

RECORDING REQUESTED BY:
First American Title Insurance Co.

WHEN RECORDED MAIL TO:
Diamond Resorts U.S. Collection
Development, LLC
ATTN: Legal Dept.
10600 West Charleston Boulevard
Las Vegas NV 89144

DOUGLAS COUNTY, NV **2016-888727**
Rec:\$91.00
\$91.00 Pgs=78 **10/06/2016 12:47 PM**
FIRST AMERICAN - NVOD LAS VEGAS
KAREN ELLISON, RECORDER

**SECOND AMENDED AND RESTATED TRUST AGREEMENT
FOR
DIAMOND RESORTS U.S. COLLECTION TRUST**

This Second Amended and Restated Trust Agreement for Diamond Resorts U.S. Collection (this "**Trust Agreement**") dated as of September 22, 2016, is made

BETWEEN:

FIRST AMERICAN TRUST, FSB, a Federal Savings Bank with an office at 5 First American Way, Santa Ana, California 92707 ("**Trustee**")

AND:

DIAMOND RESORTS U.S. COLLECTION MEMBERS ASSOCIATION, a nonstock, nonprofit corporation duly organized and existing under the laws of the State of Delaware, and having an office at 10600 West Charleston Boulevard, Las Vegas, Nevada 89135 ("**Association**")

AND:

DIAMOND RESORTS U.S. COLLECTION DEVELOPMENT, LLC, a limited liability company organized and existing under the laws of the State of Delaware, with an office at 10600 West Charleston Boulevard, Las Vegas, Nevada 89135 ("**Declarant**").

RECITALS

A. The parties entered into that certain Club Sunterra Vacations Trust Agreement as of February 17, 2004 for the purposes stated therein, which instrument was amended by that certain First Amendment thereto and by that certain Second Amendment thereto (collectively, the "**Original Trust Agreement**"). That Original Trust Agreement was amended and superseded in its entirety by the Amended and Restated Trust Agreement, an original version of which was recorded on September 21, 2009 in the Official Records of Douglas County as Instrument Number 0750981, in Book 909 at Page 4120 ("**Amended Trust Agreement**"). This Second Amended and Restated Trust Agreement amends, restates and supersedes the certain Amended Trust Agreement previously recorded in other jurisdictions where Resort Interests are located.

B. Section 6.1 of the Amended Trust Agreement authorizes the parties to amend such Amended Trust Agreement by recording a written instrument for the purposes allowed or not prohibited therein.

C. The Association and the Declarant entered into that certain Declaration For Club Sunterra Vacations (now known as Diamond Resorts U.S. Collection) as of February 17, 2004 (the "**Original Declaration**") for the purposes stated therein, a copy of which Original Declaration was recorded as Exhibit A to the Original Trust Agreement and which Original Declaration was also amended, as described above. Pursuant to the Original Declaration, the Declarant and the Association have created a multisite timeshare program now known as Diamond Resorts U.S. Collection (the "**Collection**").

D. The Declarant wishes to amend and restate the Amended and Restated Declaration, and all amendments thereto (referred to herein as the "**Declaration**") pursuant to Section 20.3.4 which authorizes the Declarant to unilaterally amend all or any part of the Amended and Restated Declaration by recording a written instrument for the purposes allowed therein, including to facilitate the operation and management of the Collection Accommodations or the sale of Memberships.

E. The parties wish to amend and restate the Amended Trust Agreement in order to incorporate the Second Amended and Restated Declaration, which is attached hereto as Exhibit A, in all jurisdictions where Resort Interests are located.

F. As set forth in the Declaration, the Trustee, solely in its capacity as trustee under this Trust Agreement, has acquired or will acquire title to certain real property ("**Resort Interests**") more specifically described in the respective versions of the Exhibit "B" attached hereto or attached to original duplicates of this Trust Agreement or the Amended Trust Agreement and recorded in the respective jurisdictions in which such Resort Interests are located. As set forth in the Amended Trust Agreement, legal title to the Resort Interests has been or will be registered in the name of the Trustee, and the Trustee holds or will hold title to the Resort Interests in trust as bare Trustee for the Association and its Members as beneficial owner and agrees to deal with the Resort Interests in accordance with the terms of this Trust Agreement.

NOW, THEREFORE, the parties hereby agree to amend and restate the Amended and Restated Trust Agreement as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions: Unless the context otherwise requires, the capitalized terms used in this Trust Agreement shall have the same meanings as those set forth in the Declaration.

1.2 Interpretation: For the purposes of this Trust Agreement, except as otherwise expressed or provided:

(a) All reference to designated "Articles," "Sections," "Schedules," or other subdivisions are to the designated articles, sections, schedules and other subdivisions of this Trust Agreement;

(b) The words "Agreement," "hereof," "hereunder," and "herein," and similar expressions refer to the whole of this Trust Agreement and not to any particular Article, Section, Schedule, or other subdivision;

(c) The headings are for convenience only, form no part of this Trust Agreement, and are not intended to interpret, define or limit the scope, extent or interest of this Trust Agreement or any provision hereof;

(d) All accounting terms not otherwise defined herein have the meanings assigned to them and all calculations to be made hereunder are to be made in accordance with generally accepted accounting principles;

(e) All payments required to be made pursuant to the provisions of this Trust Agreement will be made in United States currency or such other currency as the parties may agree;

(f) Words importing the singular number only will include the plural and vice versa. Words importing the masculine gender will include the feminine and neuter genders;

(g) Any reference to a statute includes and is a reference to such statute, the amendments to such statute, and the regulations which are in force at the relevant time, and any statute or regulation that may be passed which has the effect of superseding such statutes or regulations;

(h) The word "including," when following any general statement, term or matter is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word, or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather is to be construed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

ARTICLE 2
APPOINTMENT OF TRUSTEE
AND ACKNOWLEDGMENT OF DECLARATION

2.1 Appointment: The Association hereby appoints the Trustee as its bare trustee to hold legal title to the Resort Interests in trust for and on behalf of the Association and its Members in accordance with the terms of this Trust Agreement, and the Trustee shall act as the fiduciary of the Association and its Members with respect to the Resort Interests. The Trustee accepts such appointment and declares that:

(a) It will hold legal title to the Resort Interests in trust as bare Trustee for and on behalf of the Association and its Members; and

(b) It will hold no beneficial interest in the Resort Interests and that all the equitable and beneficial interest in the Resort Interests will be vested solely and exclusively in the Association and its Members.

Nothing in this Trust Agreement shall be deemed to preclude the Association from appointing another party or other parties to act as trustee of, and hold title to, other Resort Interests in trust for the Association and its Members in accordance with the terms of a trust agreement similar to this Trust Agreement.

2.2 Use of the Resort Interests: Both the Declarant and the Association shall have their respective exclusive rights to use and occupy the Collection Accommodations relating to the Resort Interests in accordance with the terms and provisions regarding use of Collection Accommodations as set forth in the Declaration or incorporated by reference therein, as the same from time to time may be lawfully amended or supplemented, and all of which is established, declared and agreed to be for the purpose of enhancing and protecting the value, desirability and enjoyment of the Resort Interests and any memberships in the Association. All the covenants, conditions, reservations, restrictions, easements and limitations shall constitute equitable servitudes upon the Resort Interests, shall perpetually run with the land, and shall be binding upon and enure to the benefit of the Declarant, the Trustee, the Association and all Members in the Association, any other Person having or acquiring any right, title or interest therein and thereto, each of their respective heirs, legal representatives, successors and assigns and all other Persons who are present within or use any Collection Accommodation relating to the Resort Interests for any purpose whatsoever. The trust for the Resort Interests shall be irrevocable as long as any Member has a right to occupy any Collection Accommodation relating to those Resort Interests pursuant to the Declaration.

2.3 Compliance with Declaration: The Declarant and the Association each covenants and agrees that it will abide by and observe all the provisions of the Declaration.

2.4 Benefits: The Trustee covenants that any benefit, right, interest, profit or advantage arising out of or accruing from the Resort Interests is and will continue to be a benefit, interest, profit or advantage of the Association and its Members or the Declarant, as the case may be, and if received by the Trustee, will be received and held by the Trustee for the sole use, benefit, and advantage of the Association and its Members or the Declarant, as the case may be, and the Trustee will provide to the Association or the Declarant, as the case may be, such records that the Trustee customarily maintains for any money or other consideration paid to or to the order of the Trustee in connection with the Resort Interests, as directed in writing by the Association or the Declarant, as the case may be.

ARTICLE 3 DUTIES OF THE TRUSTEE

3.1 Dealing with the Resort Interests: The Trustee will only deal with the Active Resort Interests (as defined in the Declaration and designated on Exhibit "B" hereto) with the prior written direction from the Association and with the Inactive Resort Interests (as defined in the Declaration and designated on Exhibit "B" hereto) with the prior written direction from the De-

clarant. The Trustee shall be protected in acting upon or in relying on any written notice, request, waiver, consent, receipt, or other paper document apparently signed by the Association or furnished to it by the Association if in relation to Active Resort Interests or by the Declarant if in relation to Inactive Resort Interests. Such dealings with the Resort Interests shall include the execution by the Trustee of any proxy designation or similar instrument, as, when and in such form as such shall be determined to be necessary from time to time by the Association or the Declarant, as the case may be, for purposes of implementing Section 4.4 of the Declaration as permitted or required by applicable law and authorizing the Association or the Declarant to participate in the affairs of the respective Component Site Owners Associations in relation to the Resort Interests.

3.2 Notification: The Trustee will promptly notify the Association upon receipt by the Trustee of any written notice of any matter or thing in respect of the Active Resort Interests, or any portion thereof, including, without limitation, in respect of any tax, lien, charge or encumbrance, in respect of the Active Resort Interests, or any portion thereof. The Trustee will promptly notify the Declarant upon receipt by the Trustee of any written notice of any matter or thing in respect of the Inactive Resort Interests, or any portion thereof, including, without limitation, in respect of any tax, lien, charge or encumbrance, in respect of the Inactive Resort Interests, or any portion thereof. For purposes of this Section 3.2, "promptly" shall mean, where practicable, within three (3) business days of receipt by the Trustee.

3.3 Acts of the Trustee: The Trustee will, upon the written notice from the Association (or the Declarant, if relating to Inactive Resort Interests) issued in accordance with the Declaration, deal with the Resort Interests and perform such acts and do such things in respect of the Resort Interests at the expense of and as directed in writing by the Association (or the Declarant if it relates to Inactive Resort Interests) from time to time; provided, however, that the Trustee shall not convey, hypothecate, mortgage, assign, lease or otherwise transfer or encumber in any fashion any interest in or portion of the Active Resort Interests unless: (i) permitted by both the Declaration and applicable law; (ii) the Collection is terminated pursuant to the Declaration; or (iii) such conveyance, hypothecation, mortgage, assignment, lease, transfer or encumbrance is approved by two-thirds of the Voting Power (as defined in the Declaration) of the Association and such approval is declared by a court of competent jurisdiction to be in the best interests of the Association and its Members. The Trustee shall notify the applicable state agency, if any, that actively regulates and has approved the general operations of the Collection (the "Agency"), in writing within ten (10) days of receiving notice of the filing of any petition relating to obtaining such a court order. The Declarant shall have the duty of advising the Trustee of any such requirement to notify the Agency.

3.4 Books and Records. Although the Trustee shall have no obligation to maintain any books or records with respect to the Resort Interests or the Association or its Members, the Trustee shall furnish promptly to the Agency upon request a copy of any books and records of, or other information regarding, the Collection required to be maintained pursuant to applicable law that are in the possession, custody or control of the Trustee.

3.5 Advice: The Trustee, in carrying out its duties under this Trust Agreement, may act on the opinion, advice, or information obtained from any lawyer, appraiser or other expert,

but shall not be bound to act upon such opinion, advice or information and shall not be responsible for any loss occasioned by so acting or by non-acting, as the case may be. The Trustee may take legal or other advice and employ such assistance as may be necessary to the proper discharge of his duties and may pay proper and reasonable compensation for all such legal and other advice and assistance.

3.6 Reimbursement of Expenses; Remuneration: The Association (or the Declarant, if relating to Inactive Resort Interests) shall, at the written request of the Trustee, reimburse the Trustee for any payments or disbursements made by the Trustee in accordance with this Trust Agreement and the Association (or the Declarant, if relating to Inactive Resort Interests) shall pay the Trustee such remuneration for acting as Trustee as may be agreed between the Trustee and the Association (or the Declarant, if relating to Inactive Resort Interests) from time to time, including reasonable compensation for expenses incurred pursuant to Section 3.5 above.

ARTICLE 4 LIABILITY AND INDEMNITY

4.1 Liability of the Trustee: The Trustee's responsibility or liability for its actions taken hereunder shall be limited to its capacity as trustee hereunder, and only to the extent of any funds, from time to time, in hand, except in the case of fraud, negligence or willful misconduct on the part of the Trustee, its employees or agents. The Trustee shall not be responsible for the validity, genuineness or sufficiency of the Declaration or the deed by which legal title to any Resort Interests are or will be transferred to the Trustee. The Trustee shall have no duties under the Declaration other than to act in accordance with the instructions of the Association (or of the Declarant, if relating to Inactive Resort Interests), and, despite holding title to the Resort Interests, the Trustee shall not be liable for the payment of assessments or real property taxes levied upon the Resort Interests by the respective Component Site Owners Association or taxing authority.

4.2 Indemnity: The Association hereby agrees to indemnify and save harmless the Trustee against any and all liability, loss, cost, action, claim or expense including fees, disbursements and out of pocket expenses of any advisors or experts resulting from the Trustee's holding of legal title to or dealing with the Resort Interests as directed by the Association from time to time, and the Declarant hereby agrees to indemnify and save harmless the Trustee against any and all liability, loss, cost, action, claim or expense, including fees, disbursements and out of pocket expenses of any advisors or experts resulting from Trustee's dealing with Inactive Resort Interests as directed by the Declarant from time to time; provided, however that neither the Association nor the Declarant shall have any obligation under this Section 4.2 to the extent that there is fraud, negligence or willful misconduct on the part of the Trustee or its employees or agents.

ARTICLE 5 REMOVAL, RESIGNATION AND APPOINTMENT OF NEW TRUSTEE

5.1 Removal: The Trustee may be removed at any time by the affirmative vote or written assent of a majority of the Board of Directors of the Association or by the affirmative vote or written assent of a majority of the Voting Power of each class of Members of the Associ-

ation if there is more than one class or a majority of the Voting Power of the Members other than Declarant and the consent of Declarant if there is then only one class of Members. Any such removal of the Trustee shall be effective ninety (90) days after receipt by the Trustee of written notice from the Association.

5.2 Resignation: The Trustee may, at any time, resign its office by giving at least ninety (90) days prior written notice of such resignation to the Association (and to the Declarant, if any Inactive Resort Interests are owned) and by giving written notice of the Trustee's intention to resign to the Agency in accordance with any applicable statutory provision requiring such notice. The Declarant shall have the duty of advising the Trustee of any such requirement to notify the Agency.

5.3 Appointment of New Trustee: In the event of a resignation or termination of the Trustee, the Association shall forthwith appoint in its place a trust company duly authorized to carry on business in the jurisdiction in which the Resort Interests are located or other appropriate trustee and the Trustee, shall at the request of the Association, transfer the Resort Interests and all records and accounts to the new trustee. In the event no successor trustee is so appointed within a reasonable time following such resignation or termination, the Trustee shall have the right to petition any court with appropriate jurisdiction to appoint a successor trustee. Notwithstanding any provision to the contrary contained herein, the Trustee shall continue in its capacity as the trustee until a successor trustee approved by the Agency accepts appointment to be a trustee, to the extent such approval is required by the law of the respective jurisdiction.

ARTICLE 6 AMENDMENT

6.1 Amendment: The Declarant may, from time to time and provided that the Trustee agrees, enlarge the trust by directing the Trustee to hold legal title to additional Resort Interests on the same terms and conditions as set out in this Trust Agreement and if agreed to by the Trustee, the Trustee covenants to accept a transfer of the additional Resort Interests to it and to execute such additional amendments so as to give effect to the annexation of such additional Resort Interests into the trust. In addition, under certain circumstances as described in the Declaration, the Association may direct, and provided that the Trustee agrees, the Trustee to hold legal title to Resort Interests on the same terms and conditions as set out in this Trust Agreement and if agreed to by the Trustee, the Trustee covenants to accept a transfer of Resort Interests to it and to execute such additional amendments so as to give effect to the inclusion of such Resort Interests in the Trust. The Trustee shall cooperate with the Association or Declarant in joining in the recordation of any adopted amendments to the Declaration that is attached as Exhibit "A" to this Trust Agreement. This Trust Agreement may not be amended without the prior approval of the Declarant if such amendment adversely affects the interests or the rights of the Declarant in or to the Inactive Resort Interests. Pursuant to the terms of Section 13.7 of the Declaration, Inactive Resort Interests shall only become Active Resort Interests upon the recordation of an amendment to Exhibit "B" to this Trust Agreement to that effect.

6.2 Compliance by the Declarant: Prior to the transfer of the first Resort Interests or additional Resort Interests to the Trustee, the Declarant will comply with all terms and conditions of the Declaration.

ARTICLE 7 GENERAL

7.1 Notices: All notices, requests, demands and other communications given to or in connection with this Trust Agreement shall be in writing and airmailed, E-mailed or delivered personally to the party for whom it is intended to be addressed, at the address for the party set forth below or such other address as the parties may, from time to time, direct:

If to the Trustee, to: First American Trust, FSB
5 First American Way
Santa Ana, California 92707
Attn: E.A. "Libby" Markworth

If to the Association, to: Diamond Resorts U.S. Collection Members
Association
c/o Diamond Resorts International, Inc.
10600 West Charleston Boulevard
Las Vegas, Nevada 89135

If to the Declarant, to: Diamond Resorts U.S. Collection
Development, LLC
10600 West Charleston Boulevard
Las Vegas, Nevada 89135
Attention: Legal Department
Telephone: (702) 684-8000

7.2 Further Assurances: The Trustee shall perform such other acts and things and execute such other documents as are necessary and desirable in the reasonable opinion of the Association to evidence and carry out the terms or intent of this Trust Agreement.

7.3 Governing Law: This Trust Agreement and all matters arising herein will be governed by and construed in accordance with the laws of the State of Nevada which will be deemed to be the proper law hereof and the courts of the County of Clark, Nevada will have the exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Trust Agreement and the validity, existence and enforceability hereof.

7.4 Waiver: No failure or delay on the part of any party in exercising any right, power or privilege under this Trust Agreement will operate as a waiver hereof, nor will any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any right power or privilege. Except as may be limited herein, any party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Trust Agreement or any other remedy available to it and such rights, powers,

remedies and recourse as may be exercised concurrently or individually without the necessity of making any election.

7.5 Assignment: This Trust Agreement will not be assigned by any party without the prior written consent of the other parties.

7.6 Rule Against Perpetuities. If any interest purported to be created by this Trust Agreement is challenged under the rule against perpetuities or any related legal doctrine, the interest shall be construed as continuing only until twenty-one (21) years after the death of the last survivor of the lawful descendants of Joseph Kennedy, who was the father of the late John Fitzgerald Kennedy, former President of the United States of America, living on the date of this Trust Agreement, or for any shorter period that may be required to sustain the validity of the affected interest.

7.7 Counterparts and Duplicate Originals; Recordation: This Trust Agreement may be executed in any number of counterparts each of which shall constitute an original, but all of which, taken together, shall constitute one and the same agreement. It is the intention of the parties hereto that duplicate originals of this Trust Agreement shall be executed and a duplicate original shall be recorded in each jurisdiction in which is located a Resort Interest, together with a duplicate of the Declaration as Exhibit "A" and a listing of only the respective Resort Interests located in such jurisdiction as Exhibit "B." Such duplicate originals of this Trust Agreement shall have identical substantive provisions and shall differ only to the extent necessary to satisfy the recordation requirements of the respective jurisdictions. Notwithstanding any provision hereof to the contrary, to the extent permitted and legally effective under applicable law in each jurisdiction, a "Memorandum of Trust Agreement" may be recorded, together with the described appropriate Exhibits "A" and "B," in lieu of recording the full text of this Trust Agreement, and all references in the Collection Instruments to the Trust Agreement shall be deemed to include each such Memorandum of Trust Agreement, unless the context requires otherwise.

