

**FOURTH AMENDED AND RESTATED
RULES AND REGULATIONS OF
DIAMOND RESORTS U.S. COLLECTION
MEMBERS ASSOCIATION**

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FOURTH AMENDED AND RESTATED RULES AND REGULATIONS OF DIAMOND RESORTS U.S. COLLECTION VACATIONS MEMBERS ASSOCIATION

THESE RULES AND REGULATIONS have been adopted by the Diamond Resorts U.S. Collection Members Association (formerly known as Club Sunterra Vacations Members Association, Inc.), a non-stock, non-profit Delaware corporation. These Rules and Regulations (a) govern the operation of the Diamond Resorts U.S. Collection (formerly known as Club Sunterra Vacations), a uniform multi-site plan (the “**Collection**”) for the development, use, occupancy and ownership of various interests in real property (“**Resort Interests**”) and for the payment of all taxes, assessments, insurance premiums and other expenses relating to the Resort Interests and (b) provide for the rights, privileges, priorities, limitations and restrictions for reservation of Use Periods in Collection Accommodations.

ARTICLE 1

DEFINITIONS

As used herein, the following terms shall have the following meanings:

“**Accommodation**” means the physical space in an apartment, condominium, home, villa, or cooperative unit, cabin, lodge, hotel or motel room, or any other private or commercial structure or facility forming part of a parcel of real property, available for use or occupancy by one or more individuals.

“**ACT Assessment**” means the Assessments levied upon ACT Members calculated in accordance with Section 2.4.10, and in the Declaration.

“**ACT Component Site**” means the Component Sites associated with ACT Points, as determined by Declarant from time to time.

“**ACT Member**” means a Person who is a Member by reason of acquiring ACT Points. During the ACT Term, an ACT Member’s use is limited to the ACT Component Sites. Following the ACT Term, an ACT Member’s use is limited to the Designated ACT Component Site specified in the Purchase Agreement during specific Use Periods reserved in advance by the Manager, in its sole and exclusive discretion, or at other Accommodations as set forth in Section 2.2.5 and the Declaration.

“**ACT Resort Interest**” means a Resort Interest at an ACT Component Site that is (a) (i) a leasehold interest; (ii) subject to a provision in the Component Site Instruments which provides that the timeshare program at the Component Site terminates at a date certain unless the members of the Component Site Owners Association take affirmative action to prevent such termination; or (iii) otherwise assigned ACT Points by Declarant, in its sole and subjective discretion, in accordance with Section 8.3.2 of the Declaration; and (b) associated with ACT Points as set forth in Section 8.3 of the Declaration.

“**ACT Term**” means the period which begins on the date of purchase of ACT Points and ends after a certain term of years from the date of purchase, as reflected in the Purchase

Agreement and the Member's Points Certificate(s) and as may be determined by Developer in its sole and subjective discretion.

"Active Resort Interests" means all Resort Interests subjected to the Declaration, unless the Declarant declares in such Declaration or an amendment to Exhibit "B" to the Trust Agreement that some portion of the Resort Interests covered thereby are to be designated as **"Inactive Resort Interests."**

"Appointee" means any Person or Persons which the Declarant from time to time appoints as an agent of Declarant for purposes of selling and of conveying Memberships to Purchasers.

"Appointment Agreement" means an agreement between the Declarant and an Appointee.

"Articles of Incorporation" means the Articles of Incorporation of the Association, as it may lawfully be amended from time to time.

"Assessment" means any amount which, from time to time, is levied by the Board of Directors upon one (1) or more Members, including, but not limited to, Standard Assessments and Special Assessments, but excluding Personal Charges.

"Assessment Period" means the period for which the Assessment is to be levied.

"Assigned Collection Accommodation" means any Collection Accommodation, the use and occupancy of which has been assigned to a particular Member or Occupant by the Manager for one (1) or more Use Period(s) in accordance with the provisions of the Declaration and these Regulations.

"Association" means Diamond Resorts U.S. Collection Members Association, a non-stock, non-profit Delaware corporation, being the organization of persons who own Memberships in the Collection, together with its successors and assigns.

"Auto-Convert Term Points," or **"ACT Points,"** means Points which are a type of Term Points that are subject to limited reservation rights and (i) are assigned to a Designated ACT Component Site; (ii) provide use rights limited to ACT Component Sites during the ACT Term; and (iii) which, following the ACT Term, provide use rights limited to the Designated ACT Component Site specified in the Purchase Agreement during Use Periods reserved in advance by the Manager, in its sole and exclusive discretion, or at other Accommodations as set forth in Section 15.2 of the Declaration. The use of ACT Points may continue until termination of the underlying Designated ACT Component Site timeshare program or expiration of the leasehold interests at the Designated ACT Component Site, as applicable, at which time such ACT Points automatically expire with no further action by the Association, Declarant, Trustee or the Board.

"Base Standard Assessment" means that amount of the Standard Assessment that is charged on a per Member basis.

“Biennial Points” “Biennial Points” means Points for which the designated Use Year occurs every other calendar year (as provided in the Points Certificate issued by the Association). Biennial Points may be designated as either “Even Year Biennial Points” (i.e., the Use Year occurs only in calendar years ending in an even digit) or “Odd Year Biennial Points” (i.e., the Use Year occurs only in calendar years ending in an odd digit).

“Board of Directors” or **“Board”** means the board of directors of the Association.

“By-Laws” means the By-Laws of the Association, as they may lawfully be amended from time to time, pursuant to the provisions thereof.

