan only for working capital of Borrower and other business purposes with respect to the Time-Share Projects.

Section 2.7 Note

The Loan shall be evidenced by the Note and shall be repaid in immediately available funds in United States Dollars according to the terms of the Note and this Loan Agreement.

Section 2.8 Interest

Except as otherwise provided in the Note or this Loan Agreement, interest shall accrue on the unpaid principal balance of the Loan from time to time outstanding at the Interest Rate. Payments of principal, interest and any other amounts due and payable under the Loan Documents shall earn interest after they are due at the Default Rate. At the option of Lender, while an Event of Default exists, interest shall accrue at the Default Rate.

Section 2.9 Interest Rate Limitation

The provisions of this Loan Agreement and the other Loan Documents are hereby expressly limited so that in no contingency or event whatever will the amount paid or agreed to be paid to the Lender for the use, forbearance or detention of the sums evidenced by this Loan Agreement exceed the maximum amount permissible under applicable law. If from any circumstance whatever the

performance or fulfillment of any provision of this Loan Agreement

or of any other Loan Document should involve or purport to require any payment in excess of the limit prescribed by law, then the obligation to be performed or fulfilled is hereby reduced to the limit of such validity. In addition, if, from any circumstance whatever, the Lender should ever receive as interest an amount which would exceed the highest lawful rate under applicable law, then the amount which would be excessive interest will be applied as a reduction of principal (or at Lender's option, be paid over to Borrower), and will not be counted as interest.

Section 2.10 Minimum Required Payments

(a) Borrower will pay to Lender 100% of the Collateral Proceeds. The Collateral Proceeds sent to the lockbox provided for in the Lockbox Agreement shall be swept on a weekly basis; provided, however, that as an accommodation to Borrower and Lockbox Agent, Lockbox Agent may wire such proceeds to Lender on each Business Day with the express understanding and agreement that such proceeds shall be held by Lender and only applied to the outstanding balance of the Loan (i) on a weekly basis (i.e. the proceeds collected during the prior week shall be applied to the Loan on Wednesday of each calendar week, or if such day is not a Business Day, the next Business Day) and (ii) on a monthly basis (i.e. any other proceeds collected during the month shall be applied to the Loan on the last Business Day of each calendar month). Any portion of the Collateral proceeds delivered to Borrower or any other Person shall be within one (1) Business Day thereafter delivered to Lockbox Agent. The Collateral Proceeds received by Lender will be applied to the outstanding principal balance of the Loan on a weekly and on a monthly basis as provided for above; provided, however, while an Event of Default or Potential Default exists, each payment received by Lender with respect to the Loan shall be applied to the payment of Borrower's obligations under the Loan Documents as Lender in its discretion may determine. At any time, upon notice to Borrower, Lender may, in its commercially reasonable discretion, modify the above−described method of the application of the payments received under the Loan to be consistent with industry standards.

(b) In the event that the Collateral Proceeds received by Lender include payments for items other than principal and interest payable under the Instruments (e.g. tax and insurance impounds, maintenance and other assessment payments, late charges, "NSF" or returned check charges, etc.), Lender shall remit such other payments back to Borrower provided that (i) no Event of Default or Potential Default exists, (ii) Borrower requests in writing that Lender remit such other payments back to Borrower, (iii) Borrower specifically identifies (inclusive of the amount of) such other payments, (iv) Borrower provides Lender with back−up to support the claim that such payments should not be part of the Collateral Proceeds, and (v) if such amount is actually remitted to Borrower, then Lender may adjust the Loan balance as Lender deems appropriate under the circumstance.

(c) On or before the 5th Business Day of each month, commencing with the first month after the Lender has disbursed proceeds of the Loan, the Lender shall send to the Borrower an invoice setting forth (i) the amount of interest due for the previous month and (ii) whether Lender intends to add the interest due and payable to the principal balance of the Loan, which shall be at Lender's sole and absolute discretion. If Lender decides to not add the interest due and payable to the principal balance of the Loan, then Borrower will pay the interest due for such month on or before the 15th calendar day of the month in which the applicable invoice was sent to Borrower.

(d) Borrower shall be required to make the necessary principal payments required by Section 3.2 and by Section 3.6.

(e) On the Maturity Date, the Borrower is required to repay the entire

outstanding principal amount of the Loan together with all accrued and unpaid interest and all other amounts owed to Lender under the Loan Documents.

(f) To the extent that Borrower makes a payment or Lender receives any payment or proceeds of the Collateral for Borrower's benefit that is subsequently invalidated, set aside or required to be repaid to any other person or entity, then, to such extent, the obligations under the Loan Documents in connection with the Loan intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Lender and Lender may adjust the Loan balance as Lender, in its discretion, deems appropriate under the circumstances.

Section 2.11 Prepayment; Non−Utilization

(a) Prepayment. Borrower shall have the option to prepay the Loan in full but not in part upon 30 days prior written notice without the payment of any prepayment premium.

(b) Exceptions to Prepayment Prohibitions. Notwithstanding anything in Section 2.11(a) to the contrary, the following shall not be prepayments prohibited pursuant to Section 2.11(a) or require the payment of any prepayment premium: (i) principal payments scheduled under the Note including, without limitation, those payments required pursuant Section 2.10 unless due to an intentional misrepresentation or breach of warranty concerning the Collateral qualifying as Eligible Instruments, (ii) prepayments of the Loan resulting from prepayments of the Collateral or (iii) partial prepayments that are in excess of $15,000,000, provided that such partial prepayments may not occur more frequently than twice during a calendar year.

(c) Non−Utilization. Borrower shall pay to Lender a Non−Utilization Fee in the event that the average calendar month−end aggregate outstanding balance of the Loan and the A&D Loan does not exceed $35,000,000, which test shall be measured (i) as of the end of the calendar month of the first anniversary of the Effective Date, which average shall cover the prior 6 calendar months, and (ii) as of the end of the calendar month of the second anniversary of the Effective Date, which shall cover the prior 12 calendar months. Borrower shall not be required to pay a Non−Utilization Fee with respect to any other time periods during the term of the Loan. Lender shall calculate the Non−Utilization Fee (if any) which is due with respect to such anniversary and shall send to Borrower an invoice setting forth (x) the amount of the Non−Utilization Fee, (xi) the underlying calculations of such fee and (xii) whether Lender intends to add such due and payable fee to the principal balance of the Loan, which shall be at Lender's sole and absolute discretion. If Lender decides to not add the Non−Utilization Fee to the principal balance of the Loan, then Borrower will pay such fee within 10 Business Days of Borrower's receipt of such invoice.

Section 2.12 Late Charge

If any installment of interest and/or the payment of principal is not received by the Lender within 5 Business Days after the due date thereof, then in addition to the remedies

conferred upon the Lender pursuant to Section 7.2 hereof and the other Loan Documents, the Lender may elect to assess a late charge of 4% of the amount of the installment due and unpaid, which such late charge will be added to the delinquent amount to compensate the Lender for the expense of handling the delinquency. The Borrower and the Lender agree that such late charge represents a good faith and fair and reasonable estimate of the probable cost to the Lender of such delinquency. The Borrower acknowledges that during the time that any such amount is in default, the Lender will incur losses which are impracticable, costly and inconvenient to ascertain and that such late charge represents a reasonable sum considering all of the circumstances existing on the date of the execution of this Loan Agreement and represents a reasonable estimate of the losses the Lender will incur by reason of late payment. The Borrower further agrees that proof of actual losses would be costly, inconvenient, impracticable and extremely difficult to fix. Acceptance of such late charge will not constitute a waiver of the default with respect to the overdue installment, and will not prevent the Lender from exercising any of the other rights and remedies available hereunder.

Section 2.13 Payments

(a) All payments of principal, interest and fees on the Loan must be made to the Lender by federal funds wire transfer as instructed by the Lender in immediately available funds not later than 1:00 p.m. (Minneapolis time) on the dates such payments are to be made. Any payment received after 1:00 p.m. (Minneapolis time) will be deemed received by the Lender on the next Business Day.

(b) If any payment of principal, interest or fees to be made by the Borrower becomes due on a day other than a Business Day, such payment will be made on the next succeeding Business Day and such extension of time will be included in computing any interest with respect to such payment.

(c) Throughout the term of the Loan, interest and fees will be calculated on the basis of the actual number of days elapsed during the period for which interest and fees are being charged predicated on a year consisting of 365 days.

Section 2.14 Loan Fee

Borrower will pay to Lender the Loan Fee on the following dates: (i) a good faith deposit of $50,000 was paid by Borrower to Lender on the date that Borrower accepted the term sheet for the Loan; and (ii) the remaining amount of the Loan Fee in the amount of $325,000 shall be paid to Borrower on the Effective Date.

Section 2.15 No Reduction in Loan Fee

The Borrower acknowledges that no portion of the Loan Fee required to be paid to Lender pursuant to the provisions of Section 2.14 is refundable to Borrower after the Effective Date. Regardless of whether (a) Borrower's right to obtain Advances has terminated prior to the end of the Advance Period or (b) Borrower repays or is required to repay the Loan prior to the end of the Maturity Date, the Borrower will not be entitled to any refund of the Loan Fee previously paid.

Section 2.16 Custodial Fee

Borrower shall pay to Lender or its agent a Custodial Fee for each Instrument delivered to Lender or its agent in connection with a New Collateral Advance, which fee shall be paid in accordance with the terms of the Custodial Agreement.

Section 2.17 Borrower's Unconditional Obligation to Make Payments

Whether or not the Collateral Proceeds shall be sufficient for that purpose, Borrower will pay when due all payments of principal, interest, and other amounts required to be made pursuant to any of the Loan Documents. The Borrower's obligation to make the payments required by the terms of the Loan Documents is absolute and unconditional.

ARTICLE III SECURITY

Section 3.1 Grant of Security Interest in Collateral

To secure the performance of all of the obligations under the Loan Documents, Borrower hereby grants to Lender a security interest in and assigns to Lender the Collateral. Such security interest shall be absolute, continuing, perfected, direct, first, exclusive and applicable to all existing and future Advances and to all of the Borrower's obligations under the Loan Documents. Borrower will unconditionally assign, endorse and deliver to Lender, with full recourse, all Instruments which are part of the Collateral. Borrower further warrants and guarantees (i) the enforceability of the Time-Share Program Consumer Documents which comprise the Collateral and (ii) the security interest

granted in the Collateral. Lender is hereby appointed Borrower's attorney-in-fact to take any and all actions in Borrower's name and/or on Borrower's behalf deemed necessary or appropriate by Lender with respect to the collection and remittance of payments (including the endorsement of payment items) received on account of the Collateral; provided, however, that Lender shall not take any action which is described in Section 7.2(4) unless an Event of Default exists. Lender may notify persons bound thereby of the existence of Lender's interest as assignee in the Collateral and subject to applicable Laws and Regulations, request from any person bound by the Collateral any information relating to him. Borrower authorizes Lender to file a UCC-1 Financing Statement describing the Collateral and confirms Lender's authority to pre-file the UCC-1 Financing Statement as of the date of pre-filing.

Section 3.2 Maintenance of Borrowing Base

If for any reason Lender determines that a Borrowing Base Shortfall exists, then within 15 days thereafter Borrower will either (i) make to Lender a principal payment in an amount equal to the Borrowing Base Shortfall or (ii) assign to Lender one or more Eligible Instruments having an aggregate Borrowing Base not less than the Borrowing Base Shortfall. Simultaneously with the delivery of the Eligible Instrument or Instruments to cure a Borrowing Base Shortfall, Borrower will deliver to Lender all of the items (except for a "Request for Advance and Certification") required to be delivered by Borrower to Lender pursuant to Section 4.3, together with a "Borrower's Certificate" substantially in the form and substance of Exhibit D.

Section 3.3 Reassignment of Ineligible Instruments

Lender will reassign and/or endorse to Borrower, without recourse or warranty of any kind, any Instrument that ceases to be an Eligible Instrument if: (i) no Event of Default or Potential Default exists; (ii) Borrower has cured any Borrowing Base Shortfall resulting from the ineligible Instrument; and (iii) Borrower has requested Lender in writing to release the ineligible Instrument. Borrower will prepare the reassignment document which shall be substantially in the form and substance of Exhibit C and will deliver it to Lender for execution, and Lender will send Borrower the re-assignment document and the Instrument being reassigned within a reasonable time after satisfaction of the conditions precedent specified in the foregoing sentence.

Section 3.4 Lockbox Collections

Lockbox Agent shall collect payments on the Instruments constituting part of the Collateral and remit collected payments to Lender in accordance with the terms of the Lockbox Agreement commencing after the date of the first Advance, all at Borrower's sole cost and expense. Payments shall not be deemed received by Lender until Lender actually receives such payment from the Lockbox Agent and Lender applies such payments to the Loan as provided for in Section 2.10 of this Loan Agreement. As of the date of this Loan Agreement, Fleet National Bank is the Lockbox Agent acting under the terms of the Lockbox Agreement. As a condition to Lender's execution of this Loan Agreement and the Lockbox Agreement with Fleet National Bank, Borrower hereby agrees to indemnify and hold Lender harmless from and against any claims, demands, expenses, costs, damages, liabilities, setoffs, recoupments and expenses associated with the Lockbox Agreement entered into with Fleet National Bank regardless of whether or not Fleet National Bank is liable or responsible for such items under the express terms of the Lockbox Agreement, except to the extent such claims, demands, expenses, costs, damages, liabilities, setoffs, recoupments and expenses are found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Lender. By way of example, but without limiting any other possibilities, Borrower shall indemnify and hold Lender harmless from and against any claims, demands, expenses, costs, damages, liabilities, setoffs, recoupments and expenses (including, without limitation, attorney's fees and court costs) both legal and equitable, associated with the Lockbox Agreement regardless of whether or not Fleet National Bank may avoid or limit its responsibility by claiming (i) that Lender had a duty to notify Fleet National Bank of any errors, discrepancies and/or irregularities under Section 8 of the Lockbox Agreement (with the express understanding that Lender will not be utilizing the bank's online reporting system), (ii) that Fleet National Bank's liability cannot exceed the service charges charged by Fleet National Bank in connection with the Lockbox Agreement for the most recent twelve-month period, and (iii) that Fleet National Bank's liability does not extend to special, incidential, indirect or consequential

damages.

Section 3.5 Servicing of Instruments

Servicing Agent shall perform the monthly reporting services required by Lender with regard to the Collateral as set forth in the Servicing Agreement, all at Borrower's sole cost and expense.

Section 3.6 Reconciliation Between Lockbox Payments and Servicing Reports

Within 30 days of Lender's receipt of the monthly servicing report prepared by Servicing Agent, Lender may, upon written notice to Borrower and Servicing Agent, request a Servicing Report Reconciliation. Borrower and Servicing Agent shall provide Lender with such Servicing Report Reconciliation within 10 Business Days of Borrower's receipt of Lender's request. To the extent that Lender is not satisfied, in its sole and absolute discretion, with the Servicing Report Reconciliation, Lender may provide Borrower with a written notice to pay to Lender within 5 Business Days of such notice the negative difference between the payments actually received by Lockbox Agent during the subject month minus the payments stated in the servicing

report to have been made by the Purchasers under the Instruments assigned to Lender during the same month, which difference is not reconciled to Lender's satisfaction.

Section 3.7 Replacement of Agents

If a default on the part of an Agent exists under the agreement to which it is a party or an Event of Default exists, Lender may require that such Agent be replaced in accordance with the terms of the applicable Servicing Agreement, Lockbox Agreement or Custodial Agreement.

Section 3.8 Maintenance of Security

Borrower will deliver or cause to be delivered to Lender and will maintain or cause to be maintained in full force and effect until all obligations arising under the Loan Documents have been performed, as security for the Borrower's performance of its obligations under the Loan Documents, the Security Documents and all other security required to be given to Lender pursuant to the terms of this Loan Agreement.

Section 3.9 Permitted Contests

Notwithstanding anything in the Loan Documents to the contrary, after prior written notice to Lender, Borrower at its expense may contest, by appropriate legal or other proceedings conducted in good faith and with due diligence, the amount or validity of any tax, charge, assessment, statute, regulation, or any monetary lien on the Collateral, so long as: (i) in the case of an unpaid tax, charge, assessment or lien, such proceedings suspend the collection thereof from Borrower and the Collateral, and shall not interfere with the payment of any monies due under the Collateral in accordance with the terms of the Security Documents; (ii) none of the Collateral is, in the judgment of Lender, in any imminent danger of being sold, forfeited or lost; (iii) in the case of a statute or regulation, neither Borrower nor Lender is in any danger of any civil or criminal liability for failure to comply therewith; and (iv) Borrower has furnished such security, if any, as may be required in the proceedings or as Lender reasonably requests up to 150% of the amount in controversy.

