



**DESTINATION XCHANGE
(a/k/a "DEX")**

DISCLOSURE STATEMENT

July 2025

**DESTINATION XCHANGE
PROGRAM
DISCLOSURE GUIDE**

This Disclosure Guide supersedes all previous versions

**Unless otherwise stated, the information in this Disclosure Guide
is correct as of June 1, 2025**

DISCLOSURE GUIDE
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THIS DISCLOSURE GUIDE contains important information regarding the Destination Xchange program hereinafter referred to as the “**Exchange Program**” offered to Members by DestinationXchange, LLC, a Delaware limited liability company (“**Operating Company**”), and wholly owned subsidiary of Hilton Grand Vacations, Inc. Members should review this information as well as the Terms and Conditions to obtain a full understanding of the terms and operational rules of the Exchange Program. Operating Company reserves the right to make amendments to this Disclosure Guide, the Terms and Conditions and any other documents relating to the Exchange Program and shall notify the membership of any such changes by a website posting or similar communication by Operating Company in its sole discretion.

1. DEFINED TERMS

Except as otherwise provided herein, all capitalized terms used in this Disclosure Guide have the meanings ascribed to them in the Terms and Conditions, a copy of which accompanies this Disclosure Guide.

2. INFORMATION ABOUT THE EXCHANGE PROGRAM

The primary services to be provided by Operating Company consist of the operation of the Exchange Program through which Members exchange Use Rights and reserve the use and occupancy of Accommodations for Use Periods at Affiliate Resorts pursuant to the terms, restrictions and conditions set forth in the Terms and Conditions attached hereto as Exhibit 1.

The principal office of Operating Company is located at 6355 MetroWest Boulevard, Orlando, FL 32835. The individuals who constitute the officers and directors of Operating Company and who operate the Exchange Program as of the date of printing are:

Directors:

Mark Wang
Dan Mathewes
Charles Corbin

Officers:

Onkar Birk	Executive Vice President
Sarajane Bonck	Senior Vice President
Rebekah Bowers	Vice President
Charles Corbin	Senior Executive Vice President and Secretary
Erin Day	Executive Vice President
Derek DeSalvia	Executive Vice President
Thomas Goodman	Senior Vice President
Gordon Gurnik	Senior Executive Vice President
Carlos Hernandez	Senior Vice President
Calder Huntington	Vice President
Brandon Lemke	Assistant Secretary
Kelly Lodde	Senior Vice President & Assistant Secretary
Ben Loper	Senior Vice President & Treasurer
Dan Mathewes	President
Leigh Neiman	Senior Vice President
Dustin Tonkin	Executive Vice President
Mark Wang	Chief Executive Officer

The Operating Company is wholly owned by Hilton Grand Vacations, Inc., a Delaware corporation (hereinafter, together with its subsidiaries and other affiliates is referred to as “HGVI”). Some officers and directors of the Operating Company may also serve as officers and directors of HGVI. Those Affiliated Resorts referenced in Section 6 are where HGVI is the developer and/or Resort Manager. Except as otherwise stated in this paragraph, neither the Operating Company nor any of its officers or directors has any legal or beneficial interest in any developer, seller or managing entity for any Affiliated Resort.

Please see Section 6 under Affiliated Resorts for the number of units in each property participating in the Exchange Program which are available for occupancy and which qualify for participation in the Exchange Program.

The number of Members in each timeshare plan which are participating in the Exchange Program are set forth below.

Affiliated Resorts with 1 – 100 Members:

- Bell Rock Inn, 6246 State Route 179, Sedona, AZ 86351
- Beso Del Sol Resort, 1420 Bayshore Boulevard, Dunedin, FL 34698
- Brigantine Beach Club, 4500 W Brigantine Ave, Brigantine, NJ 08203
- Cabo Azul Resort (a/k/a Cabo Azul, a Hilton Vacation Club), Paseo Malecon s/n, Lote 11, Col. Fonatur, San Jose del Cabo, BCS, C.P. 23400, Mexico
- Crescent Resort on South Beach (a/k/a Crescent on South Beach, a Hilton Vacation Club), 1420 Ocean Drive, Miami Beach, FL 33139
- Desert Isle of Palm Springs, 2555 East Palm Canyon Drive, Palm Springs, CA 92264
- Mirror Lake and Tamarack Resort FHG, 874 Xanadu Road Wisconsin Dells, WI 53965
- Palm Canyon Resort (a/k/a Palm Canyon, a Hilton Vacation Club), 2800 South Palm Canyon Drive, Palm Springs, CA 92264
- Royal Dunes, 8 Wimbledon Court, Hilton Head Island, SC 29928
- Royal Lahaina Resort, 2780 Kekaa Dr, Lahaina, Maui, HI 96761
- Sedona Springs Resort, 55 Northview Road, Sedona, AZ 86336
- Tahoe Beach and Ski Club, 3601 Lake Tahoe Boulevard, South Lake Tahoe, CA 96150
- The Cove on Ormond Beach - South Tower (a/k/a The Cove on Ormond Beach, a Hilton Vacation Club), 145 South Atlantic Avenue, Ormond Beach, FL 32176
- The Christie Lodge, 47 E Beaver Creek Blvd, Avon, CO 81620
- The Modern Honolulu (a/k/a The Modern, a Hilton Vacation Club), 1775 Ala Moana Boulevard, Honolulu, Oahu, HI 96815
- Trade Winds on the Bay, 6 Park Dr, Rockland, ME 04841
- Vilar do Golf, Rua de Nisa, Quinta do Lago, 8135-903, Almancil, Algarve, Portugal