[SIGNATURES APPEAR ON THE FOLLOWING THREE PAGES]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On August 30, 2016 before me, Scott J. Miyashiro, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared E. A. Markworth and Robert Graham
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature *Scott J. Miyashiro*
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

DECLARANT:

DIAMOND RESORTS U.S. COLLECTION DEVELOPMENT, LLC, a Delaware limited liability company

By: **DIAMOND RESORTS DEVELOPER AND SALES HOLDING COMPANY**, a Delaware corporation and its Managing Member

By: [Signature]
Name: Jared T. Finkelstein

Its: Senior Vice President and General Counsel

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

Before me the undersigned, a Notary Public in and for the State and county aforesaid, personally appeared Jared Finkelstein with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Vice President of DIAMOND RESORTS DEVELOPER AND SALES HOLDING COMPANY, a Delaware corporation and the Managing Member of DIAMOND RESORTS U.S. COLLECTION DEVELOPMENT, LLC, a Delaware limited liability company, the within named Declarant, and that he, as such Vice President, being authorized to so do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such officer.

WITNESS my hand and official seal this 30 day of August, 2016.

Signature: [Signature]
Print Name: HOLLY CASH
My Commission Expires: 3-27-2018

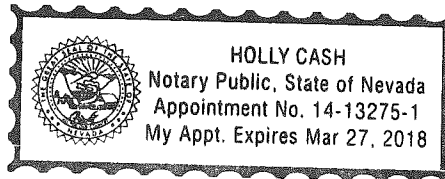


Exhibit A

SECOND AMENDED AND RESTATED DECLARATION

FOR

DIAMOND RESORTS U.S. COLLECTION

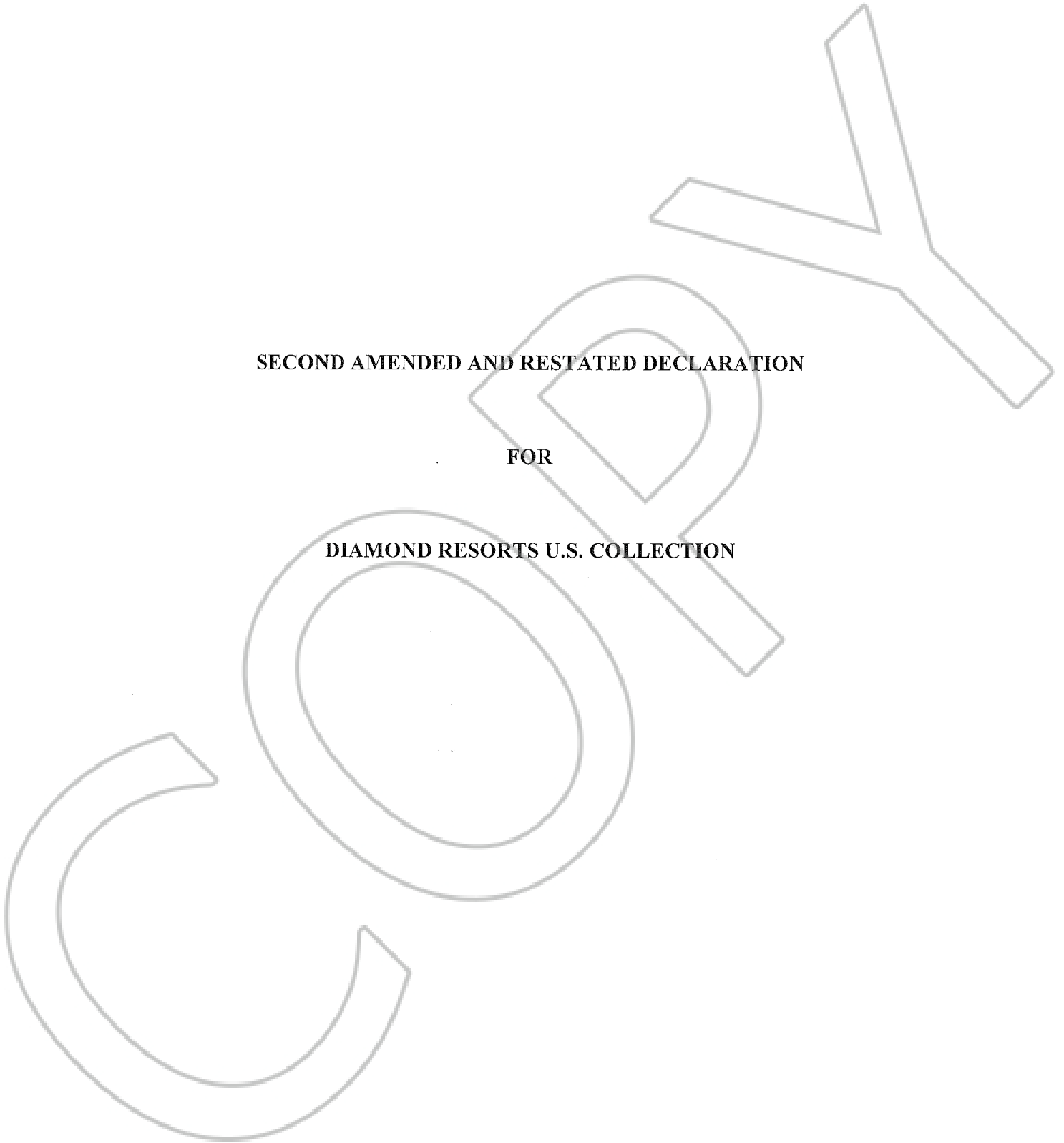


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SECOND AMENDED AND RESTATED

DECLARATION

FOR

DIAMOND RESORTS U.S. COLLECTION

THIS SECOND AMENDED AND RESTATED DECLARATION FOR DIAMOND RESORTS U.S. COLLECTION (this "**Declaration**") is executed and effective as of the 22nd day of September, 2016, (the "**Effective Date**"), by DIAMOND RESORTS U.S. COLLECTION DEVELOPMENT, LLC, a Delaware limited liability company (the "**Declarant**"); and DIAMOND RESORTS U.S. COLLECTION MEMBERS ASSOCIATION, a non-stock, non-profit Delaware corporation (the "**Association**").

RECITALS:

A. The Declarant, the Association, and one or more institutions or entities having trust powers ("**Trustee**") have entered into one or more trust agreements (hereinafter, including all exhibits thereto, the "**Trust Agreement**") pursuant to each of which a trust is organized (hereinafter the "**Trust**") for the purpose of holding title to interests in real property, and personal property use rights in real property for the benefit of the Association and its Members (as defined below).

B. The Declarant has established a uniform plan (the "**Collection**") for the development, use, occupancy and ownership of the various interests (herein referred to as the "**Resort Interests**" and more particularly described below) and the payment of all taxes, assessments, insurance premiums, and other expenses relating to the Resort Interests. The Declarant will convey, or cause others to convey, Resort Interests to a Trustee to be held in Trust for the benefit of the Association and its Members. Prior to each such conveyance of Resort Interests, the Declarant will assign values denominated in units known as "**Points**" to the subject Resort Interests based on various factors, including supply and demand, location and time of year, as well as by comparing each Resort Interest with others. Immediately upon the conveyance of any Resort Interests to a Trustee and the encumbrance of such Resort Interests by this Declaration, the Association shall, in accordance with the terms of this Declaration, issue a bulk membership in the Collection (herein referred to as a "**Bulk Membership**" and more particularly described below) to the Declarant or other person who conveyed the Resort Interests to the Trustee. Each Bulk Membership will have ascribed to it an aggregate number of Points quantifying the cumulative rights of the owner of such Bulk Membership to the use and occupancy of the Collection Accommodations (as defined below) available by reason of the conveyed Resort Interests in accordance with this Declaration. Upon the subsequent sale of an individual membership in the Collection (herein referred to as a "**Membership**" and more particularly described below) by the Declarant, the Declarant will assign a specified number of Points from the related Bulk Membership to the Membership, in accordance with this Declaration, and will promptly notify the Association regarding such sale and assignment so that the Association can reflect the same in its official records. Under this Declaration, the Parties will impose mutual and beneficial restrictions, covenants, conditions, obligations, and easements

to apply uniformly to the use, enjoyment, repair, maintenance, restoration, improvement, transfer and encumbrance of each respective Collection Accommodation and Membership for the benefit of all of the Resort Interests and all owners of Memberships. Unless the specific context requires another construction, any reference to "Membership" herein shall include and apply to any Bulk Membership held by the Declarant, Appointee or Independent Developer. In no event shall the term "Bulk Membership" refer to Persons who purchase one or more individual Memberships, regardless of Point value.

C. The Declarant has entered into or expects to enter into, agreements with the respective owners of Resort Interests (collectively "**Component Site Developers**") that contain one or more Accommodations (as defined below) at various locations (collectively, "**Component Sites**"). Component Sites may be developed as timeshare plans, but there is no requirement that a Component Site be subject to a timeshare plan separate and apart from this Second Amended and Restated Declaration. Component Site Developers will from time to time at the direction of the Declarant convey Resort Interests in their respective Component Sites to a Trustee. Each Component Site Developer, together with the Declarant and the Association, will, for purposes of making the then to be conveyed Resort Interests part of the Collection, subject such Resort Interests to this Declaration immediately before the Component Site Developer conveys those Resort Interests to a Trustee.

D. In exchange for procuring from time to time the transfer of Resort Interests to the Trust for the benefit of the Association and its Members, the Declarant and Appointees shall be entitled to offer and sell the Memberships attributable to such Resort Interests to the general public or any other Person (as defined below) and to instruct the Association to issue Memberships to Persons designated by the Declarant or Appointee from time to time, all as more particularly provided herein. Such right to offer and sell the Memberships can be assigned by Declarant to Independent Developers (as defined below).

E. This Second Amended and Restated Declaration amends, restates and supersedes that certain Amended and Restated Declaration for Diamond Resorts U.S. Collection recorded on September 21, 2009 in the Official Records of Douglas County as Document No. 0750981, in Book 909 at Page 4120, and all amendments thereto, ("First Amended and Restated Declaration") which effectively replaced and superseded in its entirety that certain Declaration for Club Sunterra Vacations referenced within the Amended and Restated Declaration. Pursuant to Section 20.3.4 of the First Amended and Restated Declaration, Declarant reserved the right to unilaterally amend all or any part of the Amended and Restated Declaration without the need for the Association's or any Member's consent to facilitate the operation and management of the Collection Accommodations and the sale of Memberships.

NOW THEREFORE, in accordance with the terms and provisions of the First Amended and Restated Declaration, the First Amended and Restated Declaration is hereby amended and restated in its entirety as follows:

The Declarant and the Association hereby declare that all interests in all real property and all improvements thereon and all appurtenances thereto which are, from time to time, subjected to this Declaration and all Memberships in the Collection and all appurtenances thereto created with respect to such interests are and shall be held, sold, conveyed, encumbered, leased,

occupied, improved, and used subject to the covenants, conditions, reservations, restrictions, easements, and limitations of record contained or incorporated by reference in this Declaration, as the same from time to time may lawfully be amended or supplemented, all of which are established, declared, and agreed to be for the purpose of enhancing and protecting the value, desirability, and enjoyment of all such interests and Memberships in the Collection. All such covenants, conditions, reservations, restrictions, easements, and limitations shall constitute equitable servitudes upon such interests, shall perpetually run with such interests, shall be binding upon and inure to the benefit of the Declarant, the Association, each Trustee, all owners of Memberships and any other Persons having or acquiring any right, title, or interest therein and thereto and each of their respective heirs, legal representatives, successors, and assigns, and all other Persons who are present within any of the Collection Accommodations (as defined below) or use any of the Collection Accommodations for any purpose whatsoever.

By entry into the Register of Members (as defined below), each Person for himself or herself, his or her heirs, legal representatives, successors, assigns, and any other Person or Persons holding or occupying by, through, or under such Person, and whether or not expressly stated therein, covenants, consents, and agrees to and with the Declarant and with all other owners of Memberships, to have ratified and to be bound by, observe, comply with, and perform the covenants, conditions, reservations, restrictions, easements, and limitations contained in this Declaration and in the Articles of Incorporation, Bylaws, the Regulations, and any other Collection Instruments (as respectively defined below), as each of the aforesaid documents may lawfully be amended or supplemented from time to time.

ARTICLE 1

DEFINITIONS

The terms used in this Declaration and in the exhibits attached hereto, and all amendments and supplements thereto, shall have the following meanings, except as otherwise provided or unless the context otherwise requires or otherwise expressly provides:

- 1.1. “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.
- 1.2. “Action” has the meaning assigned to it in Section 21.15 hereof.
- 1.3. “Active Resort Interest Declaration” has the meaning assigned to it in Section 13.7 below.
- 1.4. “Active Resort Interests” has the meaning assigned to it in Section 13.7 below.
- 1.5. “Appointee” means any Person or Persons which the Declarant from time to time appoints in accordance with Section 13.6 below.
- 1.6. “Articles of Incorporation” means the Articles of Incorporation of the Association, as it may lawfully be amended from time to time.

1.7. “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.

1.8. “Assessment Period” means the period for which the Assessment is to be levied.

1.9. “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 this Declaration and the Regulations.

1.10. “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.

1.11. “Automatic Conversion” has the meaning assigned to it in Section 8.11.

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

1.13. “Blanket Lien” means any encumbrance on title to a Component Site (a) that secures or evidences the obligation to pay money or to sell or transfer such Component Site or an interest therein; and (b) that authorizes, permits or requires the holder of such encumbrance to foreclose and sell, or to cause the loss of use of, the Component Site or an interest therein or subject thereto (such as a mortgage, option to purchase or a judgment). The following shall not be deemed to be Blanket Liens: (i) lien of real estate taxes or other taxes and assessments levied by public authority that are not yet due and payable; (ii) the lien of assessments charged under Collection Instruments, the External Exchange Program Instruments or the Component Site Instruments that are not yet due and payable; and (iii) the lease of a single Accommodation or of a Component Site, which lease is assigned or transferred to a Trustee and constitutes the principal basis for the use rights to be exercised by Members in such Accommodation or Component Site.

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

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

1.16. “Collection” has the meaning assigned to it in Recital B.

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

1.18. “Collection Costs” means and includes all costs incurred by the Association for and on behalf of the Members in respect of Active Resort Interests, as provided in Section 11.3 hereof.

1.19. "Collection Instruments" means this Declaration, the Articles of Incorporation, the Bylaws, the Trust Agreement, the Regulations, the Register of Members and any other document or instrument which defines or governs the Collection, together with each Member's Purchase Agreement and Points Certificate(s), as each may lawfully be amended or supplemented from time to time.

1.20. "Component Site" has the meaning assigned to it in Recital C.

1.21. "Component Site Developer" has the meaning assigned to it in Recital C.

1.22. "Component Site Instruments" means any declaration, articles of incorporation, Bylaws, rules and regulations and all other documentation pertaining to one Component Site and specifically excluding the Collection Instruments and the External Exchange Program Instruments.

1.23. "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.

1.24. "Converted Resort Interests" has the meaning assigned to it in Section 13.7.3 below.

1.25. "Convertible Term Points" has the meaning assigned to it in Section 8.11 below.

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

1.27. "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 pursuant to Section 13.1 hereof, or to an Appointee pursuant to Section 13.6.1, or to an Independent Developer pursuant to Section 13.6.2; and

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

Any reference in this Declaration or in any of the other Collection Instruments to "Declarant's Term Points," "Declarant's Perpetual Points," "Declarant's Non-Specific Use Points" or "Declarant's Specific Use Points" shall mean those Declarant's Points which are of that kind or type.

1.28. "Declaration" means this Amended and Restated Declaration for the Diamond Resorts U.S. Collection, together with all Exhibits attached hereto, as they may lawfully be amended or supplemented from time to time, pursuant to the provisions hereof.

1.29. "Director" means any person appointed or elected to the Board of Directors of the Association pursuant to the Bylaws.

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

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

1.32. “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.

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

1.34. “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 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).

1.35. “Inactive Resort Interests” has the meaning assigned to it in Section 13.7 below.

1.36. “Independent Developer” means any Person or Persons which the Declarant from time to time designates as an Independent Developer in accordance with Section 13.6 below.

1.37. “Lender of Record” means any Person who holds a Security Interest in a Membership, including but not limited to the secured party under a security agreement and its successors and assigns, provided that such Security Interest is evidenced by a written instrument, which may or may not have been perfected according to applicable law, but notice of which shall have been provided to the Manager for entry into the Register of Members.

1.38. “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.

1.39. “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, as more particularly described in Section 10.2 below.

1.40. “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.

1.41. “Member” means any 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.

1.42. “Member Default Notice” has the meaning assigned to it in Section 11.14 below.

1.43. “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.

1.44. “Minimum Threshold Points” has the meaning assigned to it in Section 8.5 below.

1.45. “Non-Disturbance Agreement” means a recorded agreement signed by the holder of a Blanket Lien which states (a) the Blanket Lien is subject and subordinate both (i) to the rights of the Members, the Association, the Declarant and each External Exchange Program to use the Resorts Interests; and (ii) to the Collection Instruments, all External Exchange Program Instruments and the Component Site Instruments; and (b) such holder will not use or cause the Resort Interests covered thereby to be used in a manner which prevents or precludes the Members, the Association, the Declarant or any External Exchange Program from using such Resort Interests in accordance with the Collection Instruments.

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

1.47. “Occupant” means any individual 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.

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

1.49. “Parties” means the Declarant and the Association.

1.50. “Perpetual Points” means Points attributable to Resort Interests that are either perpetual in nature, or leasehold interests that will terminate and cease to be available no earlier than 75 years after conveyance to the Trust, unless a longer term is required by the Trustee or by law to establish perpetual occupancy rights.

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

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

- 1.53. “Points” has the meaning assigned to it in Section 8.1.
- 1.54. “Points Certificate” means the certificate issued by the Association to a Member identifying the named Person(s) as a Member and specifying the number and type of Points held by that Member.
- 1.55. “Points Standard Assessment” means that amount of the Standard Assessment that is charged on a per Point basis.
- 1.56. “Primary Member” has the meaning assigned to it in Section 7.3 below.
- 1.57. “Purchase Agreement” means any agreement with the Declarant, Appointee, or Independent Developer pursuant to which a purchaser acquires a Membership.
- 1.58. “Reconveyance Notice” has the meaning assigned to it in Section 13.8 below.
- 1.59. “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.
- 1.60. “Regulations” means the rules 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.
- 1.61. “Reservation Rate” means the number of Points required to occupy any particular Collection Accommodation during any particular Use Period.
- 1.62. “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.
- 1.63. “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.
- 1.64. “Reservation Services Provider” has the meaning assigned to it in Section 13.3.
- 1.65. “Reservation Services Provider Agreement” means the then-effective agreement between the Reservation Services Provider and the Association which provides for operation of the Reservation System.
- 1.66. “Resort Interest” means a leasehold interest, fee simple, personal property interest, points ownership or other interest in an Accommodation or a group of Accommodations in a Component Site or Collection, including a timeshare estate, timeshare license or use right, an undivided interest, contractual right, or any other type of interest in real property, that is owned or leased by a Trustee on behalf of 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 this Declaration, as such may be amended or supplemented from time to time.

1.67. “Security Interest” has the meaning as provided in the Uniform Commercial Code as adopted in the applicable State or for jurisdictions outside of the United States of America, as provided in any applicable law.

1.68. “Selected Court” has the meaning assigned to it in Section 21.15 hereof.

1.69. “Special Assessment” means an Assessment levied by the Board upon Members as provided in Section 11.7 hereof.

1.70. “Specific Use Points” means Points which are assigned to specific Resort Interests, the owner of which has specific reservation and use rights in such Resort Interests, as more particularly described in Section 8.3 below.

1.71. “Standard Assessments” means the annual assessment levied by the Board upon all Members for their share of regular annual Collection Costs in accordance with Section 11.4 hereof. The Standard Assessment consists of the Base Standard Assessment and the Points Standard Assessment.