Section 3.10 Liability of Guarantors

The payment and performance of the obligations under the Loan Documents shall be jointly, severally, primarily and unconditionally guaranteed by the Guarantors, if any, as set forth in the Guaranty, if applicable.

ARTICLE IV CLOSING; APPROVAL OF TIME-SHARE PROJECTS AND ADVANCES

Section 4.1 Closing Conditions

The obligation of Lender to consummate the transaction contemplated by this Loan Agreement is subject to the fulfillment or waiver of each of the following conditions:

(a) Loan Documents. Borrower shall have delivered to Lender the Loan Documents, duly executed, delivered and in form and substance satisfactory to Lender.

(b) Opinions and Organizational Documents. Borrower shall have delivered to Lender a favorable opinion or opinions from independent counsel for Borrower and Guarantors, if any, with respect to the matters referred to in Exhibit A attached to this Loan Agreement and the organizational documents referred to in Exhibit A attached to this Loan Agreement.

(c) Credit Reports; Search Reports; Site Inspections. Lender shall have received, in form and substance satisfactory to Lender, the results of UCC searches with respect to Borrower and the Time-Share Association and lien, litigation, judgment and bankruptcy searches for Borrower, any and all Guarantors and (if existing) the Time-Share Association conducted in such jurisdictions and for such other entities as Lender deems appropriate. In addition, Lender shall have performed a site inspection/market review with respect to the properties within The Bluegreen Vacation Club(TM) prior to the Effective Date, and Lender must be satisfied with the results of such inspection and review.

Section 4.2 Approval of Time-Share Projects

(a) Approval of Time-Share Projects as of the Effective Date. Borrower may submit to Lender projects to be included as Time-Share Projects as of the Effective Date by delivering to Lender the following due diligence items at least 10 days before the Effective Date, all of which must be satisfactory in form and substance to Lender in its sole and absolute discretion:

(1) Environmental Assessment. Borrower shall provide to Lender a Phase I environmental assessment of the Time-Share Project.

(2) Taxes and Assessments. Borrower shall provide to Lender evidence that all taxes and assessments on the Time-Share Project have been paid.

(3) Survey. Unless waived in writing by Lender, Borrower shall provide to Lender a survey map acceptable to Lender of the Time-Share Project prepared by a licensed land surveyor acceptable to Lender, certified to Lender in writing and showing the Time-Share Project, evidence of access to the Time-Share Project, all easements necessary for the operation and use of the Time-Share Project, and such other details as Lender may reasonably require; and/or at Lender's option, a condominium map if any part of the Time-Share Project has been dedicated to a condominium regime.

(4) Permits and Approvals. Borrower shall provide to Lender all permits, licenses, approvals and certificates for the occupancy, use and operation of the Time-Share Project for Time-Share and other intended and existing uses, including any necessary architectural committee approvals and the Required Time-Share Approvals.

(5) Zoning, Access, Parking and Utilities. Borrower shall provide to Lender evidence of (i) zoning of the Time-Share Project for Time-Share and other intended and existing uses and all approvals required for such uses under any covenants, conditions and restrictions, (ii) adequate access to and parking for the Time-Share Project for Time-Share and hotel, if applicable, uses, and (iii) current and continued availability of utilities necessary to serve the Time-Share Project for Time-Share and other intended and existing uses.

(6) Flood Zone. Borrower shall provide Lender with evidence that the Time-Share Project is not located within a flood prone area or, if within

a flood zone, evidence that flood insurance has been obtained.

(7) Time–Share Project Agreements. Borrower shall provide Lender with a copy of all marketing contracts, management contracts, service contracts, operating agreements, equipment leases, space leases and other agreements pertaining to the Time–Share Project which are necessary for the sale, operation and intended Time–Share use of the Time–Share Project and are not otherwise required pursuant to another item in this Section.

(8) Insurance. Borrower shall provide Lender with evidence of the Insurance Policies corresponding to the Time–Share Project.

(9) Quiet Enjoyment Rights. Borrower shall provide Lender with evidence that each owner of a Time–Share Interest within the Time–Share Project will have available to it the quiet and peaceful enjoyment of the Time–Share Interest (including promised amenities and necessary easements) owned by it which cannot be disturbed so long as such owner is not in default of its obligations to pay the purchase price of its Time–Share Interest, to pay assessments to the Time–Share Association, and to comply with reasonable rules and regulations pertaining to the use of the Time–Share Interests.

(10) Time Share Documents. Borrower shall provide Lender with a copy of the Time–Share Program Consumer Documents and the Time–Share Program Governing Documents corresponding to the Time–Share Project.

(11) Opinions. Borrower shall deliver to Lender a favorable opinion or opinions from independent counsel for Borrower located in the state where the Time–Share Project is located containing the opinions contained in subparagraphs (I) through (Q) of Exhibit A attached to this Loan Agreement.

(b) Approval of Time–Share Projects after the Effective Date. During the period beginning on the Effective Date and ending on the expiration of the Advance Period, Borrower may submit to Lender a project or projects proposed to be included as additional Time–Share Projects by delivering (i) a complete description of the subject project, (ii) the documents and

items set forth in subparagraphs (1) through (11) above with respect to the subject project and (iii) a proposed replacement Exhibit J that shall include the subject project, all of which must be satisfactory in form and substance to Lender in its sole and absolute discretion. In addition, Lender may perform a site inspection/market review with respect to the proposed project prior to the approval of the proposed project, and Lender must be satisfied with the results of such inspection and review. Lender will have 30 days to review, and in its sole and absolute discretion, approve or disapprove of the inclusion of the proposed project as a Time–Share Project. If Lender approves the proposed project, then Lender shall execute and date the proposed Exhibit J, which exhibit shall be substituted for or supplement the existing Exhibit J attached to this Loan Agreement as set forth in the proposed Exhibit J.

Section 4.3 Required Deliveries for Each New Collateral Advance.

Borrower shall have delivered to Lender the following items prior to each New Collateral Advance, all of which must be satisfactory in form and substance to Lender in its sole and absolute discretion.

(a) Request for Advance. Borrower shall provide Lender with a request for Advance substantially in the form and substance of Exhibit E.

(b) Time–Share Documents. Borrower shall provide Lender or Custodial Agent with (i) signed original Instruments which qualify as Eligible Instruments and have been duly and unconditionally endorsed to Lender by Borrower (endorsements to be substantially in the form and substance of Exhibit F to this Loan Agreement, which endorsements may be executed by a duly authorized signature stamp), (ii) the recorded original Purchaser Mortgages which secure such Instruments (or certified copies with the original to be immediately delivered upon return from the applicable recording office), (iii) copies of signed receipts for public offering statements/property reports/prospectuses required to be given to Purchasers in connection with the sales of Time–Share Interests giving rise to such Instruments, (iv) Purchase Contracts, credit disclosure statements and other items requested by Lender which were signed by such

Purchasers in connection with such sales, and (v) evidence that all rescission rights have expired and Borrower has performed all its statutory and contractual obligations with respect thereto.

(c) Assignment. Borrower shall provide Lender with an assignment in recordable form and otherwise substantially in the form and substance of Exhibit G to this Loan Agreement, properly completed, executed and acknowledged assigning the Instruments covered by item (b) above;

(d) Promised Improvements. If not previously furnished, Borrower shall provide evidence to Lender that: (i) all Time-Share Interests which are the subject of the Instruments covered by item (b) above have all necessary and promised on-site and off-site improvements thereto and necessary and promised utilities are available; (ii) all Units and amenities which are to be available to Purchasers obligated on the Instruments covered by item (b) above have been completed in accordance with all applicable building codes and are fully furnished, necessarily equipped and will be available for use by Purchasers without disturbance or termination of their

use rights so long as they are not in default of their obligations under the Instruments; and (iii) all furnishings in the Units and amenities are owned by an owners' association or associations in which the Purchasers are members or alternatively owned in common by the Purchasers of the Time-Share Interests (and immediately conveyed to the Trustee under the terms of the Purchase Contract), free of charges, liens and security interests other than the Permitted Encumbrances.

(e) Servicing Agent Confirmation. If requested by Lender, Lender shall receive written confirmation from the Servicing Agent that it has not received notice of any complaint, demand, set-off, or claim by any person, including, without limitation, any Purchaser, with respect to the Instruments covered by item (b) above (other than as to routine matters involving the servicing of an Instrument) and certifying the unpaid total payments due under the unpaid principal balance of such Instruments.

(f) Title Policy. Lender shall receive a Title Policy (Collateral) (or a marked-up commitment to issue such policy in the event that such policy is not reasonably available prior to the New Collateral Advance) with respect to each Purchaser Mortgage covered by item (b) above.

(g) Updated Opinion. If requested by Lender following a material change of circumstances or not more often than annually at Lender's discretion, Borrower shall provide an opinion from independent counsel to Borrower satisfactory to Lender with respect to the continued compliance of the Time-Share Project and Borrower's sales and marketing activities with applicable laws, the enforceability of the form of the Instruments and such other matters as Lender shall reasonably require.

(h) Other Items. If requested by Lender, Borrower shall deliver to Lender such other items which are reasonably necessary to evaluate the request for the Advance and the satisfaction of the conditions precedent thereto.

Section 4.4 Required Deliveries for Each Availability Advance.

Borrower shall have delivered to Lender the following items prior to each Availability Advance, all of which must be satisfactory in form and substance to Lender in its sole and absolute discretion.

(a) Request for Availability Advance. Borrower shall provide Lender with a request for Advance substantially in the form and substance of Exhibit E.

(b) Other Items. If requested by Lender, Borrower shall deliver to Lender such other items which are reasonably necessary to evaluate the request for the Advance and the satisfaction of the conditions precedent thereto.

Section 4.5 General Conditions Precedent for All Advances

The obligation of Lender to make any Advance is subject to fulfillment of all of the following conditions precedent:

(a) Event of Default. No Event of Default or Potential Default has occurred and is continuing, or would result from such disbursements or from the application of the proceeds therefrom.

(b) Representations and Warranties. The representations and warranties of Borrower and any Guarantor contained in the Loan Documents are true and correct in all material respects on and as of the date of the requested disbursement, before and after giving effect thereto and to the application of the proceeds therefrom, as though made on and as of such date.

(c) No Violation of Usury Law. The interest rate applicable to the Advance (before giving effect to any savings clause) will not exceed the maximum rate permitted by applicable law.

(d) Payment of Fees. Borrower shall have paid to Lender the Loan Fee and all other fees which are required to be paid at the time of the Advance.

Section 4.6 Conditions Satisfied at Borrower's Expense

The conditions to Advances shall be satisfied by Borrower at its expense.

Section 4.7 No Waiver

Although Lender shall have no obligation to make an Advance unless and until all of the conditions precedent to the Advance have been satisfied, Lender may, at its discretion, make Advances prior to that time without waiving or releasing any of the obligations arising under the Loan Documents.

ARTICLE V BORROWER'S REPRESENTATIONS AND WARRANTIES

Section 5.1 Consideration

As an inducement to the Lender to execute this Loan Agreement, make the Loan and disburse the proceeds of the Loan, the Borrower represents and warrants to the Lender the truth and accuracy of the matters set forth in this Article V.

Section 5.2 Organization

The Borrower is duly organized, validly existing and in good standing under the laws of its state of organization, is duly qualified to do business and is in good standing in every jurisdiction where its business or properties require such qualification. The Borrower has all requisite power and authority to own and operate its properties and to carry on its business as now conducted or proposed to be conducted.

Section 5.3 Authorization

The execution, delivery and performance by the Borrower of the Loan Documents have been duly authorized by all necessary action and do not and will not (i) contravene the Articles of Organization of the Borrower, (ii) contravene any law, rule or regulation or any order, writ, judgment, injunction or decree or any contractual restriction binding on or affecting the Borrower, (iii) require any approval or consent of any member, partner, shareholder or any other Person, other than approvals or consents which have been previously obtained and disclosed in writing to the Lender, (iv) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Borrower is a party or by which the Borrower or its properties may be bound or affected, or (v) result in, or require the creation or imposition of, any lien of any nature (other than the liens contemplated hereby) upon or with respect to any of the properties now owned or hereafter acquired by the Borrower. The Borrower is not in default under any such law, rule, regulation, order, writ, judgment, injunction, decree or contractual restriction or any such indenture, agreement, lease or instrument.

Section 5.4 Governmental Consents

No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower and Guarantor of the Loan Documents or any other document executed pursuant thereto or in connection therewith.

Section 5.5 Validity

The Loan Documents have been duly executed and delivered by and constitute the legal, valid and binding obligations of the Borrower and Guarantor, if any, enforceable in accordance with their respective terms.

Section 5.6 Financial Position

As of the dates prepared, the financial statements and all financial data heretofore delivered to the Lender in connection with the Loan and/or relating to the Borrower and Guarantor, if any, are true, correct and complete in all material respects and were prepared in accordance with GAAP consistently applied. Such financial statements fairly present the financial position of the Persons who are the subject thereof as of the dates thereof.

Section 5.7 Governmental Regulations

Neither the Borrower nor any Guarantor is subject to regulation under the Investment Company Act of 1940, the Federal Power Act, the Public Utility Holding Company Act of 1935, the Interstate Commerce Act, as the same may be amended from time to time, or any federal or state statute or regulation limiting its ability to incur Debt.

Section 5.8 Employee Benefit Plans

Neither the Borrower nor any Guarantor maintains any pension, retirement, profit sharing or similar employee benefit plan that is subject to ERISA other than a plan pursuant to which such entity's contribution requirement is made contemporaneously with the employees' contributions.

Section 5.9 Securities Activities

Neither the Borrower nor any Guarantor is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System in effect from time to time) and not more than 25% of the value of the assets of either such entity consists of such margin stock.

Section 5.10 No Material Adverse Change

No Material Adverse Change has occurred.

Section 5.11 Payment of Taxes

All tax returns and reports required to be filed by the Borrower and Guarantor, if any, have been timely filed, or proper extensions for filing have been obtained. All taxes, assessments, fees and other governmental charges upon the Borrower, the Guarantor, if any, and their properties, assets, income and franchises which are due and payable have been paid when due and payable, or proper extensions for payment have been obtained, except to the extent that such taxes, assessments, fees and other governmental charges or the failure to pay the same would not be material to the respective business, properties, assets, operations, condition (financial or otherwise) or business prospects of the Borrower or any Guarantor. Neither the Borrower nor any Guarantor has any knowledge of any proposed tax assessment against the Borrower or any Guarantor that could be material to its business, properties, assets, operations, condition (financial or otherwise) or business prospects.

Section 5.12 Litigation

There is no pending or, to the knowledge of the Borrower, threatened action, suit, proceeding or arbitration against or affecting the Borrower or any Guarantor before any court, governmental agency or arbitrator, which may result in a Material Adverse Change.

Section 5.13 Environmental Matters

(a) Time-Share Project. The Borrower's representations, warranties and covenants with respect to all environmental matters relating to each Time-Share Project are set forth in the Hazardous Substances Remediation and Indemnification Agreement.

(b) Non-Projects. As to each "Non-Project" (defined as any project to be developed, under development or developed by Borrower or Guarantor other than a Time-Share Project), the operations of the Borrower and any Guarantor comply in all respects with all Hazardous Materials Laws except such noncompliance which would not (if enforced in accordance with applicable law) reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change. As of the date of this Loan Agreement, (i) neither the Borrower, the Guarantor, if any, nor their present properties or operations is subject to any outstanding written order from, or settlement or consent agreement with, any governmental authority or other Person, nor is any of the foregoing subject to any judicial or docketed administrative proceeding respecting any Hazardous Materials Law, Hazardous Materials Claim or Hazardous Material, which would (if enforced in accordance with applicable law) reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change and (ii) there are no other conditions or circumstances known to the Borrower which may give rise to any Hazardous Materials Claim arising from the operations of the Borrower or any Guarantor, which would (if enforced in accordance with applicable law) reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change.

Section 5.14 No Burdensome Restrictions

Neither the Borrower nor any Guarantor is a party to or bound by any contract or agreement, or subject to any charter or corporate restriction or any requirement of law, which would reasonably be expected to result in a Material Adverse Change.