Affiliated Resorts with 101 – 249 Members:

- Alpine Club, Alpine Apartment Hotel Alpineweg 142, 8971, Rohrmoos- Schladming, 8970, Austria
- Barefoot’n Resort, 2754 Florida Plaza, Kissimmee, FL 34746
- Beachwoods Resort (a/k/a Beachwoods, a Hilton Vacation Club), 1 Cypress Knee Trail, Kitty Hawk, NC 27949
- Bent Creek Golf Village (a/k/a Bent Creek Golf Village, a Hilton Vacation Club), 3919 East Parkway, Gatlinburg, TN 37738

- Charter Club Resort of Naples Bay (a/k/a Charter Club Naples Bay, a Hilton Vacation Club), 1000 10th Avenue South, Naples, FL 34102
- Club Cala Blanca, Calle Albaicín, 12, Urb. Costa Taurito, 35138, Mogán, Canary Islands, Spain
- Club del Carmen, Calle Noruega no 2, Playa de los Pocillos, 35510, Puerto del Carmen, Lanzarote, Canary Islands, Spain
- Club Regency of Marco Island, 500 South Collier Boulevard, Marco Island, FL 33937
- Craigendarroch Lodges (a/k/a Craigendarroch Lodges, Managed by Hilton Grand Vacations), Braemar Road, Ballater, Aberdeenshire Scotland AB35 5XA
- Cromer Country Club, 127 Overstrand Rd., Cromer, Norfolk, NR27 0DJ, England
- Daytona Beach Regency (a/k/a Daytona Beach Regency, a Hilton Vacation Club), 400 North Atlantic Avenue, Daytona Beach, FL 32118
- Dunes Village Resort, 5200 North Ocean Boulevard, Myrtle Beach, SC 29577
- Zihuatanejo (a/k/a Hilton Grand Vacations Club Zihuatanejo), Carretera Escenica Playa La Ropa S N, Zona Hotelera, 40895 Zihuatanejo, Guerrero, Mexico
- Fairway Forest Resort, 70 Sapphire Valley Road, Sapphire, NC 28774
- Grand Beach (a/k/a Grand Beach, a Hilton Vacation Club), 8317 Lake Bryan Beach Boulevard, Orlando, FL 32821
- Greensprings Vacation Resort (a/k/a Greensprings, a Hilton Vacation Club), 3500 Ludwell Parkway, Williamsburg, VA 23188
- Kohl's Ranch Lodge, 202 South Kohl's Ranch Lodge Rd, Payson, AZ 85541
- Los Amigos Beach Club, Urb. Playamarina, Carretera de Cádiz (N-340), km 204, Mijas Costa, Costa del Sol, Málaga 29649, Spain
- Pine Lake Resort, Dock Acres, Carnforth, Lancashire LA6 1JZ, United Kingdom
- Plantation Beach Club at Indian River Plantation, 329 N.E. Tradewinds Lane, Hutchinson Island, Stuart, FL 34996
- Polynesian Isles Resort – Phase I (a/k/a Polynesian Isles, a Hilton Vacation Club), 3045 Polynesian Isles Boulevard, Kissimmee, FL 34746
- Royal Oasis Club At Pueblo Quinta, Avenida Federico García Lorca No. 8, Urb. Pueblo Quinta, Fase 2, Benalmádena, Costa del Sol, Málaga 29630, Spain
- Royal Regency, 69/71, Rue Defrance, 94300, Vincennes, Paris, France
- Royal Tenerife Country Club, Calle Andrés, S/N, Golf del Sur, 38639 Tenerife, Spain
- Santa Barbara Golf and Ocean Club, Avenida del Atlántico S/N, Urb. Golf del Sur 38639 San Miguel de Abona, Tenerife, Canary Islands, Spain
- Scottsdale Villa Mirage (a/k/a Scottsdale Villa Mirage, a Hilton Vacation Club), 7887 East Princess Boulevard, Scottsdale, AZ 85255
- Sunset Harbour Club, Calle Valencia 3, Urb. Pueblo Torviscas, 38660, Costa Adeje Tenerife, Canary Islands, Spain
- Sunset View Club, Calle San Blas, Golf del Sur 38639 San Miguel de Abona, Tenerife, Canary Islands, Spain
- The Cove on Ormond Beach (a/k/a The Cove on Ormond Beach, a Hilton Vacation Club), 145 South Atlantic Avenue, Ormond Beach, FL 32176
- The Kenmore Club, Kenmore by Aberfeldy, Perthshire, PH15 2HH, Scotland
- The Suites at Fall Creek, 1 Fall Creek Drive, Branson, MO 65616
- Thurnham Hall, Thurnham, Lancashire, England LA2 0DT United Kingdom
- Varsity Club South Bend (a/k/a Varsity Club South Bend, a Hilton Vacation Club), 3800 North Main Street, Mishawaka, IN 46545
- Varsity Club Tucson (a/k/a Varsity Club Tucson, a Hilton Vacation Club), 3855 Speedway Boulevard, Tucson, AZ 85716