1.72. “Term Points” means Points that will be available for a defined term.

1.73. “Title Policy” has the meaning assigned to it in Section 5.1 below.

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

1.75. “Trust” has the meaning assigned to it in Recital A.

1.76. “Trust Agreement” has the meaning assigned to it in Recital A, and includes any subsequent amendment thereto.

1.77. “Trustee” has the meaning assigned to it in Recital A.

1.78. “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.

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

1.80. “Voting Power” means the aggregate vote or written assent of Members entitled to vote, in person or by proxy, including, if there is more than one class of Members, the aggregate vote or written assent of all classes of Members.

ARTICLE 2

PURPOSES AND EFFECT OF THIS DECLARATION

2.1 Purpose and Effect. By signing and recording this Declaration against Resort Interests, from time to time, the Declarant and the Association intend the following:

2.1.1 To create the Collection for the Association and the Members to share the use, enjoyment, management, upkeep and repair of such Resort Interests and for the operation of the Collection;

2.1.2 To comply with the legal requirements necessary to include such Resort Interests in the Collection and to dedicate the Collection Accommodations subject to such Resort Interests to use in the Collection;

2.1.3 To give notice of the Collection and of the rights of the Members to use such Collection Accommodations;

2.1.4 To grant an easement to the Members to use such Collection Accommodations in the manner and at the times permitted by the Collection Instruments;

2.1.5 To grant and reserve easements to use such Collection Accommodations in favor of the Declarant and the Association to the extent they are specifically permitted to do so under the Collection Instruments;

2.1.6 To grant an easement to each Person that qualifies as an External Exchange Program to use such Collection Accommodations in the manner and at the times specifically permitted under the Collection Instruments and the External Exchange Program Instruments;

2.1.7 To grant an easement to each External Exchange Program to allow its Exchange Users to use such Collection Accommodations in the manner and at the times specifically permitted in the Collection Instruments and its External Exchange Program Instruments;

2.1.8 To protect the Members' rights to use such Collection Accommodations (i) from the claims upon the interest of the Declarant or any Component Site Developer and (ii) from the claims by creditors of the Declarant, any Component Site Developer, or any one claiming by, through or under any of them; and

2.1.9 To enhance, maintain and protect the value, desirability and enjoyment of such Resort Interests and all interests therein for the benefit of the Declarant, the Association and the Members.

ARTICLE 3

INTERPRETATION

3.1 General Rules of Interpretation. For the purposes of this Declaration, except as otherwise specifically expressed or provided:

3.1.1 All reference to designated "Articles," "Sections," "Schedules," or other subdivisions are to the designated articles, sections, schedules and other subdivisions of this Declaration;

3.1.2 The words "Declaration," "hereof," "hereunder," and "herein," and similar expressions refer to the whole of this Declaration and not to any particular Article, Section, Schedule, or other subdivision;

3.1.3 The headings are for convenience only, form no part of this Declaration or any exhibits annexed hereto and are not intended to interpret, define or limit the scope or extent of interest of this Declaration or any provision hereof;

3.1.4 All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all calculations to be made hereunder are to be made, in accordance with generally accepted accounting principles;

3.1.5 All payments required to be made pursuant to the provisions of this Declaration will be made in currency of the United States or such other currency upon which the Parties may agree from time to time;

3.1.6 Words importing the singular will include the plural and vice versa. Words importing one gender will be deemed to include all other genders;

3.1.7 Any reference to a statute includes and is a reference to, such statute, the amendments to such statute, and the regulations which are in force at the relevant time, and any statute or regulation that may be passed which has the effect of superseding such statutes or regulations; and

3.1.8 The word "including", when following any general statement, term or matter is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word, or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather, is to be construed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

ARTICLE 4

INITIAL TRANSFER OF RESORT INTERESTS

4.1 Transfer to Trustee. The Declarant will cause or has caused the Resort Interests described in the Exhibit "B" to the Trust Agreement to which this Declaration is attached to be transferred to a Trustee, free and clear of all Blanket Liens or with a Non-Disturbance Agreement in place with respect to any Blanket Lien that continues to encumber such Resort Interests, to be held in the corresponding Trust. It is the intention of the Parties that duplicate originals of the Trust Agreement shall be executed, and a duplicate original shall be recorded in each jurisdiction in which a Resort Interest is located, together with a duplicate of this Declaration as Exhibit "A" and a listing of only the respective Resort Interests located in such jurisdiction as Exhibit "B." Notwithstanding any contrary provision hereof, to the extent permitted and legally effective under applicable law in the respective jurisdiction, the legal description appearing in each recorded deed conveying real property to a Trustee shall be deemed to be an amendment to and included in the text of the Exhibit "B" to the Trust Agreement in the jurisdiction in which such deed was recorded. The description of any personal property Resort Interests which are conveyed to the Trustee shall be included in the conveyance instrument, and each conveyance instrument shall be deemed an amendment to and included in the text of Exhibit "B" attached to the Trust Agreement. In the event a Trust Agreement is not recorded, a Notice of Timeshare Program or its equivalent shall be recorded to provide notice that the Resort Interests are part of the Collection.

4.2 Method of Transfer. The submission of any Resort Interest to the Collection shall be effected (i) by the Declarant's and the Trustee's execution and recordation, if applicable, of the Trust Agreement, together with the described appropriate Exhibits "A" and "B," or, in the case of subsequent additions of Resort Interests, an amendment to Exhibit "B" to the Trust Agreement, or equivalent document under applicable law, that subjects the Resort Interests described in such document to the terms and conditions of this Declaration and then, (ii) by the delivery and recordation, if appropriate, of the instrument transferring such Resort Interests to a Trustee in accordance with the requirements of this Declaration. Each such transfer instrument and amendment to Exhibit "B" to the Trust Agreement or equivalent document for additional Resort Interests at a Component Site shall reference the recording information for the Trust Agreement to which this Declaration is attached and pursuant to which the initial Resort Interests at that Component Site were subjected to this Declaration; shall state that any additional Resort Interests covered thereby are expressly made subject to this Declaration; shall indicate the number of Points (and type of Points) assigned by the Declarant to such additional Resort Interests; and shall, to the extent appropriate, be recorded in the official records of the jurisdiction in which that Component Site is located.

4.3 Effect of Transfer to a Trustee. The terms of the Trust Agreement (as amended from time to time) shall apply to all Resort Interests conveyed to a Trustee. Upon the transfer of initial or additional Resort Interests to a Trustee, such Resort Interests shall be deemed part of the Collection and shall be subject to the terms of this Declaration and the other Collection Instruments. All provisions of this Declaration, including the Declarant's rights identified in Article 13 and those provisions regarding Members' obligations to pay Assessments, shall apply to the Resort Interests immediately upon recording the applicable Exhibit "B" to the Trust

Agreement or any amendment thereto. Declarant reserves the right to require a Trustee to execute and record one or more instruments from time to time to evidence the rights of the Declarant, the Association and the Members concerning Resort Interests held in the applicable Trust. Nothing herein shall prohibit the Declarant or an affiliated entity from serving as a Trustee under a Trust Agreement.

4.4 Status of Resort Interests. Except as provided in Section 13.7 below concerning Inactive Resort Interests, all Resort Interests subjected to the Collection Instruments and conveyed to a Trustee shall for all purposes of this Declaration and the Collection be deemed to be owned by the Association, and the Association shall be solely responsible for exercising all rights, and be solely obligated for fulfilling all duties and obligations, of the legal owner of the Resort Interests under the applicable Component Site Instruments, including but not limited to exercising voting rights and paying all amounts due under such Component Site Instruments with respect to the Resort Interests. The Trustee shall have no right to exercise any of the rights of ownership or any obligation to pay any amounts due with respect to the Resort Interests.

ARTICLE 5

ADDITION AND REMOVAL OF RESORT INTERESTS

5.1 Additional Resort Interests. The Declarant hereby reserves the right (but not the obligation), in its sole and absolute discretion, without the consent of the Board or any Member, to transfer or cause an Appointee or any other Person approved by Declarant (including the Component Site Developer) to transfer additional Resort Interests directly to a Trustee, in any order and at any time, and the Association and each Member, by entry in the Register of Members, hereby grants the Declarant the exclusive right to transfer, or cause an Appointee or other approved Person to transfer, such additional Resort Interests to a Trustee, provided that the Declarant pays or causes an Appointee or such other approved Person to pay, all appropriate taxes (if any) charged in connection with the transfer of such additional Resort Interests to a Trustee and all costs of issuing an Owner's Title Insurance Policy, a UCC insurance policy (Eagle 9), or the equivalent (the "**Title Policy**") in the amount of the then fair market value of such additional Resort Interests (such amount being determined by the transferor in its reasonable judgment) and insuring the applicable Trustee as the owner of such additional Resort Interests subject only to the matters described in this Section 5.1. Prior to the issuance of any Membership all or any portion of whose Points are attributable to any additional Resort Interests, the Declarant shall provide to the Board (i) the Title Policy insuring the applicable Trust's title to such additional Resort Interests is (A) free and clear of all Blanket Liens, or a Non-Disturbance Agreement, or other agreement, is in place to ensure that such Trust's title to such additional Resort Interests will not be divested by foreclosure of any Blanket Lien on such additional Resort Interests, and (B) subject to only the Collection Instruments, the Component Site Instruments, if any, and those other matters that do not unreasonably interfere with use of such additional Resort Interests in the Collection, (ii) a copy of a temporary or permanent certificate of occupancy, or its equivalent, with respect to that portion of such additional Resort Interests where construction of the related Collection Accommodations is complete, and (iii) a payment and performance bond, a letter of credit or the like in favor of the Association or the applicable regulatory agency with respect to that portion of such additional Resort Interests where construction of the related Collection Accommodations is not complete ("**Future Collection**

Accommodations”). In the event Points are ascribed to Future Collection Accommodations, in order to maintain the one-to-one ratio outlined in Section 8.4 below, alternative Resort Interests in new or existing Collection Accommodations with the same Point equivalency as the Future Collection Accommodations may be conveyed to a Trustee during the term of construction as substitute Collection Accommodations until the Future Collection Accommodations are substantially complete. Alternatively, in lieu of conveying Resort Interests, alternative temporary use rights in accommodations can be assigned to the Trustee during the term of construction as substitute Collection Accommodations, and such temporary use-rights will automatically expire upon completion and registration of the Future Collection Accommodations. Notwithstanding anything herein to the contrary, the Declarant reserves the right to transfer (or cause an Appointee or any other Person approved by Declarant (including the Component Site Developer) to transfer) additional Resort Interests directly to Trustee and to provide alternative arrangements in lieu of a Title Policy (e.g., a UCC insurance policy), as agreed upon by Declarant, Trustee and Board.

5.2 Amendments to Trust Agreement. Consistent with the provisions of Section 4.1, an amendment to the Trust Agreement may contain such additions and modifications to this Declaration, as Exhibit “A” to the Trust Agreement, as may be necessary to reflect the different character and conditions, if any, of the additional Resort Interests or as the Declarant may deem appropriate in the development of such property; provided, however, that such modifications shall not be inconsistent with the general plan or intent of this Declaration, nor shall they revoke any of the provisions of this Declaration. Any such amendment to the Declaration shall be reflected as soon as is practicable in a recorded amendment to Exhibit “A” to the Trust Agreement in each and every jurisdiction in which a duplicate original of the Trust Agreement has been recorded.

5.3 No Obligation of the Declarant. Neither this Declaration nor the Trust Agreement to which this Declaration is attached shall impose or be deemed to impose any obligation on the Declarant to transfer or cause to be transferred any additional Resort Interests to a Trustee. Specifically, the Declarant makes no representation, covenant or warranty to the Association, the Members or to any other Person that the Declarant will, at any time in the future, transfer or cause to be transferred any additional Resort Interests. If the Declarant elects to transfer, or cause to be transferred, any additional Resort Interests, then subject to the provisions of this Declaration, there is no limit to the number of additional Resort Interests that may be so transferred. The Declarant may transfer, or cause to be transferred, additional Resort Interests in one or more transactions.

5.4 Transfer of Replacement Resort Accommodations. If a Resort Interest is required to be replaced pursuant to either Section 14.3 or Section 15.2 below, the same method of transfer as provided in Section 4.2 above shall be followed.

5.5 Removal of a Resort Interest. No Resort Interest may be conveyed by a Trustee or made no longer subject to this Declaration except in the event of:

5.5.1 damage or destruction of a Resort Interest as provided in Section 15.2;

5.5.2 condemnation or taking of a Resort Interest as provided in Section 14.3;

5.5.3 removal of Inactive Resort Interests as expressly reserved by the Declarant under Section 13.7 below;

5.5.4 termination of the Collection pursuant to Section 13.8 below;

5.5.5 circumstances as otherwise expressly provided in Section 21.17 below or elsewhere in one of Collection Instruments; or

5.5.6 Declarant's exercise of its unilateral rights reserved under this Section 5.5 to unilaterally amend this Declaration at any time and from time to time to remove one or more Resort Interests if such amendment is necessary to correct omissions, submissions, transfers, conveyances or errors, including typographical errors (collectively, an "Error") as Declarant shall determine in its exclusive and subjective discretion without notice and without the prior consent or approval of the Members, the Association, the Trustee or any other Person.

If a Resort Interest is removed under (A) either Section 14.3 or Section 15.2 below; or (B) pursuant to the Declarant's right under Section 13.7 below upon a termination of the Collection; or (C) pursuant to the Declarant's right under this Section 5.5 upon discovery of an Error, the Association shall amend any applicable Trust Agreement (if necessary) and this Declaration and shall record such amendments and other instruments in the appropriate recording office and any other recording office in which this Declaration or such Trust Agreement have been recorded. If a Resort Interest is removed under this Section 5.5 to correct an Error, then Declarant shall cooperate in joining in the recordation of such amendments and shall file an affidavit with the Trustee describing such Error ("Affidavit"). The Trustee may rely on such Affidavit as a final determination of the Error and no further action on the part of the Association, the Trustee, Members or any other Person is required to clear title to the Resort Interests. Upon removal of the Resort Interests or Inactive Resort Interests, the Trustee shall deed the Resort Interests or Inactive Resort Interests to such Person as Declarant shall identify in writing.

ARTICLE 6

USE AND OCCUPANCY RIGHTS, EASEMENTS AND RESTRICTIONS

6.1 Collection Instruments. In addition to the provisions of this Declaration, the use and occupancy of the Collection Accommodations by the Members and Exchange Users shall be subject to the other Collection Instruments, including the Bylaws and such Regulations as may be promulgated from time to time.

6.2 Care of Collection Accommodations. Each Occupant shall exercise reasonable care in the use of the Collection Accommodations, the Furnishings and any property of the Association or the Component Site Owners Association, whether or not such property is part of the Collection Accommodations.

6.3 Responsibility for Damage. Each Occupant shall be liable for the cost and expense of any maintenance, repair, or replacement of a Collection Accommodation, Furnishings or any other portion of a Component Site made necessary as a result of such Occupant's

negligent or intentional acts or omissions. The negligent or intentional act or omission of a Member's or Exchange User's family members, guests, tenants, licensees or invitees shall be deemed to be the act of the applicable Member or Exchange User, and the applicable Member or Exchange User shall be jointly and severally liable with all such Persons. Without prejudice to the applicable insurer(s) rights of subrogation, if the Association or the Component Site Owners Association maintains insurance on the Collection Accommodation, the Furnishings or other portions of a Component Site, files an insurance claim and receives payment on the claim, then the liability of the Member or Exchange User and any such Person(s) jointly and severally liable with them shall be decreased by the amount of the paid insurance claim in excess of any costs incurred in connection with the filing and processing of such claim.

If a Collection Accommodation is rendered uninhabitable due to the intentional or negligent act or omission of a Member or an Exchange User, or the family member, guest, tenant, licensee or invitee of a Member or Exchange User, the Association shall use reasonable efforts to find, and shall initially pay for, alternative accommodations of reasonably comparable quality and location for any Person(s) subsequently authorized to occupy such uninhabitable Collection Accommodation. The Association may levy a Personal Charge against the applicable Member, Exchange User, and/or Occupant for the uninsured cost of providing such alternative accommodations, together with an administrative fee payable to the Association in amount determined by the Board from time to time.

The Association shall submit a bill to the responsible Member, Exchange User and/or Occupant for all amounts payable to the Association under this Section. Such amounts shall be enforceable as a claim for money damages against the applicable Member, Exchange User and/or Occupant and for Members shall constitute a Personal Charge to such Member. The Manager shall make all reasonable efforts to collect such amounts; however, the Manager has no obligation to pursue collection from Occupants other than a Member and Members shall remain primarily liable for any loss, damage or destruction caused by any Person who occupies a Collection Accommodation with a Member's permission.

Any loss, damage, or destruction caused by an Exchange User, or guests, licensees or invitees of an Exchange User, to a Component Site, a Collection Accommodation, Furnishings, or any other property of the Association or of the applicable Component Site Owners Association, or any violation of the Collection Instruments by the Exchange User, shall be remedied by the Association, and the cost so incurred, to the extent not covered by insurance or recovered from the Exchange User, shall be a Collection Cost and shall be shared by all Members and be reflected in the Standard Assessment; provided, however, that if an Exchange User is also a Member, such costs shall constitute a Personal Charge to such Member and shall be borne by such Member exclusively.

6.4 Offensive Use. No Occupant shall cause or permit any unlawful, improper, or offensive use of any Component Site, Collection Accommodation or Furnishing nor shall any Occupant permit any portion of the property of the Association or of the applicable Component Site Owners Association to be used in any manner contrary to, or not in accordance with, the provisions of the Collection Instruments or the applicable Component Site Instruments. Furthermore, no Occupant shall cause or permit anything to be done or kept in a Collection Accommodation or Component Site which might adversely affect its safety or soundness; which

is reasonably likely to increase the rate of any insurance coverage of the Association or of the applicable Component Site Owners Association; which obstructs or interferes with the rights of other Occupants or which annoys them by unreasonable noises or otherwise, nor shall any Occupant commit or permit any nuisance, objectionable or disruptive behavior, or illegal acts in or about the Collection Accommodations or Component Site.

6.5 Hazards to Health and Safety. Any violation of the Collection Instruments which is deemed by the Board of Directors or the Manager to constitute a hazard to health or safety shall be corrected immediately. The Member or Exchange User responsible shall be liable for any uninsured expense of correcting such violation.

6.6 Maximum Occupancy Restriction. No Occupant shall cause or permit his or her Assigned Collection Accommodation to be occupied overnight by a number of persons in excess of such occupancy limits as are imposed by law, by the Collection Instruments, or by the applicable Component Site Instruments.

6.7 Vacating Collection Accommodations. Each Occupant shall vacate his or her Assigned Collection Accommodation on the final day of his or her reserved or scheduled Use Period at the time specified in the then-current Regulations. At such time, each Occupant shall take all such steps as are necessary to ensure the removal of all persons occupying his or her Assigned Collection Accommodation during his or her reserved or scheduled Use Period, along with all of the personal property of such Persons. If any Occupant (a) 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 fixed by the Bylaws or the then-current Regulations; (b) 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 Assigned Collection Accommodation at that time, or (c) prevents another Member from using or occupying such Collection Accommodation during such other Member's reserved or scheduled Use Period(s), then he or she shall be deemed a Holdover Occupant and shall be subject to immediate removal, eviction or ejection (each Member being hereby deemed to have waived any statutorily required notice of removal, eviction or ejection to the extent that such notice may be waived under the law of the jurisdiction in which the Collection Accommodation is located).

The Association, acting through the Manager, shall take such prompt and immediate steps as may be necessary to remove such Holdover Occupant and his or her personal property from the Collection Accommodation wrongfully occupied, to the extent permitted by law. The Association shall use its best efforts to secure, at its own expense, alternative accommodations for any Member or Occupant who is unable to occupy his or her Assigned Collection Accommodation due to the failure of any Holdover Occupant to vacate such Collection Accommodation. Such alternative accommodations shall be comparable in quality and location to such Member's or Occupant's Assigned Collection Accommodation, to the extent reasonably possible, and the cost of providing such alternative accommodations shall initially be borne by the Association. Notwithstanding the above, the Association shall not incur any liability in the event it is unable to secure alternative accommodations nor shall it be liable for any loss or damage to such alternative accommodations caused by a Member or Occupant.