Section 5.15 Full Disclosure

None of the statements contained in any exhibit, report, statement or certificate furnished by or on behalf of the Borrower or any Guarantor in connection with the Loan Documents contains any untrue statement of a material fact, or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading; provided, however, that it is recognized by the Lender that projections and forecasts provided and to be provided by the Borrower and Guarantor, if any, while reflecting the Borrower's and the Guarantor's, if any, good faith projections and forecasts, based upon methods and data the Borrower and the Guarantor, if any, believes to be reasonable and accurate, are not to be viewed as facts and that actual results during the period or periods

covered by any such projections and forecasts may differ from the projected or forecasted results.

Section 5.16 Compliance with Laws and Regulations

Borrower and each Time-Share Project are in compliance in all material respects with all Laws and Regulations, and there are no, nor are there any alleged or asserted, violations of law, regulations, ordinances, codes, declarations, covenants, conditions, or restrictions of record, or other agreements relating to Borrower, any Guarantor, each Time-Share Project, the Collateral or any part thereof, which may result in a Material Adverse Change.

Section 5.17 Time-Share Interests and Sales

(a) Sales Activities. Borrower has obtained the Required Time-Share Approvals for each jurisdiction in which it has sold or has offered for sale Time-Share Interests.

(b) Time-Share Interest Not a Security. Borrower has not sold or offered for sale any Time-Share Interest as an investment. Neither the sale nor the offering for sale of any Time-Share Interest will constitute the sale or the offering for sale of a "security" under the Securities Act of 1933, the Securities Exchange Act of 1934, any state securities laws, commonly known as "blue sky" laws, or any other applicable law.

(c) Zoning Compliance. Neither Time-Share use nor other transient use and occupancy of any Time-Share Project violates or constitutes or will violate or constitute a non-conforming use or require a variance (other than variances which have been previously obtained) under any private covenant or restriction or any zoning, use or similar law, ordinance or regulation affecting the use or occupancy of any Time-Share Project.

(d) Eligible Instruments. Each Instrument which is assigned to Lender pursuant to this Loan Agreement and against which an Advance is requested or which is assigned in satisfaction of Borrower's obligations under this Loan Agreement shall be an Eligible Instrument at the time of assignment. Borrower has performed all of its obligations to Purchasers, and there are no executory obligations to Purchasers to be performed by Borrower, except for non-delinquent and executory obligations disclosed to Purchasers in their Purchase Contracts.

(e) Association; Assessments and Reserves. When a Purchaser closes the purchase of a Time-Share Interest, such Purchaser automatically becomes a member of the applicable Time-Share Association (which membership is immediately conveyed to the Trustee under the Purchase Contract); and the Trustee will thereafter remain a member of such Time-Share Association and be entitled to vote on the affairs thereof, subject only to retaining ownership of a Time-Share Interest. Each Time-Share Association has (or will have) authority to levy annual assessments to cover the costs of maintaining and operating a Time-Share Project. To Borrower's knowledge, each Time-Share Association will be solvent. To Borrower's knowledge, levied assessments will be adequate to cover the current costs of maintaining and operating the applicable Time-Share Project and to establish and maintain a reasonable reserve for capital improvements. To Borrower's knowledge, there are no reasonably foreseeable

circumstances which could give rise to a material increase in such costs, except for additions of subsequent phases of a Time-Share Project that will not materially increase assessments.

(f) Title to and Maintenance of Common Areas and Amenities. Except as otherwise permitted and disclosed by the Time-Share Program Governing Documents: (i) each Time-Share Association or the owners of Time-Share Interests in common (which interest may be held by the Trustee pursuant to the Purchase Contract) will at all times own the furnishings in the Units and all the common areas in the applicable Time-Share Project and other amenities which have been promised or represented as being available to Purchasers, free and clear of liens and security interests except for the Permitted Encumbrances; (ii) no part of any Time-Share Project is or will be subject to partition by the owners of Time-Share Interests; and (iii) all access roads and utilities and off-site improvements necessary to the use of a Time-Share Project will have been dedicated to and/or accepted by the responsible governmental authority or utility company or are owned by an association of owners of property in a larger planned development or developments of which a Time-Share Project is a part.

Section 5.18 Survival and Additional Representations and Warranties

The representations and warranties contained in this Article V are in addition to, and not in derogation of, the representations and warranties contained elsewhere in the Loan Documents and shall be deemed to be made and reaffirmed as of the making of each Advance.

ARTICLE VI BORROWER'S COVENANTS

Section 6.1 Consideration

As an inducement to the Lender to execute this Loan Agreement, make the Loan and make each disbursement of the Loan, the Borrower hereby covenants that, so long as any amount payable hereunder or under any other Loan Document remains unpaid or the Lender has any commitment to disburse the Loan hereunder, Borrower shall comply with the covenants set forth in this Article VI.

Section 6.2 Reporting Requirements

Borrower shall furnish or cause to be furnished to the Lender the following notices and reports:

(a) Quarterly Financial Reports.

(1) As soon as possible after each fiscal quarter of Guarantor (other than the last quarter of any fiscal year) and in any event within 5 days after submission to the Securities and Exchange Commission, the following: (i) a copy of Guarantor's 10Q filing certified by the Chief Financial Officer of Guarantor to fairly present the financial condition of said entity on a fully consolidated basis as at the end of such fiscal quarter and the results of the operations of Guarantor on a fully consolidated basis for the period ending on such date; (ii) copies of any and all other financial reports and corrections thereto and to the 10Q filings required of Guarantor under federal laws and regulations.

(2) As soon as possible and in any event within 45 days after the end of each fiscal quarter of Bluegreen/Big Cedar (other than the last quarter of any fiscal year), the following: (i) unaudited financial statements of Bluegreen/Big Cedar on a fully consolidated basis, which financial statements must include (A) a balance sheet as at the end of such fiscal quarter and (B) statements of income and cash flow for the period from the beginning of the then current fiscal year to the end of such fiscal quarter and setting forth in comparative form figures for the corresponding period of the preceding fiscal year, all in reasonable detail and in accordance with GAAP consistently applied and certified by the Chief Financial Officer of Bluegreen/Big Cedar to fairly present the financial condition of Bluegreen/Big Cedar on a fully consolidated basis as at the end of such fiscal quarter and the results of the operations of Bluegreen/Big Cedar on a fully consolidated basis for the period ending on such date; (ii) a summary report of accounts payable aging, and (iii) a written statement certifying that Bluegreen/Big Cedar is in compliance with the terms of the Loan Documents, or if not in compliance, specifying the details of the non−compliance and the action being taking to correct such non−compliance.

(b) Annual Financial Statements.

(1) As soon as possible after each fiscal year of Bluegreen Corporation and in any event within 5 days after submission to the Securities and Exchange Commission, the following: (i) a copy of Bluegreen Corporation's 10K filing certified by the Chief Financial Officer of Bluegreen Corporation to fairly present the financial condition of said entity on a fully consolidated basis at the end of such fiscal year and the results of the operations of such entity on a fully consolidated basis at the end of such fiscal year and the results of the operations of such entity on a fully consolidated basis for the period ending on such date; and (ii) copies of any and all other financial reports and corrections thereto and to the 10K filings required of Bluegreen Corporation under federal laws and regulations.

(2) As soon as possible and in any event within 120 days after the end of each fiscal year of Bluegreen/Big Cedar audited financial statements of Bluegreen/Big Cedar on a fully consolidated basis, which financial statements must include a balance sheet of Bluegreen/Big Cedar

as at the end of such fiscal year, statements of income, shareholders' equity and cash flow of Bluegreen/Big Cedar for such fiscal year, and setting forth in each case in comparative form figures for the preceding fiscal year, all in reasonable detail and in accordance with GAAP consistently applied accompanied by an unqualified opinion issued by an independent certified public accountant acceptable to the Lender.

(c) Time-Share Association Financial Statements. At the request of Lender, semi-annual and annual financial statements of any Time-Share Association in reasonable detail and in accordance with GAAP consistently applied and certified by the Chief Financial Officer, or if no such officer exists, by a responsible officer, of such Time-Share Association.

(d) Notice of Labor Controversy or other Force Majeure Event. As soon as possible and in any event within 5 Business Days after the Borrower has knowledge of its occurrence, written notice of any labor controversy or other force majeure event resulting in a material strike, work stoppage, shutdown or other material disruption against or involving the Borrower, any Guarantor, or any Time-Share Project.

(e) Notice of Material Adverse Change. As soon as possible after its occurrence, written notice and a description of any matter which has resulted, or may result, in a Material Adverse Change.

(f) Notice of Defaults or Potential Defaults. As soon as possible and in any event within 10 Business Days after the Borrower has knowledge of the occurrence of any Potential Default (however described) or Event of Default hereunder or an event of default (however described) under any other of the Loan Documents, written notice and a description of such Potential Default, Event of Default or event of default, any applicable cure period and the action which the Borrower proposes to take with respect thereto.

(g) Notice of Litigation. As soon as possible and in any event within 5 Business Days after institution thereof, written notice and a description of any material adverse litigation, action or proceeding commenced against the Borrower, any Guarantor, or any of their Affiliates or

relating to any Time-Share Project, and any adverse determination in any such litigation, action or proceeding.

(h) Notices Regarding Hazardous Materials. As soon as possible after the Borrower obtains knowledge of any material occurrence, written notice and a description of the release of any Hazardous Material, or any liability with respect thereto, on, under or in connection with any Time-Share Project and the action which the Borrower proposes to take with respect thereto.

(i) Notices and Reports Regarding Time-Share Project and Time-Share Interests.

(1) Time-Share Project. As soon as possible and in any event within 5 Business Days after receipt by the Borrower, copies of all (i) notices of violation relating to and adversely affecting any Time-Share Project that the Borrower receives from any governmental agency or authority, (ii) notices of default that the Borrower receives under any other agreement relating to and adversely affecting any Time-Share Project, and (iii) notices of default that the Borrower receives under any agreement relating to the borrowing of money by the Borrower for any Time-Share Project from any Person.

(2) Sales Reports. On or before the 20th day after each calendar month end, Borrower will cause to be furnished to Lender: (i) a sales report showing the number of sales and closings of Time-Share Interests and the aggregate dollar amount thereof and (ii) a report showing the number of tours during such month together with the net closing percentage and volume per tour data.

(3) Time-Share Sales Information. Borrower will deliver current price lists or their equivalent for Time-Share Interests with respect to a Time-Share Project to Lender from time to time within 10 Business Days after receipt of a written request from Lender to do so. Borrower will deliver to Lender from time to time, as available and promptly upon amendment or effective date, sales literature, registrations/consents to sell, and final subdivision public reports/public offering

statements/prospectuses. Borrower will deliver to Lender any changes which Borrower proposes or any other person having the power to do so proposes be made to the Time−Share Program Consumer Documents and/or the Time−Share Program Governing Documents last delivered to Lender, together with a description and explanation of the changes; and other items requested by Lender which relate to the Time−Share Interests.

(4) Assessments. If Borrower has knowledge or has reason to believe that an event (other than general changes in the economy) has occurred or is reasonably likely to occur which could give rise to a material increase in assessments or give rise to a special assessment to cover the then current costs of operating the Time−Share Project and to establish and maintain a reasonable reserve for capital improvements to the Time−Share Project, it will notify Lender of the occurrence of such event.

(5) Time−Share Association Budgets. If requested by Lender, Borrower will submit to Lender within 10 days after each is available, proposed annual maintenance and operating budgets of each Time−Share Association, certified to be adequate by the Time−Share Manager (or if there is not a Time−Share Manager, by an authorized officer of the

Time−Share Association) and a statement of the annual assessment to be levied upon the owners of Time−Share Interests; and will use its best efforts to cause to be made available to Lender for inspection, auditing and copying, upon Lender's request, the books and records of the Time−Share Association.

(6) Notice of Lender's Interest. Borrower will deliver under its letterhead notice of Lender's interest in the Collateral to persons bound thereby, if requested, and will cause such notice to comply with applicable law.

(j) Other Information. Such other information respecting the business, properties, assets, operations and condition, financial or otherwise, of the Borrower, any Guarantor, their Affiliates and Time−Share Project, including, as the Lender may from time to time reasonably request.

Section 6.3 Borrower's Operations and Management

Borrower shall:

(1) Compliance with Laws, Etc. Comply in all material respects, with all applicable laws, rules, regulations and orders of any governmental authority, including but not limited to the Laws and Regulations, the noncompliance with which may result in a Material Adverse Change.

(2) Payment of Taxes and Claims. Pay (i) all taxes, assessments and other governmental charges imposed upon it or any of its properties or assets or in respect of any of its franchises, business, income or profits before any penalty accrues thereon, except to the extent that such taxes, assessments, fees and other governmental charges or the failure to pay the same would not be material to the respective business, properties, assets, operations, condition (financial or otherwise) or business prospects of the Borrower or any Guarantor, and (ii) with respect to a Time−Share Project all claims (including, without limitation, claims for labor, services, materials and supplies) for sums which have become due and payable and which by law have or may become a lien upon any of its properties or assets, except for permitted contests in accordance with Section 3.9.

(3) Maintenance of Properties; Books and Records. Maintain or cause to be maintained:

(A) in good repair, working order and condition all properties and assets material to the continued conduct of the business of the Borrower, and from time to time make or cause to be made all necessary repairs, renewals and replacements thereof; and

(B) proper books, records and accounts in which full, true and correct entries in accordance with GAAP consistently applied are made of all financial transactions and matters involving its assets and business.

(4) Change in Nature of Business. Make no material change in the nature of its business as carried on at the date hereof.

(5) Maintenance of Existence. Maintain and preserve its existence and all rights, privileges, qualifications, permits, licenses, franchises and other rights material to its business.

(6) Change in State of Registration or location of Executive Offices. Make no change to its state of organization or the location of its executive offices without giving the Lender at least 30 days' prior written notice.

(7) Management. Maintain professional and qualified management and staff to manage, operate and maintain its assets and business, including but not limited to each Time-Share Project to the extent controlled by Borrower.

(8) Time-Share Project, Time-Share Interests and Collateral.

(A) Inspection. Borrower will at its expense permit Lender and its representatives at all reasonable times and upon reasonable notice to inspect each Time-Share Project and to inspect, audit and copy Borrower's books and records, including, without limitation, the reasonable costs of travel, lodging and meals for representatives of Lender with respect to such inspections and audits, which unless an Event of Default or Potential Default exists, shall take place no more frequently than annually.

(B) Fulfillment of Obligations to Purchasers. Borrower will fulfill, and will cause its Affiliates, agents and independent contractors at all times to fulfill, all their respective obligations to Purchasers. Borrower will perform all of its obligations under the Time-Share Program Consumer Documents and the Time-Share Program Governing Documents.

(C) No Collateral Pledged Prior to Approval. Borrower will not pledge any security interest in any Time-Share Interest to Lender, unless: (i) Borrower has delivered to Lender true and complete copies of the Required Time-Share Approvals required in such jurisdiction for its sales and marketing conduct and all other evidence required by Lender that Borrower has complied with (and is currently in compliance with) all Laws and Regulations of such jurisdiction governing its proposed conduct; and (ii) Borrower has delivered to Lender the Time-Share Program Consumer Documents and the Time-Share Program Governing Documents which Borrower has been using (and is currently using) in connection with the Time-Share Project and the sale or offering for sale of Time-Share Interests in such jurisdiction and such documents have been approved by Lender, which approval shall not be unreasonably withheld or delayed.

(D) No Modification of Collateral or Payments by Borrower. Borrower will not cancel or materially modify, or consent to or acquiesce in any material modification (including, without limitation, any change in the interest rate or amount, frequency or number of payments) to any Instrument which constitutes part of the Collateral; or waive the timely performance of the obligations of the Purchaser under any such Instrument or its security; or release the security for any

such Instrument. Borrower will not pay or advance directly or indirectly for the account of any Purchaser any sum required to be deposited or owing by the Purchaser either under any Purchase

Contract or under any Instrument which constitutes part of the Collateral.

(E) No Modification of Time-Share Documents. Borrower will not cancel or materially modify, or consent to or suffer to exist any cancellation or material modification of any Time-Share Program Consumer Document or any Time-Share Program Governing Document.