“Collection” has the meaning assigned to it in the introduction to these Rules and Regulations and refers to Diamond Resorts U.S. Collection.

“Collection Accommodation” means an Accommodation in which a Trustee owns one or more Resort Interests for the benefit of the Association and its Members.

“Collection Costs” means and includes all costs incurred by the Association for and on behalf of the Members in respect of Active Resort Interests.

“Collection Instruments” means the Declaration, the Articles of Incorporation, the By-Laws, the Trust Agreement, these Regulations, the Register of Members and any other document or instrument that defines or governs the Collection, together with each Member’s Purchase Agreement(s) and Points Certificate(s), as each may lawfully be amended or supplemented from time to time.

“Component Site” means locations at which there are Resort Interests.

“Component Site Developer” means the owner of Resort Interests at a Component Site.

“Component Site Instruments” means any declaration, articles of incorporation, by-laws, rules and regulations and all other documentation pertaining to one Component Site and specifically excluding the Collection Instruments and the External Exchange Program Instruments.

“Component Site Owners Association” means the entity responsible for the operation, physical maintenance and repair of a Component Site pursuant to its Component Site Instruments, where the Association is not the party so responsible.

“Declarant” means Diamond Resorts U.S. Collection Development, LLC, a Delaware limited liability company, together with its successors and assigns.

“Declarant’s Points” means the total of:

- (a) the unsold Points for which no entry has been made in the Register of Members, and the unsold Points which are deemed to have been issued to the Declarant or to an Appointee pursuant to the express terms of the Declaration; and

(b) any Points that have been reacquired by the Declarant in any manner.

“Declaration” means the Declaration for Diamond Resorts U.S. Collection, together with all Exhibits attached thereto, as they may lawfully be amended or supplemented from time to time, pursuant to the provisions thereof.

“Director” means any person appointed or elected to the Board of Directors of the Association pursuant to the By-Laws.

“Designated ACT Component Site” means the ACT Component Site identified in the Purchase Agreement associated with an ACT Member’s ACT Points.

“Exchange User” means any person who occupies a Club Accommodation pursuant to an exchange through an External Exchange Program.

“External Exchange Program” means any exchange membership program with which the Association is affiliated from time to time.

“External Exchange Program Instruments” means the Affiliation/Membership Agreements between the Association and an External Exchange Program and any applicable documents regulating the conduct of that External Exchange Program or governing or describing the relationship between that External Exchange Program and the Collection, the Association and/or its Members.

“Furnishings” means all furnishings, fixtures and chattels in or appurtenant to a Collection Accommodation and available for use by Members during a Use Period.

“Holdover Occupant” means any Member or Occupant who fails to vacate his or her Assigned Collection Accommodation at the end of his or her reserved or scheduled Use Period(s), or at such earlier time as may be established by the By-Laws or these Rules and Regulations, or otherwise uses or occupies a Collection Accommodation during any period other than his or her reserved or scheduled Use Period(s), without written authorization from the Member entitled to occupy such Collection Accommodation at that time, or who prevents another Member from using or occupying such Collection Accommodation during such Member’s Use Period(s).

“Maintenance Period” means, with respect to each Collection Accommodation, up to seven (7) days and nights, not necessarily consecutive, during each calendar year, which are reserved by the Association or the Component Site Owners Association to perform maintenance of a Collection Accommodation. If needed to maintain or upgrade the Collection Accommodation and if the Collection’s vacancy rate is high enough to permit it, the Association or the Component Site Owners Association, as the case may be, may reserve more than seven (7) days for maintenance, etc. of such Collection Accommodation.

“Management Agreement” means the then-effective agreement between the Association and the Manager which provides for management and operation of the Collection and the Association.

“Manager” means the Person, its successors and assigns, engaged from time to time by the Association to undertake the duties, responsibilities, and obligations of managing the Collection and the Association, pursuant to the then-effective Management Agreement.

“Member” means the individual who executes a Purchase Agreement and thereby becomes a member of the Association and acquires Points in the Collection, his or her permitted successors and assigns, and in any event, whose name is entered in the Register of Members. “Member” also includes the Declarant with respect to the Declarant’s Points.

“Member Default Notice” means the written notice sent by the Association to a Member who fails to pay any amount due to the Association consistent with Section 11.14 of the Declaration.

“Membership” means membership in the Association and the Points purchased by a Member, as evidenced by entry in the Register of Members. There may be more than one class of Membership.

“Non-Specific Use Points” means all Points other than Specific Use Points.

“Occupant” means any person occupying or permitted to occupy a Collection Accommodation, including, but not limited to, any Member, members of the Member’s family, the Member’s guests, tenants, licensees, and invitees, and Exchange Users.

“Officer” means any person elected or appointed by the Board of Directors, pursuant to the By-Laws to serve as an officer of the Association.

“Perpetual Points” means Points attributable to Resort Interests that will cease to be available only if the Collection is terminated in accordance with the By-Laws.

“Person” includes any individual, corporation, partnership, limited liability company, limited liability partnership, association, governmental body, society, mutual benefit corporation or other entity.

“Personal Charge” means a charge levied by the Board upon a particular Member for one or more of the reasons permitted hereunder.

“Primary Member” means, with respect to each Membership, the one individual designated to be the principal contact for that Membership for all purposes, including but not limited to receiving notices, casting votes, making reservations for the use of Points, and exercising all other rights of Membership.