The cost of such alternative accommodations, together with all other costs and expenses, including reasonable attorneys' fees, incurred by the Association due to the Holdover Occupant's failure to vacate any Collection Accommodation, as well as an administrative fee which, unless and until adjusted by the Manager, shall be in the amount determined from time to time by the Manager in its sole discretion, shall be assessed to the Member who wrongfully occupied or permitted or otherwise allowed the Holdover Occupant to occupy such Collection Accommodation. Such administrative fee shall be charged for each day or part of a day, including the day of surrender, during which the Holdover Occupant wrongfully occupies a Collection Accommodation. The Manager shall submit a bill to such Member or Exchange User for any amounts payable to the Association pursuant to this Section, which amounts shall be enforceable as a claim for money damages against such Member or Exchange User and, in the case of a Member, shall constitute a Personal Charge to such Member.

6.8 Member Easements. Subject to the easements in favor of Declarant described in Section 6.9 below and to the Component Site Instruments for each Component Site, each Person who becomes a Member shall have the right to use, possess and enjoy all Component Sites and Collection Accommodations on the terms and conditions set forth in this Declaration, including the following:

6.8.1 Members may only use a Collection Accommodation and a Component Site's amenities and other facilities during their reserved Use Period; provided, however that in no event may Members (nor any of the members of their family and their guest(s), tenants, licensees or invitees) conduct any commercial activity, in or from any Collection Accommodation or Component Site. Commercial activities include but are not limited to commercial rental activities wherein renters are solicited through public print, electronic mail or on-line media;

6.8.2 During a Member's reserved Use Period, the Member (and the members of his or her family and his or her guest(s), tenants, licensees or invitees) shall have the exclusive right to occupy and/or use his or her Assigned Collection Accommodation and all Furnishings located in such Assigned Collection Accommodation, together with non-exclusive right to use the applicable Component Site's amenities and other facilities;

6.8.3 The Association may, in addition to those set forth in the Component Site Instruments and in the Bylaws and the Regulations, adopt, publish and enforce reasonable rules regulating the use by Members of the Component Site in which an Assigned Collection Accommodation is located during their reserved Use Period in that Assigned Collection Accommodation; and

6.8.4 Each Member's easement rights described in this Section 6.8 (i) are appurtenant to such Member's Membership, (ii) cannot be separated from that Membership and exist only during his or her reserved Use Period, (iii) automatically pass with ownership of such Membership to such Member's heirs, successors and assigns; (iv) terminate when such Member's Membership expires, is cancelled or terminated; and (v) are suspended whenever such Member's reservation and use rights are suspended by the Association in accordance with the Collection Instruments.

6.9 Declarant Easements. In addition to any easements described in the respective Component Site Instruments or otherwise of record, the Resort Interests, the Association and each Member shall be subject to the following easements:

6.9.1 Subject to any Component Site Instruments, the Declarant shall have and hereby retains for itself, the Independent Developers, its Appointees and those successors and assigns to whom Declarant expressly assigns any one or more of the following described easements, an exclusive easement with respect to each Component Site, (i) to market and sell Memberships and to conduct any other commercial activity not expressly prohibited by the applicable Component Site Instruments or applicable law; (ii) to maintain one (1) or more model Collection Accommodations; (iii) to construct, maintain and operate one or more business and sales offices, whether in Collection Accommodations or elsewhere at such Component Site, to enable the Declarant or its designee(s) to market and sell Memberships and/or to conduct any other permitted commercial activity; (iv) to display signs; (v) to show Collection Accommodations and that Component Site's amenities and other facilities to prospective purchasers and other prospective customers of the Declarant; and (vi) in accordance with the provisions of Section 6.10 below, to rent out or otherwise use Collection Accommodations that remain unreserved;

6.9.2 Subject to any Component Site Instruments, the Declarant shall have and hereby retains for itself, the Independent Developers, its Appointees, successors and assigns, a non-exclusive easement and right of ingress and egress in and to those portions of each Collection Accommodation and each Component Site which are reasonably necessary to the Declarant for the construction of additions and improvements to any Collection Accommodation or to adjacent portions of such Component Site;

6.9.3 Subject to any Component Site Instruments, the Declarant shall have and hereby retains for itself, the Independent Developers, its Appointees, successors and assigns, including the Association and all Members, such non-exclusive easements (i) for ingress and egress in and to each Collection Accommodation as may be necessary to enable the Declarant, the Association, the Reservation Services Provider and the Manager to implement any reservation procedures which may be set forth in the Bylaws or the Regulations and (ii) for the operation of a front desk and check-in facility for Members, Exchange Users and guests; and

6.9.4 Subject to any Component Site Instruments, the Declarant further reserves for itself, the Independent Developers, its Appointees, successors and assigns, the right to establish such additional easements, reservations, exceptions, and exclusions or to relocate any existing easements, as the Declarant, in its sole discretion, deems necessary or appropriate and in the best interests of the Members and the Association in order to serve the entire Component Site; provided, however, that no such reservation, without the written consent of the Board, shall materially reduce any existing benefit of the Members or impose any additional financial burden upon the Members or the Association.

6.10 Use of Collection Accommodations by Declarant and Reservation Services Provider. Notwithstanding any provision of this Declaration to the contrary, the Declarant shall

have the right to rent any Collection Accommodation on a transient basis to members of the general public or to make any other use thereof which is permitted by law for the Use Periods to which it is entitled based on the Declarant's Points at that time and any revenues generated or other monies received by the Declarant from any such rentals or other uses shall inure solely to the benefit of the Declarant. In addition, the Reservation Services Provider and the Declarant shall have the right, without using any Points, to reserve and make use of unreserved Collection Accommodations in accordance with the terms and conditions of the Bylaws and any revenues generated or other monies received from any such rentals or other uses shall inure solely to the benefit of the Reservation Services Provider. All guests, licensees, invitees, and tenants pursuant to this Section 6.10 shall have the same rights and be subject to the same use restrictions, as the guests, licensees, invitees, and tenants of other Members hereunder and pursuant to the other Collection Instruments.

6.11 Protection of the Declarant. Notwithstanding any provision of the Collection Instruments to the contrary, for so long as the Declarant holds for sale in the ordinary course of its business one (1) or more Memberships, the Association shall not take any action which would be detrimental to the sale by the Declarant of Memberships; provided, however, that an increase in the Standard Assessment without discriminating against the Declarant shall not be deemed to be detrimental to the sale of Memberships.

6.12 Association's Easement. Subject to the Declarant's easements described in Section 6.9 above and to the Component Site Instruments for each Component Site, the Association shall have the right and easement to use, possess and enjoy each Component Site and Collection Accommodation on the terms and conditions of this Declaration, including the following:

6.12.1 As administration and management of the Collection is vested in the Association, the Association shall have the right to use and possess the Collection Accommodations to the extent necessary or useful to perform its administrative and management duties only;

6.12.2 To the extent Declarant exercises its easement rights to designate certain areas of a Component Site for its purposes (such as a front desk, management office, or supplies area), which areas can also serve for functions to be performed by the Association, the Association shall have the right and easement to use such areas so long as this does not interfere with the Declarant's own use; and

6.12.3 Subject to the Component Site Instruments, the Association has the right, at any time, to enter any Collection Accommodation or any other part of a Component Site (i) to make emergency repairs or other emergency purposes, whether or not such Collection Accommodation or other Component Site is then occupied; (ii) to prohibit or stop a violation of any law or of any provisions of the Collection Instruments or any activity which is harmful, offensive or potentially dangerous to others or to property and (iii) to protect the property, rights and welfare of others.

6.13 External Exchange Program(s) and Exchange User Easements.

6.13.1 External Exchange Program Easements. Each External Exchange Program affiliated with the Association from time to time shall:

6.13.1.1 have the right to use Use Periods in Collection Accommodations in such manner as is permitted by its applicable External Exchange Program Instruments, including, without limitation, the right, if the External Exchange Program Instruments so provide, to use in the External Exchange Program (as well as to rent out) unreserved Collection Accommodations, as much particularly set forth in the External Exchange Program Instruments;

6.13.1.2 exercise all of its easement rights hereunder in such a way as to avoid unreasonably interfering with the rights of the Declarant, Members and other Persons properly authorized to use Collection Accommodation and the facilities of a Component Site; and

6.13.1.3 never exercise its rights in any way that results in precluding Members from using their Assigned Collection Accommodations during their Use Periods.

6.13.2 The Exchange User Easements.

6.13.2.1 Exchange Users shall have the right to reserve Collection Accommodations subject to the External Exchange Program Instruments. Once an Exchange User obtains a reservation to use a Collection Accommodation, the Exchange Users and the members of his or her family and his or her guests, tenants, and/or invitees shall have the same rights to use the Assigned Collection Accommodation and other portions of the subject Component Site during his or her Use Period as Members have under the Collection Instruments.

6.13.2.2 Exchange Users' rights to use, possess and enjoy Assigned Collection Accommodations during the Use Periods they obtain in accordance with the External Exchange Program Instruments are derivative of that External Exchange Program's easements and rights under this Declaration. Exchange Users do not have their own easements or rights. Exchange Users may only use Collection Accommodations through the easements and rights granted to their External Exchange Program.

6.13.3 Limitations on Easements. The easements granted under this Section 6.13 will remain in effect only so long as the Association is affiliated with the applicable External Exchange Program and will terminate when (i) the Association is no longer affiliated with the applicable External Exchange Program and (ii) all reservations for Use Periods in Assigned Collection Accommodations obtained by the applicable External Exchange Program on behalf of its Exchange Users have been used, have expired, or have been cancelled.

ARTICLE 7

THE ASSOCIATION AND MEMBERSHIPS

7.1 Memberships. In return for transferring Resort Interests to a Trustee, (a) the Association will cause the related Bulk Memberships to be registered in the name of any Person(s) so instructed by the Declarant or Appointee in accordance with the Bylaws and (b) notwithstanding any amendment to any of the Collection Instruments to the contrary, the Declarant, Independent Developers, and Appointees alone will have the right to sell Memberships and to receive amounts paid for such Memberships.

Any Person who is entered into the Register of Members at the instruction of the Declarant shall automatically become a Member of the Association in accordance with the provisions of the Collection Instruments and shall be issued a Points Certificate. Regardless of whether or not there has been any entry into the Register of Members with respect to the Declarant's Points, the Declarant, each Independent Developer, and each Appointee shall be deemed to be a Member based on their Bulk Memberships and their related Points.

7.2 Voting. Members shall vote in accordance with the Bylaws. For each Membership, the Primary Member shall be the only Person entitled to vote in respect of such Membership.

7.3 Primary Member. Each Membership will have one individual designated to be the principal contact for that Membership for all purposes (the "Primary Member"). The Primary Member for each Membership shall be identified in the Register of Members and the current Primary Member shall not be removed from the Register of Members until a successor Primary Member is properly appointed by the applicable Member and communicated to the Association. The Primary Member shall exercise all of the rights of Membership as provided by the Collection Instruments, including voting and using Points to obtain Collection Accommodations.

7.4 Register of Members. The Association shall cause to be maintained the Register of Members, which shall identify for each Membership sold by the Declarant, Independent Developer or an Appointee from time to time the name, address, number of Points, type of Points and Primary Member and if the Association has been so notified, the name and address of any Lender of Record with a Security Interest in such Membership. The Register of Members may be maintained in paper or electronic format.

7.4.1 Notwithstanding anything in any of the Collection Instruments to the contrary, the Register of Members shall be the definitive list for purposes of determining those Members entitled to notice of meetings of Members and to vote on matters which are to be determined by the Members, as well as those Members entitled to distribution of funds upon any termination or liquidation of the Collection in accordance with the Bylaws; and

7.4.2 The Association shall not publish the Register of Members, or any part thereof or any information therein, or provide a copy of the same to any Member or to any third-party, other than as required by law.

ARTICLE 8

POINTS

8.1 Definition. Points are the currency of use in the Collection through which Members reserve the use and occupancy of Collection Accommodations in accordance with the Collection Instruments. Each Membership will be ascribed a specific number of Points which information shall be entered in the Register of Members. As a matter of convenience, each time a Membership is issued or the number of Points ascribed to a Membership changes as entered in the Register of Members, the Association will issue a Points Certificate detailing the number of Points associated with the particular Points purchase or transaction of a Member. In the event of any conflict between the Register of Members and the information contained in the Points Certificate(s) held by a Member, the Register of Members shall in all instances control and prevail.

8.2 Establishing Points Valuations. The Declarant, or the Declarant and the Manager acting together, will establish a basis upon which to value, in terms of Points, individual Resort Interests and their associated Collection Accommodations, and thereby establish Reservation Rates applicable to the associated Collection Accommodations for the operation of the Collection. In establishing such Points valuation basis, the Declarant, or the Declarant and the Manager acting together, will exercise skill and business judgment, and will have regard to such various factors as are reasonably considered to be indicators of the relative positions of one Resort Interest and its related Collection Accommodations against another.

8.2.1 Having thus established a suitable basis for valuing Resort Interests and the use of their associated Collection Accommodations, the Declarant or the Declarant and the Manager acting together, will determine the Reservation Rates of each of the fifty-two (52) contiguous weekly Use Periods in each type of Collection Accommodation at each Component Site for which Resort Interests are to be subjected to the Collection Instruments. The Declarant or the Declarant and the Manager acting together will also determine the Reservation Rates for Use Periods other than weekly. The Manager will distribute to Members annually, in such form as it may from time to time determine, a calendar, chart or other format which identifies the Reservation Rates for all permissible Use Periods in Collection Accommodations.

8.2.2 The aggregate Reservation Rates of all fifty-two (52) contiguous weekly Use Periods for a Use Year attributed to any individual Collection Accommodation, once so determined, shall not be increased or decreased, except with the approval of the Board.

8.3 Types of Points. There are several forms of Points in the Collection, which vary in their duration, and in the type of use and reservation rights that are attributable to them.

A Person may acquire Points (i) which will only terminate if the Collection itself is terminated in accordance with the Bylaws (“Perpetual Points”) or (ii) which will be for a defined term (“Term Points”). A Member may have specific reservation and use rights as more particularly described in the Bylaws (“Specific Use Points”), whose specific use rights may or may not last for the full term of the applicable Points (regardless of whether the applicable Points are Perpetual Points or Term Points). All other Points will have the same, uniform reservation and use rights (“Non-Specific Use Points”). Notwithstanding the foregoing, the Declarant may, in the manner described in the Bylaws, create special priority reservation rights with respect to certain Non-Specific Use Points. Therefore, all Points will have both a temporal component (being either Perpetual or Term) and a reservation and use component (being either Specific Use or Non-Specific Use) and some Non Specific Use Points may have special reservation priority rights. To effectuate this, as each portion of each Resort Interest is subjected to this Declaration, the Points assigned to such portion will be designated as either Perpetual or Term, depending upon the nature of the interest transferred to a Trustee, and as either Specific Use or Non-Specific Use (and if Specific Use, describing the arrangements for use, or if Non-Specific Use, describing any special reservation priority rights).

8.4 Limitations on the Issuance of Points and One-to-One Compliance.

8.4.1 Basic Rule. Neither the Declarant nor the Association will permit the ascription of a number of Points to any Membership, such that the total number of Points ascribed to all Memberships including Declarant’s Points would thereby exceed the total number of Points that have been assigned to Resort Interests that have been subjected to the Collection Instruments at that time. If the Declarant has included in the Collection any Resort Interests that are assigned Term Points or Specific Use Points, then the Declarant shall be subject to further limitations as more particularly set forth in the Bylaws.

8.4.2 General Rules Applying to Calculations. When making the determinations required under this Section, neither the Declarant nor the Association shall include in any calculation (i) Points attributable to Inactive Resort Interests; (ii) Points assigned to Resort Interests whose associated Collection Accommodations are subject to a reserved right of the Declarant for exclusive use that has been exercised (such as Collection Accommodations being used by the Declarant as a model or for sales and marketing purposes); or (iii) Points assigned to Resort Interests that are subject to Blanket Liens where there is not a Non-Disturbance Agreement in place for each such Blanket Lien.

8.5 Minimum Number of Points. The Declarant has the right to establish minimum numbers of Points a Person needs to own in order to hold a valid Membership (the “**Minimum Points Threshold**”). The Declarant has the right to change the Minimum Points Threshold at any time and from time to time upon notice to the Association in accordance with the Bylaws.

8.6 Use of Points.

8.6.1 Subject to the provisions of the Regulations and the Bylaws and any special reservation and use rights set forth in a Member’s Points Certificate and entered

in the Register of Members, a Member may use his or her Points allocated to a Use Year to reserve a Use Period in a Collection Accommodation at a Component Site during that Use Year, subject always to availability. A Member may request and obtain as many Use Periods in a Use Year as his or her available Points allocated to that Use Year will allow.

8.6.2 Each Member's right to reserve and occupy Collection Accommodations using his or her Points allocated for a Use Year shall expire at the end of that Use Year, unless saved pursuant to the terms of the Regulations. At the beginning of the next Use Year, the Member's Points shall again be allocated and he or she shall have the right to use such Points to reserve a Use Period in a Collection Accommodation during that Use Year, as provided in the Regulations.

8.6.3 The ability of a Member to save or borrow Points shall be subject to the Regulations.

8.6.4 A Member with Specific Use Points must comply with the Regulations and the Bylaws, together with any other stipulations relating to the use of such Specific Use Points, whether set out on the relevant Points Certificate or elsewhere, including, where applicable, a requirement to notify the Manager that the Member does or does not intend to use his or her Specific Use privileges in any particular Use Year.

8.6.5 A Member with Non-Specific Use Points that have any special reservation priority rights must comply with the Regulations and the Bylaws, together with any other stipulations relating to the exercise of such special reservation priority rights, whether set out on the relevant Points Certificate or elsewhere.

8.7 Additional Matters.

8.7.1 In any year, the Association will set a Base Standard Assessment, together with a Points Standard Assessment. To calculate the Standard Assessment payable by any individual Member, the Association will multiply the number of Points ascribed to the Member's Membership in the Register of Members by the Points Standard Assessment, and to this product will add the Base Standard Assessment; and

8.7.2 Each Member's participation in the net asset value of the Association on wind-up is determined by the number and type of Points ascribed to the Member's Membership as recorded in the Register of Members (subject to Section 13.8 below, in the case of the Declarant).

8.8 Adjustments to Points for a Collection Accommodation. In order to meet the needs of the Members and of the Collection generally, and to reflect changes in the demand for Collection Accommodations over time, the Manager may adjust the Reservation Rate for a Collection Accommodation for any particular Use Period in accordance with the terms and provisions of the Bylaws.

8.9 Reservation Rate Bands. The Declarant, or the Declarant and the Manager acting together, may create initial Reservation Rate Bands for Collection Accommodations at each Component Site when determining the Reservation Rate in accordance with Section 8.2 above.

Thereafter, the Manager may reclassify the Reservation Rate for a particular Use Period in a particular Collection Accommodation from one Reservation Rate Band to another, or establish a new Reservation Rate Band, or delete an existing Reservation Rate Band, subject always to the provisions of Sections 8.2.2 and 8.8.

8.10 Description of Term Points. Declarant, or its permitted designee(s) with respect to all or a portion of the Declarant rights under this Section 8.10, shall have the continuing right to sell Term Points to allow a Member to reserve one or more Use Periods in a Collection Accommodation at a Component Site during each Use Year on a recurring basis for a term as described below.

8.10.1 Declarant reserves the unilateral right to (a) establish the specified term associated with the Term Points; and (b) create terms of different increments for any specified term, as Declarant shall determine in its sole and subjective discretion without requiring an amendment to this Declaration. Declarant further reserves the unilateral right to create one or more types of categories of Term Points whereby certain Members may receive use and occupancy rights for a term that may be different in duration from other Term Points now sold or hereafter sold.