(F) Material Increases to Assessments. Borrower (i) will use its commercially reasonable efforts to cause each Time-Share Association to (A) discharge its obligations under the applicable Time-Share Program Governing Documents and (B) maintain a reasonable reserve for capital improvements to the applicable Time-Share Project; and (ii) so long as Borrower controls the Time-Share Association, will pay to such association as and when required of Borrower under the Time Share Program Governing Documents, the difference between (A) the cumulative total amount of the maintenance and operating expenses incurred by the Time-Share Association, together with a reasonable reserve for capital improvements and the amount of any installment of real property taxes currently due and payable with respect to the Time-Share Project and related amenities, and (B) the cumulative total amount of assessments payable to the Time-Share Association by owners (other than Borrower) of Time-Share Interests therein.

(G) Maintenance of Time-Share Project and Other Property. So long as Borrower controls the Time-Share Association, Borrower will maintain or cause to be maintained in good condition and repair all common areas in each Time-Share Project and other on-site amenities which have been promised or represented as being available to Purchasers and which are the responsibility of the applicable Time-Share Association to maintain and repair and, to the extent owned by Borrower or an Affiliate of Borrower, all portions of improvements in which Units are located and are not part of the applicable Time-Share Project. So long as Borrower is in control of the Time-Share Association, Borrower will maintain or cause each Time-Share Association to maintain a reasonable reserve to assure compliance with the terms of the foregoing sentence.

(H) Maintenance of Larger Tract. To the extent either a Time-Share Project is part of a larger common ownership regime or planned development or parts of buildings in which Units are located are not part of a Time-Share Project, Borrower will pay its commercially reasonable share of common expenses to be allocated to the applicable Time-Share Project. Borrower will use commercially reasonable efforts to cause all such property which is not part of a Time-Share Project to be professionally managed in a first class manner. Borrower will not permit common expenses to be allocated to a Time-Share Project in an unreasonably disproportionate manner.

(I) Collection of Collateral. Borrower will undertake the diligent and timely collection of amounts delinquent under each Instrument which constitutes part of the Collateral and will bear the entire expense of such collection. Lender shall have no obligation to undertake any action to collect under any Instrument.

Section 6.4 Insurance

Borrower will pay the cost of and will maintain and deliver to Lender evidence of insurance policies required by Lender which cover such risks, are written by insurers and are in amounts and on forms satisfactory to Lender. All such insurance coverages shall be written by insurers, and in amounts and on forms satisfactory to Lender, which carriers, amounts and forms shall not be changed without the prior written consent of Lender, and all policies for such insurance shall name Lender as a loss payee or an additional insured, as appropriate.

Section 6.5 Financial Covenants

The Borrower shall comply with, or ensure the compliance with, the following:

(1) Net Worth. Bluegreen Corporation will maintain a Net Worth equal to or in excess of $130,000,000; and

Ratio of Total Liabilities to Net Worth. At all times, the ratio of the Debt of Bluegreen Corporation determined in accordance with GAAP consistently applied on a consolidated basis, and not including but not limited to contingent liabilities, to its Net Worth shall not exceed 2.5:1.

Section 6.6 No Transfers

The Borrower will not, unless the Lender otherwise consents in writing, which consent may be granted or withheld in Lender's sole and absolute discretion, make any Transfer.

Section 6.7 Further Assurances

The Borrower shall execute and deliver, or cause the execution and delivery, at any time and from time to time any and all instruments, agreements and documents, and will take such other action, or cause such other action to be taken, as the Lender reasonably requires to maintain, perfect or insure the Lender's security provided for under the Loan Documents, including, without limitation, the execution of amendments to the Loan Documents.

Section 6.8 Exchange Affiliation

The Borrower shall maintain an affiliation with RCI or Interval International or a similar successor organization reasonably acceptable to Lender for the exchange of Time-Share Interests within each Time-Share Project.

Section 6.9 Survival of Covenants

The covenants contained in this Article VI are in addition to, and not in derogation of, the covenants contained elsewhere in the Loan Documents and shall be deemed to be made and reaffirmed as of the time of the making of each Advance.

ARTICLE VII DEFAULT

Section 7.1 Events of Default

The occurrence and continuance of any of the following events constitutes an "Event of Default" hereunder:

(1) The Borrower fails to pay any installment of principal on the Loan when due, whether at stated maturity, as a result of a mandatory prepayment requirement, upon acceleration or otherwise, or pay when due any interest, fees or other amounts payable hereunder or under the other Loan Documents.

(2) Any representation or warranty made by the Borrower or any Guarantor herein or in any other Loan Document is at any time incorrect in any material respect.

(3) The Borrower or any Guarantor fail to perform or observe any term, covenant or agreement contained in this Loan Agreement or any other Loan Document (other than a default or violation referred to elsewhere in this Section 7.1), and such failure remains unremedied for 30 days after notice thereof from the Lender to the Borrower or the Guarantor, if any; provided that in the event the Borrower or any Guarantor commences and is diligently pursuing to completion action to cure the failure, such 30 day period may be extended for such period of time as is necessary to cure the failure, but in no event longer then 120 days from the date of the Lender's notice; provided further however, that in the event (i) the Lender reasonably determines that the failure to immediately declare an Event of Default could materially and adversely harm the rights of the Lender hereunder or under any other Loan Document, or the rights of the Lender with respect to the Collateral, or (ii) the Lender reasonably

determines that the failure to perform or observe the terms of this Loan Agreement or any other Loan Document cannot be remedied with the passage of 120 days, then the Lender may declare an immediate Event of Default in its notice given pursuant to this Section 7.1(3).

(4) The Borrower or any Guarantor asserts the invalidity or unenforceability of any Loan Document or any Loan Document is adjudicated to be invalid or unenforceable in any material respect.

(5) Any event of default (however described) under any other Loan Document occurs and is not cured within the applicable grace period.

(6) Any Security Documents, for any reason, ceases to create a valid and perfected first priority lien on or in the Collateral or other collateral relating thereto as described in the Loan Documents, or the Borrower so states in writing.

(7) The dissolution or winding up of the Borrower or any Guarantor.

(8) A default in the Borrower's performance of its obligations under the Loan Documents as set forth in Section 3.2 and in Section 3.6.

(9) Any Transfer occurs which has not been consented to in writing by Lender.

(10) The Borrower or any Guarantor fails to comply with any of the financial covenants set forth in Section 6.5.

(11) A Material Adverse Change occurs.

(12) Any judgment or order for the payment of money in excess of $100,000, singularly or in the aggregate, is rendered against the Borrower or any Guarantor, and either (i) enforcement proceedings have been commenced by any creditor upon such judgment, or (ii) there is a period of 15 Business Days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect.

(13) The Borrower or any Guarantor fails to pay any Debt (other than the Debt incurred by the Borrower and a Guarantor, if any, with respect to the Loan, the Events of Default with respect to which are set forth elsewhere in this Section 7.1), or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; any other default under any agreement or instrument relating to any such Debt, or any other event, occurs and continues after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to pay, default or event results in the acceleration, or permits the acceleration of, the maturity of such Debt; or any such Debt is declared to be due and payable, or is required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof; provided however that none of the foregoing events or inactions will constitute an Event of Default unless such event or inaction could result in a Material Adverse Change.

(14) The Borrower or any Guarantor generally does not pay its Debts as such Debts become due, or admits in writing its inability to pay its Debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the Borrower or any Guarantor seeking to adjudicate such party as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of such party's Debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for such party or for any substantial part of such party's property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding remains undismissed or unstayed for a period of 30 days (whether or not consecutive), or any of the actions sought in such proceeding (including, without, limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) occur; or the Borrower or any Guarantor takes any action to

authorize any of the actions set forth above.

(15) There occurs any attachment, levy, execution or other judicial seizure of any portion of the Collateral, or any other collateral provided by the Borrower under any

of the Loan Documents, or any substantial portion of the other assets of the Borrower, which is not released, expunged, discharged or dismissed prior to the earlier of (i) 20 days after such attachment, levy execution or seizure, or (ii) the sale of the assets affected thereby.

(16) Any event of default (however described) under the A&D Loan Documents occurs and is not cured within the applicable grace period.

(17) The occurrence of an event of default (however designated or defined) with respect to any loan made by Lender or any Affiliate of Lender to any one or more of Borrower, Guarantor, if any, or any of their respective Affiliates.

Section 7.2 Remedies

(a) At any time after an Event of Default has occurred and while it is continuing, Lender may but without obligation, in addition to the rights and powers granted elsewhere in the Loan Documents and not in limitation thereof, do any one or more of the following:

(1) Immediately cease to make further Advances, and from time to time apply all or any portion of the undisbursed Loan funds to payment of accrued interest under the Note and/or upon any other obligations of the Borrower hereunder or under the Loan Documents. Lender may also withhold any one or more Advances after an event or condition occurs that with notice or the passage of time could become an Event of Default, unless the Borrower cures or corrects the event or condition to the reasonable satisfaction of the Lender prior to the occurrence of an Event of Default.

(2) Declare the Note, together with any applicable Prepayment Premium and all other sums owing by Borrower to Lender in connection with the Loan, to be immediately due and payable.

(3) Make any Advances after the happening of any one or more Events of Default, without thereby waiving its right to demand payment of the Note and all other sums owing to Lender with respect to the Loan Documents or any other rights or remedies described herein, and without liability to make any other or further disbursements, notwithstanding Lender's previous exercise of any such rights and remedies.

(4) With respect to the Collateral, (i) after any applicable delinquency on a Purchase Contract, institute collection, foreclosure and other enforcement actions against Purchasers and other persons obligated on the Collateral, (ii) enter into modification agreements and make extension agreements with respect to payments and other performances, (iii) release persons liable for performance, (iv) settle and compromise disputes with respect to payments and performances claimed due, all without notice to Borrower, without being called to account therefor by Borrower and without relieving Borrower from the performance of its obligations under the Loan Documents, and (v) receive, collect, open and read all mail of Borrower for the purpose of obtaining all items pertaining to the Collateral.

(5) Proceed to protect and enforce its rights and remedies under the Loan Documents and to foreclose or otherwise realize upon its security for the performance of the obligations arising under the Loan Documents, or to

exercise any other rights and remedies available to it at law, in equity or by statute.

(6) Request and have appointed a Receiver with respect to the Borrower and/or the Collateral, and to that end, Borrower hereby consents to the appointment of a Receiver by Lender in any action initiated by Lender pursuant to this Loan Agreement, and Borrower waives any notice and posting of a bond in connection therewith.

(7) Any and all other remedies available at law or in equity.

For the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by subsection (4), the Borrower hereby unconditionally and irrevocably constitutes and appoints the Lender its true and lawful attorney−in−fact to enter into such contracts, perform such acts and incur such liabilities as are referred to in said Section in the name and on behalf of the Borrower. This power of attorney is coupled with an interest.

(b) All remedies of the Lender provided for herein and in any other Loan Documents are cumulative and shall be in addition to all other rights and remedies provided by law or in equity. The exercise of any right or remedy by the Lender hereunder shall not in any way constitute a cure or waiver of default hereunder or under any other Loan Document or invalidate any act done pursuant to any notice of default, or prejudice the Lender in the exercise of any of its rights hereunder or under any other Loan Document. If the Lender exercises any of the rights or remedies provided in this Article VII, that exercise shall not make the Lender, or cause the Lender to be deemed to be, a partner or joint venturer of the Borrower. No disbursement of Loan funds by the Lender shall cure any default of the Borrower, unless the Lender agrees otherwise in writing in each instance.

(c) Upon the occurrence of any Event of Default, all of the Borrower' s obligations under the Loan Documents may become immediately due and payable without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, at the Lender's option, exercisable in its sole discretion.

Section 7.3 Application of Proceeds During an Event of Default

Notwithstanding anything in the Loan Documents to the contrary, while an Event of Default exists, any cash received and retained by Lender in connection with the Collateral may be applied to payment of the Borrower's obligations under the Loan Documents as Lender in its discretion may determine.

Section 7.4 Uniform Commercial Code Remedies; Sale; Assembly of Collateral

(a) UCC Remedies; Sale of Collateral. Lender shall have all of the rights and remedies of a secured party under the Uniform Commercial Code of the State of Arizona and all other rights and remedies accorded to a Secured Party at equity or law. Any notice of sale or other

disposition of the Collateral given not less than 10 Business Days prior to such proposed action in connection with the exercise of Lender's rights and remedies shall constitute reasonable and fair notice of such action. Lender may postpone or adjourn any such sale from time to time by announcement at the time and place of sale stated on the notice of sale or by announcement of any adjourned sale, without being required to give a further notice of sale. Any such sale may be for cash or, unless prohibited by applicable law, upon such credit or installment as Lender may determine. Borrower shall be credited with the net proceeds of such sale only when such proceeds are actually received by Lender in good current funds. Despite the consummation of any such sale, Borrower shall remain liable for any deficiency on the Borrower's obligations under the Loan Documents which remains outstanding following such sale. All net proceeds recovered pursuant to a sale shall be applied in accordance with the provisions of Section 7.5.

(b) Lender's Right to Execute Conveyances. Lender may, in the name of Borrower or in its own name, make and execute all conveyances, assignments and transfers of the Collateral sold in connection with the exercise of Lender's rights and remedies; and Lender is hereby appointed Borrower's attorney−in−fact for this purpose.

(c) Obligation to Assemble Collateral. Upon request of Lender when an Event of Default exists, Borrower shall assemble the Collateral and make it available to Lender at a time and place designated by Lender, if it is not already in Lender's or Custodial Agent's possession.

Section 7.5 Application of UCC Sale Proceeds

Should Lender exercise the rights and remedies specified in Section 7.4, unless otherwise required by applicable law, any proceeds received thereby shall be first applied to pay the costs and expenses, including reasonable attorneys' fees, incurred by Lender as a result of the Event of Default. The remainder of any proceeds, net of Lender's costs and expenses shall be applied to the satisfaction of the obligations under the Loan Documents as Lender in its discretion may determine until fully satisfied with any excess paid over to Borrower.

Section 7.6 Authorization to Apply Assets to Payment of Loan

The Borrower hereby authorizes the Lender, following the occurrence of an Event of Default, without notice or demand, to apply any property, balances, credits, accounts or moneys of the Borrower or any Affiliate of the Borrower then in the possession of the Lender, or standing to the credit of the Borrower or any Affiliate of the Borrower, to the payment of the Loan.

Section 7.7 Lender's Right to Perform

Lender may, at its option, and without any obligation to do so, pay, perform and discharge any and all obligations agreed to be paid or performed in the Loan Documents by Borrower or any surety for the performance of their obligations under the Loan Documents if

(1) such person fails to do so and

(2) (i) an Event of Default exists and at least 5 Business Day's notice has been given to such person of Lender's intention to take such action, (ii) the action taken by Lender involves obtaining insurance which such person has failed to maintain in accordance with the Loan Documents or to deliver evidence thereof, or (iii) in the opinion of Lender, such action must be taken because an emergency exists or to preserve any of the Collateral or its value.

For such purposes Lender may use the proceeds of the Collateral. All amounts expended by Lender in so doing or in exercising its remedies under the Loan Documents following an Event of Default shall become part of the obligations arising under the Loan Documents, shall be immediately due and payable by Borrower to Lender upon demand, and shall bear interest at the Default Rate from the dates of such expenditures until paid.

Section 7.8 Waiver of Marshalling

Borrower, for itself and for all who may claim through or under it, hereby expressly waives and releases all right to have the Collateral, or any part of the Collateral, marshaled on any foreclosure, sale or other enforcement of Lender's rights and remedies.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Successors and Assigns; No Assignment by the Borrower

The provisions of this Loan Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that the Borrower may not assign or transfer any of its rights or

obligations under this Loan Agreement or any of the other Loan Documents without the prior written consent of the Lender.

Section 8.2 Notices

All notices, requests and demands to be made hereunder to the parties hereto must be in writing (at the addresses set forth below) and may be given by any of the following means:

(1) personal delivery;

(2) reputable overnight courier service;

(3) electronic communication, whether by telex, telegram or telecopying (if confirmed in writing sent by registered or certified, first class mail, return receipt requested); or

(4) registered or certified, first class mail, return receipt requested.

Any notice, demand or request sent pursuant to the terms of this Loan Agreement will be deemed received (i) if sent pursuant subsection (1), upon such personal delivery, (ii) if sent pursuant to subsection (2), on the next Business Day following delivery to the courier service, (iii) if sent pursuant to subsection (3), upon dispatch if such dispatch occurs between the hours of 9:00 a.m. and 5:00 p.m. (recipient's time zone) on a Business Day, and if such dispatch occurs other than during such hours, on the next Business Day following dispatch and (iv) if sent pursuant to subsection (4), 3 days following deposit in the mail.