“Purchase Agreement” means any agreement with the Declarant or an Appointee pursuant to which a purchaser acquires Membership.

“Register of Members” means the definitive record of the Members of the Association, their personal contact details (including the name of the Primary Member) and the number of Points of each type ascribed to the Member’s Membership, whether such Register of Members is maintained in paper or in electronic format.

“Reservation Rate” means the number of Points required to occupy any particular Collection Accommodation during any particular Use Period.

“Reservation Rate Bands” means the days of each calendar year which are configured by the Association into groups of time so that the same day of the week in the same Reservation Rate Band is allotted a consistent Reservation Rate.

“Reservation System” means the method, arrangement, or procedure by which Members reserve use and occupancy of Collection Accommodations pursuant to the terms of the Collection Instruments.

“Resort Interest” means a leasehold, fee simple or other interest in an Accommodation or a group of Accommodations in a Component Site, including a timeshare interval, an undivided interest, and any other type of interest in real property which is owned or leased by the Association or by a Trustee or any other Person on behalf and for the benefit of the Association and its Members for the use of the Members and all rights and privileges belonging or in any manner appertaining thereto, now or hereafter submitted to the Declaration, as amended or supplemented from time to time.

“Rules and Regulations” or **“Regulations”** means these Rules and Regulations of the Collection, including but not limited to the terms and conditions of Membership, the use of Points, the utilization of the Reservation System and general use of Collection Accommodations.

“Special Assessment” means an Assessment levied by the Board upon Members in accordance with the Declaration and the By-Laws.

“Specific Use Points” means Points which are assigned to specific Resort Interests and the Member who owns such Points has specific reservation and use rights in such Resort Interests.

“Standard Assessments” means the assessment levied by the Board upon all Members for their share of regular Collection Costs in accordance with the Declaration and the By-Laws. The Standard Assessment consists of the Base Standard Assessment and the Point Standard Assessment. Notwithstanding the foregoing, Members owning Biennial Points or Triennial Points are only levied Standard Assessments during their respective Use Years.

“Points” means the currency of use at the Collection through which Members reserve the use and occupancy of Collection Accommodations in accordance with the Collection Instruments.

“Points Certificate” means the certificate issued by the Association to a Member naming that Person(s) as a Member and specifying the number and type of Points held by that Member.

“Points Standard Assessment” means that amount of the Standard Assessment that is charged on a per Point basis.

“Term Points” means Points attributable to Resort Interests that will be available for a defined term.

“Triennial Points” means Points for which the designated Use Year occurs only every third calendar year (as provided in the Points Certificate issued by the Association). Triennial Points may be designated as “Year A Triennial Points,” “Year B Triennial Points,” or “Year C Triennial Points” (i.e., the Use Year occurs only every third calendar year on a repeating rotation).

“Total Points” means the total number of Points, of all types, that exist from time to time.

“Trustee” means one or more institutions having trust powers that have entered into a Trust Agreement.

“Trust Agreement” means an agreement entered into between a Trustee, the Association and the Declarant pursuant to which the Trustee holds title to Resort Interests for the benefit of the Association and its Members.

“Use Period” means the period of time during which a Member is entitled to use and occupy an Assigned Collection Accommodation pursuant to the terms of the Collection Instruments.

“Use Year” means the calendar year during which a Member has the right to reserve occupancy of a Collection Accommodation using his/her/their Points.

ARTICLE 2

SPECIFIC RULES AND REGULATIONS

2.1 General.

2.1.1 These Rules and Regulations establish the guidelines for Members in connection with the use of Points.

2.1.2 Membership is governed by the provisions of the Declaration and the By-Laws.

2.1.3 All Members of the Collection shall be bound by the terms of these Rules and Regulations upon becoming a Member.

2.1.4 The allocation of Points to a Member for any Use Year shall be available for use by that Member upon the payment of the Assessment for that Use Year. The number of Points to which a Member is entitled shall be the aggregate of the Points purchased at various times by the Member and recorded in the Register of Members. Only Specific Use Points may be used in confirming the standing reservation for a Collection Accommodation which is subject to Specific Use Points privileges.

2.1.5 The Manager may periodically issue a Collection directory and may publish brochures and other membership materials and newsletters to provide information

on various aspects of the Collection. The frequency and content of these publications and materials may be varied by Manager from time to time.

2.1.6 The Manager (under certain circumstances with the specific approval of the Board by resolution) may adjust the Reservation Rates of any particular Use Periods, Reservation Rate Band classifications, and Collection Accommodations in accordance with the provisions set out in the Declaration and the By-Laws.

2.1.7 These Rules and Regulations may be modified or deleted and additional rules may be added by the Board from time to time. All such alterations and additions shall be effective immediately upon creation except that such changes will not be effective as to an existing Member until the Membership has been generally informed of such changes by a notice, newsletter or similar communication by the Manager. Any amended version of these Rules and Regulations shall be distributed to the Members by the Manager in such manner as the Manager, in its sole discretion, deems appropriate in the circumstances. The latest version of these Rules and Regulations shall be available to Members from Manager, upon request, or from the Association's or Manager's website.

2.2 **Reservations Procedures and Priorities.**

2.2.1 For purposes of Reservation Rates and reservation requests for Collection Accommodations, one Biennial Point or one Triennial Point shall be equivalent to one Perpetual Point having a Use Year every calendar year. Reservation requests for a Use Period in a Collection Accommodation will be filled on a first-come, first-served, space available basis. All reservation requests are subject to the reservation request timelines outlined within these Rules and Regulations, except as otherwise provided herein for identified circumstances. The confirmation of a reservation is dependent upon the availability of the desired Use Period in the Collection Accommodation. There is no guarantee that any particular reservation request will be fulfilled. A Member's proposed reservation must be confirmed in writing or by facsimile transmission before it is valid.