8.10.2 The Points associated with all Resort Interests may be sold as Term Points notwithstanding the nature of the underlying real estate interest transferred to the Trustee and the designation of the type of Points (Term or Perpetual) on the deed for each Resort Interest. The Term Points will be designated on the Member's Points Certificate and Purchase Agreement as expiring by a specified date ("**Expiry Date**") and notice of such expiration shall be provided by Declarant to the Member. Upon the expiration of any Term Points, provided title to the Resort Interests associated with such Term Points remains with the Trustee, ownership and use of such Points shall automatically revert to Declarant on the Expiry Date with no further action by Declarant, Trustee or the Board, and Declarant shall have the unilateral right to resell such Points as set forth in Section 13.1 below. Upon Declarant's request, the Association shall execute any and all documents as Declarant deems necessary to confirm Declarant's ownership of such reverted Points upon the Expiry Date. The Association will issue a Points Certificate identifying the Expiry Date and detailing the number and type of Points associated with a particular Points purchase or transaction of a Member each time Points are acquired by a Member or the number of Points ascribed to a Membership changes as entered in the Register of Members.

8.10.3 At no time will Declarant sell, or allow one of its Designees to sell, Term Points whereby the Expiry Date of the Term Points under contract will be later than the date at which Term Points are no longer valid Points held by the Trustee.

8.10.4 Declarant is hereby granted the right and shall be authorized to unilaterally execute and record, without the vote, consent or joinder of the Association, the Board of Directors, any Member or any other third Person, other than the Trustee, such additional documents as it deems necessary, in its sole and exclusive discretion to implement and to otherwise effectuate the purposes of this Section 8.10. The Trustee shall cooperate in joining in the recordation of such amendments. To the extent that any terms or

provisions of this Section 8.10 modify or conflict with any provisions of this Declaration, such provisions are hereby expressly amended to be consistent with this Section 8.10 and the terms of this Section 8.10 shall control.

8.11 Automatic Conversion of Convertible Term Points to Perpetual Points. Points associated with leasehold, term or other non-perpetual Resort Interests will be designated Term Points pursuant to Section 8.2 above. In the event such non-perpetual Resort Interests convert to perpetual timeshare interests by means of an amendment to the applicable Component Site Instruments or otherwise, such Term Points will be deemed “**Convertible Term Points**” and subject to the following provisions:

8.11.1 Upon conversion from term to perpetual timeshare interests, the associated Convertible Term Points shall immediately, automatically, and permanently convert to Perpetual Points without any further action on the part of Declarant or Trustee (“**Automatic Conversion**”), and shall become available for perpetual use in the Collection and available for sale as Perpetual Points. No further action on the part of Trustee or Declarant is required to evidence the Automatic Conversion of Convertible Term Points. In no event shall the Automatic Conversion be deemed to alter Term Points owned by a Member.

8.11.2 Declarant is hereby authorized to take any acts and to unilaterally execute and record, without the vote, consent, or joinder of the Association, the Board of Directors, any Member, or any other third Person, other than Trustee, such additional documents it considers necessary, in its sole and subjective discretion, to implement and otherwise effectuate the Automatic Conversion. Trustee shall cooperate in joining in the recordation of such additional documents. To the extent that any terms or provisions of this Section modify or conflict with any provisions of this Declaration, the terms of this Section shall control.

8.11.3 In the event no Automatic Conversion of the Convertible Term Points occurs prior to the expiration of those Points, such that the total number of Points ascribed to all Memberships would thereby exceed the total number of Points that have been assigned to Resort Interests that have been conveyed to the Trustee, Declarant will cause additional substitute Resort Interests to be conveyed to the Trust in order to maintain the one-to-one compliance set forth in Section 8.4.

ARTICLE 9

TRANSFER AND ENCUMBRANCE OF MEMBERSHIPS

9.1 Transfer of Memberships.

9.1.1 No Member may transfer an entire Membership, or any portion of a Membership, without the consent of the Association. The Association shall withhold consent to any transfer for which the Association has reason to believe that the transferor or transferee are or will be involved in any course of conduct or practice which is (i) prohibited by law, (ii) unfair, fraudulent or unscrupulous, (iii) likely to deceive

consumers, or (iv) otherwise likely to be injurious to the Association and/or its Members. For example, and without limiting the foregoing, the Association shall withhold consent to any transfer to a Person which is included on the list of bad faith actors maintained by the Association or to a Person the Association has reason to believe is engaged in fraudulent resale activities.

9.1.2 Any transfer to which the Association has consented shall be undertaken in accordance with, and shall be subject to, the applicable terms of the Collection Instruments, whether such transfer is for the whole or part of a Membership.

9.1.3 Any attempt by a Member to sell convey, devise or otherwise transfer a Membership in any other fashion, except as provided in this Section 9.1, shall be null and void.

9.1.4 Subject to Sub-section 9.1.5 below, transfer of a Membership shall be prohibited and the Association shall not be obligated to enter the change of ownership in the Register of Members, unless and until the proposed transferor has paid in full all Assessments and Personal Charges due to the Association. A purported transfer of a Membership upon which any Assessment or Personal Charge is then owing shall be null and void. Upon request and upon the payment to the Association of a reasonable fee, as determined from time to time by the Board of Directors, the Association shall issue a written statement setting forth the amounts, if any, which the proposed transferor of a Membership owes the Association. Such statement shall be conclusive upon the Association in favor of all Persons (except the transferor) who rely thereon in good faith as to the amount of such indebtedness as of the date of such statement.

9.1.5 Notwithstanding the foregoing, a Lender of Record which acquires a Membership by enforcement of its Security Interest thereon or by transfer in lieu of enforcement thereof shall not be liable for the pre-acquisition Assessments and Personal Charges attributable to the Membership while owned by the applicable former Member. Any Assessments or other amounts attributable to such Membership for which a Lender of Record is not liable pursuant to this Sub-section, shall be deemed a Collection Cost, collectible from all of the Members in the manner provided in the Collection Instruments.

9.1.6 If a Lender of Record has given the Manager or the Association notice of its Security Interest in a Membership, the Association shall not accept a transfer of that Membership nor enter such transfer in the Register of Members without the Lender of Record's consent and any transfer without such consent shall be null and void.

9.1.7 No provision contained in this Section shall be interpreted so as to prevent a Member from leasing, renting, or otherwise making his or her Assigned Collection Accommodation available for occupancy during his or her reserved or scheduled Use Period(s) to members of his or her family, his or her guests, tenant, licensees, invitees, or Exchange Users, subject to the provisions of the Collection Instruments. The Association shall withhold consent to any transfer that would defraud the Association and/or its Members as determined by the Board of Directors, or the Manager on its behalf, in its sole discretion.

9.2 Effective Transfer. No transfer of a Membership, other than a transfer by a Lender of Record, shall be effective unless and until (i) the Association has notified the transferee that all of the necessary conditions have been met, (ii) the transferee's name has been entered in the Register of Members, (iii) the original Points Certificate(s) of the transferor has/have been surrendered to the Association, endorsed by the transferor, and (iv) a replacement Points Certificate or Certificates has/have been issued by the Association to the transferee and, if applicable, the transferor.

9.3 Encumbrance of Memberships. Each Member shall have the right to encumber his or her Membership; provided, however, that, no Member may encumber or hypothecate any portion of his or her Membership without encumbering or hypothecating the entire Membership and all rights related or appurtenant thereto, and any attempt by a Member to encumber less than all of his or her Membership shall be null and void. Any security agreement or other encumbrance of a Membership shall be subject and subordinate to all of the provisions of the Collection Instruments.

9.4 Waiver of Partition. No Member shall have, and each Member, by his or her acquisition of a Membership and the entry of his or her name in the Register of Members, shall be deemed to have waived, the right to seek or obtain, through any legal proceeding, judicial partition or sale in lieu thereof of any Collection Accommodation or other portion of a Component Site, unless and until the Collection is terminated in accordance with this Declaration and the Bylaws. The foregoing shall not be deemed to prohibit the removal of a Collection Accommodation from the jurisdiction of this Declaration in accordance with Sections 13.7 or 13.8, or upon the occurrence of a condemnation or fire or other casualty where the Collection Accommodation is not rebuilt or reconstructed.

ARTICLE 10

MANAGEMENT, MAINTENANCE, AND REPAIRS

10.1 Administration of the Collection Accommodations. Subject to any Component Site Instruments and the Collection Instruments, responsibility for the maintenance, repair, replacement, restoration, and administration of the Collection Accommodations shall be vested in the Association. The Association shall act as the agent of all of the Members in collecting Assessments and in paying taxes, utility costs, and other Collection Costs. The Association, through its Board of Directors, officers, the Manager, and other duly authorized agents, may exercise any and all rights and powers granted to it by law or by the Collection Instruments, as amended or supplemented from time to time. The Manager shall have the exclusive power to promulgate and amend the Regulations.

10.2 Management. All powers, duties and rights of the Association or the Board, as provided by law or the Collection Instruments, other than the provision of reservation services, will be delegated to a Manager under a Management Agreement. The term of each Management Agreement shall be for three (3) years with perpetual automatic renewals of successive three (3) year periods after expiration of the first term, unless the Association votes to terminate the Management Agreement in accordance with this Section. Such a vote to terminate a Management Agreement shall require a vote complying with the Bylaws: (a) with participation,

by person or by proxy, of at least a majority of the Voting Power residing in the Members other than the Declarant and (b) the affirmative vote of at least sixty-six percent (66%) of the participating votes in favor of termination.

The Association is expressly authorized to enter into a Management Agreement with any of the affiliates of the Declarant, subject to the above conditions.

10.3 Collection Accommodation and Furnishings. Subject to any Component Site Instruments and the rights and duties of the applicable Component Site Owners Association, (a) exclusive control and responsibility over the maintenance, repair, modification, and alteration of all Collection Accommodations and the Furnishings therein is vested in the Association, as agent for the Members; (b) the Association shall at all times maintain the Collection Accommodations in good condition and repair; and (c) in the event of any disruption in service, the Association shall immediately make such repairs as may be necessary to restore such services. If the Declarant believes in good faith that the Association cannot or will not immediately make such repairs, the Declarant may, but shall not be obligated to, immediately arrange for and make such repairs in order to restore service, and the Association shall be liable to the Declarant for the cost of such repairs. The Association shall, subject to the applicable Component Site Instruments and the rights and duties of the applicable Component Site Owners Association, have complete discretion to determine the interior color scheme, decor and furnishings of all Collection Accommodations, as well as the timing, extent, and nature of all redecoration, repairs, and replacements thereof.

No Member shall make any repairs, modifications, alterations, additions, redecoration, or replacements to any Collection Accommodation or to any Furnishings therein, without the prior written approval of the Association. Each Member, during his or her reserved or scheduled Use Period(s), shall keep the interior of his or her Assigned Collection Accommodation, including, without limitation, the interior walls, windows, glass, ceilings, floors, fixtures, and appurtenances thereto, and all Furnishings contained therein, in a clean, sanitary, and attractive condition, and shall be personally liable for any damage or destruction thereto caused by such Member, members of his or her family, his or her guests, tenants, invitees, or licensees as provided in Section 6.3 hereof.

10.4 Right of Access. Subject to any Component Site Instruments and the rights of the applicable Component Site Owners Association, the Association, acting through the Board, the Manager, or such other Person or Persons as they shall designate, shall have an irrevocable right of access to each Collection Accommodation, without liability for trespass, during reasonable hours, as may be necessary to perform and carry out their respective rights, duties, and responsibilities as set forth in the Collection Instruments and the Management Agreement, including but not limited to:

10.4.1 Making emergency repairs therein;

10.4.2 Abating any nuisance or dangerous, unauthorized, prohibited, or unlawful activity in such Collection Accommodation;

10.4.3 Protecting the property rights and general welfare of the Members and Occupants; and

10.4.4 Any other purpose reasonably related to the performance by the Association, the Board, or the Manager of their respective duties and responsibilities under the Collection Instruments and the Management Agreement.

Such right and authority to enter any Collection Accommodation shall be exercised in such manner as to avoid any unreasonable or unnecessary interference with the possession, use, and enjoyment of any Collection Accommodation by any Occupant thereof, and shall be preceded by reasonable notice to the Occupant(s) whenever the circumstances reasonably permit. No Member or Occupant may at any time change a lock on the entrance to any Collection Accommodation. If a Member or Occupant changes any such lock, the Association may replace such lock and assess the cost thereof as a Personal Charge to the responsible Member.

10.5 Relocation to Permit Maintenance and Repairs. If it becomes necessary, in the judgment of the Association or the Manager, to perform maintenance or repairs within a Collection Accommodation for which the Association has the maintenance and repair obligations under the Collection Instruments in order to prevent foreseeable personal injury or imminent damage to such Collection Accommodation, to any other Collection Accommodation, to the Furnishings or to the personal belongings of any Member or Occupant and such maintenance or repairs cannot reasonably be performed while such Collection Accommodation is occupied, then the Occupants of such Collection Accommodation shall vacate such Collection Accommodation upon the request of the Association or the Manager in order to permit such maintenance or repairs. In such event the Manager, on behalf of the Association, shall use reasonable efforts to relocate the displaced Occupants for the duration of such period of displacement to such reasonably comparable nearby accommodations as possible, at the Association's expense. Any such expense shall be a Collection Cost, unless the damage or destruction was caused by the intentional or negligent act or omission of a Member, a member of his or her family, his or her guests, tenants, invitees, or licensees, in which case the cost of such alternative accommodations, as well as that of any required maintenance or repairs, shall be assessed against the responsible Member as a Personal Charge.

Notwithstanding the foregoing, the Association shall not incur any liability in the event that it is unable to secure alternative accommodations nor shall it be liable for any loss or damage to such alternative accommodations caused by a Member or Occupant. The decision of the Association or the Manager as to whether a Collection Accommodation is habitable and whether relocation to permit maintenance or repairs is necessary shall be conclusive as to all affected persons.

10.6 Maintenance Periods. For those Collection Accommodations where the Association is responsible for maintenance and repair, the Association shall establish up to seven (7) days and nights (not necessarily consecutive) in each calendar year as the Maintenance Period(s) for each such Collection Accommodation. The Board and its agents shall have free access to each such Collection Accommodation during its reserved or designated Maintenance Period(s) for the purpose of effecting any necessary or appropriate maintenance, repairs, modifications, alterations, replacements, and additions to such Collection Accommodation and to

the Furnishings therein. The Maintenance Period(s) for a particular Collection Accommodation may vary from time to time in the Board's sole discretion, and need not occur at the same times for each Collection Accommodation. The Association shall use its best efforts to reserve Maintenance Periods so as to maximize the use and enjoyment thereof by Members and minimize any scheduling problems under the Reservation System.

ARTICLE 11

ASSESSMENTS

11.1 Creation of Security Interest and Personal Obligation for Assessments and Personal Charges. The Declarant and each Appointee, for each Resort Interest hereinafter transferred to the Trustee, hereby covenants and agrees, and each Member, by being entered into the Register of Members upon acquiring a Membership, (whether from Declarant or a subsequent owner of such Membership), is deemed to covenant and agree, to pay to the Association Standard Assessments, Special Assessments for capital improvements or other extraordinary expenses or costs, and Personal Charges, all such Assessments and Personal Charges to be established and collected as provided in this Article 11 and elsewhere in the Collection Instruments. Each Assessment, all Personal Charges, and any late fees and interest thereon and costs of collection thereof, including reasonable attorneys' fees, shall be a personal debt of the Member against whom they are assessed. Each Member, by being entered into the Register of Members (upon acquiring a Membership), whether from the Declarant or a subsequent owner of such Membership, is deemed to have granted a Security Interest to the Association in his or her Membership as security for the payment of all such amounts, effective as of the date upon which the applicable Assessment and/or Personal Charge becomes payable and shall continue to be secured by such Security Interest against such Membership until paid. The Association is hereby granted a power of sale as to each and every Membership for the purpose of collecting delinquent Assessments, unpaid Personal Charges, and all other amounts covered by the Security Interest in favor of the Association.

11.2 Standard Assessments. Each Member, including the Declarant, each Independent Developer, and each Appointee and a Lender of Record acquiring a Membership as a result of enforcement of its Security Interest shall pay a Standard Assessment for each Membership owned. The Standard Assessment shall be levied by the Association, through the Board of Directors, and shall be used to pay Collection Costs. Each Member's Standard Assessment shall consist of the Points Standard Assessment and the Base Standard Assessment applicable to his or her Membership.

11.2.1 In computing the Standard Assessment for any Use Year, the Board, under advice from the Manager, shall consider the nature and the amount of the budgeted Collection Costs for that Use Year, and the Collection Costs incurred for the prior Use Year, and shall, in its absolute discretion, determine: (i) those expenses within Collection Costs that should most appropriately be assessed wholly through either the Points Standard Assessment or the Base Standard Assessment; and (ii) such expenses that should be assessed partly through the Points Standard Assessment and partly through the Base Standard Assessment. In making such determination, the Board shall consider the fixed or variable nature of each expense type, and the amount of Standard Assessment for

Members of differing typical levels of Points ownership that would arise from the basis so determined. The Board shall select such treatment regarding the Collection Costs and such allocation thereof to both components of the Standard Assessment as it considers, in its reasonable judgment, will give rise to Standard Assessments that, in overall terms, appropriately reflect the ability of Members of differing levels of Points ownership to use the Collection and which supports its growth and development as a provider of services to Members.

11.2.2 Subject to Sections 11.2.3 and 11.2.4 below, the Board shall compute the Base Standard Assessment for each Use Year by aggregating all the components of Collection Costs that it determines should be classified as relating to the Base Standard Assessment and dividing that total by the number of Members that the Board, in the exercise of its reasonable judgment, expects to be obligated to pay Assessments for that Use Year. Similarly, the Board shall compute the Points Standard Assessment for each Use Year by aggregating all the components of Collection Costs that it determines should be classified as relating to the Points Standard Assessment and dividing that total by the number of Total Points, whether sold or unsold by the Declarant that the Board, in the exercise of its reasonable judgment, expects to be in the Collection for that Use Year.

11.2.3 The Board may adopt differing methods of assessment for Memberships with Specific Use Points, than for Memberships with Non-Specific Use Points, although still retaining a Points Standard Assessment and a Base Standard Assessment as the two components of such Members' Standard Assessments. The Board may also adopt a different method of assessment for the Declarant than for non-Declarant Members; provided, however, that Declarant shall not pay less in Standard Assessments under this different method of assessment than it would by paying the Points Standard Assessment and Base Standard Assessment that would otherwise be assessed against the Declarant's Membership. The Board may classify certain expenses within Collection Costs as wholly or mainly applicable to one or more Resort Interests that are related to various Specific Use Points and include those costs within the Standard Assessments relating to those Memberships corresponding to said Specific Use Points.

11.2.4 Where any Member has elected to participate in an optional additional program, whether offered by the Manager, by an External Exchange Program, or by any other party, the Board shall, if the terms of membership and participation in such additional program so provide, assess any related additional fees within the Base Standard Assessment of those Members who have chosen to participate in that program.

11.3 Collection Costs. The Collection Costs shall include, but shall not be limited to, the costs of the following items:

11.3.1 The maintenance, repair, modification, alteration, redecoration or replacement of each Collection Accommodation for which the Association has such responsibility;

11.3.2 The maintenance, repair, modification, alteration, redecoration, replacement, and rental of those Furnishings for which the Association has such responsibility;

11.3.3 Insurance coverage;

11.3.4 A capital contribution for reserves;

11.3.5 Domestic services, including cleaning and maid service, the frequency of which shall be determined from time to time by the Board, furnished to or on behalf of Members;

11.3.6 Assessments (including special assessments) levied against Collection Accommodations by a Component Site Owners Association or pursuant to the Component Site Instruments for a Component Site;

11.3.7 Any other costs incurred by the Association in connection with the maintenance, repair, replacement, restoration, redecoration, improvement, operation or administration of the Collection; and

11.3.8 The costs of operating the Collection, including, but not limited to, the provision of the Reservation System, Member publications and collateral materials and other benefits of Membership (including participation in an External Exchange Program), the invoicing of Assessments and Personal Charges, and the provision of accounting and other administrative services.