The addresses for notices are as follows:

To the Lender: Residential Funding Corporation
2415 E. Camelback Rd.
Suite 700
Phoenix, AZ 85016
Attention: Managing Director Resort Finance
Telephone No.: (602) 912-8504
Telecopier No.: (602) 912-8506

With a copy to: Residential Funding Corporation
8400 Normandale Lake Boulevard, Suite 250
Minneapolis, Minnesota 55437
Attention: Chief Counsel

Business Capital Group
Telephone No.: (952) 857-6911
Telecopier No.: (952) 857-6949

To the Borrower: Bluegreen Corporation
4960 Conference Way North, Suite 100
Boca Raton, Florida 33431
Attention: John F. Chiste
Telephone No.: (561) 912-8010
Telecopier No.: (561) 912-8123

With courtesy copies to:
Bluegreen Corporation
4960 Conference Way North, Suite 100
Boca Raton, FL 33431
Attention: Randi Tompkins
Telephone No.: (561) 912-8012
Telecopier No.: (561) 912-8299

The failure to provide courtesy copies will not affect or impair the Lender's rights and remedies against the Borrower. Such addresses may be changed by notice to the other parties given in the same manner as provided above. Notwithstanding the foregoing, all requests for Advances of the Loan pursuant to Article II above will be deemed received only upon actual receipt, and such requests for Advances must be given only to the Lender's primary addressee.

Section 8.3 Borrower's Representative

The Borrower hereby designates the following natural persons as its representatives and the representative of the Guarantor, if any, for purposes of (i) making all decisions with respect to the Loan and the Loan Documents, (ii) delivering all notices, certificates, requests for advance and other documents required by the terms of the Loan Documents or requested by the Borrower or any Guarantor in connection with the Loan and (iii) taking all other actions requested by the Borrower or any Guarantor in connection with the Loan and the Loan Documents:

John F. Chiste, Senior Vice President
Bluegreen Corporation
4960 Conference Way North
Suite 100
Boca Raton, Florida 33431
Telephone No.: (561) 912−8010
Telecopier No.: (561) 912−8123
Allan J. Herz, Vice President
Bluegreen Corporation
4960 Conference Way North
Suite 100
Boca Raton, FL 33431
Telephone No.: (561) 912−8210
Telecopier No.: (561) 912−7915

In taking action pursuant to the terms of this Loan Agreement and the other Loan Documents, the Lender shall be entitled to rely, without further investigation, upon any notice, certificate, request for advance or other document delivered in writing and executed or signed by such

representative of the Borrower and any Guarantor. In addition, the Lender may, at its option, refuse to take action in the event a notice, certificate, request for advance or other document is delivered to Lender which has not been executed or delivered by such representative of the Borrower and the Lender.

Section 8.4 Changes, Waivers, Discharge and Modifications in Writing

No provision of this Loan Agreement or any of the other Loan Documents may be changed, waived, discharged or modified except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or modification is sought.

Section 8.5 No Waiver; Remedies Cumulative

No disbursement of proceeds of the Loan will constitute a waiver of any conditions to the Lender's obligation to make further disbursements nor, in the event the Borrower is unable to satisfy any such conditions, will any such waiver have the effect of precluding the Lender from thereafter declaring such inability to constitute an Event of Default (however described) under this Loan Agreement or any other Loan Document. No failure or delay on the part of the Lender in the exercise of any power, right or privilege hereunder or under this Loan Agreement or any other Loan Document will impair such power, right or privilege or be construed to be a waiver of any Event of Default (however described) or acquiescence therein, nor will any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof, or of any other right, power or privilege. Except as specifically provided herein, all rights and remedies existing under this Loan Agreement and the other Loan Documents are cumulative to and not exclusive of any rights or remedies otherwise available.

Section 8.6 Costs, Expenses and Taxes

(a) The Borrower agrees to pay the costs, and all expenses incurred by the Lender in connection with the preparation, execution, delivery, administration, modification and amendment of this Loan Agreement, the other Loan Documents and any other documents to be delivered hereunder. The costs and expenses to be paid by the Borrower shall include, without limitation the following:

(1) the reasonable fees and out−of−pocket expenses of counsel for the Lender, including in−house counsel to the Lender, with respect thereto and with respect to advising the Lender as to its rights and responsibilities under this Loan Agreement and the other Loan Documents;

(2) any and all stamp and other taxes payable or determined to be payable in connection with the execution and delivery of this Loan Agreement, the other Loan Documents and the other documents to be delivered hereunder;

(3) any and all fees and costs associated with the assignment, custody and servicing of the Collateral inclusive of the fees and costs described in this Loan Agreement;

(4) any and all reasonable travel expenses of Lender's employees in relation to the Loan; and

(5) any and all other costs and expenses incurred by Lender.

(b) The Borrower further agrees to pay all costs and expenses of the Lender, including, without limitation, reasonable counsel fees and expenses, court costs and all litigation expenses (including, but not limited to, reasonable expert witness fees, document copying expenses, exhibit preparation, courier expenses, postage expenses and communication expenses) in connection with the enforcement of this Loan Agreement, the other Loan Documents and any other documents delivered hereunder, including, without limitation, costs and expenses incurred in connection with any bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceeding, or any refinancing or restructuring in the nature of a "workout" of the Loan Documents and any other documents delivered by the Borrower and any Guarantor related thereto.

(c) Payment from the Borrower of amounts due pursuant to this Section 8.6 will be due 10 days after it has received from the Lender written notice of the nature of the item for which payment is required and the amount due.

Section 8.7 Disclaimer by the Lender; No Joint Venture

The Borrower acknowledges, understands and agrees as follows:

(1) The relationship between the Borrower and the Lender is, and will at all times remain, solely that of borrower and lender, and the Lender neither undertakes nor assumes any responsibility for or duty to the Borrower, any Guarantor or any Affiliate to select, review, inspect, supervise, pass judgment upon or inform the Borrower of the quality, adequacy or suitability of any matter or thing submitted to the Lender for its approval.

(2) The Lender owes no duty of care to protect the Borrower, Guarantor, if any, or any Affiliate or any other Person against negligent, faulty, inadequate or defective building or construction.

(3) The Borrower is not and will not be an agent of the Lender for any purpose. The Lender is not a joint venture partner with the Borrower in any manner whatsoever. Approvals granted by the Lender for any matters covered under this Loan Agreement are to be narrowly construed to cover only the parties and facts identified in any such approval.

Section 8.8 Indemnification

In addition to the separate and independent Hazardous Substances Remediation and Indemnification Agreement, the Borrower agrees to protect, indemnify, defend and hold harmless each Indemnified Party from and against any and all claims, damages, losses, liabilities, obligations, penalties, actions, judgments, suits, costs, disbursements and expenses (including,

without limitation, reasonable fees and expenses of counsel and consultants and allocated costs of internal counsel (but not in duplication of outside third

party legal fees)) that may be incurred by or asserted against any Indemnified Party, in each case arising out of or in connection with or related to any of the following:

(1) the Loan, this Loan Agreement or any other Loan Document;

(2) any Time-Share Project;

(3) the use of funds advanced under the Loan Documents; or

(4) the failure of the Borrower, Guarantor, if any, or any other party to the Loan Documents (other than the Lender) to comply fully with any and all laws applicable to it;

whether or not an Indemnified Party is a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such claims, damages, losses, liabilities, obligations, penalties, actions, judgments, suits, costs, obligations, penalties, disbursements and expenses are found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Party. Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 8.8 will survive the termination of this Loan Agreement and the other Loan Documents and the payment in full of the Loan.

Section 8.9 Consultants

The Borrower will pay any and all valid claims of any consultants, advisors, brokers or agents whom it has retained or with whom it has initiated contact with respect to the Loan who claims a right to any fees in connection with the Loan, and will indemnify, defend and hold the Lender harmless from such claims, whether or not they are valid.

Section 8.10 Titles and Headings

The titles and headings of sections of this Loan Agreement are intended for convenience only and are not in any way to affect the meaning or construction of any provision of this Loan Agreement.

Section 8.11 Counterparts

This Loan Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which will constitute one and the same agreement with the same effect as if all parties had signed the same signature page.

Section 8.12 The Lender's Rights with Respect to Loan

Notwithstanding any provision to the contrary contained in this Loan Agreement or any other Loan Document, the Lender may at any time sell, assign, grant or transfer to any Person all

or a portion of its interest in or rights with respect to the Loan and in all or part of the obligations of the Borrower and any other obligated party under the Loan Documents. Lender agrees to use its best efforts to retain the servicing of the Loan.

Section 8.13 Confidentiality

The Borrower and the Lender shall mutually agree on the contents of any press release, public announcement or other public disclosure regarding this Loan Agreement and the transactions contemplated hereunder to be made following the mutual execution and delivery of this Loan Agreement; provided that the Lender may disclose the terms hereof and give copies of the Loan Documents to assignees and participants and to prospective assignees and participants. If either party fails to respond to the other party in writing with either an approval or a disapproval within 5 Business Days of a party's receipt of the other party's request for consent or approval as expressly contemplated pursuant to this Section 8.13, then such consent or approval will be deemed to have been given, provided that such 5 Business Day period will not commence to run unless and until the other party has received all information, materials, documents and other matters required to be submitted to it hereunder with respect to such

consent or approval and all other information, materials, documents and other matters reasonably essential to its decision process.

Section 8.14 Time is of the Essence

Time is of the essence of this Loan Agreement.

Section 8.15 No Third Parties Benefited

This Loan Agreement is made and entered into for the sole protection and legal benefit of the Borrower, the Guarantor, if any, and the Lender and their permitted successors and assigns, and no other Person will be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with this Loan Agreement or any of the other Loan Documents. The Lender will not have any obligation to any Person not a party to this Loan Agreement or the other Loan Documents.

Section 8.16 Severability

The illegality or unenforceability of any provision of this Loan Agreement or any instrument or agreement required hereunder will not in any way affect or impair the legality or enforceability of the remaining provisions of this Loan Agreement or any instrument or agreement required hereunder.

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Section 8.17 FORUM SELECTION; JURISDICTION; CHOICE OF LAW

BORROWER ACKNOWLEDGES THAT THIS LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS WERE SUBSTANTIALLY NEGOTIATED IN THE STATE OF ARIZONA, THIS LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS WERE DELIVERED BY BORROWER IN THE STATE OF ARIZONA,

EXECUTED BY LENDER IN THE STATE OF ARIZONA AND ACCEPTED BY LENDER IN THE STATE OF ARIZONA AND THAT THERE ARE SUBSTANTIAL CONTACTS BETWEEN THE PARTIES AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THE STATE OF ARIZONA. FOR PURPOSES OF ANY ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, THE PARTIES HERETO HEREBY EXPRESSLY SUBMIT TO THE JURISDICTION OF ALL FEDERAL AND STATE COURTS LOCATED IN MARICOPA COUNTY, ARIZONA AND BORROWER CONSENTS THAT IT MAY BE SERVED WITH ANY PROCESS OR PAPER BY REGISTERED MAIL OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ARIZONA IN ACCORDANCE WITH APPLICABLE LAW. FURTHERMORE, BORROWER WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE ACTION, SUIT OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR THAT VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. IT IS THE INTENT OF THE PARTIES HERETO THAT ALL PROVISIONS OF THIS LOAN AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT THAT A COURT OF COMPETENT JURISDICTION FINDS ARIZONA LAW INAPPLICABLE WITH RESPECT TO ANY PROVISIONS OF THIS LOAN AGREEMENT OR THE NOTE, THEN, AS TO THOSE PROVISIONS ONLY, THE LAWS OF THE STATES WHERE THE COLLATERAL IS LOCATED SHALL BE DEEMED TO APPLY. NOTHING IN THIS SECTION SHALL LIMIT OR RESTRICT THE RIGHT OF LENDER TO COMMENCE ANY PROCEEDING IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATES IN WHICH THE COLLATERAL IS LOCATED TO THE EXTENT LENDER DEEMS SUCH PROCEEDING NECESSARY OR ADVISABLE TO EXERCISE REMEDIES AVAILABLE UNDER THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

Section 8.18 WAIVER OF JURY TRIAL

WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS LOAN AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF.

BORROWER AND LENDER HEREBY AGREE THAT THIS LOAN AGREEMENT CONSTITUTES A WRITTEN CONSENT TO WAIVER OF TRIAL BY JURY PURSUANT TO THE PROVISIONS OF ALL APPLICABLE LAWS AND BORROWER DOES HEREBY CONSTITUTE AND APPOINT LENDER ITS TRUE AND LAWFUL ATTORNEY-IN-FACT, WHICH APPOINTMENT IS COUPLED WITH AN INTEREST. BORROWER DOES HEREBY AUTHORIZE AND EMPOWER LENDER, IN THE NAME, PLACE AND STEAD OF BORROWER, TO FILE THIS LOAN AGREEMENT

WITH THE CLERK OR JUDGE OF ANY COURT OF COMPETENT
JURISDICTION AS A STATUTORY WRITTEN CONSENT TO WAIVER OF TRIAL BY JURY.

Initials: Lender: _____

Borrower: _____ _____ _____ _____

Section 8.19 Interpretation

This Loan Agreement and the other Loan Documents will not be construed against the Lender merely because of the Lender's involvement in the preparation of such documents and agreements.

Section 8.20 Destruction of Note

In the event the Note is mutilated or destroyed by any cause whatsoever, or otherwise lost or stolen and regardless of whether due to the act or neglect of the Lender, the Borrower will execute and deliver to the Lender in substitution therefor a duplicate promissory note containing the same terms and conditions as the Note, within 10 days after the Lender notifies the Borrower of any such mutilation, destruction, loss or theft of the Note. Upon the Borrower's delivery of such duplicate promissory note, the Borrower will be relieved of all obligations under the original Note and will thereafter be bound solely by the provisions of such duplicate promissory note.

Section 8.21 No Relationship With Purchasers

Lender does not hereby assume and shall have no responsibility, obligation or liability to purchasers, Lender's relationship being that only of a creditor who has taken an Assignment from Borrower of the Instruments in order to facilitate performance of the obligations arising under the Loan Documents. Except as required by law and for filings made with the Securities & Exchange Commission or any stock exchange on which Borrower's Stock is traded, Borrower will not, at any time, use the name of or make reference to Lender with respect to the Time−Share Project, the sale of Time Share Interests or otherwise, without the express written consent of Lender.

Section 8.22 Entire Agreement

This Loan Agreement, together with the other Loan Documents, embodies the entire agreement and understanding among the Borrower, the Guarantor, if any, and the Lender and supersedes all prior or contemporaneous agreements and understandings of such persons, verbal or written, relating to the subject matter hereof and thereof except for any prior arrangements made with respect to the payment by the Borrower of (or any indemnification for) any fees, costs or expenses payable to or incurred (or to be incurred) by or on behalf of the Lender.

Section 8.23 Cross−Collateralization of Loans.

Borrower specifically acknowledges and agrees that the Collateral shall secure the Loan and the A&D Loan and that all of the collateral securing the A&D Loan, as provided for in the A&D Loan Documents, shall secure the A&D Loan and the Loan. Notwithstanding the foregoing, or anything to the contrary in any of the Loan Documents, provided no Event of Default exists, Lender agrees to release the Collateral upon the receipt of repayment in full of the amounts owing to Lender in connection with the Loan whether or not the A&D Loan is paid in full.

Section 8.24 Reliance

Lender's examination, inspection, or receipt of information pertaining to

Borrower, any Guarantor, the Collateral or the Time-Share Project shall not in any way be deemed to reduce the full scope and protection of the warranties, representations and obligations contained in the Loan Documents.

Section 8.25 Joint and Several Liability

The obligations of each entity comprising the Borrower under this Loan Agreement shall be joint and several, primary, direct and immediate. Each entity comprising the Borrower shall be and remain liable for all of the obligations arising under this Loan Agreement until such obligations have been fully paid and performed. Borrower acknowledges that Advances will be made on Eligible Instruments owned by less than all of the entities comprising Borrower hereunder, and that the Advances may be used by such entity in connection with a Time-Share Project in which less than all of the entities identified as Borrower hereunder have an interest. Borrower represents and warrants to Lender that each entity identified as Borrower hereunder will benefit both directly and indirectly from the Advances. Borrower authorizes the persons set forth in Section 8.3 to execute requests for Advances hereunder, and Borrower authorizes Lender to disburse Advances at the direction of such person. All such requests for Advances executed by such authorized person shall be binding upon Borrower (and each of them).