2.2.2 Except as these Rules and Regulations may otherwise specifically provide, the use and occupancy of Accommodations that a Member reserves with his or her allocation of Points must occur during the same Use Year as the Use Year for which those Points were allocated.

2.2.3 All inquiries or requests for reservations must be made by the Member in writing or by telephone, or such other method as may be advised by Manager from time to time, to the Collection Reservation Services Provider or Reservation Department (collectively, "**Collection Reservations**"). The Manager will, in materials to be made available from time to time, notify Members of addresses, telephone numbers and other access information for Collection Reservations appropriate to their place of domicile.

2.2.4 Collection Reservations shall have complete discretion to refuse to confirm any specific reservation request if it is believed confirming such request would

be contrary to the intent of these Rules and Regulations or to the best interests of the Members generally.

2.2.5 Collection Reservations shall create a standing reservation for the use of each designated Use Period in Collection Accommodations that are the subject of Specific Use Points. A Member who has acquired Specific Use Points but elects not to use the standing reservation in a particular year must cancel his/her respective standing reservation pursuant to a Specific Use Points privilege by notifying Collection Reservations according to the usual Collection cancellation procedures. Failure by the Member to so cancel his/her standing reservation will result in the allocation of such Member's respective Specific Use Points to such Use Period to the exclusion of any other use for that calendar year, and the availability of the respective Collection Accommodations for use by all other Members to the extent not used by the Member having the standing reservation.

2.2.5.1 Except when used as if they were Non-Specific Use Points, Specific Use Points shall be used only to reserve Collection Accommodations during Use Periods that are equivalent to each respective standard timeshare interval of seven (7) days and seven (7) nights, as defined by the respective Component Site Instruments and as purchased by the Member, and each such Use Period shall commence and end on the day of the week and at the times designated by the Component Site Instruments for standard check-in and check-out. Use of any portion of such a Use Period will be deemed use of the entire Use Period for that calendar year constituting an expenditure of all Specific Use Points attributable to such Use Period.

2.2.5.2 The provisions of Rule 2.2.12 notwithstanding, a Member may borrow some or all of his/her future allocation of Specific Use Points from the Use Year immediately following the Use Year for which the Member desires to use such borrowed Specific Use Points. Borrowed Specific Use Points then available to the Member for reservation purposes in the desired Use Year can only be used as Non-Specific Use Points in that Use Year. To the extent the Member borrows future Specific Use Points that are equivalent to less than the respective standard timeshare interval described above, the Member's remaining unborrowed Specific Use Points allocated to such timeshare interval shall only be used as Non-Specific Use Points in that future Use Year. After the borrowing transaction has been effected, the number of Specific Use Points available to the Member in the immediately following Use Year, will be reduced by the number of Specific Use Points so borrowed. In order for a Member to complete a borrowing transaction, that Member will be required to make a deposit against future Assessments with respect to the Specific Use Points being borrowed. Once a Member has notified Collection Reservations of an intention to borrow Specific Use Points, such instruction may not be canceled. Borrowed Specific Use Points will expire if not utilized to make a reservation in the Use Year for which the borrowing transaction occurred. Borrowed Specific Use Points cannot be saved for use in the Use Year from which such Specific Use Points were originally borrowed.

2.2.5.3 The provisions of Rule 2.2.13 notwithstanding, Members who have fully paid their Assessment for a particular Use Year may save all or a portion of the Specific Use Points allocated for that Use Year and have them reallocated into the immediately succeeding calendar year. To the extent the Member saves Specific Use Points that are equivalent to less than the respective standard timeshare interval described above, the Member's remaining unsaved Specific Use Points allocated to such timeshare interval shall only be used as Non-Specific Use Points in the current Use Year. Notification of a desire to save Specific Use Points must be given to Collection Reservations in accordance with the usual Collection procedures provided in these Rules for the saving of Points. Once a Member has notified Collection Reservations of an intention to save Specific Use Points, such instruction may not be canceled. Saved Specific Use Points can only be used as Non-Specific Use Points in the calendar year for which they are reallocated. Saved Specific Use Points will expire if not utilized to make a reservation in the calendar year for which they are reallocated. Saved Specific Use Points cannot be borrowed for use in the Use Year from which such Specific Use Points were originally saved.

2.2.5.4 Each Points Certificate issued to the owner of Specific Use Points shall designate each particular standard timeshare interval to which the Specific Use Points are allocated, a designation that the Specific Use Points are either "Fixed" in nature or "Floating" in nature, and a designation as Biennial Points, Triennial Points, or otherwise.

2.2.5.4.1 If the Specific Use Points are "Fixed" in nature the Points Certificate issued to the owner shall further designate the particular Collection Accommodation in which the owner holds use rights.

2.2.5.4.2 If the Specific Use Points are "Floating" in nature, the Points Certificate issued to the owner shall further designate the particular size of Collection Accommodation in which the owner holds use rights (e.g., studio, one-bedroom, two-bedroom, deluxe two-bedroom, etc.) and the particular type of Collection Accommodation in which the owner holds use rights (e.g., ocean view, scenic view, garden view, deluxe ocean view, etc.).