11.4 Levying of Standard Assessment. The Board shall assess each Member, including the Declarant (and, if applicable, each Independent Developer and Appointee) (but subject to Declarant's rights under Section 11.6 below), a Standard Assessment, in the year immediately preceding the year to which such Standard Assessment relates. The amount of the Standard Assessment shall be in the sole discretion of the Board. If the Declarant transfers or causes Appointee(s) to transfer additional Resort Interests to the Association during the year, then the Board may prepare a revised budget and recalculate the Standard Assessments (based on the additional expenses to be incurred by the Association resulting from the transfer and maintenance of the additional Resort Interests and also reflecting the additional Points the Association will cause to be issued on the transfer of the additional Resort Interests) and the Board may adjust the Standard Assessments for the year, accordingly.

11.5 Payment of Standard Assessments. Standard Assessments shall be collected in advance on a monthly, quarterly or annual basis as determined by the Board. The initial Standard Assessment shall be due and payable by each Member, other than the Declarant, at the time and in the manner set forth in such Member's Purchase Agreement. Subsequent Standard Assessments shall be due and payable by a Member, within thirty (30) days after receipt of the applicable invoice, or such other time as the Board may determine, commencing with the first fiscal year immediately succeeding the fiscal year in which a Membership was purchased, unless and until the Board institutes a different payment schedule by providing written notice thereof to each Member. In no event shall the Standard Assessment be due later than the first day of the Use Year to which it relates. Members shall be required to pay a Standard Assessment for every

fiscal year, regardless of whether the Member is entitled to use and occupy a Collection Accommodation during such fiscal year.

11.6 Declarant's Obligation for Assessments. The Declarant may, at its option, pay the Standard Assessments attributable to the Declarant's Points on a monthly basis. Such obligation shall be computed based on the number of Declarant's Points and as of the first day of each month.

In lieu of the payment of an annual Standard Assessment and to the extent permitted by applicable law, the Declarant may, at its option, elect to subsidize the financial operations of the Association if the sum of all Assessments levied against Members other than the Declarant plus every other revenue source (income) received by the Association fails to equal or exceed the actual Collection Costs incurred during the applicable fiscal year. The terms and conditions of the subsidy shall be established by written agreement between the Declarant and the Association. The Declarant shall have no obligation for expenditures for capital improvements, unless the same is previously approved in writing by the Declarant.

11.7 Special Assessments. The Board may, in an Assessment Period, determine the need for, and levy a Special Assessment applicable to that period only, as may be necessary (a) for the purpose of defraying, in whole or in part, the cost of any acquisition, construction, reconstruction, repair or replacement of any Collection Accommodation, including the Furnishings related thereto, for which the Association has such responsibility under the terms of the Collection Instruments and for which there are either no reserves established or deficiencies in such reserves; (b) for the purpose of defraying other extraordinary expenses relating to the mutual health, benefit, safety and welfare of the Members and the Association; or (c) for purposes of funding any deficits in Standard Assessments. Notwithstanding anything in the Collection Instruments to the contrary, so long as the Declarant is actively marketing and selling Memberships in the Collection, no Special Assessment shall be levied or assessed without, in each instance, the prior written consent of the Declarant.

Notwithstanding the above, a Special Assessment to replace a Collection Accommodation as provided in Sections 14.3 or 15.2 hereof shall require a vote of the Board, as provided in Section 14.4 hereof.

Any Special Assessment shall be due and payable within thirty (30) days after the date upon which the written notice of such Special Assessment is mailed to the Members, unless the Board determines that installment payments shall be permitted and provides each Member with an approved payment schedule, in which case each Member's payments shall be made no later than the time specified in such payment schedule. If the Board authorizes the payment of any Special Assessment in installments, no notice of the due date of each individual installment payment shall be required to be given, other than the initial Special Assessment notice. If the Declarant subjects additional Resort Interests to the Collection Instruments during the Assessment Period, then the Board may recalculate the Special Assessment based on such additional Resort Interests and the Board may adjust the Special Assessments levied against the Members accordingly.

11.8 Basis for Special Assessments. The basis for computing the amount of any Special Assessment levied against each Member shall be determined by the Board in its sole discretion. In that regard, the Board may levy the Special Assessment against less than all Members and less than all Points based upon the purpose of the Special Assessment and the Members benefited thereby.

11.9 Personal Charges.

11.9.1 Each Member shall be responsible for paying to the Association, and the Personal Charges due from a Member shall consist of, any and all expenses incurred as a result of the act or omission to act of that Member or of any other Person(s) occupying such Member's Assigned Collection Accommodation during his or her reserved or scheduled Use Period(s), including but not limited to the cost of:

11.9.1.1 Local and long distance telephone charges;

11.9.1.2 Additional cleaning and maid services as reasonably may be requested by that Member or his Occupant;

11.9.1.3 Video rental, mini-bar use, food and beverage charges, and any other special services or supplies attributable to the occupancy of the Assigned Collection Accommodation during such Use Period(s);

11.9.1.4 Repair or replacement of any Furnishings located in a Collection Accommodation due to loss or damage occurring during that Member's Use Period(s) other than from ordinary wear and tear; and

11.9.1.5 Satisfying any expenses arising from an intentional or negligent act or omission of that Member, a member of his or her family, his or her guests, tenants, invitees, or licensees (to the extent not covered by insurance) or resulting from his or her or their breach of any of the provisions of the Collection Instruments.

11.9.2 The Manager, on behalf of the Association, may require Members or Occupants to surrender, upon check-in, some form of deposit or credit card imprint to guarantee such Members' or Occupants' payment of any and all Personal Charges incurred by him during the Use Period(s) in question. Such Personal Charges shall be paid by each Member or Occupant as follows:

11.9.2.1 To the extent that the Manager, on behalf of the Association, is able to ascertain the amount of Personal Charges due from the Member or Occupant at or prior to the time of check-out, the Manager shall cause a statement therefor to be issued and such Personal Charges shall be payable at or before check-out; and

11.9.2.2 To the extent that Personal Charges due from a Member or Occupant are not ascertainable as provided in Sub-section 11.9.1 above, such Personal Charges shall be due and payable within thirty (30) days from the date

upon which a written notice of such Personal Charges is mailed to the responsible Member or Occupant.

11.10 Liability for Assessments. No Member may by any act or omission exempt himself, herself, or his or her successors or assigns from his or her obligation to pay any Assessment(s), including, without limitation, (i) by his or her waiver of the use and enjoyment of an Assigned Collection Accommodation and Furnishings or of any of the amenities and other facilities at a Component Site, (ii) by his or her failure to reserve an Assigned Collection Accommodation for one (1) or more Use Periods in accordance with the procedures established therefor in the Regulations, (iii) by his or her failure to use and occupy an Assigned Collection Accommodation or (iv) by the abandonment of his or her Membership(s).

11.11 Reserves. The Board shall from time to time establish one (1) or more reserves as are necessary for the operation and improvement and replacement of those Collection Accommodations and Furnishings for which the Association has such responsibility. Such reserves may include, but not be limited to, a working capital reserve, a reserve for the maintenance, repair, and replacement of the Furnishings, and a Collection Accommodation replacement reserve. Such reserves shall be included in the Association's budget and to the extent necessary, may be funded in whole or in part, by levying Special Assessments upon all of the Members in such amounts as the Board determines to be necessary or appropriate. The amount of the Assessment for such reserves shall be allocated among Members in the manner set forth in the Collection Instruments and this Article.

11.12 Surplus Funds/Deficits. The Association, through its Board of Directors, shall from time to time, fix and determine the sum or sums which are necessary and adequate to provide for Collection Costs and such other expenses as are specified in the Collection Instruments. If the Board determines at any time during the Association's fiscal year that the aggregate amount of Assessments is, or will be, in excess of the amounts needed to meet Collection Costs, such excess amount shall appear as a line item on the budget for the immediately succeeding fiscal year and shall be applied to reduce the amount assessed to meet the Collection Costs for such fiscal year. If the Board determines, at any time, during the Association's fiscal year that the aggregate amount of the Assessment, including the amounts due from Declarant in accordance with the terms of the Collection Instruments, is or will be less than the amount needed to meet Collection Costs, such shortfall amount either shall be satisfied through a Special Assessment or shall appear as a line item on the budget for the immediately succeeding fiscal year and the funds collected as a consequence thereof shall be applied to pay the shortfall incurred by the Association for the preceding fiscal year. Any such excess shall not relieve any Member from his or her obligation to pay any amounts which he or she owes to the Association nor shall any Member be entitled to a refund of all or any portion of any Assessment previously paid on account of such excess.

11.13 Default Interest Rate; Late Fees. Except as otherwise expressly provided by law or the Collection Instruments, any Assessment levied upon, and all Personal Charges due from, a Member which are not paid within the time period specified in the Regulations shall bear interest at the lesser of (a) the rate established in the Regulations; or (b) the maximum rate of interest authorized by law. In addition, the Association may charge the delinquent Member an administrative late fee and/or suspension notice fee as established in the Regulations for each

installment and all Personal Charges due the Association which is/are delinquent, together with the costs of collection of any delinquency. Any payment received by the Association shall be applied first to any interest accrued on the late installment or Personal Charges, then to any administrative late fee, then to the Association's reasonable attorneys' fees and other costs of collection, and then to the delinquent Assessment and/or Personal Charges.

11.14 Default in Payment of Assessments and Personal Charges, Suspension of Rights and Privileges, Security Interests. Except as otherwise provided by law, no Member or any Person authorized by such Member to occupy his or her Assigned Collection Accommodation (with the exception of a Lender of Record acquiring such Membership pursuant to a valid transfer) shall be entitled to occupy such Collection Accommodation, unless and until all Assessments and Personal Charges owed by such Member are paid in full. Notwithstanding the foregoing, an Exchange User whose occupancy has been scheduled with the Association before the sending of the below-described Member Default Notice shall be permitted to occupy such Collection Accommodation.

The Association may send a written notice (the "Member Default Notice") to any Member who fails to pay any Assessment or any installment thereof or any Personal Charges when due. The Member Default Notice may advise such Member, (a) of the current amount of all unpaid Assessments, Personal Charges and other amounts due to the Association, including interest and late charges; (b) of the Association's intention to accelerate all Assessments and Personal Charges due from the Member and enforce its Security Interest (as described above) to collect such unpaid Assessments and Personal Charges, together with late fees, administrative fees, interest, collection costs, and reasonable attorneys' fees, if not paid in accordance with such written notice; (c) of such Member's right to cure such default (and avoid enforcement) by remitting all delinquent amounts, plus late charges and interest, within thirty (30) days after the date of such notice or within such longer period as is required by applicable law; (d) of the suspension of such Member's rights, as more particularly described in clause (iii) of this Section 11.14; and (e) of the Association's intent, but not the obligation, to use the applicable Member's Points in order to reserve the use and occupancy of a Collection Accommodation, to rent out such Assigned Collection Accommodation and to apply the proceeds of such rental, after deduction of rental commissions, cleaning charges and other associated costs, to the applicable Member's account. Upon written request, a Lender of Record with respect to such Membership shall be furnished by the Board or the Manager, on behalf of the Association, with a copy of such Member Default Notice. If full payment of all such amounts is not received within the specified period, the unpaid balance of such Member's remaining obligations for the applicable Use Year, if any, may, at the election of the Association at any time thereafter, become accelerated and due and the Association may take any one or more of the following actions:

11.14.1 Enforce its Security Interest upon such Member's Membership as provided in Section 12.1 below;

11.14.2 Subject to applicable law, bring an action to recover a money judgment for the amount of any unpaid Assessments and Personal Charges without waiving enforcement of the Association's Security Interest against a Membership for unpaid Assessments and Personal Charges; and

11.14.3Suspend some or all of such Member's rights and privileges hereunder and pursuant to the other Collection Instruments, including, but not limited to, (A) the right to use his or her Points to reserve the use and occupancy of a Collection Accommodation or to exercise his or her rights under any External Exchange Program; and (B) the right to use (or allow others, including such Member's guests, tenants, licensees, and invitees, to use) an Assigned Collection Accommodation during his or her reserved or scheduled Use Period(s), as well as the right to rent such Assigned Collection Accommodation during such time. The suspended rights and privileges of such Member shall automatically be reinstated at such time as such Member shall have paid to the Association or the Manager, in cash or by cashier's or certified check, all amounts past due.

11.15 Statement of Unpaid Assessments. Within ten (10) days following its receipt of a written request therefor and the payment of a reasonable fee as determined by the Board, the Manager, on behalf of the Association, shall furnish to the Member, his or her authorized agent, or the holder of a Security Interest in his or her Membership, a statement setting forth the amount of unpaid Assessments, Personal Charges and other amounts, if any, currently levied against such Member's Membership. Such statement shall be binding upon the Association, the Board, and every other Member.

11.16 Escrow of Assessments. To the extent required by law, that portion of Assessments attributable to assessments levied on Resort Interests pursuant to Component Site Instruments shall be placed in a special escrow account to ensure payment of such assessments.

ARTICLE 12

ENFORCEMENT PROVISIONS

12.1 Enforcement of Security Interest for Assessments and Personal Charges. All Security Interests, and the obligation to pay Assessments and Personal Charges provided for herein, shall be automatically enforceable in any manner authorized by law, including, but not limited to a suit at law or power of sale or enforcement of a Security Interest in the manner provided for under applicable state law, including under the Uniform Commercial Code as adopted in the applicable state or any comparable law as adopted in any applicable jurisdiction outside of the United States. The Board, acting on behalf of the Members, shall have the discretion to enforce such Security Interests, to sue to enforce the personal obligations and covenants, or to accept transfer of the applicable Membership in-lieu thereof.

If a Member's Membership is terminated pursuant to this Article 12, the Association shall reacquire such Member's Points and the Declarant, in exchange for payment of the lesser of (a) all delinquent amounts owing to the Association by such Member and interest thereon and (b) an amount equal to the most recent year's Standard Assessment on the applicable Membership, may, within sixty (60) days of the date that the Association notifies the Declarant that it has reacquired such Member's Points, elect in its sole discretion, either (i) to require the Association to transfer to it all Points attributable to such terminated Membership, or (ii) to act as the exclusive agent of the Association for the re-sale of the Points attributable to such terminated Membership and in either case, the Declarant shall be entitled to receive and retain for its own account all proceeds from the sale of all Points attributable to such terminated Membership. If

the Declarant does not elect either option within sixty (60) days of the date the Association notifies the Declarant that it has reacquired a Member's Points, then the Association may cause such Member's Membership to be resold upon such terms as the Association deems appropriate.

12.2 Enforcement of Collection Instruments. In addition to, and to the extent not inconsistent with, the provisions of the Collection Instruments and any provision of law, any violation of any provision of the Collection Instruments (other than a failure to pay Assessments or Personal Charges) by a Member, members of his or her family, his or her guests, tenants, licensees, or invitees, or an Exchange User, shall be grounds for an action to recover sums due and damages, for injunctive relief, or both, and for the reimbursement of all costs and attorneys' fees incurred in connection therewith. All such amounts, along with any other costs incurred by the Association to obtain the services of an attorney to enforce any provision of any Collection Instrument, shall constitute a Personal Charge against the Member who committed or who is responsible for such violation or who caused the Association to take such action, and shall promptly be reimbursed by such Member to the Association, upon demand therefor. In addition to the foregoing, upon any violation of any Collection Instrument, the Association shall have the right, but not the obligation:

12.2.1 To enter the Collection Accommodation or area in which, or as to which, such violation or breach exists, and summarily abate and remove, at the expense of the Member or Exchange User who caused or permitted such violation, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Collection Instruments and neither the Board, the Association, the Manager, the Declarant, nor any authorized agent thereof shall thereby be deemed guilty in any manner for trespass;

12.2.2 To engage the services of an attorney to initiate such action as is deemed necessary by the Board, the Association, the Manager, or the Declarant to enforce such provision of the Collection Instruments, including the initiation of a suit for damages or to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach;

12.2.3 Following notice and an opportunity to be heard as provided in the Bylaws, to impose a reasonable monetary fine or penalty upon such Member or Exchange User in an amount to be determined by the Board of Directors;

12.2.4 Subject to the procedures identified in the Bylaws, to suspend some or all of such Member's rights and privileges hereunder and pursuant to his or her Purchase Agreement and the other Collection Instruments, including, but not limited to, the right to vote; the right to use his or her Points to reserve the use and occupancy of a Collection Accommodation or to exercise his rights under any External Exchange Program; the right to use (or allow others, including such Member's guests, tenants, licensees, and invitees, to use) an Assigned Collection Accommodation or Furnishings during his or her reserved or scheduled Use Period(s); and the right to rent such Collection Accommodation during such time;

12.2.5 To cause the absolute forfeiture of a Membership for a failure to comply with the Collection Instruments only upon (i) the judgment of a court; (ii) the decision of an arbitrator; or (iii) the enforcement of the Association's lien for failure to pay Assessments or Personal Charges levied by the Association; and

12.2.6 As to Members, to demand and receive from any Occupant during the defaulting Member's reserved or scheduled Use Period(s), the rent due from any Occupant to such Member, up to an amount sufficient to pay all sums due from the Member, including costs, attorneys' fees, and interest. The Occupant shall be discharged from the payment of rent to such Member to the extent of the amount so paid. If the Manager makes a demand upon an Occupant for the payment of rent, the Occupant shall have no right to question the authority of the Manager to make such demand, and shall be obligated promptly to pay the amount demanded by the Manager, with the effect as aforesaid.

12.3 Remedies Are Cumulative. All of the remedies granted by the Collection Instruments are cumulative, and the exercise of one right or remedy shall not impair the right to exercise any other remedy. The Association, the Board, the Manager, and the Declarant shall not be limited to the remedies set forth in this Declaration and may invoke any other or additional remedies provided for or allowed by law or in equity.

12.4 Preservation of Remedies. The Board's election to pursue one remedy shall not obviate its right to pursue other remedies against the same Member. The failure of the Association, the Board, the Manager, or the Declarant to enforce any provision of the Collection Instruments shall not be construed as a waiver of any such provision or right. Rather, such provision shall continue and remain in full force and effect.

ARTICLE 13

DECLARANT'S RIGHTS AND OBLIGATIONS

In exchange for transferring, or causing the transfer of, the Resort Interests to a Trustee, the Declarant shall have and hereby retains for itself, the following rights:

13.1 Exclusive Right to Sell Memberships and Points. Except as expressly provided in Section 12.1 above or Sections 13.7 and 17.2 below, each time the Declarant causes Resort Interests to be subjected to this Declaration, the Declarant shall have the exclusive right to require the Association to transfer ownership to it of all Points attributable to such Resort Interests to the Declarant together with a Bulk Membership the Declarant shall have the exclusive right (i) to establish the purchase price for its subsequent sale of Points and related Memberships, (ii) to receive and retain all proceeds from the sale of Memberships and Points, and (iii) to notify the Association as to whom each Membership has been sold and whose name is to be entered into the Register of Members with respect to such Membership. In addition to the foregoing, the Declarant shall have the exclusive right to establish a resale program with respect to the resale of Memberships and Points. The Association shall immediately comply with all of the Declarant's instructions concerning entries in the Register of Members under this Section as a ministerial duty and the Association is vested with no discretion regarding such

compliance. The Association shall not impose any fee or other expense connected with the Association's performance of the duties imposed under this Section.

13.2 [Intentionally Omitted.]

13.3 Reservation System. The Association shall engage an entity (a "Reservation Services Provider") to provide reservation services for the Collection pursuant to a Reservation Services Agreement. The Association is expressly authorized to contract with the Declarant or one of its affiliates to provide reservation services or to be the Reservation Services Provider. The Association hereby acknowledges that it will have no legal or beneficial interest in any Reservation System provided by the Declarant or its affiliates under such Reservation Services Agreement. If the entity engaged to be the Reservation Services Provider no longer desires to provide the reservation services to the Association, such entity must continue to operate the Reservation System for the benefit of the Collection until a replacement is secured, until the sixtieth (60th) day after the notice of such intended resignation of such entity, or until a replacement entity is no longer being sought in good faith, whichever occurs first. In addition, upon such termination and payment in full to such entity of all outstanding monies owed it in the provision of reservation services, such entity shall turn over to the Association the data necessary to ensure the orderly continuation of reservation services.