Section 8.26 Limitation of Bluegreen/Big Cedar's Monetary Liability

Notwithstanding anything to the contrary contained in Section 8.25 above, or any other provision of this Loan Agreement or the Loan Documents, at no time shall Bluegreen/Big Cedar's monetary obligations and liability under the Loan, including but not limited to the Note of even date herewith, exceed the aggregate amount of the unpaid balance, plus all accrued and unpaid interest, of the Instruments assigned, endorsed and delivered by Bluegreen/Big Cedar to Lender as Collateral pursuant to this Loan Agreement, which Instruments arise out of a conveyance of Deeded Time-Share Interests in the Big Cedar Wilderness Club Condominium Project. Notwithstanding the foregoing, in the event Lender, at anytime after an Event of Default has occurred and while it is still continuing, in its sole discretion determines not to foreclose or otherwise realize upon the Instruments assigned by Bluegreen/Big Cedar's as Collateral for the performance of Bluegreen/Big Cedar's obligations arising under the Loan Documents but declares the Note and all other sums owing by Borrower to Lender in connection with the Loan to be due and payable, Lender agrees that it shall, upon tender of full payment by Big Cedar, L.L.C. to Lender of the aggregate amount of the unpaid balance, plus all accrued and unpaid

interest of the Instruments assigned by Bluegreen/Big Cedar to Lender, assign, endorse and deliver to Big Cedar, L.L.C., immediately and concurrently with tender of full payment, all of the Instruments assigned by Bluegreen/Big Cedar to Lender and Lender shall unconditionally release and forever relinquish entirely any and all rights, title and interest that Lender has with respect to the Instruments assigned by Bluegreen/Big Cedar to Lender.

[Signatures on following pages]

WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be duly executed as of the dated first above written.

BORROWER:

BLUEGREEN CORPORATION, a Massachusetts corporation

By: /s/ JOHN F. CHISTE
_____

Printed Name: John F. Chiste

Title: Senior Vice President

BLUEGREEN VACATIONS UNLIMITED, INC.
a Florida corporation

By: /s/ JOHN F. CHISTE

Printed Name: John F. Chiste

Title: Treasurer

BLUEGREEN/BIG CEDAR VACATIONS, LLC.
a Delaware limited liability company

By: /s/ JOHN F. CHISTE

Printed Name: John F. Chiste

Title: Authorized Signatory

LENDER:

Residential Funding Corporation,
a Delaware corporation

By: /s/ JEFF OWINGS

Printed Name: Jeff Owings
Title: Managing Director

REVOLVING PROMISSORY NOTE

(Receivables Loan)

Phoenix, Arizona
$50,000,000.00 February 10, 2003

FOR VALUE RECEIVED, BLUEGREEN CORPORATION, a Massachusetts corporation, BLUEGREEN VACATIONS UNLIMITED, INC., a Florida corporation and BLUEGREEN/BIG CEDAR VACATIONS, LLC, a Delaware limited liability company (jointly and severally "Borrower") promises unconditionally to pay to the order of RESIDENTIAL FUNDING CORPORATION, a Delaware corporation ("Holder"), in lawful money of the United States of America, in immediately available funds, the principal sum of Fifty Million and No/100 Dollars ($50,000,000.00), or the portion of such principal amount outstanding from time to time, together with interest on such unpaid principal balance, as more fully provided below. Notwithstanding the above, or anything to the contrary herein, the monetary obligations of BLUEGREEN/BIG CEDAR VACATIONS, LLC shall be subject to the limitation set forth in Section 8.26 of the Loan Agreement (defined below).

This Revolving Promissory Note (this "Note") is executed pursuant to a Loan and Security Agreement dated as of even date herewith between Borrower and Holder (together with any and all extensions, renewals, modifications and restatements thereof, the "Loan Agreement") and evidences Advances (as defined in the Loan Agreement) under a revolving receivables loan (the "Loan").

Section 1 Definitions

As used herein, the term "Holder" shall mean Holder and any subsequent holder of this Note, whichever is applicable from time to time. Initially capitalized terms used herein without definition shall have the meanings set forth in the Loan Agreement. The Loan Agreement and all other documents now or hereafter executed in connection with the Loan are collectively referred to herein as the "Loan Documents."

Section 2 Interest

(a) Except as otherwise provided herein, interest shall be computed and shall accrue at a variable interest rate per annum equal to LIBOR plus 4%, adjusted monthly on the first Business Day of each calendar month. As used herein, "LIBOR" means the average of interbank offered rates for 30-day dollar deposits in the London market based on quotations of five major banks, as published from time to time in The Wall Street Journal. In the event that The Wall Street Journal ceases to be published or ceases to publish such a compilation of interbank offered rates, the Borrower and the Lender will agree on a substitute source and method of determining the interest rate generally known as the one-month (or 30-day) LIBOR rate.

(b) Interest shall be computed on the outstanding principal balance of the Loan on the basis of the actual number of days elapsed during the period for which interest is being charged predicated on a year consisting of three hundred sixty five (365) days.

Section 3 Principal and Interest Payments

(a) Borrower will pay to Holder 100% of the Collateral Proceeds, as provided for in Section 2.10 of the Loan Agreement.

(b) Borrower shall make the principal payments required by Section 2.10, Section 3.2 and Section 3.6 of the Loan Agreement.

(c) On or before the 5th Business Day of each month, commencing with the first month after the Holder has disbursed proceeds of the Loan, the Holder shall send to the Borrower a statement setting forth (i) the amount of interest due for the previous month and (ii) whether Holder intends to add the interest due and payable to the principal balance of the Loan, which shall be at Holder's sole and absolute discretion. If Holder decides to not add the interest due and payable to the principal balance of the Loan, then Borrower will pay the interest due for such month on or before the 15th calendar day of the month in which the applicable statement was sent to Borrower.

(d) If any payment of interest or principal to be made by Borrower shall become due on a day other than a Business Day, such payment will be made on the next succeeding Business Day and such extension of time shall be included in computing any interest with respect to such payment.

Section 4 Maturity Date

The unpaid principal balance hereof, together with all unpaid interest accrued thereon, and all other amounts payable by Borrower under the terms of the Loan Documents shall be due and payable on the first to occur (the "Maturity Date") of (i) the date which is 7 years from the expiration of the Advance Period, or (ii) the date on which this Note is required to be repaid pursuant to the terms of the Loan Agreement, including, without limitation, Section 7.2 of the Loan Agreement. If the Maturity Date should fall on a day other than a Business Day, payment of the outstanding principal and all unpaid interest due under the terms hereof shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

Section 5 Prepayment

Except as provided in the Loan Agreement, Borrower shall have the option to prepay the Loan in full but not in part upon 30 days prior written notice without the payment of any prepayment premium.

Section 6 Manner of Payment

Principal and interest are payable in lawful money of the United States of America. Payments shall be made in the manner prescribed in Section 2.13 of the Loan Agreement or in accordance with such other instructions that Holder may from time to time designate in writing.

Section 7 Applications of Payments; Late Charges

(a) Payments received by Holder pursuant to the terms hereof shall be applied in the manner required by Section 2.10(a) of the Loan Agreement.

(b) If any installment of interest and/or the payment of principal is not received by Holder within 5 Business Days after the due date thereof, then in addition to the remedies conferred upon Holder pursuant to Section 7 of the Loan Agreement and the other Loan Documents, the Holder may elect to assess a late charge of 4% of the amount of the installment due and unpaid, which such late charge will be added to the delinquent amount to compensate Holder for the expense of handling the delinquency. Borrower and Holder agree that such late charge represents a good faith and fair and reasonable estimate of the probable cost to Holder of such delinquency. Borrower acknowledges that during the time that any such amount shall be in default, Holder will incur losses which are impracticable, costly and inconvenient to ascertain and that such late charge represents a reasonable sum considering all of the circumstances existing on the date of the execution of this Note and represents a reasonable estimate of the losses Holder will incur by reason of late payment. Borrower further agrees that proof of actual losses would be costly, inconvenient, impracticable and extremely difficult to fix. Acceptance of such late charge shall not constitute a waiver of the default with respect to the overdue installment, and shall not prevent Holder from exercising any of the other rights and remedies available hereunder.

Section 8 Remedies

Upon the occurrence of an Event of Default and without demand or notice, Holder shall have the option to declare the entire balance of principal together

with all accrued interest thereon immediately due and payable and to exercise all rights and remedies available to it under the Loan Agreement and all other Loan Documents. Upon the occurrence of an Event of Default (and so long as such Event of Default shall continue), the entire balance of principal together with all accrued interest thereon shall bear interest at the Interest Rate plus 2% (the "Default Rate"). No delay or omission on the part of Holder hereof in exercising any right under this Note or under any of the Loan Documents shall operate as a waiver of such right. The application of the Default Rate shall not be interpreted or deemed to extend any cure period set forth in any Loan Document or otherwise limit in any way any of Holder's remedies hereunder or thereunder.

Section 9 Waiver

Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note and expressly agrees that, without in any way affecting the liability of Borrower hereunder, Holder may extend the Maturity Date or the time for payment of any installment due hereunder, accept security, release any party liable hereunder and release any security hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand

on this Note, any other Loan Document or on any security agreement or other agreement now or hereafter securing this Note.

Section 10 Attorneys' Fees

If this Note is not paid when due or if any Event of Default occurs, Borrower promises to pay all costs of enforcement and collection, including, but not limited to, Holder's reasonable attorneys' fees, whether or not any action or proceeding is brought to enforce the provisions hereof, including, without limitation, any action or proceeding in connection with any bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceeding.

Section 11 Severability

Every provision of this Note is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

Section 12 Interest Rate Limitation

The provisions of this Note, the Loan Agreement and the other Loan Documents are hereby expressly limited so that in no contingency or event whatever shall the amount paid or agreed to be paid to Holder for the use, forbearance or detention of the sums evidenced by this Note exceed the maximum amount permissible under applicable law. If from any circumstance whatever the performance or fulfillment of any provision of this Note, the Loan Agreement or of any other Loan Document should involve or purport to require any payment in excess of the limit prescribed by law, then the obligation to be performed or fulfilled is hereby reduced to the limit of such validity. In addition, if, from any circumstance whatever, Holder should ever receive as interest an amount which would exceed the highest lawful rate under applicable law, then the amount which would be excessive interest shall be applied as an optional reduction of principal in accordance with the terms of Section 3 of this Note and the provisions of the Loan Agreement (or, at Holder's option, be paid over to Borrower), and will not be counted as interest.

Section 13 Headings

Headings at the beginning of each numbered section of this Note are intended solely for convenience and are not to be deemed or construed to be a part of this Note.

Section 14 Time is of the Essence

Time is of the essence with respect to all obligations under this Note.

Section 15 Successors

All of the rights, privileges and obligations hereof shall inure to the benefit of and shall be binding upon Holder and Borrower and any successors and permitted assigns, if applicable.

Section 16 CHOICE OF LAW; JURISDICTION AND VENUE

BORROWER ACKNOWLEDGES THAT THIS NOTE WAS SUBSTANTIALLY NEGOTIATED IN THE STATE OF ARIZONA, DELIVERED BY BORROWER IN THE STATE OF ARIZONA AND ACCEPTED BY HOLDER IN THE STATE OF ARIZONA AND THAT THERE ARE SUBSTANTIAL CONTACTS BETWEEN THE PARTIES AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THE STATE OF ARIZONA. FOR PURPOSES OF ANY ACTION OR PROCEEDING ARISING OUT OF THIS NOTE OR ANY OF THE OTHER LOAN DOCUMENTS, BORROWER HEREBY EXPRESSLY SUBMITS TO THE JURISDICTION OF ALL FEDERAL AND STATE COURTS LOCATED IN MARICOPA COUNTY, ARIZONA AND BORROWER CONSENTS THAT IT MAY BE SERVED WITH ANY PROCESS OR PAPER BY REGISTERED MAIL OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ARIZONA IN ACCORDANCE WITH APPLICABLE LAW. FURTHERMORE, BORROWER WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE ACTION, SUIT OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR THAT VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. IT IS THE INTENT OF THE PARTIES HERETO THAT ALL PROVISIONS OF THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OF CONFLICTS OF LAW. NOTHING IN THIS SECTION SHALL LIMIT OR RESTRICT THE RIGHT OF HOLDER TO COMMENCE ANY PROCEEDING IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATES IN WHICH THE COLLATERAL SECURING THE LOAN IS LOCATED TO THE EXTENT HOLDER DEEMS SUCH PROCEEDING NECESSARY OR ADVISABLE TO EXERCISE REMEDIES AVAILABLE UNDER THIS NOTE OR THE OTHER LOAN DOCUMENTS.

IN WITNESS WHEREOF, the undersigned has caused this Note to be duly executed and delivered as of the date first set forth above.

[Signatures on following page]

BORROWER:

BLUEGREEN CORPORATION, a
Massachusetts corporation

By: /S/ JOHN F. CHISTE
_____

Printed Name: John F. Chiste
_____

Its: Senior Vice President
_____

Federal ID #:
_____

BLUEGREEN VACATIONS UNLIMITED,
INC., a Florida corporation

By: /S/ JOHN F. CHISTE
_____

Printed Name: John F. Chiste
_____

Its: Treasurer
_____

Federal ID #:
_____

BLUEGREEN/BIG CEDAR VACATIONS,
LLC, a Delaware limited liability company

By: /S/ JOHN F. CHISTE

Printed Name: John F. Chiste

Its: Authorized Signatory

Federal ID #:

EXHIBIT 10.159

FULL GUARANTY

THIS GUARANTY AGREEMENT (this "Guaranty") is made as of February 10, 2003 (the "Effective Date") by BLUEGREEN CORPORATION, a Massachusetts corporation (the "Guarantor"), in favor of RESIDENTIAL FUNDING CORPORATION, a Delaware corporation (the "Lender").

R E C I T A L S:

A. Lender and Guarantor, Bluegreen Vacations Unlimited, Inc., a Florida corporation and Bluegreen/Big Cedar Vacations LLC, a Delaware limited liability company (collectively, "Receivables Borrower") are entering into a Loan and Security Agreement (Receivables) dated as of even date herewith (as from time to time amended, the "Receivables Loan Agreement"), pursuant to which Lender has agreed to make to make a revolving receivables loan in the maximum principal amount of $50,000,000 ("Receivables Loan"). The Receivables Loan is evidenced by a Revolving Promissory Note executed by Receivables Borrower in favor of Lender dated as of even date herewith (as from time to time amended, the "Receivables Note").

B. In addition, Lender and Bluegreen Vacations Unlimited, Inc., a Florida corporation ("ADC Borrower") are entering into a Loan Agreement (AD&C) dated as of even date herewith (as from time to time amended, the "AD&C Loan Agreement"), pursuant to which Lender has agreed to make to ADC Borrower a revolving acquisition, development and construction loan in the maximum principal amount of $15,000,000 ("AD&C Loan"). The AD&C Loan is evidenced by a Revolving Promissory Note executed by ADC Borrower in favor of Lender dated as of even date herewith (as from time to time amended, the "AD&C Note").

C. As a condition to making the AD&C Loan, the Lender has required that the Guarantor execute and deliver this Guaranty guaranteeing the payment of the AD&C Loan and performance of the AD&C Borrower's obligations under the AD&C Loan Documents.