2.2.5.4.3 If the Specific Use Points are Biennial Points or Triennial Points, the Points Certificate issued to the owner shall further designate the Use Year or cycle applicable to such (e.g., Even Year Biennial Points, Odd Year Biennial Points, Year A Triennial Points, Year B Triennial Points, Year C Triennial Points, etc.).

2.2.5.5 In the event a Member's Membership is suspended or cancelled for any reason, upon any reinstatement of the active status of the Membership such Member's Specific Use Points shall only be used as Non-Specific Use Points during the Use Year in which the reinstatement occurs.

2.2.6 Except where it would conflict with the requirements of Section 2.2.5, if a Member notifies Collection Reservations in writing that the Member elects not to exercise his/her Specific Use Points privileges during any Use Year, such Member may use his/her Specific Use Points as if they were Non-Specific Use Points during that Use Year.

2.2.7 No reservation request for Collection Accommodations may be made earlier than thirteen (13) months in advance of the first day of the desired Use Period. With respect to ACT Points during the ACT Term, this thirteen (13) month reservation period is limited to ACT Component Sites as set forth below.

2.2.8 The Manager may make available Use Periods of durations less than seven (7) days at certain Component Sites and in certain Collection Accommodations to the extent such action is consistent with the efficient management of the Collection and acceptable to the respective Component Site Owners Association.

2.2.9 A Member who has both Specific Use Points and Non-Specific Use Points may aggregate them for the purpose of requesting Collection Accommodations, except that such aggregated Non-Specific Use Points may be used only in the manner pertaining to Non-Specific Use Points. However, Members owning Biennial Points may not purchase additional Biennial Points, and Members owning Triennial Points may not purchase additional Triennial Points. Additionally, during the ACT Term, a Member may aggregate such Member's ACT Points and other Non-Specific Use Points, for reservations at ACT Component Sites or for purposes of internal or external exchange in accordance with ACT Point exchange limitations as provided in the Collection Instruments and the External Exchange Program Instruments. After the ACT Term has expired, Member's other Non-Specific Use Points may not be aggregated with their ACT Points. Notwithstanding the above, a Member may make as many reservations as necessary to utilize all of the Points available to such Member in the respective Use Year.

2.2.10 A reservation may be confirmed only if the requesting Member has sufficient Points available for use in the Use Year in which the use and occupancy of the Collection Accommodation requested will occur. If the reservation request pertains to use and occupancy of a Collection Accommodation during a Use Year other than one for which the Member has been allocated and still retains sufficient Points, then the Member must create the availability of Points in the desired Use Year by undertaking either a saving or borrowing transaction pursuant to these Rules and Regulations.

2.2.11 Points are always allocated for a specific Use Year and unused Points will expire at the end of the applicable Use Year. By means of saving and borrowing transactions, a Member may change the Use Year or calendar year with which certain Points are associated for reservation purposes.

2.2.12 A Member may borrow some or all of their future allocation of Points from the Use Year immediately following the Use Year for which the Member desires to use such borrowed Points. The Points then available to the Member for reservation purposes in the desired Use Year will be increased by the number of Points so borrowed.

After the borrowing transaction has been effected, the number of Points available to the Member in the immediately following Use Year will be reduced by the number of Points so borrowed. In order for a Member to complete a borrowing transaction, that Member will be required to make a deposit against future Assessments with respect to the Points to be borrowed. Once a Member has notified Collection Reservations of an intention to borrow Points, the instruction may not be canceled. Borrowed Points will expire if not utilized to make a reservation in the Use Year for which the borrowing transaction occurred. Borrowed Points may not be carried forward and may not be used in the Use Year from which such Points were originally borrowed. With respect to ACT Members, upon expiration of the ACT Term, ACT Members may not borrow Points because of the nature of the ACT Points and the ACT Use Period, as further provided in Section 2.2.17.

2.2.13 Members who have fully paid their Assessment for a particular Use Year may save all or a portion of the Points allocated for that Use Year and have them reallocated into the immediately succeeding calendar year. Notification of a desire to save Points must be given to Collection Reservations by the dates indicated below, depending on the proportion of the total number of Points which the Member wishes to save:

Percentage of Allocation Which May Be Saved:	Notify Collection Reservations On or Before the Following Date of the Year From Which Points Are Being Saved:
Up to 100%	June 30
Up to 50%	August 31
Up to 25%	October 31

2.2.13.1 The Points then available to the Member for reservation purposes in the Use Year from which Points have been saved will be reduced by the number of Points saved. The Points available to the Member for reservation purposes in the immediately following calendar year will be increased by the number of Points which have been carried forward by saving under this rule. Once a Member has notified Collection Reservations of an intention to save Points, the instruction may not be canceled. Points which have been carried forward for use in the immediately following calendar year must be used in that calendar year and may not be carried forward to subsequent calendar years. With respect to ACT Members during the ACT Term, ACT Points may be saved according to this Section 2.2.13 until the Use Year immediately preceding the Use Year in which the ACT Term expires, as provided for in Section 2.2.17. With respect to ACT Members after expiration of the ACT Term, ACT Members may not borrow their ACT Points from the Use Year immediately following the current Use Year. ACT Member's reservation schedule is determined as described in Section 2.2.17 until the ACT Member surrenders the ACT Points, or the ACT Points terminate, as described in Section 2.2.17.