13.4 Name. If the Declarant or its affiliate is terminated as Manager, then, at the request of the Manager, and without any action by the Board, (a) the Association shall immediately take all action necessary to change its name so that the word "Diamond Resorts" is deleted from the name and usage by the Association and the Board and (b) all Members shall be prohibited from using the name "Diamond Resorts" with respect to the Association, their Membership, the Collection Accommodations or the Collection in any manner in the future. Such steps shall include, but are not limited to, amending all documentation, including, but not limited to the Articles of Incorporation and all other Collection Instruments, and all other documents, and changing all signs, stationary, forms, advertisements and other publications to eliminate the name of "Diamond Resorts." The Association shall immediately comply with the mandate of this Section as a ministerial duty at no cost to the Declarant or Manager; the Association is vested with no discretion regarding such compliance.

13.5 Declarant's Enforcement. If the Association fails to timely comply with Section 13.1 or Section 13.4, the Declarant may apply to a court of competent jurisdiction for, and is entitled to receive, preliminary and permanent injunctions requiring the Association to comply with the foregoing Sections. In connection with the applicable court's decision to invoke its discretion and grant such injunctions, the Association acknowledges (a) that the Association's failure to comply with the foregoing Sections will cause irreparable harm to the Declarant that cannot be adequately compensated by monetary damages or other legal remedies, (b) that the balance of hardships imposed by the granting of such injunctions will not disproportionately weigh against the Association, and (c) that the Declarant has a clear legal right to insist that the Association comply with the foregoing Sections and that the Declarant is therefore likely to succeed on the merits of an application for such relief. Accordingly, the Association irrevocably waives any defense against the granting of such injunctions based on (i) the availability of adequate alternative legal remedies, (ii) undue hardship imposed on the Association by such injunctions, (iii) the Declarant's lack of a clear legal right to the Association's compliance with

the foregoing Sections or (iv) unlikelihood of the Declarant to succeed on the final merits in seeking such relief. The Association also irrevocably waives any requirement that the Declarant post a bond or other security as a condition of such injunctions becoming effective. The Association shall reimburse all reasonable attorneys' fees, costs and other expenses incurred by the Declarant in obtaining and enforcing such injunctions. The Association shall deliver such reimbursement within ten (10) days after notice thereof from the Declarant to the Association.

13.6 Appointees and Independent Developers.

13.6.1 Appointees. The Declarant reserves the right, upon giving written notice thereof to the Association, to appoint one or more Persons to act as Appointees of the Declarant for the purposes of conveying and of selling Memberships to purchasers under Purchase Agreements and to conduct any other commercial activity not expressly prohibited by the applicable Component Site Instruments or applicable law, provided always that the Declarant shall continue to have the overall responsibility and control for all Persons it appoints as Appointees. Upon receipt of written notice from the Declarant that it has designated an Appointee for such purpose, the Association shall (a) accept a transfer of Resort Interests from such Appointee to the Trustee in exchange for one or more Bulk Memberships and the right of the Appointee to market and sell related Memberships based upon the Points attributable to such Bulk Memberships, and (b) enter the names of such Persons and their respective assigned Points into the Registry of Members as are designated by such Appointee from time to time as having been sold Memberships, all in accordance with this Declaration. The Declarant may unilaterally cancel the appointment of a Person as an Appointee and upon such cancellation, the Declarant shall provide the Association written notice of such cancellation, after which time the Appointee shall no longer have the rights and privileges described herein.

13.6.2 Independent Developers. The Declarant reserves the unilateral right, upon giving advance written notice thereof to the Association, to designate one or more Persons to act as Independent Developers for the purposes of conveying and selling Memberships to purchasers under Purchase Agreements and to conduct any other commercial activity not expressly prohibited by the applicable Component Site Instruments or applicable law. Declarant's designation of an Independent Developer shall not be construed as creating a co-Declarant relationship, principal-agent relationship, an employer-employee relationship, partnership, joint venture, or any similar relationship. Upon receipt of written notice from the Declarant, the Association shall (a) accept a transfer of one or more Bulk Memberships from Declarant to the Independent Developer; (b) acknowledge the right of the Independent Developer to market and sell related Memberships based upon the Points attributable to such Bulk Memberships; and (c) enter the names of such Persons and their respective assigned Points into the Registry of Members as are designated by such Independent Developer in accordance with this Declaration.

13.7 Active/Inactive Resort Interests. The Declarant reserves the right to include in the Collection more Resort Interests than are, in the Declarant's sole opinion, necessary for the Collection's proper use and functioning. All Resort Interests subjected to this Declaration shall be deemed to be "Active Resort Interests," unless the Declarant declares on Exhibit "B" to the

Trust Agreement or on an amendment to Exhibit "B" that some portion of the Resort Interests described on Exhibit "B" to such document are to be "Inactive Resort Interests," which Inactive Resort Interests are specified on said Exhibit "B." With respect to all Inactive Resort Interests, the following shall apply:

13.7.1 Until such time, if ever, as the Declarant causes an Inactive Resort Interest either to be withdrawn from the Collection as provided in Section 13.7.2 below or to become active as provided in Section 13.7.3 below (and, therefore, become "Active Resort Interests"), (i) the Points assigned to Inactive Resort Interests may not be utilized to issue Memberships and Inactive Resort Interests shall not be included in the Voting Power in the Association; (ii) the Association shall have no responsibility for the repair, maintenance, etc. thereof and shall have no easement or other rights either granted hereunder or granted to the owner thereof under the applicable Component Site Instruments and as a consequence, all costs of maintenance, ownership, operation, repair, etc. of the Inactive Resort Interests shall not be included in Collection Costs and shall be borne entirely by the Declarant; (iii) only the Declarant shall be entitled to reserve and use the Collection Accommodations resulting from the Inactive Resort Interests; (iv) Points assigned to Inactive Resort Interests shall not be included in making any of the calculations set forth in Section 8.4 above; and (v) for all purposes of the applicable Component Site Instruments, the Declarant shall be deemed to be the owner thereof and shall be entitled to exercise all of the rights, subject to all of the duties and obligations, of the owner thereof under said Component Site Instruments.

13.7.2 The Declarant has the right, without the consent of any Person, upon giving notice thereof to the Association and the Trustee or other Person holding title to the Inactive Resort Interests for the benefit of the Association and its Members, at any time and from time to time, to have all or any designated portion of the Inactive Resort Interests withdrawn from this Declaration and re-conveyed to the Declarant or any Person designated by the Declarant. Each time the Declarant gives such notice of withdrawal, (i) the Association, the Declarant and the applicable Trustee or other Person holding title to the designated Inactive Resort Interests will enter into a Declaration of Withdrawal indicating that the Inactive Resort Interests described therein are released of and from all of the terms, covenants, conditions, restrictions and easements set forth in this Declaration (identifying specifically, by date and recording data, the Trust Agreement pursuant to which said Inactive Resort Interests were subjected to this Declaration) and (ii) the Association, the applicable Trustee or other Person holding title to such Inactive Resort Interests will execute and deliver to Declarant a deed or equivalent instrument conveying title to such Inactive Resort Interests to such Person as the Declarant designated in its notice of withdrawal. Upon completion of the foregoing, the withdrawn Inactive Resort Interests shall no longer be subject to this Declaration for any purpose and neither the Trustee, Association nor the Members shall have any right, title or interest in or to the same. All costs and taxes attributable to such withdrawal shall be borne by the Declarant.

13.7.3 Declarant shall have the right, without the consent of any Person, at any time and from time to time, to cause all or any portion of the Inactive Resort Interests to become "Active Resort Interests" and thereby the Points associated with such Inactive

Resort Interests to become available for use in the Collection and available for sale, provided the Declarant has paid all relevant Assessments in full. To so activate such Inactive Resort Interests, the Declarant shall cause to be recorded an instrument called an "Active Resort Interests Declaration" which (i) identifies, by date and recording information, the Trust Agreement that subjected the portion of then Inactive Resort Interests which are then to be activated (the "Converted Resort Interests") to this Declaration; (ii) identifies specifically the Converted Resort Interests; and (iii) states that the Converted Resort Interests are declared thereafter to be Active Resort Interests and, therefore, subject to all of the terms, conditions, covenants, easements and restrictions of this Declaration. Thereafter, the Points assigned by the Declarant to such Converted Resort Interests will be transferred by the Association to the Declarant together with a related Bulk Membership and will be available for sale by the Declarant together with Memberships as set forth herein..

13.7.4 The Declarant, in its sole discretion, has the right to designate Resort Interests as Inactive Resort Interests, as well as the order in which, and the timing by which, Inactive Resort Interests are converted to Active Resort Interests or withdrawn from this Declaration. Notwithstanding the foregoing, the Declarant may not designate an Active Resort Interest to be an Inactive Resort Interest.

13.8 Declarant's Right upon Termination of the Collection. Upon termination of the Collection in accordance with the terms and provisions of the Bylaws and the other Collection Instruments, the Declarant shall have the right, but not the obligation, to cause the Association to direct the Trustee to convey to Declarant those Resort Interests last added to the Collection whose assigned Points equals or is less than the then number of the Declarant's Points. To exercise this right, the Declarant must give written notice thereof (the "Reconveyance Notice") to the Association within ninety (90) days after the date that the determination is made or the event occurs which gives rise to such termination. The Reconveyance Notice shall state exactly which Resort Interests the Declarant wants conveyed to it, however, the Declarant need not use all of the Declarant's Points to so re-acquire Resort Interests so long as the Resort Interests being so re-acquired are, in reverse chronological order, the Resort Interests most recently subjected to the Collection Instruments. If the Declarant gives the Reconveyance Notice, then prior to the Association liquidating the Resort Interests in the Collection as part of the termination, the Association will cause those Resort Interests identified in the Reconveyance Notice to be conveyed to the Declarant, such Resort Interests to be conveyed to the Declarant or its designee free and clear of the Collection Instruments and subject only to real estate taxes and any assessments under the applicable Component Site Instruments which are not then due or payable and those other matters to which such Resort Interests were subject when conveyed to a Trustee. All costs for such conveyance, including any title insurance required or desired by the Declarant, shall be borne by the Declarant.

ARTICLE 14

CONDEMNATION OR EMINENT DOMAIN

14.1 Proceedings. The procedures to be followed in the event of any taking in condemnation or by eminent domain of all or any portion of a Component Site shall be governed

by the Component Site Instruments, if any, and if there are no Component Site Instruments for such Component Site or the Component Site Instruments do not address what happens upon the occurrence of such event, then governed by the Collection Instruments. Notwithstanding the above, because of the unique nature of the Collection, any taking of a portion of a Collection Accommodation shall be deemed to be a taking of the entire Collection Accommodation.

14.2 Awards or Settlements. Any award or settlement to the Trustee or Association as a result of the taking of a Collection Accommodation shall be deposited in a special reserve account for the replacement of such Collection Accommodation.

14.3 Replacement of Collection Accommodations. In order to maintain the ability of all Members to reserve Use Period(s) in Collection Accommodations according to the Regulations, in the event of the taking of a Collection Accommodation, the Board shall replace such Collection Accommodation with a substitute Accommodation which is consistent with the high standards and quality exhibited by the then-current Collection Accommodations and shall cause such substitute Accommodation to be conveyed to a Trustee and subjected to this Declaration as provided in Section 5.4 hereof. The Board shall engage the Declarant to acquire such substitute Accommodation and the Declarant agrees to take all necessary action to do so. If the amount of any award or settlement and reserves for replacement is not sufficient to replace the Collection Accommodation, the Board shall levy a Special Assessment pursuant to Section 11.4 hereof. If the Special Assessment is not approved as provided in Section 14.4, then the Board shall instruct the Declarant not to complete the purchase of the proposed substitute Accommodation and to continue its search for a suitable substitute Accommodation as to which either no Special Assessment is required or the approval, as provided in Section 14.4 below, is obtained.

14.4 Special Assessment for Replacement of Collection Accommodations. Any Special Assessment required pursuant to Sections 14.3 or 15.2 hereof shall require a resolution of a majority of the entire Board at a meeting called for that purpose.

ARTICLE 15

DAMAGE OR DESTRUCTION

15.1 Proceedings. The procedures to be followed in the event of any damage or destruction of all or any portion of a Component Site shall be governed by the Component Site Instruments for that Component Site, if any, and if there are no Component Site Instruments for such Component Site or the Component Site Instruments do not address what happens upon the occurrence of such event, then governed by the Collection Instruments.

15.2 Replacement of Collection Accommodation. In order to maintain the ability of all Members to reserve Use Period(s) in Collection Accommodations according to the Regulations, if a Collection Accommodation is not repaired or restored pursuant to Component Site Instruments and the Association has no right thereunder either to force such repair or restoration or to undertake such repair or restoration directly, the Board shall replace such Collection Accommodation with an Accommodation which is consistent with the high standards and quality exhibited by the then-current Collection Accommodations and shall cause such replacement

Accommodation to be conveyed to a Trustee and subjected to this Declaration as provided in Section 5.4 hereof. The Board shall engage the Declarant to acquire all replacement Accommodations and the Declarant agrees to take all necessary action to do so. If the amount of any insurance proceeds and reserves for replacement are not sufficient to replace the Collection Accommodations, the Board shall levy a Special Assessment pursuant to Section 14.4 hereof. If the Special Assessment is not approved as provided in Section 11.4, then the Board shall instruct the Declarant not to complete the purchase of the proposed replacement Accommodation and to continue its search for suitable replacement Accommodation, as to which no Special Assessment is required in order to acquire such replacement or the approval, as provided in Section 14.4 above, is obtained.

15.3 Damage or Destruction to Furnishing. In the event of any damage or destruction to the Furnishings other than by ordinary wear and tear under a situation not covered by Sections 15.1 or 15.2 above, the Association shall, if it has the right to do so under the applicable Component Site Instruments, promptly cause such damage to be repaired and/or the Furnishings replaced and shall use any available insurance proceeds for such purpose. If the damage is not covered by insurance, or if the available insurance proceeds are insufficient, the Association shall levy a Special Assessment upon each of the Members, to be allocated in the manner set forth in Section 11.8 hereof, provided, however, that in the event that the damage or destruction was caused by the intentional or negligent act or omission of a Member, a member of his or her family, his or her guests, tenants, invitees, or licensees, then the cost of such repair or the amount of such deficiency shall be a Personal Charge to such Member. If the damage or destruction occurs under a situation where the Collection Accommodation is not replaced under Sections 15.1 or 15.2 above, but the Association does not have the right under the Component Site Instruments to effectuate the repair and/or replacement pursuant to the foregoing provisions of this Section 15.3, then such damage or destruction shall be deemed to require the Association to find a suitable replacement Accommodation in accordance with Section 15.2 above.

15.4 Liability.

15.4.1 To the extent that any damage or loss is covered by insurance, neither the Board, the Manager, the Association, nor any Member shall have a claim or cause of action for damage or loss against any responsible Member or Occupant, provided that this waiver of claim shall in no way prevent the Board from obtaining similar insurance coverage at similar premium cost in the future. To the extent that any damage or loss to the personal property of any Member or Occupant is covered by insurance, such Member or Occupant shall have no claim or cause of action for such damage or loss against the Board, the Manager, the Declarant, any Trustee, any Person holding title to any Resort Interests for the benefit of the Association and its Members, the Association, or any other Member.

15.4.2 No damage to, or loss of, all or any portion of a Collection Accommodation shall relieve any Member of his or her obligation to pay his or her Standard Assessment and all other impositions becoming due, except as otherwise expressly provided herein.

ARTICLE 16

INSURANCE

16.1 Generally. Insurance coverage for each Component Site shall be governed by the Component Site Instruments for that Component Site, if any, and if there are no Component Site Instruments for that Component Site or they do not require any insurance coverage, then the Collection Instruments shall govern insurance coverage for that Component Site. Notwithstanding the above, to the extent that the Association may have exposure for liability or property loss for any real or personal property owned or administered by the Association, or for activities of the Association and its employees and agents, the Association shall, to the extent not covered by insurance required to be maintained under the Component Site Instruments for that Component Site, obtain the following types of insurance at its sole cost and expense (provided, however, that the Association shall, notwithstanding the fact that such insurance may be maintained under the Component Site Instruments for a Component Site, maintain the insurance described in Sections 16.1.3 and 16.1.4 below):

16.1.1 Fire and Casualty. Fire and casualty insurance for each Collection Accommodation shall be in a total amount, after application of deductibles, of the maximum insurable replacement value thereof, without deduction for depreciation, but not less than one hundred percent (100%) of the full replacement value of such Collection Accommodation, as determined by the Board, in its sole discretion. Such determination shall be made by one of the insurers, or at the option of the Board, by an appraiser, architect, or contractor chosen by the Board. Any such policy shall name the applicable Trustee as a co-insured;

16.1.2 Furnishings. The Furnishings shall be insured for the benefit of all Members and the Association against all risks of direct physical loss commonly insured against with respect to such property in a total amount, after application of deductibles, of the maximum insurable replacement value thereof, without deduction for depreciation. Replacement value shall be determined periodically by the Board, in its sole discretion;

16.1.3 Liability. The Board shall obtain comprehensive general liability insurance for death, bodily injury and property damage resulting from the use, ownership or maintenance of Collection Accommodations in amounts and on terms reasonably determined by the Board and its insurance advisors to sufficiently protect the Association and the Board, the Manager and Members, with limits to be not less than one million dollars (\$1,000,000.00) per person per occurrence for bodily injury, personal injury and property damage, with a two million dollars (\$2,000,000.00) annual aggregate. Any liability policy obtained by the Association shall contain the following provisions:

16.1.3.1 All Members as a class are named as additional insureds in any policy issued to the Association. However, certain acts of personal negligence or intentional torts may not be covered or may be specifically excluded from coverage under the comprehensive general liability policy;

16.1.3.2 If available, the insurer waives its right to subrogation under the policy against any Member or any member of his or her household, and

16.1.3.3 No act or omission by a Member will void the policy or operate as a condition to recover under the policy by any other person.

16.1.4 Fidelity Bond. The Board shall obtain a fidelity bond or other similar insurance covering the Manager and employees of the Association having control of, or access to, the funds of the Association with loss coverage not less than the maximum amount of funds of the Association over which the parties under the bond may reasonably be expected to have control of, or access to, at any time.

16.2 Insurance Against Additional Risks. The Association may also procure insurance at its sole cost and expense against such additional risks as the Board deems advisable for the protection of the Directors, Officers, Manager, Members, Trustees or the Collection Accommodations.

16.3 General Insurance Requirements. All insurance provided for in this Article 16 shall be effected under valid and enforceable policies in forms which are reasonably satisfactory to the Association, issued by insurers of recognized responsibility which are duly authorized to transact business in the jurisdiction in which the applicable Collection Accommodation is located and distributed among such insurers in amounts reasonably satisfactory to the Association. All policies of insurance referred to in this Article 16 shall contain appropriate waivers of subrogation for the benefit of the Association, the Declarant and all Members, if available. It is recommended that Members obtain their own supplemental insurance by way of individual insurance policies or through endorsement to their homeowners, or rental insurance policies. The recommended supplemental insurance is to cover Member's personal property while situated in Collection Accommodations, as well as provide coverage for intentional and unintentional acts of personal negligence that may arise in connection with the use of the Collection Accommodations or related facilities.

16.4 Proceeds. With respect to insurance proceeds paid in connection with a loss of a Collection Accommodation or Furnishings, any excess insurance proceeds shall be deposited in a special reserve account for the replacement of Collection Accommodations.

16.5 Inspection of Policies. A copy of each policy of insurance in effect shall be made available for inspection by Members and their authorized agents during business hours at the office of the Manager.

ARTICLE 17

PROTECTION OF LENDERS OF RECORD

17.1 Priority of Security Interests. The Association's Security Interest upon any Membership for delinquent Assessments and Personal Charges shall be prior to all other liens and encumbrances upon such Membership except for:

17.1.1 The purchase-money Security Interest (as defined in Section 9-103 of the Uniform Commercial Code) of any Lender of Record upon such Membership made in good faith and for value; provided, however, that a Security Interest in favor of the Association may be created on the interest of a Person in his or her Membership who acquired that Membership through enforcement of a Security Interest on that Membership, to secure all amounts assessed by the Association to such Person, as a Member, after the date of such acquisition;

17.1.2 Liens and encumbrances recorded before the recordation of this Declaration; and

17.1.3 Liens for taxes and other governmental assessments or charges against the Membership that are superior to the Association's Security Interest to the extent mandated by law.