- Villas de Santa Fe (a/k/a Villas de Santa Fe, a Hilton Vacation Club), 400 Griffith Street, Santa Fe, NM 87501
- White Sands Beach Club, Via Ronda ZH3, Arenal d'en Castel, 07740 Es Mercandal, Menorca, Balearic Islands, Spain
- Woodford Bridge Country Club, Milton Damerel, Nr. Holsworthy, Devon, EX22 7LL United Kingdom

Affiliated Resorts with 250-499 Members:

- Bryan's Spanish Cove, 13875 State Road 535, Orlando, FL 32821
- Grande Villas Resort (a/k/a Grande Villas, a Hilton Vacation Club), 12118 Turtle Cay Circle, Orlando, FL 32836
- Riviera Oaks Resort and Racquet Club, 25382 Pappas Road, Ramona, CA 92065
- Royal Sunset Beach Club, Calle Londres Numero 6, Playa de Fañabé, 38660 Costa Adeje, Tenerife, Canary Islands, Spain
- Sahara Sunset Club, Aviando Rocío Jurado S/N, 29630 Benalmádena, Costa del Sol, Málaga, Spain
- Sedona Summit (a/k/a Sedona Summit, a Hilton Vacation Club), 4055 Navoti Drive, Sedona, AZ 86336
- Sunset Bay Club, Calle Antonio Navarro No. 1, Urb. Los Atamanes, 38660 Costa Adeje, Tenerife, Canary Islands, Spain
- The Ridge on Sedona Golf Resort (a/k/a Ridge on Sedona, a Hilton Vacation Club), 55 Sunridge Circle, Sedona, AZ 86351

Affiliated Resorts with 500 – 999 Members:

- Beach Quarters Resort, 501 Atlantic Avenue, Virginia Beach, VA 23451
- Boardwalk Resort and Villas, 1601 Atlantic Avenue, Virginia Beach, VA 23451
- Cypress Pointe Resort (a/k/a Cypress Pointe, a Hilton Vacation Club), 8651 Treasure Cay Lane, Orlando, FL 32836
- Grand Beach – PH 1 (a/k/a Grand Beach, a Hilton Vacation Club), 8317 Lake Bryan Beach Boulevard, Orlando, FL 32821
- Lake Tahoe Vacation Resort (a/k/a Hilton Vacation Club Lake Tahoe Resort), 901 Ski Run Boulevard, South Lake, Tahoe, CA 96150
- Los Abrigados Resort And Spa (a/k/a Los Abrigados, a Hilton Vacation Club), 160 Portal Lane, Sedona, AZ 86336
- Oceanaire Resort (a/k/a Oceanaire, a Hilton Vacation Club), 3421 Atlantic Avenue, Virginia Beach, VA 23451
- Orbit One Vacation Villas, 2950 Entry Point Boulevard, Kissimmee, FL 34741
- Polo Towers Villas (a/k/a Polo Tower, a Hilton Vacation Club), 3745 Las Vegas Boulevard South, Las Vegas, NV 89109
- Riviera Beach Resort (a/k/a Riviera Beach & Shores, a Hilton Vacation Club), 34630 Pacific Coast Highway, Capistrano Beach, CA 92624
- Royal Palm Beach Resort (a/k/a Royal Palm, a Hilton Vacation Club), 115 Welfare Road, Cole Bay, Phillipsburg, St. Maarten, Netherland Antilles
- San Luis Bay Inn (a/k/a San Luis Bay Inn, a Hilton Vacation Club), 3254 Avila Beach Drive, Avila Beach, CA 93424
- Tahoe Seasons Resort (a/k/a Tahoe Seasons, a Hilton Vacation Club), 3901 Saddle Road, South Lake Tahoe, CA 96150
- Turtle Cay Resort, 600 Atlantic Avenue, Virginia Beach, VA 23451

Affiliated Resorts with 1000 or more Members:

- Flamingo Beach Resort (a/k/a Flamingo Beach, a Hilton Vacation Club), Pelican Key, Simpson Bay 6 Billy Folly Road, Phillipsburg, St. Maarten, Netherland Antilles
- Ka'anapali Beach Club (a/k/a Hilton Vacation Club Ka'anapali Beach), 104 Ka'anapali Shores Place, Lahaina, Maui, HI 96761
- Liki Tiki Village, 17777 Bali Boulevard, Winter Garden, FL 34787
- Mystic Dunes Resort & Golf Club (a/k/a Mystic Dunes, a Hilton Vacations Club), 7600 Mystic Dunes Lane, Celebration, FL 34747
- Ocean Beach Club (a/k/a Ocean Beach Club, a Hilton Vacation Club), 3401 Atlantic Avenue, Virginia Beach, VA 23451
- Parkway International Resort, 6200 Safari Trail, Kissimmee, FL 34747
- Polo Towers Suites (a/k/a Polo Tower, a Hilton Vacation Club), 3745 Las Vegas Boulevard South, Las Vegas, NV 89109
- The Historic Crags Lodge, 300 Riverside Drive, Estes Park, CO 80517
- The Historic Powhatan Resort (a/k/a The Historic Powhatan, a Hilton Vacation Club), 3601 Ironbound Rd, Williamsburg, VA 23188*+
- The Point At Poipu (a/k/a The Point at Poipu, a Hilton Vacation Club), 1613 Pe'e Road, Koloa, Kauai, HI 96756

3. PARTICIPATION IN THE EXCHANGE PROGRAM

A purchaser becomes eligible to join the Exchange Program upon entering into a contract to purchase, or previously having purchased, a Qualifying Interest; however, the purchaser's participation in the Exchange Program is voluntary. Operating Company is not the developer or seller of any timeshare interests at any Affiliated Resort; however, a developer or seller of timeshare interests in an Affiliated Resort may be an affiliate of HGVI and/or Operating Company. The developer and the Association of an Affiliated Resort are also eligible to become Members with respect to such developer's or the Association's unsold inventory of Qualifying Interests. However, no person or entity shall be eligible for membership unless such person makes available the Use Rights associated with his or her Qualifying Interest for inclusion in the Exchange Pool pursuant to the terms of the relevant Affiliation Agreement or such other agreement by which a resort becomes affiliated with the Exchange Program. Unless a particular Affiliation Agreement provides otherwise, Operating Company may require any eligible person or entity that wishes to join the Exchange Program to complete the Membership Documents appropriate for the membership being sought and may require the payment of an initial membership fee, application fee and other fees as may be determined by Operating Company from time to time. Except as may be determined by Operating Company from time to time in its sole discretion, there is no minimum duration of the interval for such Use Rights enabling the owner of the Qualifying Interest to qualify for membership in the Exchange Program. The Membership Documents are separate from the Member's contract with the developer or seller regarding the purchase of the Qualifying Interest. The Exchange Program is also separate and distinct from the local system or means by which use and occupancy at an Affiliated Resort is allocated among owners of a Qualifying Interest thereat, pursuant to the applicable Declaration. Such local system of allocating use and occupancy at an Affiliated Resort will generally be operated by the Association or by a provider engaged by the Association. Operating Company may be engaged as such a provider, but if it is not engaged, it will cooperate with the operator of such local system pursuant to the applicable Affiliation Agreement or such other agreement by which a resort becomes affiliated with the Exchange

Program in order to coordinate reservations of use and occupancy at the Affiliated Resort with the Exchange Program.

The terms under which any Member participates in the Exchange Program shall be established in the relevant Membership Documents and any other documents pertaining to a specific membership class. Participation in the Exchange Program shall be conditioned upon Member's compliance with such terms. Membership in the Exchange Program is not a prerequisite to owning a Qualifying Interest in an Affiliated Resort. No purchaser or owner of a Qualifying Interest in an Affiliated Resort shall become a Member of the Exchange Program automatically, merely by purchasing or owning such Qualifying Interest. The basis of participation in each specific instance shall be governed by the terms of the relevant Affiliation Agreement or such other agreement by which a resort becomes affiliated with the Exchange Program and any other associated Membership Documents. It is possible to become a Member through entering into an Exchange Program Membership Agreement (or similar documentation) directly with Operating Company, regardless of whether that person has a Qualifying Interest at an Affiliated Resort. Membership requires the timely payment of Exchange Program Dues and is further governed by the terms and provisions of the Terms and Conditions, and the other Exchange Program Documents. A Member's membership may automatically renew periodically during the term of the Exchange Program, in accordance with the Terms and Conditions.

All Exchange Program Dues and any other applicable fees due and owing from a terminating Member must be paid up to the date of the membership termination, and there shall be no refund of any Exchange Program Dues or fees previously paid to Operating Company unless otherwise required by law. After the date of membership termination, a terminated Member shall not be entitled to enjoy the rights and benefits of the Exchange Program, and the Use Rights associated with such terminating Member's Qualifying Interest(s) shall not be available to such Member until the later to occur of (i) the date on which all obligations of Operating Company arising from the reservations and other transactions relating to such Use Rights have been discharged and (ii) the first day of the calendar year following the date of termination. No new reservations will be accepted from a terminated Member. With respect to any eligible person who was previously a Member and desires to once again become a Member, Operating Company reserves the right to require said Member to complete a new set of Membership Documents appropriate for the membership being sought and may require the payment of a new initial membership fee then being charged to new Members as determined by Operating Company from time to time.