2.2.14 Collection Reservations may effect a temporary suspension of either saving or borrowing or both if it considers such action to be necessary to preserve the general integrity of the Collection. Collection Reservations shall reintroduce the suspended feature as and when, in its sole discretion, Collection Reservations deems it appropriate to do so.

2.2.15 To effectively manage the inventory in the Collection, Collection Reservations shall be entitled, but not obligated, to:

(a) Discount by up to fifty percent (50%) the normal Reservation Rate for selected unreserved Use Periods of seven (7) days duration between fifty-nine (59) and thirty-one (31) days inclusive prior to the commencement of the Use Period;

(b) Discount by up to fifty percent (50%) the normal Reservation Rate for selected unreserved Use Periods of seven (7) days and shorter, thirty (30) days or less prior to the commencement of the Use Period, subject, however, to a minimum required stay that Collection Reservations shall establish for each Component Site;

(c) Use Periods made available under (a) and (b) above shall be designated “**Late Availability Space**”;

(d) Offer reservations at varying discounts to the normal Reservation Rate of specific Use Periods at certain Component Sites at any time, if Collection Reservations considers that inventory utilization may be increased and/or Collection Reservations considers that such action is necessary or beneficial to the overall management of the Collection; and

(e) Reserve available Use Periods in Collection Accommodations during the final fifty-nine (59) days preceding the first day of the Use Period under circumstances where Collection Reservations determines, in its reasonable judgment, that the Members will or may not be making use thereof, for its own purposes or for those of the Declarant, including but not limited to, inspection of the respective Component Site, promotional use, rental or any other purpose which Collection Reservations determines. Collection Reservations shall incur no cost for the occupancy of the Collection Accommodations used under this rule.

2.2.16 The features of the Collection described in paragraphs (a) to (e) of Section 2.2.15 above may, if the relevant External Exchange Program Instruments so provide, be offered through such External Exchange Program.

2.2.17 During the ACT Term, ACT Members may make reservations in ACT Component Sites on a first-come, first-served, space available basis. Each Points Certificate issued to an owner of ACT Points shall identify the ACT Term and its expiration date, and detail the number and type of Points purchased. ACT Members who have elected to continue as ACT Members after expiration of the ACT Term may utilize their ACT Use Period (defined below) which shall be fixed to the Designated ACT

Component Site and designated number of Points identified in the Purchase Agreement, and shall consist of an exclusive right to occupy and use a certain type of unit, but not necessarily the same unit, for a certain period of consecutive days, not necessarily in seven (7) day increments, which is reserved on a space available basis, by the Manager, in its sole and exclusive discretion (“**ACT Use Period**”). If a Designated ACT Component Site has experienced destruction or damage, for any ACT Use Period which occurs during any period of reconstruction, the Manager may reserve comparable Accommodations for an ACT Member in accordance with Section 15.2 of the Declaration. ACT Members shall receive notice of their reserved annual ACT Use Period from the Manager twelve (12) months in advance of such scheduled reservation. ACT Members may not exchange their assigned ACT Use Period for an alternative ACT Use Period at their Designated ACT Component Site, and may not exchange their ACT Use Period for Accommodations at a different Component Site or Collection, or for exchange in any External Exchange Program. After the ACT Term, ACT Member occupancy shall be reserved by the Manager each Use Year as detailed in this Section 2 and the Bylaws, until the ACT Member surrenders the ACT Points or, the ACT Points terminate along with the underlying Component Site timeshare program, or leasehold interests, whichever occurs earlier. In the event an ACT Member’s Membership is suspended or cancelled for any reason after the ACT Term has expired, upon any reinstatement of the active status of the ACT Member’s Membership, such ACT Member’s ACT Points may be used beginning the subsequent year after reinstatement of the ACT Member’s ACT Points.

2.3 **Cancellations, Alterations and No Shows.**

2.3.1 Cancellation of a confirmed reservation will result in the percentage loss of the Points used to make such reservations as follows:

<u>Notification of Cancellation</u>	<u>% Loss of Points</u>
365 – 91 days prior to the commencement of the Use Period (the “Start Date”)	0%
90 – 61 days prior to the Start Date	25%
60 – 14 days prior to the Start Date	50%
Less than 14 days prior to the Start Date	100%

If a Member cancels a confirmed reservation, a similar reservation may not be subsequently re-booked as a Late Availability Space reservation at the applicable discount of the normal Reservation Rate for that Use Period in such Collection Accommodation. For this purpose, a similar reservation for Collection Accommodations will be a reservation which is in the same geographical region as that canceled by the Member and for which the Use Period reserved commences within fourteen (14) days of the commencement of the canceled Use Period. If a Member is identified as having broken this rule, an adjustment may be made

retrospectively by Collection Reservations to the Member's Point account in the same Use Year, or for a subsequent Use Year, to charge the full Point cost of the reservation.

2.3.2 A Member may resubmit a reservation request after having canceled a confirmed reservation, but there can be no guarantee that any alternative reservation requested will be available to the Member.

2.3.3 A Member who intends to check in at the Component Site after the arrival day designated on the confirmed reservation must contact the check in desk at the Component Site prior to the commencement of that Use Period to state that such Member will be arriving subsequent to the designated arrival day or risk forfeiting the reservation.

2.3.4 Members who fail to check in during the Use Period for which they have been issued a confirmed reservation will forfeit one hundred percent (100%) of the Points used to make the reservation for that Use Period.