17.2 Status of Liens. If a Lender of Record enforces its purchase-money Security Interest, the purchaser at any sale, together with its successors and assigns, shall be liable for any Assessments levied by the Association upon such Membership prior to such acquisition of the Membership. Notwithstanding the foregoing, if the Lender of Record itself is the purchaser at such sale, or accepts all or part of the Membership in satisfaction of the applicable obligation under Section 9-620 of the Uniform Commercial Code, then it shall not be liable for any Assessments or Personal Charges levied by the Association upon such Membership prior to such acquisition. The unpaid share of Assessments and Personal Charges shall be a Collection Cost which may be collected from all of the Members, including such Lender of Record, as part of the Standard Assessment. The Association shall remain entitled to recover any unpaid Assessments and Personal Charges from the Member whose Membership was subject to enforcement of a Security Interest. The applicable Lender of Record may cause such Member's Membership to be resold upon such terms as such Lender of Record deems appropriate.

17.3 Subordination of Subsequent Liens. Declarant hereby gives notice of the existence of a timeshare plan and of the rights of the Members to use the Collection Accommodations in the manner provided herein and in the Collection Instruments. Claims by creditors of Declarant and claims upon, or by successors to, the interest of Declarant, shall be subordinate to the interests of Members. This Declaration, however, shall not affect: (i) the rights or lien of a lienholder whose lien was recorded prior to the First Amended and Restated Declaration; (ii) the rights of the holder of an option recorded before the First Amended and Restated; (iii) the rights or lien of a lienholder having a purchase money lien on an individual Membership.

ARTICLE 18

THIRD PARTY LIENS

18.1 Limitation on Scope of Liens. Any liens against a Member's interest in the Association shall be limited to the interest of such Member in his or her Membership only, and shall not entitle any lienholder to assert any claim against the Membership of any other Member, any Resort Interests, any Collection Accommodations or any Furnishings.

18.2 Notice of Liens. Each Member shall give written notice to the Association of every lien upon his or her Membership, other than liens for the nonpayment of Assessments and/or Personal Charges held by the Association, within seven (7) days after the Member receives notice thereof. Upon receipt of such notice, the Association shall cause such information to be entered into the Register of Members.

18.3 Covenant Not to Encumber. Pursuant to the terms of the Trust Agreement, the Trustee has covenanted that it will not encumber any Resort Interest with any financial lien after such Resort Interest has been submitted to this Declaration unless: (i) expressly permitted by this Declaration; (ii) the Collection is terminated pursuant to this Declaration; or (iii) such encumbrance is approved by two-thirds (2/3) of the Voting Power and such approval is declared by a court of competent jurisdiction to be in the best interests of the Association and its Members.

ARTICLE 19

BOOKS AND RECORDS

19.1 Accounting. The Association shall keep, or cause to be kept true and correct books and records of the accounts of the Association at the sole cost and expense of the Association. Financial statements for the Association shall be regularly prepared and distributed to all Members as follows:

19.1.1 A budget for each fiscal year containing the following information shall be distributed not less than forty-five (45) days and not more than ninety (90) days before the beginning of the fiscal year to which the budget applies:

19.1.1.1 Estimated revenue and expenses on accrual basis;

19.1.1.2 The amount of the total cash reserves of the Association currently available for replacement or major repair of Collection Accommodations and for contingencies;

19.1.1.3 An itemized estimate of the remaining life of, and the methods of funding to defray the costs of repair, replacement or additions to, major components of Collection Accommodations for which the Association is responsible (that is, are not subject to Component Site Instruments requiring such reserves); and

19.1.1.4 A general statement setting forth the procedures used by the Board to defray the costs of repair, replacement or additions to major components of Collection Accommodations for which the Association is responsible.

19.1.2 An annual report consisting of the following shall be distributed within one hundred twenty (120) days after the close of each fiscal year:

19.1.2.1 A balance sheet as of the end of the fiscal year;

- 19.1.2.2 An operating (income) statement for the fiscal year;
- 19.1.2.3 A statement of the net changes in financial position for the fiscal year; and
- 19.1.2.4 A list of the names, mailing addresses and telephone numbers of the members of the Board of Directors.

For each fiscal year, the Association shall cause financial statements to be prepared in accordance with generally accepted accounting principles and if required by law, to be audited by an independent certified public accountant. The annual report of the Association shall be assembled and distributed by the Manager or by an Officer of the Association and if the financial statements are not required to be audited, shall be accompanied by a certificate of the person preparing the financial information certifying that such financial information was prepared from the books and records of the Association without independent audit or review.

19.2 Other Information to be Distributed to Members. The Association shall also furnish such information and other materials to the Members as is provided in the Bylaws or elsewhere in the other Collection Instruments.

19.3 Inspection of Books and Records. To the extent permitted by applicable law, the records, books of account and minutes of meetings of the Members, of the Board of Directors and of any committees of the Board of Directors shall be made available for inspection and copying by any Member of the Association, or by his or her duly appointed representative at any reasonable time and for a proper purpose reasonably related to his or her interest as a Member, at the office of the Association or at such other place as the Board shall prescribe. The Board shall establish reasonable rules with respect to (i) notice to be given to the custodian of the records by the Member desiring to make the inspection; (ii) hours and days of the week when such an inspection may be made, and (iii) payment of the cost of copying documents requested by a Member. Every Director shall have the absolute right, at any reasonable time for a proper purpose, to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. No Member shall be entitled to inspect any books or records of the Association that contain personally identifiable information, financial information, or otherwise compromise the privacy of an individual Member or Members of the Association as the Board of Directors, or the Manager on its behalf, shall determine in its sole and subjective discretion.

ARTICLE 20

TERM AND AMENDMENT

20.1 Term. This Declaration shall be effective upon the date of execution hereof and, as amended from time to time, shall continue in full force and effect until the Collection is terminated and the Association is liquidated or dissolved in accordance with the terms and provisions of the Bylaws. Upon termination, the Members shall cause a Certificate of Termination to be recorded in the appropriate recording office(s). Thereupon, this Declaration shall have no further force and effect.

20.2 Dissolution of Collection. In the event of the liquidation, dissolution, or winding up of the affairs of the Association, whether voluntary, involuntary, or by operation of law, the Board of Directors shall, except as may be otherwise provided by law and subject to Section 13.8 above, transfer all of the assets of the Association in such manner provided in the Bylaws. Notwithstanding the foregoing, upon any termination of the Collection, the Declarant, at its option, shall be entitled, upon giving the Association the written notice thereof, to cause the applicable Trustee or Trustees to convey to the Declarant all or any designated portion of all Inactive Resort Interests and some, all or any portion of those Resort Interests then most recently conveyed to a Trustee and Points assigned to which are then Declarant's Points, all as more particularly described in Section 13.8 above.

20.3 Amendment. This Declaration and the other Collection Instruments may be amended as follows:

20.3.1 By Members. Except as otherwise provided by law or in this Declaration, this Declaration may be amended only by the affirmative vote or written assent of: (1) a majority of the Voting Power of each class of Members, if there is more than one class; or (2) if there is only one class of Member, a majority of the Voting Power residing in Members other than the Declarant, or its successor, plus a majority of the total Voting Power of the Association; provided, however, that no specific provision hereof may be amended by a vote which is less than the prescribed percentage of affirmative votes or written assents required for action to be taken pursuant to that provision. Each such amendment to this Declaration shall be evidenced by an instrument in writing, signed and acknowledged by two (2) Officers of the Association, setting forth in full the text of such amendment, the appropriate recording data of the Trust Agreement pursuant to which this Declaration was recorded, and certifying that such amendment has been approved by the affirmative vote or written consent as set forth above. Such amendment shall become effective upon the recording of such instrument as an amendment to this Declaration as an exhibit to the recorded Trust Agreement in the appropriate recording office and any other public office(s) in which the Trust Agreement has been filed or recorded. The Trustee shall cooperate in joining in the recordation of such amendments.

Notwithstanding the above or any provision of any of the Collection Instruments to the contrary, no amendment of Article 5, 8, or 13, or of Sections 6.9, 6.10, 6.11, 11.6, 20.2 or 20.3.1 of this Declaration, or any of the definitions in Article 2 used in any such provisions, nor of any provision of any of the other Collection Instruments the effect of which is to amend, alter or affect any of the Declarant's obligations or any of the Declarant's rights under any of the Collection Instruments or which would, in reasonable opinion of Declarant, adversely affect the operation or marketability of the Collection, shall be effective without the written consent of the Declarant.

20.3.2 By Board of Directors. Notwithstanding any provision hereof to the contrary, the Board expressly reserves the right to amend this Declaration or the Bylaws, (i) to correct any scrivener's error or erroneous legal description contained herein or in any Trust Agreement, which legal description or descriptions may have been incorrect by reason of a scrivener's or surveyor's error; (ii) as may be required by any lending institution, title insurance company, public body or as may be necessary, to comply with

the lawful requirements of any jurisdiction in which Memberships are offered for sale, sold or used, or in which any Collection Accommodation is located, or (iii) to facilitate the operation and management of any Collection Accommodation or the sale of Memberships. Each such amendment of this Declaration or the Bylaws shall be evidenced by an instrument in writing, signed and acknowledged by any two (2) Officers of the Association, without the need for any Member's consent thereto, setting forth in full the text of such amendment, and if an amendment to this Declaration, the appropriate recording data of the Trust Agreement pursuant to which this Declaration was recorded. Each such amendment to this Declaration shall become effective upon the recording of such instrument as an amendment to this Declaration as an exhibit to the Trust Agreement in the appropriate land title office and any other recording office in which the Trust Agreement pursuant to which this Declaration was recorded has been filed and/or recorded and each such amendment to the Bylaws shall become effective upon the execution of such amendment to the Bylaws in the manner described above. The Trustee shall cooperate in joining in the recordation of such amendments.

Notwithstanding the above or any provision of any of the Collection Instruments, no amendment of Article 5, 8, or 13, or of Sections 6.9, 6.10, 6.11, 11.6, 20.2 or 20.3 of this Declaration, or any of the definitions in Article 2 used in any such provisions nor of any provision of any of the other Collection Instruments the effect of which is to amend, alter or affect any of the Declarant's obligations or any of the Defendant's rights under any of the Collection Instruments or which would, in the reasonable opinion of the Declarant, adversely affect the operation or marketability of the Collection, shall be effective without the written consent of the Declarant.

20.3.3 By the Appointee or Independent Developer. Neither an Independent Developer nor an Appointee has the right to amend this Declaration.

20.3.4 By the Declarant. The Declarant reserves the unilateral right prior to the sale of the first Membership from the Declarant to a Member, to amend this Declaration in any manner or fashion. After the sale of the first Membership, the Declarant reserves the unilateral right to amend this Declaration (i) as may be required by any lending institution, title insurance company, public body, or as may be necessary to comply with the lawful requirements of any jurisdiction in which Memberships are offered for sale, sold or used or in which any Collection Accommodation is located, or (ii) to facilitate the operation and management of the Collection Accommodations or the sale of Memberships; provided, however, that no such amendment shall increase the portion of Collection Costs to be borne by Members other than the Declarant, or decrease any Member's voting rights, or impose any increased burden on the Members other than the Declarant or the Association.

Any such amendment to this Declaration shall be executed solely by the Declarant without the need for the Association's or any Member's consent thereto, setting forth in full the text of such amendment and the appropriate recording data of the Trust Agreement pursuant to which this Declaration was recorded. Such amendment shall become effective upon the recording of such instrument as an amendment to this Declaration as an exhibit to the Trust Agreement in the appropriate land title office and

any other recording office in which the Trust Agreement pursuant to which this Declaration was recorded has been filed or recorded. The Trustee shall cooperate in joining in the recordation of such amendments.

ARTICLE 21

MISCELLANEOUS PROVISIONS

21.1 Compliance With Component Site Instruments and Collection Instruments. Each Member and any other Person who in any way uses a Collection Accommodation shall comply strictly with the provisions of the Component Site Instruments for such Collection Accommodation and the Collection Instruments, as amended or supplemented from time to time, as well as the decisions and resolutions of the Board, the Manager and the Association adopted pursuant thereto, and hereby acknowledges that time is of the essence with respect to his or her compliance with each of the provisions of the applicable Component Site Instruments and Collection Instruments.

21.2 Violation of Laws. Any violation of laws, ordinances, or regulations of any country, province, state, county or other local authority having jurisdiction over the Association or the Collection Accommodations is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in this Declaration.

21.3 Notices. Any notice or other documents relating to or required by this Declaration shall be in writing and may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered three (3) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to a Member at the current address in the Association's records, or to any other address last furnished by a Member to the Manager. Any notice required by the Bylaws shall be governed by the provisions of the Bylaws.

21.4 Computation of Time. All periods of time computed under this Declaration shall be computed in accordance with Rule 6(a) of the Federal Rules of Civil Procedure in effect on the Effective Date.

21.5 No Right to Participate in Profits. Neither the Collection Instruments, nor any other document shall be deemed to evidence a joint venture, partnership, or any other similar arrangement, and no party shall have the right to participate in the individual profits, if any, of any other party arising out of the operation of the Collection.

21.6 Liberal Interpretation. The provisions of the Collection Instruments shall be liberally construed to effectuate the purpose of ensuring that the Collection Accommodations shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Member, members of his or her family, his or her guests, tenants, licensees, and invitees, as vacation accommodations.

21.7 Rule Against Perpetuities. If any interest purported to be created by this Declaration is challenged under the rule against perpetuities or any related legal doctrine, the interest shall be construed as continuing only until 21 years after the death of the last survivor of the lawful descendants of Joseph Kennedy, who was the father of the late John Fitzgerald

Kennedy, former President of the United States of America, living on the date of this Agreement, or for any shorter period that may be required to sustain the validity of the affected interest.

21.8 Successors and Assigns of Declarant. Any reference in this Declaration to the Declarant shall include any successors or assignees of Declarant's rights and powers hereunder.

21.9 Conflict with Other Collection Instruments. In the event of a conflict between the provisions of the Collection Instruments, the following shall control in the following order of priority: (1) the Articles of Incorporation, (2) this Declaration, (3) any applicable Trust Agreement; (4) the Bylaws; and (5) the Regulations.

21.10 Severability. The provisions hereof shall be deemed to be independent and several, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

21.11 Waiver. No restriction, condition, obligation, or provision contained in the Collection Instruments shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur. Failure to enforce any violation of the Collection Instruments shall not give rise to any liability on the part of the Declarant, the Association, the Board, or the Manager with respect to parties aggrieved by such failure.

21.12 Binding Effect. The provisions of the Collection Instruments shall be binding upon all parties having or acquiring any Membership(s) or any right, title, or interest therein, and shall be for the benefit of each Member, his or her heirs, legal representatives, successors, and assigns. Each Member (including the Declarant) shall be fully discharged and relieved of liability on the covenants contained therein, in his or her capacity as a Member, upon ceasing to own such Membership(s) and upon paying all sums and performing all obligations thereunder, up to the time his or her ownership interest terminates, as provided herein.

21.13 Arbitration. Unless otherwise prohibited by applicable law, except for claims for the non-payment of Assessments or Personal Charges and for actions to enforce any Security Interest in favor of a Lender of Record or the Association, any other controversy or claim arising out of or relating to this Declaration or the making, performance or interpretation hereof, shall be settled by an arbitration in Las Vegas, Nevada, in accordance with the commercial arbitration rules of the American Arbitration Association and the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy.

21.14 Latent Conditions. Neither the Declarant, the Manager, nor the Association shall be liable for injury or damage caused by any latent condition existing at any Collection Accommodation.

21.15 Choice of Law. Except to the extent preempted by the laws of the United States of America, this Declaration shall be exclusively interpreted, construed, and enforced in accordance with the internal laws of the state in which the Trust Agreement to which this Declaration is attached is recorded without regard to such state's choice of law rules. The state and federal courts sitting in Clark County, Nevada (the "Selected Court"), shall be the exclusive forum for any dispute, proceeding, suit or legal action (collectively, an "Action") concerning the

interpretation, construction, validity, enforcement, performance of, or related in any way to, this Declaration. The Declarant, the Association, each Trustee, each Member and each Lender of Record each respectively consent and submit themselves to the personal jurisdiction of the Selected Court with respect to any Action. Each of the foregoing irrevocably waives all objections to jurisdiction or venue in any judicial or non-judicial forum other than the Selected Court. Notwithstanding anything in this Section to the contrary, any of the foregoing may (i) bring proceedings in a non-Selected Court forum to enforce a judgment rendered by the Selected Court and (ii) use the enforcement laws and procedures available in such forum.

21.16 Consent of the Board. When used in this Declaration, the term “consent” when referring to the Board shall mean the consent of the Board by any action or procedure permitted under the Collection Instruments, which consent may not be unreasonably withheld or delayed. Failure to consent will be presumed to be unreasonable if the matter or change to which the Board is requested to consent is required by applicable law, by any judgment or order of any judicial or governmental body with jurisdiction thereof or which is necessary to avoid the loss or dilution of any right of any Member provided for under the Collection Instruments.


21.17 Title to Resort Interests. Although this Declaration contemplates that all Resort Interests will be conveyed to one Trustee, it is expressly understood and agreed that Resort Interests may be conveyed to one or more Trustees, to the Association or to another Person for the benefit of the Association and its Members, all as determined by the owner of the Resort Interests and the Declarant. In addition, subject to the Collection continuing to comply with all applicable laws relating to the marketing, operating and sale of a multisite timeshare or vacation ownership program, the Association may cause some or all of the Resort Interests held by one or more of the Trustees to be conveyed to another Trustee or other Trustees, to the Association itself, or to any other Person to be held as a fiduciary for the benefit of the Association and its Members. Consequently, the phrase “convey to a Trustee” or words of similar import as used in the Collection Instruments shall be construed to mean “convey to one or more Trustees, to the Association or to another fiduciary Person for the benefit of the Association and its Members.”

IN WITNESS WHEREOF, the parties hereto have executed this Declaration for Diamond Resorts U.S. Collection dated for reference the first date written above.

DECLARANT:

DIAMOND RESORTS U.S. COLLECTION DEVELOPMENT, LLC, a Delaware limited liability company

By: Diamond Resorts Developer and Sales Holding Company, a Delaware corporation and its sole manager

By: 
Name: Jared T. Finkelstein
Title: Senior Vice President and General Counsel

THE ASSOCIATION:

DIAMOND RESORTS U.S. COLLECTION MEMBERS ASSOCIATION, a non-stock, non-profit Delaware corporation

By: Countersigned
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Declaration for Diamond Resorts U.S. Collection dated for reference the first date written above.

DECLARANT:

DIAMOND RESORTS U.S. COLLECTION DEVELOPMENT, LLC, a Delaware limited liability company

By: Diamond Resorts Developer and Sales Holding Company, a Delaware corporation and its sole manager

By: Countersigned
Name: _____
Title: _____

THE ASSOCIATION:

DIAMOND RESORTS U.S. COLLECTION MEMBERS ASSOCIATION, a non-stock, non-profit Delaware corporation

By: Royce
Name: Ronan O Gorman
Title: Vice President

Exhibit B

Identification of Resort Interests

The purpose of Exhibit B is to identify the initial transfer of Resort Interests located in the jurisdiction where the Trust Agreement is recorded. Thereafter, the legal description appearing in each recorded deed conveying real property to a Trustee is deemed to be an amendment to and included in the text of the Exhibit B to the Trust Agreement in the jurisdiction in which such deed was recorded.

Because the intent of this Second Amended and Restated Trust Agreement for Diamond Resorts U.S. Collection is solely to amend and restate the text of the Trust Agreement and the Declaration, this Exhibit B is unaffected and the Resort Interests subject to this Trust Agreement are those Resort Interests identified in Exhibit B to the Amended Trust Agreement, as may be augmented from time to time by certain recorded deeds as described above.