A Member's participation in the Exchange Program is dependent upon the continued affiliation of the Affiliated Resort with the Exchange Program or as otherwise described in the Membership Documents. If an Affiliation Agreement for an Affiliated Resort terminates for any reason, the subject Affiliated Resort will no longer be a part of the Exchange Program, and Members at such Affiliated Resorts will no longer be eligible to deposit the Use Rights associated with the Member's Qualifying Interest for inclusion in the Exchange Pool with respect to their Qualifying Interest at such disaffiliated resort. Similarly, in the event that affiliation with an Affiliated Resort is suspended for any reason, the subject resort will be suspended from being a part of the Exchange Program, and Members owning Qualifying Interests at such resort will no longer be eligible to make an Exchange Request with respect to the Use Rights associated with the Member's Qualifying Interest until the reason for such suspension is corrected and the suspension has been discontinued by Operating Company. Accordingly, a Member's continued membership in the Exchange Program could be terminated or adversely affected by the action or inaction of the developer or managing entity of an Affiliated Resort or by other factors beyond the control of the Member. Where reasonable, any confirmed Exchange Requests for Members from or to a disaffiliated resort will be honored if made prior to the date the affiliation terminated.

Except for circumstances to be determined by Operating Company, membership in the Exchange Program is not transferable. A Member who no longer owns a Qualifying Interest at any Affiliated Resort can no longer be a Member. The new owner of the Qualifying Interest previously owned by a Member will not automatically become a Member, and would be required to execute independent Membership Documents to become a Member and must pay such initial membership fees as may be established by Operating Company from time to time.

4. EXCHANGE PROGRAM PROCEDURES AND OBLIGATIONS

The terms and conditions of membership in the Exchange Program are set forth in the Terms and Conditions and the Membership Documents. In order to remain a Member of the Exchange Program in good standing, a person must have paid all applicable Exchange Program Dues in full, as well as any Association Fees due with respect to the Member's Qualifying Interest. A complete and accurate description of the procedures to qualify for and effectuate exchanges as well as all terms, restrictions and conditions employed in the operation of the Exchange Program are set forth in the Terms and Conditions.

(i) Points System (Available to Owners of Points in a Trust):

For Members in the Points system, Operating Company shall utilize a currency-based Points exchange system to facilitate the operations and management of the Exchange Program as it pertains to Instant Xchanges or 5-Year Advantage exchanges and as otherwise may be applicable. Each of the Use Rights made available to the Exchange Program by Members under the Points System will be graded by Operating Company and assigned a number of Points to quantify the relative trading power of such Use Rights relinquished by the Member.

(ii) Weeks System (Available to Owners of Deeded Weeks):

For Members in the Weeks system, each of the Use Rights made available to the Exchange Program by Members will be graded and assigned a Tier Code by Operating Company to quantify the relative trading power of such Use Rights deposited by the Member in accordance with the Terms and Conditions.

The grading and Tier Code designation of the Use Rights by Operating Company will depend on numerous criteria as determined by Operating Company in its sole discretion, and may include such factors as: (i) the location, size, capacity, floor level, view, costs of construction and relative quality of the Accommodation or Accommodations to which such Use Rights relate; (ii) the amenities of the Affiliated Resort and the local area; (iii) the season of the year in which the Use Rights may be used; (iv) permissible commencement dates; and (v) such other factors as Operating Company may determine to be appropriate from time to time in its sole discretion.

All reservations are arranged on a first-come, first-served basis for available Use Periods in Accommodations or for some Other Redemption Opportunity, subject to the procedures and limitations set forth in the Terms and Conditions.

Further, Operating Company reserves the right, in its discretion, to make certain Affiliated Resorts or deposited Use Rights only available to certain classes of membership. Additionally, owners of certain classes of memberships may also be limited in their ability to reserve Other Redemption Opportunities. **There are no guarantees of fulfillment of specific Exchange Requests. The longer a Member waits to make an Exchange Request, the more likely it is that the opportunities to reserve a Use Period in the available Accommodations or the requested Other Redemption Opportunity will not meet the Member's desires.** Since the ability to make a reservation depends on availability of desired Use Periods in Accommodations or the requested Other Redemption Opportunity and the timely action by the Member, Operating Company cannot guarantee that a Member will always be able to make a reservation of his or her choice. However, Operating Company intends to be able to manage the inventory of the Exchange Pool in such a manner so as to maximize Member satisfaction as a whole.

Operating Company reserves the right to change, alter, modify, add to or delete from the information provided by the Disclosure Guide, the terms and conditions of Exchange Program Documents and the form of the Membership Documents from time to time. Operating Company also reserves the right to add and remove resorts and other facilities to and from the list of Affiliated Resorts. All such changes will be effective upon creation.