2.3.5 Club Reservations shall be entitled to cancel reservations in respect of any Accommodations in any Component Site which shall become unsuitable for Member use, for any reason whatsoever. In such an event, Collection Reservations will give as much prior notice as possible to Members affected and will use its reasonable endeavors to offer suitable alternative reservations. Also,

(a) if any such cancellation by Collection Reservations shall be made during the same Use Year as such canceled Collection Accommodations were to be used, the affected Member shall have the Points attributable to such cancelled reservation reinstated and such Member may save the reinstated Points for use in the following Use Year, irrespective of the time of year in which the cancellation by Collection Reservations was made, and

(b) if Collection Reservations has confirmed a reservation to a Member for Collection Accommodations made uninhabitable or unavailable by disaster or act of God or other reason beyond the Collection's control, that Member waives any and all claims against the Collection and Collection Reservations, and the Collection and Collection Reservations shall have no obligation to provide that Member with an alternative reservation for that Use Year. However, Collection Reservations shall use reasonable efforts to confirm an alternate reservation during the same or the following Use Year. The Collection Accommodations which may be available under such circumstances may be limited or restricted.

2.3.6 With respect to ACT Members, during the ACT Term, the provisions of this Section 2.3 shall pertain to cancellation, alterations or no-shows at ACT Component Sites. After the expiration of the ACT Term, if the ACT Member does not surrender the ACT Points, ACT Member's reservation schedule is automatic and fixed, pursuant to Section 2.2.17, and the ACT Member may not reschedule.

2.4 **Payment of Collection Dues and Fees.**

2.4.1 Members will be invoiced for their Assessment on an annual basis or as otherwise may be determined by the Board. The Board, in its discretion, may allow Members to pay their Assessment on a monthly, quarterly, annual, or other basis.

2.4.2 Members must have paid the Assessment, Personal Charges and other amounts owed to the Association in full in order to be able to request a reservation in any Use Year.

2.4.3 In the event that a Member requests a reservation within an appropriate reservation window but the use and occupancy of the Collection Accommodations during the reserved Use Period shall occur in the next succeeding Use Year, the Manager will request and receive payment of the estimated Assessment for such next succeeding Use Year prior to issuing a confirmed reservation. The Manager shall determine the estimated Assessment for any subsequent Use Year.

2.4.4 In order to borrow Points from any Use Year for use in the immediately preceding Use Year, a Member will be required to pay all or a proportional part of the estimated Assessment for the Use Year from which Points will be borrowed. The amount of the estimated Assessment and the proportion to be paid will be determined by the Manager.

2.4.5 In the event that the estimated Assessment charged to the Member in accordance with either Section 2.4.3 or 2.4.4 above is lower than the actual Assessment levied by the Association, the Member will be required to pay the amount of the difference within thirty (30) days of the due date of the Assessment in order to remain a Member in good standing.

2.4.6 In the event that the estimated Assessment charged to the Member in accordance with either Section 2.4.3 or 2.4.4 above is higher than the actual Assessment levied by the Association, the Member's account will show a credit, but neither the Association nor the Manager will be obligated to refund this amount to the Member.

2.4.7 The Manager shall remit to the Association any payments collected in advance, as described in the foregoing paragraphs, in accordance with any statutory obligation or agreement between the Manager and the Association.

2.4.8 If a Member has not paid his or her Assessment, Personal Charges and all other amounts owed to the Association within thirty (30) days after notice of delinquency from the Association or after the notice described in Section 2.4.5 above, the Member shall be deemed delinquent and his or her Membership rights may be suspended. A delinquent Member will not be allowed to make reservation requests, receive reservation confirmations, or check into any Collection Accommodations until the Assessment has been paid in full.

2.4.9 The Manager will use its best endeavors to advise Members in advance of additional charges they may face in visiting any particular Component Site, where such charges are not incurred as a consequence of the actions of the Member or at the Member's specific request (long distance telephone charges would be an example of an

additional charge resulting from the actions of a Member for which the Manager would not advise the Member in advance). A Member may be subject to a housekeeping fee at a Component Site during such Member's Use Period if the services requested by that Member exceeds the housekeeping services provided and the Component Site's rules require additional payment for such additional services.

2.4.10 With respect to ACT Members, in any year during the ACT Term, the Association will calculate the ACT Assessments payable by an individual ACT Member in a manner which allocates to the ACT Member his or her pro-rata share of the underlying assessments attributable to all ACT Component Sites based on the number of ACT Points owned. Following the expiration of the ACT Term, if the ACT Member does not surrender the ACT Points, the Association will calculate the ACT Assessments in a manner which allocates to the ACT Member his or her pro-rata share of the underlying assessments attributable to only the Designated ACT Component Site based on the number of ACT Points owned. Notwithstanding the foregoing, all other provisions of this Section 2.4 shall apply to ACT Assessments, unless directly contradictory or conflicting with the Bylaws or the Declaration.

2.5 Member Rentals.

2.5.1 A Member is not prohibited from periodically renting the Collection Accommodations reserved pursuant to these Rules and Regulations. However, the use of Points to reserve Collection Accommodations for continuing commercial purposes or for any other purpose other than the personal use of the Member or the Member's family and guests is prohibited. The Declarant is specifically exempted from this restriction, and is entitled to use reserved Collection Accommodations for promotional, rental, or other commercial purposes.

2.5.2 No prior approval is required from the Manager for the Member to rent or allow another party to use a Collection Accommodation after the Member has obtained a confirmed reservation. However, such Member is obligated to inform Collection Reservations, of the names of such guests, family members, or renters prior to the day of check in, and the Member will be responsible for the acts or omissions of such parties, including the failure to pay charges incurred at the Component Site.