A G R E E M E N T:

NOW, THEREFORE, in order to induce the Lender to enter into the AD&C Loan Agreement and to make the AD&C Loan, and in consideration thereof, the Guarantor hereby agrees as follows:

Section 1. Guaranty.

a. The Guarantor hereby absolutely and unconditionally guarantees to the Lender the payment, as and when the same shall be due and payable whether by lapse of time, by acceleration of maturity or otherwise, and at all times thereafter, of (i) the principal of the AD&C Loan, (ii) all interest, fees, costs, expenses, indemnification, indebtedness and other sums of money now or hereafter due and owing by the AD&C Borrower to the Lender (including, without limitation, those arising pursuant to the terms of the AD&C Note, the AD&C Loan Agreement, and any of the other loan documents corresponding to the AD&C Loan (collectively, the "AD&C Loan Documents")), and (iii) all renewals, extensions, refinancings, modifications or amendments of such indebtedness or any part thereof (collectively, the "Monetary Obligations"). This Guaranty covers the Monetary Obligations whether currently outstanding or arising subsequent to the date hereof including all amounts advanced by the Lender in stages or installments. The guaranty of the Guarantor as set forth in this Section 1.a is a guaranty of payment and not of collection.

b. The Guarantor hereby further irrevocably, unconditionally and absolutely guarantees to the Lender the due and prompt performance by the AD&C Borrower of all duties, agreements and obligations of the AD&C Borrower contained in the AD&C Loan Documents, and the due and prompt payment of all costs and expenses incurred, including, without limitation, attorneys' fees, court costs and all other litigation expenses (including but not limited to expert witness fees, exhibit preparation, and courier, postage, communication and document copying expenses), in enforcing the payment and performance of the AD&C Loan Documents (the "Performance Obligations"). The Monetary Obligations and the Performance Obligations are collectively hereinafter referred to as the "Indebtedness."

c. In addition, the Guarantor hereby agrees to pay any and all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees, but without regard to any statutory presumption) incurred by the Lender to third parties in enforcing any rights or remedies under this Guaranty.

d. All amounts due under this Guaranty shall bear interest, to the extent permitted by law, from the date due until paid at the Default Rate, as defined in the AD&C Note.

Section 2. Guaranty Absolute.

a. The Guarantor guarantees that the Indebtedness will be paid strictly in accordance with the terms of the AD&C Loan Documents regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The liability of the Guarantor under this Guaranty shall be a continuing, absolute, irrevocable and unconditional guarantee of payment irrespective of:

i. any lack of validity or enforceability of any of the AD&C Loan Documents or any renewal, extension or modification thereof (or any other agreement or instrument relating thereto);

ii. any change in the time, manner or place of payment of, or in any other term of, all or any of the Indebtedness, or any other amendment or waiver of or any consent to departure from the Hazardous Substances, Remediation and Indemnification Agreement, the AD&C Note, any deed of trust, the AD&C Loan Agreement, or any of the other AD&C Loan Documents, including, without limitation, changes in the terms of disbursement of the AD&C Loan proceeds or repayment thereof, modification to any of the Plans and Specifications by any of the AD&C Borrower, modifications, extensions (including extensions beyond and after the original term) or renewals of payment dates, changes in interest rate or the advancement of additional funds by the Lender in its discretion;

iii. any exchange, release or nonperfection of any collateral, or any release or amendment or waiver of, or consent to departure from, any other guaranty, for all or any of the Indebtedness; or

iv. any other circumstances (INCLUDING THE SOLE OR CONCURRENT NEGLIGENCE OF LENDER) which might otherwise constitute a defense available to, or a discharge of, any of the entities comprising the AD&C Borrower in respect of the Indebtedness or to the Guarantor in respect of this Guaranty, excepting only the Lender's gross negligence or willful misconduct in its failure to perform its obligations to any of the entities comprising the AD&C Borrower under the AD&C Loan Agreement;

b. Notwithstanding any termination of this Guaranty or the cancellation of the AD&C Note or any other agreement evidencing the Indebtedness, if at any time any payment or performance of any of the Indebtedness (from any source) is rescinded, repaid or must otherwise be returned by the Lender (i) due to or upon the insolvency, bankruptcy or reorganization of the AD&C Borrower or the Guarantor, or (ii) for any other circumstance, this Guaranty shall continue to be effective or be reinstated, as the case may be, all as though such payment had not been made.

Section 3. Subrogation. The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guaranty, by virtue of any payment made hereunder or otherwise, until all the Indebtedness shall have been paid or performed in full. Subsequent to a Potential Default, the Guarantor shall not accept payment from any other party by way of contribution on account

of any payment made hereunder by such party to the Lender, and the Guarantor will not take any action to exercise or enforce any rights to such contribution. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Indebtedness shall not have been paid or performed in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Indebtedness, whether matured or unmatured, in such order as the Lender, in its sole and absolute discretion, shall determine. Any lien or charge on any real or personal property subject to a lien in favor of Lender, or the revenue and income to be realized therefrom, and all rights in and to such property, which the Guarantor may have or obtain as security for any loans or advances shall be, and such lien or charge hereby is, subordinated to the liens and to the indebtedness of the AD&C Borrower to the Lender under the AD&C Note and the other AD&C Loan Documents.

Section 4. Guaranty Independent; Waivers.

a. The Guarantor agrees that (i) the obligations hereunder are independent of and in addition to the undertakings of the AD&C Borrower and the Guarantor, as and to the extent applicable, pursuant to the Hazardous Substances, Remediation and Indemnification Agreement and the other AD&C Loan Documents, any evidence of indebtedness issued in connection therewith, any deed of trust or security agreement given to secure the same, any other guaranties given in connection with the AD&C Loan and any other obligations of the Guarantor to the Lender, (ii) a separate action may be brought to enforce the provisions hereof whether the AD&C Borrower is a party in any such action or not, (iii) the Lender may at any time, or from time to time, in its sole discretion, without any notice to or consent from the Guarantor, (A) modify the Hazardous Substances, Remediation and Indemnification Agreement and the other AD&C Loan Documents to extend or change the time of payment and/or performance and/or the manner, place or terms of

payment and/or performance of all or any of the Indebtedness, and/or to include additional Projects, AD&C Borrowers and/or Project Owners; (B) exchange, release or compromise any of the Indebtedness; (C) exchange, release and/or surrender all or any of the collateral security, or any part thereof, by whomsoever deposited, which is now or may hereafter be held by the Lender in connection with all or any of the Indebtedness; (D) if and as permitted by the AD&C Loan Documents, sell and/or purchase all or any such collateral at public or private sale, or at any broker's board, in the manner permitted by law and after giving any notice which may be required, and after deducting all costs and expenses of every kind for collection, sale or delivery, the net proceeds of any such sale may be applied by the Lender upon all or any of the Indebtedness; and (E) settle or compromise with the AD&C Borrower, and/or any other person liable thereon, any and all of the Indebtedness, and/or subordinate the payment of same, or any part thereof, to the payment of any other debts or claims, which may at any time be due or owing to the Lender and/or any other person or corporation, and (iv) the Lender shall be under no obligation to marshal any assets in favor of the Guarantor or in payment of the Indebtedness. The Guarantor agrees that the Lender may without notice to the Guarantor sell, assign, or transfer all or any portion of the indebtedness, obligations, and liabilities of the AD&C Borrower, and, in that event, each and every successive assignee, transferee, or holder of all or any part of said indebtedness, obligations, or liabilities shall have the right to enforce this Guaranty by suit or other remedy as fully as if such assignee, transferee, or holder were herein by name specifically given such rights, powers, and benefits; provided, however, that the Lender shall have an unimpaired right to enforce this Guaranty for any of its liabilities that it has not sold, assigned, or transferred.

b. The Guarantor hereby waives (i) presentment, demand, acceleration, intent to accelerate, protest, notice of acceptance, notice of dishonor, notice of nonperformance and any other notice with respect to any of the Indebtedness and this Guaranty (except as otherwise expressly provided herein), and promptness in commencing suit against any party thereto or liable thereon, and/or in giving any notice to or making any claim or demand hereunder upon the Guarantor, (ii) any right to require the Lender to (A) proceed against the AD&C Borrower, (B) proceed against or exhaust any security held from the AD&C Borrower, or (C) pursue any remedy in the Lender's power whatsoever; (iii) any defense arising by reason of any disability or other defense of the AD&C Borrower or by reason of the cessation from any cause whatsoever of the liability of the AD&C Borrower other than full payment or performance of the Indebtedness; (iv) any defense it may acquire by reason of the Lender's election of any remedy against it or the AD&C Borrower or both, including, without

limitation, election by the Lender to exercise its rights under the power of sale set forth in any deed of trust, even though rights of subrogation of the Guarantor may thereby be impaired or extinguished; (v) to the fullest extent permitted by law, any and all suretyship defenses and defenses in the nature thereof under Arizona and/or any other applicable law, including, without limitation, the benefits of the provisions of Sections 12−1641 through 12−1646, of the Arizona Revised Statutes, Sections 17 and 21, A.R.C.P., and all other laws of similar import; (vi) to the fullest extent permitted by law, (A) any defense arising as a result of the Lender's election, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code, and (B) any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code; and (vii) the benefit of any statute of limitations affecting the liability of the Guarantor hereunder or the enforcement thereof.

Section 5. Does Not Supersede Other Guaranties. The individual and collective obligations of the Guarantor hereunder shall be in addition to any obligations of the Guarantor under any other guaranties of the Indebtedness and/or any obligations of the AD&C Borrower or any other persons or entities heretofore given or hereafter to be given to the Lender, and this Guaranty shall not affect or invalidate any such other guaranties. The liability of the Guarantor to the Lender shall at all times be deemed to be the aggregate liability of the Guarantor under the terms of this Guaranty and of any other guaranties heretofore or hereafter given by the Guarantor to the Lender or to an Affiliate, successor or assign of the Lender.

Section 6. Representations and Warranties. The Guarantor hereby makes the following representations and warranties:

a. Benefit. The Guarantor may reasonably expect to benefit, directly or indirectly, from the making of this Guaranty and from each and every renewal, extension, modification, alteration, refinancing, and rearrangement of all or any part of the Indebtedness, the release of collateral or other relinquishment of legal rights made or granted or to be made or granted by the Lender to the AD&C Borrower and the amendment or modification of the terms and conditions of the Indebtedness.

b. Power and Authority.

i. The Guarantor has the requisite power and authority to own and manage its properties, to carry on its business as now being conducted and to perform its obligations hereunder.

ii. The Guarantor is in compliance with all corporate and other applicable laws, regulations, ordinances and orders of public authorities applicable to it.

c. Validity of Guaranty.

i. The execution, delivery and performance by the Guarantor of this Guaranty have been duly authorized by all necessary action, do not and will not (A) contravene the organizational or charter documents of the Guarantor, (B) violate any provision of any law, rule or regulation or any order, writ, judgment or decree of any court or agency of government, or any indenture, agreement or any other instrument to which it is a party or by which it or its property is bound and it is not in default under any such law, rule, regulation, order, judgment, decree, indenture, agreement or instrument, (C) require any approval or consent of any officer, shareholder or any other Person other than approvals which have been previously obtained and disclosed in writing to the Lender, (D) result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or (E) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its property or assets, except as contemplated by the provisions of the AD&C Loan Documents.

ii. This Guaranty has been duly executed by the Guarantor and, when delivered to the Lender, will constitute a legal, valid and binding obligation enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

d. Financial Statements.

i. All financial statements and data that have been given to the Lender by the Guarantor (A) are complete and correct in all material respects as of the date given; (B) accurately present its financial condition on each date as of which, and the results of its operations for the periods for which, the same have been furnished; and (C) have been prepared on the basis of GAAP consistently applied.

ii. All balance sheets and the notes thereto with respect to the Guarantor furnished to the Lender disclose all its material liabilities, fixed and contingent, as of their respective dates.

iii. There has been no material adverse change in the financial condition or operations of the Guarantor since (A) the date of the most recent financial statement given to the Lender with respect to the Guarantor, or (B) the date of the financial statements given to the Lender immediately prior to the date hereof, other than changes in the ordinary course of business, none of which changes has been materially adverse individually or in the aggregate.

e. Other Arrangements. The Guarantor is not a party to any agreement or instrument that could result in a Material Adverse Change as to the AD&C Borrower or the Guarantor; and it is not in default in the performance, observance or fulfillment of any of the material obligations, covenants or conditions set forth in any agreement or instrument to which it is a party.

f. Other Information. All other reports, papers and written data and information given to the Lender by the Guarantor with respect to it are accurate and correct in all material respects and complete as of the date delivered to the Lender insofar as completeness may be necessary to give the Lender a true and accurate knowledge of the subject matter.

g. Litigation. There is not now pending against or affecting the Guarantor, nor to its knowledge is there threatened, any action, suit or proceeding at law or in equity or by or before any administrative agency that, if adversely determined, would materially impair or affect its financial condition or operations.

h. Taxes. The Guarantor has filed all federal, state, provincial, county, municipal and other income tax returns required to have been filed by it and has paid (or, in each case, has obtained a proper extension for the payment of) all taxes that have become due pursuant to such returns or pursuant to any assessments received by it, and the Guarantor knows of no basis for any material additional assessment against it in respect of such taxes.

i. Solvent. The Guarantor is now solvent, and no bankruptcy or insolvency proceedings are pending by or against the Guarantor or to the best of the Guarantor's knowledge contemplated by or against the Guarantor. As of the date hereof, and after giving effect to this Guaranty and the obligations evidenced hereby, (i) the Guarantor is and will be solvent, (ii) the fair saleable value of the Guarantor's assets exceeds and will continue to exceed its liabilities (both fixed and contingent), (iii) the Guarantor is and will continue to be able to pay its debts as they mature, and (iv) the Guarantor has and will continue to have sufficient capital to carry on its business and all businesses in which it is about to engage.

j. Relationship to the AD&C Borrower. The value of the consideration received and to be received by the Guarantor is reasonably worth at least as much as the liability and obligation of the Guarantor incurred or arising under this Guaranty. The Guarantor has had full and complete access to the AD&C Loan Agreement, the AD&C Note and all other loan documents relating to the guaranteed obligations, has reviewed them and is fully aware of the meaning and effect of their contents. The Guarantor is fully informed of all circumstances which bear upon the risks of executing this Guaranty and which a diligent inquiry would reveal. The Guarantor has adequate means to obtain from the AD&C Borrower on a

continuing basis information concerning the AD&C Borrower's financial condition, and is not depending on the Lender to provide such information, now or in the future. The Guarantor agrees that the Lender shall not have any obligation to advise or notify the Guarantor or to provide the Guarantor with any data or information. The execution and delivery of this Guaranty is not given in consideration of (and the Lender has not in any way implied that the execution of this Guaranty is given in consideration of) the Lender's making, extending or modifying any loan to the Guarantor or any other financial accommodation to or for the Guarantor.

k. Massachusetts Corporation. The Guarantor represents and warrants that the Guarantor is a corporation duly organized, validly existing, and in good standing under the laws of the State of Massachusetts.

l. Governmental Consents. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by the Guarantor of the applicable AD&C Loan Documents, or any other document executed pursuant thereto or in connection therewith, and all such authorizations, approvals or other actions, and notices and filings, required for the performance by the Guarantor of said AD&C Loan Documents shall be duly given or obtained by the Guarantor within the time period required under applicable Laws and Regulations.

m. Governmental Regulations. The Guarantor is not subject to regulation under the Investment Company Act of 1940, the Federal Power Act, the Public Utility Holding Company Act of 1935, the Interstate Commerce Act, as the same may be amended from time to time, or any federal or state statute or regulation limiting its ability to incur Debt.

n. Employee Benefit Plans. The Guarantor does not maintain any pension, retirement, profit sharing or similar employee benefit plan that is subject to ERISA other than a plan pursuant to which the Guarantor's contribution requirement, as applicable, is made concurrently with the respective employees' contributions.

o. Securities Activities. The Guarantor is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System in effect from time to time) and not more than twenty−five percent (25%) of the value of the Guarantor's assets consists of such margin stock.

p. No Material Adverse Change. No Material Adverse Change with respect to the Guarantor has occurred since July 31, 2002.

q. No Third Party Fees. Neither the Guarantor nor any of its respective Affiliates has paid any fees to any third party in connection with the AD&C Loan, except as disclosed to the Lender in writing.

r. Full Disclosure. None of the statements contained in any exhibit, report, statement or certificate furnished by or on behalf of the Guarantor in connection with the AD&C Loan Documents contains any untrue statement of a material fact, or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading; provided, however, that it is recognized by the Lender that projections and forecasts provided by the Guarantor, while reflecting the Guarantor's good faith projections or forecasts based upon methods and data the Guarantor believes to be reasonable and accurate, are not to be viewed as facts and that actual results during the period or periods covered by any such projections and forecasts may differ from the projected or forecasted results.