However, such changes will not be effective as to an existing Member until the membership has been informed of such changes by a website posting or similar communication by Operating Company, in its sole discretion. Any amended version of any Exchange Program Documents may be distributed to the Members by Operating Company by website posting, unless a Member makes a specific request in writing to have the Exchange Program Documents delivered in a paper form. In the event Operating Company elects to distribute changes to Exchange Program Documents to the Members using a website posting, Operating Company is not obligated to provide additional notice to the Members that such changes have been posted on the website. Operating Company will primarily inform membership of changes and amendments to exchange program documents as contemplated by this section by website posting; all members have the obligation to check the Exchange Program's website regularly for changes to any Exchange Program Documents.

5. EXCHANGE PROGRAM DUES AND FEES

Each Member may be required to pay Exchange Program Dues consisting of an Annual Membership Fee, a Standard Exchange Fee and Other Charges which shall be payable to Operating Company. Exchange Program Dues may be different for different classes of membership. Operating Company shall determine the Exchange Program Dues for each class of membership and may change the amount and payment requirements from time to time. Operating Company will inform each Member of the total amount of Exchange Program Dues which must be paid to remain in good standing and be entitled to participate in the Exchange Program and to make Exchange Requests in accordance with the procedure set forth in the Terms and Conditions. Exchange Program Dues shall be set forth in the Exchange Program Dues Schedule provided in Appendix 1 attached hereto.

The Standard Exchange Fee shall be payable by each Member on a per-exchange basis at the time an Exchange Request is made, to the extent determined by Operating Company and in accordance with the Terms and Conditions.

Operating Company may establish additional fees and may change the amount and terms of payment of all fees from time to time. Some such fees are established in the Terms and Conditions but Operating Company shall not be limited to implementing only such fees.

Participation in the Exchange Program may be subject to payment of an initial membership fee which fee shall be determined by Operating Company and may include any application fees and the Exchange Program Dues for the year in which the membership commences. Such fee may vary from Member to Member and may be changed from time to time for any new Members that are to be enrolled. In the event that the initial membership fee is to be paid over time, Operating Company may reserve some or all of the benefits of the Exchange Program until such time as the initial membership fee has been paid in full. Operating Company may charge an additional initial enrollment fee and application fee in the event any previous Member desires to once again become a Member.

6. AFFILIATED RESORTS

The Destination Xchange Resorts Directory will provide information regarding the Affiliated Resorts which qualify for participation in the Exchange Program. The most recent version of the Destination Xchange Resorts Directory will be available on the website maintained by Operating Company. Affiliated Resorts which qualify for participation in the exchange membership program are subject to change.

The number of units in each timeshare plan which are available for occupancy and qualify for participation in the Exchange Program are set forth below. See the full address for each resort in Section 2 Information About the Exchange Program above.

RESORTS WITH 1 TO 5 UNITS:

• Barefoot'n Resort, Kissimmee, Florida, U.S.*+
• Beso Del Sol Resort, Dunedin, Florida, U.S.
• Brigantine Beach Club, Brigantine, New Jersey, U.S.
• Crescent Resort on South Beach (a/k/a Crescent on South Beach, a Hilton Vacation Club), Miami, Florida, U.S.*+
• Dunes Village Resort, Myrtle Beach, South Carolina, U.S.*+
• Kohl's Ranch Lodge, Payson, Arizona, U.S.*+
• Ocean Beach Club (a/k/a Ocean Beach Club, a Hilton Vacation Club), Virginia Beach, Virginia, U.S.*+
• Parkway International Resort, Kissimmee, Florida, U.S.*+
• Polo Towers Villas (a/k/a Polo Tower, a Hilton Vacation Club), Las Vegas, Nevada, U.S.*+
• Royal Lahaina Resort, Lahaina, Maui, Hawaii
• Royal Tenerife Country Club, Golf del Sur, Tenerife, Spain*+
• Sunset Bay Club, Costa Adeje, Tenerife, Spain*+
• Sunset View Club, Golf del Sur, San Miguel de Abona, Tenerife, Spain*+
• Tahoe Beach and Ski Club, South Lake Tahoe, California, U.S.*+

• Tamarack & Mirror Lake Resort, Wisconsin Dells, Wisconsin, U.S.
• The Christie Lodge, Avon, Colorado, U.S.
• The Historic Craggs Lodge, Estes Park, Colorado, U.S.*+
• The Historic Powhatan Resort (a/k/a The Historic Powhatan, a Hilton Vacation Club), Williamsburg, Virginia, U.S.*+
• Trade Winds on the Bay, Rockland, Maine, U.S.