2.6 External Exchange.

2.6.1 The Declarant reserves the right to approve one or more External Exchange Programs to provide additional exchange services to Members. The use of any External Exchange Program without the approval of the Declarant is prohibited.

2.6.2 If applicable, each Member may be automatically enrolled as a member of an External Exchange Program for each year of Membership that coincides with the term of the agreement with the External Exchange Program.

2.6.3 The Assessments charged Members for the Use Year may include the membership fee for the External Exchange Program for that same year.

2.6.4 The use of any External Exchange Program is subject to the payment of any Assessments, Personal Charges and any other amounts owed to the Association and any fees payable to or in respect of the External Exchange Program.

2.6.5 The use of any External Exchange Program is subject to the relevant affiliation agreement between the Collection and the External Exchange Program, and to the operating policies and procedures agreed upon from time to time between the Manager and External Exchange Program.

2.6.6 ACT Members shall have limited benefits and obligations related to the use of the External Exchange Program during the ACT Term. Upon expiration of the ACT Term, any External Exchange Program opportunities shall terminate and ACT Members shall no longer be automatically enrolled as a Member of an External Exchange Program.

2.7 Occupation of Accommodations.

2.7.1 Each Occupant of a Collection Accommodation shall comply at all times with the provisions of all internal rules and local regulations of the Component Site; and all laws, statutes and regulations of the local, municipal, county and state jurisdictions in which the Collection Accommodations are located.

2.7.2 Use and occupancy of each Collection Accommodation shall be strictly in accordance with the provisions of these Rules and Regulations and the other Collection Instruments.

2.7.3 Each Collection Accommodation shall be vacated by the Occupants at the expiration of the relevant Use Period and all personal property belonging to the Occupants shall be removed. Collection Accommodations shall be left in a good, clean and sanitary condition.

2.7.4 Each Occupant shall comply with such procedures for reporting such Occupant's departure from any Collection Accommodation and for discharging any expenses that may have been incurred during the occupancy.

2.7.5 No Occupant shall damage, interfere with or do anything likely to lower the value or attractiveness or appearance of any Collection Accommodation, of any of the common areas or of any furnishings, fixtures or fittings therein.

2.7.6 No Collection Accommodation or the common areas or the fixtures, fittings, furnishings or other equipment of any Collection Accommodation or any other common areas nor any part of, or area adjacent to, any Collection Accommodation shall be altered or damaged.

2.7.7 No Occupant shall do or permit to be done anything in a Collection Accommodation which shall be or tend to be a nuisance or annoyance to any other person lawfully entitled to enjoy the applicable Component Site at any time or commit waste or

do any act or introduce any substance or thing which might violate any policy of insurance or require an increased premium be paid for the same.

2.7.8 No Occupant shall keep any animal, bird, fish or other livestock in or upon any Collection Accommodation, except such animals that assist persons with disabilities, e.g., seeing eye dogs.

2.7.9 No Occupant shall use any Collection Accommodation or permit the same to be used for any purpose whatsoever other than as a temporary private vacation home occupied by no more than the published maximum number of persons. The Occupants of Collection Accommodations shall not make use thereof for any purpose from which a nuisance can arise to other occupiers of adjoining space or for any illegal or immoral purpose whatsoever or for the purpose of any trade, business, profession or manufacture.

2.7.10 The following additional rules shall apply:

(a) The windows of any Collection Accommodation shall not be darkened or obstructed other than by the use of the curtain material or internal blinds provided.

(b) Clothes or other articles shall not be hung or exposed anywhere outside any Collection Accommodation or in any position visible from outside the building in which the Collection Accommodation is located.

(c) No Occupant shall throw dirt, garbage, rags or any other deleterious material from the windows or balconies of any Collection Accommodation, or deposit such items into sinks, bathtubs, toilets and other pipes or conduits of any Accommodation.

(d) No Occupant shall allow any music or singing whether by instrument or voices, radio, television or other means in any Collection Accommodation so as to cause nuisance or annoyance to any other occupier of adjoining space and in particular so as not to be audible outside the Collection Accommodation between 11:00 p.m. and 9:00 a.m.

(e) No Occupant shall obstruct the private roadway, passageways or pedestrian walkways serving the Collection Accommodation nor use them for any other purpose than for access to or egress from the Collection Accommodation which the Occupant is entitled to use.

(f) No Occupant shall store in any Collection Accommodation or near thereto any flammable or explosive material.

2.8 **Miscellaneous.**

2.8.1 Any action of the Manager pursuant to the terms of these Rules and Regulations, or the other Collection Instruments shall be taken unilaterally and in its sole discretion.

2.8.2 The Manager may waive or suspend any of these Rules and Regulations in the actual operation and management of the Collection to the extent determined reasonable by the Manager.

2.8.3 One or more of these Regulations may not apply to Members owning certain types of Points, as more particularly described in the relevant part(s) of the Collection Instruments.

2.8.4 Notwithstanding the requirements set forth in Section 4.6 of the Bylaws, for any increase exceeding ten percent (10%) of the aggregate Reservation Rates of all fifty-two contiguous weekly Use Periods for a Use Year attributed to any individual Club Accommodation, such increase may only be made upon a resolution of the Board and the approval of twenty-five percent (25%) of the Members of the Association other than the Declarant.

End of Rules and Regulations