Section 7. Affirmative Covenants. The Guarantor covenants and agrees that, so long as any part of the Indebtedness shall remain to be performed or paid, the Guarantor will, unless the Lender shall otherwise consent in writing:

a. Financial Covenants.

i. Net Worth. The Guarantor will maintain a Net Worth equal to or in excess of $130,000,000.

ii. Ratio of Total Liabilities to Net Worth. At all times, the ratio

of the Debt of the Guarantor determined in accordance with GAAP consistently applied, on a consolidated basis, and including but not limited to contingent liabilities, to its Net Worth shall not exceed 2.5:1.

b. Taxes Affecting the Guarantor. File all federal, state, provincial, county, municipal and other income tax returns required to be filed by the Guarantor and pay before the same becomes delinquent all taxes that become due pursuant to such returns or pursuant to any assessments received by it.

c. Compliance with Law. Promptly and faithfully comply with all laws, ordinances, rules, regulations and requirements, both present and future, of every duly constituted governmental authority or agency having jurisdiction that may be applicable to the Guarantor, noncompliance with which might result in a Material Adverse Change.

d. Books and Records. Maintain full and complete books of account and other records reflecting the results of its operations, and furnish to the Lender such information about the financial condition and operations of the Guarantor as the Lender shall reasonably request, including, but not limited to, the following information which shall be furnished without request: (i) as soon as possible and in any event within one hundred twenty (120) days after the end of each fiscal year of the Guarantor audited financial statements for the immediately preceding fiscal year of the Guarantor, which financial statements shall include a balance sheet as at the end of such fiscal year, and a statement of income for such fiscal year; and (ii) such other information or data as the Lender may reasonably request.

e. Payments. Pay all principal and interest required to be paid pursuant to the AD&C Note, as and when the same becomes due and payable.

f. Existence. Maintain, preserve and keep in full force and effect its existence as a limited partnership.

g. Maintenance of Collateral. Maintain, preserve and keep its properties and equipment in good repair, working order and condition and from time to time will make all needful and proper repairs, renewals, replacements and additions thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

h. Defaults. Promptly notify the Lender in writing in the event of the occurrence of any Event of Default or a Potential Default.

Section 8. Consolidation, Merger and Asset Sale. The Guarantor shall not consolidate nor merge, nor sell, lease or otherwise transfer all or any substantial part of its assets to any other Person, except for sales in the ordinary course of business made at fair market value, unless (a) the successor, survivor or transferee shall have expressly assumed the Guarantor's obligations by an instrument in writing reasonably satisfactory to the Lender, (b) all approvals, consents and other actions of any governmental authority required in connection with the performance by such Person of the obligations hereunder shall have been obtained, and (c) such action would not cause an Event of Default under the AD&C Loan Agreement.

Section 9. Amendments, Etc. No amendment or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Guarantor shall in any case entitle the Guarantor to any other or further notice or demand in similar or other circumstances, except as otherwise expressly provided in this Guaranty.

Section 10. Notices. All notices, requests and demands to be made hereunder to the parties hereto must be in writing (at the addresses set forth below) and may be given by any of the following means:

(1) personal delivery;

(2) reputable overnight courier service;

(3) electronic communication, whether by telex, telegram or telecopying (if confirmed in writing sent by registered or certified,

first class mail, return receipt requested); or

(4) registered or certified, first class mail, return receipt requested.

Any notice, demand or request sent pursuant to the terms of this Guaranty will be deemed received (i) if sent pursuant subsection (1), upon such personal delivery, (ii) if sent pursuant to subsection (2), on the next Business Day (as defined in the AD&C Loan Agreement) following delivery to the

courier service, (iii) if sent pursuant to subsection (3), upon dispatch if such dispatch occurs between the hours of 9:00 a.m. and 5:00 p.m. (recipient's time zone) on a Business Day, and if such dispatch occurs other than during such hours, on the next Business Day following dispatch and (iv) if sent pursuant to subsection (4), 3 days following deposit in the mail.

The addresses for notices are as follows:

a. If to the Guarantor, addressed to the address indicated immediately following the Guarantor's signature.

b. If to the Lender, addressed to:

Residential Funding Corporation
2415 East Camelback Rd.
Suite 700
Phoenix, AZ 85016
Attention: Managing Director Resort Finance
Telecopier No.: (602) 912−8506

With a copy addressed to:

Residential Funding Corporation
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437
Attn: Chief Counsel − Business Capital Group
Telecopy: (952) 857−6949

The failure to provide courtesy copies will not affect or impair the Lender's rights and remedies against the Guarantor. Such addresses may be changed by notice to the other parties given in the same manner as provided above.

Section 11. No Waiver; Remedies. No failure on the part of the Lender to exercise and no delay in exercising any right or remedy hereunder shall operate as a waiver thereof; nor shall the Lender be estopped to exercise any such right or remedy at any future time because of any such failure or delay; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 12. Setoff. Without limiting any other right of the Lender, the Lender at its sole option may at any time set off against any obligation hereunder any and all obligations of the Lender (whether or not contingent or matured) to the Guarantor arising under the AD&C Loan Agreement.

Section 13. Subordination. Any indebtedness of the AD&C Borrower now or hereafter held by the Guarantor is hereby subordinated to the indebtedness of the AD&C Borrower to the Lender, and such indebtedness of the AD&C Borrower to the Guarantor shall, if the Lender so

requests, be collected, enforced and received by the Guarantor as trustee for the Lender and be paid over to the Lender on account of the indebtedness of the AD&C Borrower to the Lender, but without reducing or limiting in any manner the liability of the Guarantor under the other provisions of this Guaranty.

Section 14. No Duty. The Guarantor assumes the responsibility for keeping informed of the financial condition of the AD&C Borrower and of all other circumstances bearing upon the risk of nonpayment or nonperformance of the Indebtedness, and agrees that the Lender shall have no duty to advise the Guarantor of any information known to the Lender regarding any such financial condition or circumstances.

Section 15. Bankruptcy of the AD&C Borrower. Notwithstanding any modification, discharge or extension of the Indebtedness or any amendment, modification, stay or cure of the Lender's rights which may occur in any bankruptcy or reorganization case or proceeding concerning the AD&C Borrower whether permanent or temporary, and whether assented to by the Lender, the Guarantor hereby agrees that it shall be obligated hereunder to pay and perform the Indebtedness and discharge its other obligations in accordance with the terms of the Indebtedness and the terms of this Guaranty. The Guarantor understands and acknowledges that by virtue of this Guaranty, it has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to the AD&C Borrower. As an example and not by way of limitation, a subsequent modification of the Indebtedness in any reorganization case concerning the AD&C Borrower shall not affect the obligation of the Guarantor to pay and perform the Indebtedness in accordance with the original terms.

Section 16. Entire Agreement. This Guaranty is intended as a final expression of this agreement of guaranty and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the Guarantor and the Lender, no usage of the trade, and no parole or extrinsic evidence of any nature, shall be used or be relevant to supplement, explain, contradict or modify the terms and/or provisions of this Guaranty.

Section 17. CHOICE OF LAW; JURISDICTION; VENUE; WAIVER OF JURY TRIAL. GUARANTOR ACKNOWLEDGES THAT THIS GUARANTY WAS SUBSTANTIALLY NEGOTIATED IN THE STATE OF ARIZONA, DELIVERED BY GUARANTOR IN THE STATE OF ARIZONA AND ACCEPTED BY LENDER IN THE STATE OF ARIZONA AND THAT THERE ARE SUBSTANTIAL CONTACTS BETWEEN THE PARTIES AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THE STATE OF ARIZONA. FOR PURPOSES OF ANY ACTION OR PROCEEDING ARISING OUT OF THIS GUARANTY OR ANY OF THE OTHER AD&C LOAN DOCUMENTS, THE PARTIES HERETO HEREBY EXPRESSLY SUBMIT TO THE JURISDICTION OF ALL FEDERAL AND STATE COURTS LOCATED IN MARICOPA COUNTY, ARIZONA AND GUARANTOR CONSENTS THAT IT MAY BE SERVED WITH ANY PROCESS OR PAPER BY REGISTERED MAIL OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ARIZONA IN ACCORDANCE WITH APPLICABLE LAW. FURTHERMORE, GUARANTOR WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE ACTION, SUIT OR PROCEEDING

IS BROUGHT IN AN INCONVENIENT FORUM OR THAT VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. IT IS THE INTENT OF THE PARTIES HERETO THAT ALL PROVISIONS OF THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OF CONFLICTS OF LAW. NOTHING IN THIS SECTION SHALL LIMIT OR RESTRICT THE RIGHT OF LENDER TO COMMENCE ANY PROCEEDING IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATES IN WHICH THE PROJECTS OR TIME-SHARE PROJECTS ARE LOCATED TO THE EXTENT LENDER DEEMS SUCH PROCEEDING NECESSARY OR ADVISABLE TO EXERCISE REMEDIES AVAILABLE UNDER THIS GUARANTY OR THE OTHER AD&C LOAN DOCUMENTS. LENDER AND GUARANTOR ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS GUARANTY OR WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND, THEREFORE, THE PARTIES AGREE THAT ANY LAWSUIT ARISING OUT OF ANY SUCH CONTROVERSY SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

Section 18. Miscellaneous.

a. Time is of the essence hereof.

b. If any term, provision, covenant or condition hereof or any application thereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions hereof, and all applications thereof not held invalid, void or unenforceable shall continue in

full force and effect and shall in no way be affected, impaired or invalidated thereby.

c. Section headings in this Guaranty are included for convenience of reference only and do not constitute a part of this Guaranty for any other purpose.

d. This Guaranty binds the Guarantor and its successors and assigns and inures to the benefit of the Lender and its successors and assigns and participants.

e. This Guaranty cannot be modified, amended, or terminated orally.

[Signature on following page]

IN WITNESS WHEREOF, the undersigned has duly executed, sealed and delivered this Guaranty as of the date first above written.

BLUEGREEN CORPORATION,
a Massachusetts corporation

By: /s/ JOHN F. CHISTE
_____

Print Name: John F. Chiste
Its: Senior Vice President

Address for Notices: 4960 Conference Way North
Suite 100
Boca Raton, FL 33431
Attention: John Chiste
Telephone: (561) 912-8010
Telecopy: (561) 912-8123

EXHIBIT 18

January 24, 2003

Board of Directors
Bluegreen Corporation
4960 Conference Way North
Suite 100
Boca Raton, FL 33431

Dear Board of Directors:

Note 1 of the Notes to the Consolidated Financial Statements of Bluegreen Corporation (the Company) included in its Form 10-KT for the nine-month period ended December 31, 2002 describes a change in the method of accounting for costs associated with generating timeshare tours. The Company previously deferred the costs associated with generating timeshare tours, a technique used to sell timeshare interests, until the earlier of fulfillment or expiration of the offer period. The Company changed its accounting policy to treat these costs as period costs. There are no authoritative criteria for determining a 'preferable' method based on the particular circumstances; however, we conclude that such change in the method of accounting is to an acceptable alternative method which, based on management's business judgment to make this change and for the stated reasons, is preferable in the Company's circumstances.

Very truly yours,

/S/ Ernst & Young LLP

EXHIBIT 21.1

Subsidiary	Jurisdiction of Incorporation
BG/RDI ACQUISITION CORP.	Delaware
BIG CEDAR JV INTERIORS, LLC	Delaware
BLUEGREEN ASSET MANAGEMENT CORPORATION	Delaware
BLUEGREEN BAHAMAS LTD.	Bahamas
BLUEGREEN/BIG CEDAR VACATIONS, LLC.	Delaware
BLUEGREEN CAROLINA LANDS, LLC.	Delaware
BLUEGREEN COMMUNITIES OF GEORGIA, LLC	Georgia
BLUEGREEN COMMUNITIES OF GEORGIA REALTY, INC.	Georgia
BLUEGREEN CORPORATION	Massachusetts
BLUEGREEN CORPORATION OF CANADA	Delaware
BLUEGREEN CORPORATION OF TENNESSEE	Delaware
BLUEGREEN CORPORATION OF THE ROCKIES	Delaware
BLUEGREEN GOLF CLUBS, INC.	Delaware
BLUEGREEN HOLDING CORPORATION (TEXAS)	Delaware
BLUEGREEN INTERIORS, LLC.	Delaware
BLUEGREEN LAND AND REALTY, INC.	Colorado
BLUEGREEN PROPERTIES N.V.	Aruba
BLUEGREEN PROPERTIES OF VIRGINIA, INC.	Delaware
BLUEGREEN PURCHASING & DESIGN, INC.	Florida
BLUEGREEN RECEIVABLES FINANCE CORPORATION I	Delaware
BLUEGREEN RECEIVABLES FINANCE CORPORATION II	Delaware
BLUEGREEN RECEIVABLES FINANCE CORPORATION III	Delaware
BLUEGREEN RECEIVABLES FINANCE CORPORATION IV	Delaware
BLUEGREEN RECEIVABLES FINANCE CORPORATION V	Delaware
BLUEGREEN RECEIVABLES FINANCE CORPORATION VI	Delaware
BLUEGREEN RESORTS INTERNATIONAL, INC.	Delaware
BLUEGREEN RESORTS MANAGEMENT, INC.	Delaware
BLUEGREEN SOUTHWEST LAND, INC.	Delaware
BLUEGREEN SOUTHWEST ONE, L.P.	Delaware
BLUEGREEN WEST CORPORATION	Delaware
BRICKSHIRE REALTY, INC.	Virginia
BRFC III DEED CORPORATION	Delaware
BXG REALTY, INC.	Delaware
BXG REALTY TENN, INC.	Tennessee
CAROLINA NATIONAL GOLF CLUB, INC.	North Carolina
CATAWBA FALLS, LLC	North Carolina
ENCORE REWARDS, INC.	Delaware
GREAT VACATION DESTINATIONS, INC. f/k/a LEISURE PLAN, INC.	Florida
JORDAN LAKE PRESERVE CORPORATION	North Carolina
LAKE RIDGE REALTY, INC.	Texas
LEISURE CAPITAL CORP.	Vermont
LEISURE COMMUNICATION NETWORK, INC.	Delaware
LEISUREPATH, INC.	Florida
MANAGED ASSETS CORPORATION	Delaware
MYSTIC SHORES REALITY, INC. f/k/a SOUTH TEXAS REALTY, INC.	Texas
NEW ENGLAND ADVERTISING CORP.	Vermont
PATTEN RECEIVABLES FINANCE CORPORATION X	Delaware
PRESERVE AT JORDAN LAKE REALTY, INC.	North Carolina
PROPERTIES OF THE SOUTHWEST ONE, INC.	Delaware
SOUTH FLORIDA AVIATION, INC.	Florida
travelheads, inc.	Florida
WINDING RIVER REALTY, INC.	North Carolina
BLUEGREEN VACATIONS UNLIMITED, INC. f/k/a RDI RESOURCES, INC.	Florida
BLUE RIDGE PUBLIC SERVICE COMPANY	Virginia
RESORT TITLE AGENCY, INC.	Florida
VACATION TRUST, INC.	Florida

EXHIBIT 23.1

Consent of Independent Certified Public Accountants

We consent to the incorporation by reference in (i) the Registration Statement (Form S-8 No. 33-48075) pertaining to Bluegreen Corporation's Retirement Savings Plan, (ii) the Registration Statement (Form S-8 No. 33-61687) pertaining to Bluegreen Corporation's 1988 Amended and Restated Outside Directors Stock Option Plan and 1995 Stock Incentive Plan and (iii) the Registration Statement (Form S-8 No. 333-64659) pertaining to Bluegreen Corporation's 1998 Non-Employee Directors Stock Option Plan, Amended and Restated 1995 Stock Incentive Plan and Retirement Savings Plan of our report dated January 24, 2003, except for Note 21, as to which the date is February 10, 2003, with respect to the consolidated financial statements of Bluegreen Corporation included in the Transitional Annual Report (Form 10-KT) for the nine-month period ended December 31, 2002.

Ernst & Young LLP

March 27, 2003
West Palm Beach, Florida

EXHIBIT 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Transitional Annual Report of Bluegreen Corporation (the "Company") on Form 10-KT for the nine-month period ended December 31, 2002 to be filed with the Securities and Exchange Commission on or about March 31, 2003 (the "Report"), we, George F. Donovan, Chief Executive Officer of the Company and John F. Chiste, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the nine-month period ended December 31, 2002.

Date: March 25, 2003 By: /S/ GEORGE F. DONOVAN
_____
George F. Donovan
President and
Chief Executive Officer

Date: March 25, 2003 By: /S/ JOHN F. CHISTE
_____
John F. Chiste
Senior Vice President,
Treasurer and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is made solely pursuant to the requirements of the Sarbanes-Oxley Act of 2002 and shall not be deemed part Report or of the incorporated by reference into any of the Company's filings with the Securities and Exchange Commission by implication or by any reference in any such filing to the Report.