RESORTS WITH 6 TO 10 UNITS:

• Daytona Beach Regency (a/k/a Daytona Beach Regency, a Hilton Vacation Club), Daytona Beach, Florida, U.S.*+
• Royal Dunes, Hilton Head Island, South Carolina, U.S.
• The Kenmore Club, Perthshire, Scotland*+

RESORTS WITH 11 TO 20 UNITS:

• Flamingo Beach Villas (II), (a/k/a Flamingo Beach, a Hilton Vacation Club), St. Maarten, Netherlands Antilles*+
• Los Abrigados Resort & Spa (a/k/a Los Abrigados, a Hilton Vacation Club), Sedona, Arizona, U.S.*+
• Polynesian Isles Resort (I) (a/k/a Polynesian Isles, a Hilton Vacation Club), Florida, U.S.*+
• Sedona Springs Resort, Sedona, Arizona, U.S.*+
• The Cove on Ormond Beach - South Tower (a/k/a The Cove on Ormond Beach, a Hilton Vacation Club), Ormond Beach, Florida, U.S.*+
• The Ridge on Sedona Golf Resort (a/k/a Ridge on Sedona, a Hilton Vacation Club), Sedona, Arizona, U.S.*+
• Varsity Clubs of America - Tucson (a/k/a Varsity Club Tucson, a Hilton Vacation Club), Tucson, Arizona, U.S.*+

RESORTS WITH 21 TO 50 UNITS:

• Bent Creek Golf Village (a/k/a Bent Creek Golf Village, a Hilton Vacation Club), Gatlinburg, Tennessee, U.S.*+
• Bryan's Spanish Cove, Orlando, Florida, U.S.*+
• Charter Club Resort of Naples Bay (a/k/a Charter Club Naples Bay, a Hilton Vacation Club), Naples, Florida, U.S.*+
• Club Regency of Marco Island, Marco Island, Florida, U.S.+
• Desert Isle of Palm Springs, Palm Springs, California, U.S.*
• Plantation Beach Club at Indian River Plantation, Stuart, Florida, U.S.+
• Riviera Beach & Shores Resort (a/k/a Riviera Beach & Shores, a Hilton Vacation Club), Capistrano Beach, California, U.S.*+
• Royal Regency, Vincennes, Paris, France*+

RESORTS WITH 51 OR MORE UNITS:

• Alpine Club, Alpine Apartment Hotel, , Rohrmoos-Schladming, Austria*+
• Beachwoods Resorts (a/k/a Beachwoods, a Hilton Vacation Club), Kitty Hawk, North Carolina, U.S.*+
• Beach Quarters Resort, Virginia Beach, Virginia, U.S.*+

• Bell Rock Inn, Sedona, Arizona, U.S.*+
• Boardwalk Resort and Villas, Virginia Beach, Virginia, U.S.*+
• Cabo Azul Resort (a/k/a Cabo Azul, a Hilton Vacation Club), San Jose del Cabo, Mexico*+
• Club Cala Blanca, , Mogán, Canary Islands, Spain*+
• Club del Carmen, Puerto del Carmen, Lanzarote, Canary Islands, Spain*+
• Craigendarroch Lodges (a/k/a Craigendarroch Lodges, Managed by Hilton Grand Vacations), Ballater, Aberdeenshire Scotland+
• Cromer Country Club, Cromer, Norfolk, England*+
• Cypress Pointe Resort (I) (a/k/a Cypress Pointe, a Hilton Vacation Club), Orlando, Florida, U.S.*+
• Zihuatanejo (a/k/a Hilton Grand Vacations Club Zihuatanejo), Zihuatanejo, Guerrero, Mexico+
• Fairway Forest Resort, Sapphire, North Carolina, U.S.*+
• Flamingo Beach Resort (I) (a/k/a Flamingo Beach, a Hilton Vacation Club), St. Maarten, Netherlands Antilles*+
• Flamingo Beach Villas (II), (a/k/a Flamingo Beach, a Hilton Vacation Club), St. Maarten, Netherlands Antilles*+
• Grand Beach (I) (a/k/a Grand Beach, a Hilton Vacation Club), Orlando, Florida, U.S.*+
• Grand Beach (II) (a/k/a Grand Beach, a Hilton Vacation Club), Orlando, Florida, U.S.*+
• Grande Villas Resort (a/k/a Grande Villas, a Hilton Vacation Club), Orlando, Florida, U.S.*+
• Greensprings Vacation Resort (a/k/a Greensprings, a Hilton Vacation Club), Williamsburg, Virginia, U.S.*+
• Ka'anapali Beach Club (a/k/a Hilton Vacation Club Ka'anapali Beach), Lahaina, Maui, Hawaii*+
• Lake Tahoe Vacation Resort (a/k/a Hilton Vacation Club Lake Tahoe Resort), South Lake Tahoe, California, U.S.*+
• Liki Tiki Village, Orlando, Florida, U.S.*+
• Los Amigos Beach Club, Costa del Sol, Málaga, Spain*+
• Mystic Dunes Resort & Golf Club (a/k/a Mystic Dunes, a Hilton Vacations Club), Celebration, Florida, U.S.*+
• Oceanaire Resort (a/k/a Oceanaire, a Hilton Vacation Club), Virginia Beach, Virginia, U.S.
• Orbit One Vacation Villas, Kissimmee, Florida, U.S.*+
• Palm Canyon Resort (a/k/a Palm Canyon, a Hilton Vacation Club), Palm Springs, California, U.S.*+
• Pine Lake Resort, Carnforth, Lancashire, United Kingdom*+
• Polo Towers Suites (a/k/a Polo Tower, a Hilton Vacation Club), Las Vegas, Nevada, U.S.*+
• Polynesian Isles Resort (IV), Kissimmee, Florida, U.S.*+
• Riviera Oaks Resort & Racquet Club, Ramona, California, U.S.*+
• Royal Oasis Club at Pueblo Quinta, Benalmádena, Malaga, Spain*+
• Royal Palm Beach Resort (a/k/a Royal Palm, a Hilton Vacation Club), St. Maarten, Netherlands, Antilles*+
• Royal Sunset Beach Club, Costa Adeje, Tenerife, Spain*+

• Sahara Sunset Club, Benalmádena Costa del Sol, Málaga, Spain*+
• San Luis Bay Inn (a/k/a San Luis Bay Inn, a Hilton Vacation Club), Avila Beach, California, U.S.*+
• Santa Barbara Golf and Ocean Club, San Miguel de Abona, Tenerife, Spain*+
• Scottsdale Villa Mirage (a/k/a Scottsdale Villa Mirage, a Hilton Vacation Club), Scottsdale, Arizona, U.S.*+
• Sedona Summit (a/k/a Sedona Summit, a Hilton Vacation Club), Sedona, Arizona, U.S.*
• Sunset Harbour Club, Costa Adeje, Tenerife, Canary Islands, Spain*+
• Tahoe Seasons Resort (a/k/a Tahoe Seasons, a Hilton Vacation Club), South Lake Tahoe, California, U.S.*+
• The Cove on Ormond Beach - North Tower (a/k/a The Cove on Ormond Beach, a Hilton Vacation Club), Ormond Beach, Florida, U.S.*+
• The Modern Honolulu (a/k/a The Modern, a Hilton Vacation Club), Honolulu, Oahu, Hawaii*+
• The Point at Poipu (a/k/a The Point at Poipu, a Hilton Vacation Club), Koloa, Kauai, Hawaii*+
• The Suites at Fall Creek, Branson, Missouri, U.S.*+
• Thurnham Hall, Lancashire, England, United Kingdom*+
• Turtle Cay Resort, Virginia Beach, Virginia, U.S.*+
• Varsity Club South Bend (a/k/a Varsity Club South Bend, a Hilton Vacation Club), Mishawaka, Indiana, U.S.*+
• Vilar do Golf, Almancil, Algarve, Portugal*+
• Villas de Santa Fe (a/k/a Villas de Santa Fe, a Hilton Vacation Club), Santa Fe, New Mexico, U.S.*+
• White Sands Beach Club, , Menorca, Balearic Islands, Spain*+
• Woodford Bridge Country Club, Devon, United Kingdom*+

* These resorts are part of a multi-site timeshare plan which has over 1,000 members. The majority of members within the multi-site plan do not have use rights in a specific resort but rather have rights to use all of the resorts.

+ These resorts are developed and/or managed by HGVI.

Operating Company anticipates that the number of Members currently reported may increase or decrease, as the case may be, as additional memberships in the Exchange Program are sold, additional Accommodations become available, or those currently available become unavailable by virtue of discontinued affiliation or any other reason. Operating Company intends to manage the Exchange Pool utilizing systems and experience which will enable an efficient balancing of demand for available Accommodations. Reference should be made to the Terms and Conditions for the procedures for making Exchange Requests including the priorities, limitations and restrictions applicable to each Member. Operating Company has the prerogative to utilize unreserved Use Periods in Accommodations for any lawful purpose as provided in the Terms and Conditions. Revenues or other benefits resulting from such usage shall belong exclusively to Operating Company and shall in no way inure to the benefit of any Members.

7. ANNUAL REPORT

Before June 1st of each year (the “**Audit Date**”) an independent audit of the following Exchange Program information will be performed for the previous 12 months, and when completed, will be made available to the membership by a notice, newsletter or similar communication or website posting by Operating Company:

- The number of Members enrolled in the Exchange Program as of the Audit Date. Unless otherwise indicated in the audit, all Members have paid for their membership.

The number of Accommodations, facilities and timeshare plans in the Exchange Program as of the previous Audit Date. The audit will indicate whether the Affiliation Agreement was entered into by the developer or the association of the resort or whether the Accommodations, facilities and timeshare plans are affiliated by virtue of affiliation on a Member by Member basis.

- **THE NUMBER OF EXCHANGE REQUESTS MADE AND CONFIRMED BY THE EXCHANGE PROGRAM DURING THE 12 MONTHS PRIOR TO THE AUDIT DATE. SUCH PERCENTAGE DOES NOT INDICATE A MEMBER’S PROBABILITIES OF BEING CONFIRMED TO ANY SPECIFIC CHOICE OR RANGE OF CHOICES, SINCE AVAILABILITY AT INDIVIDUAL LOCATIONS MAY VARY.**
- The number of Use Periods for which the Exchange Program has an outstanding obligation to provide an exchange to a Member who has deposited his or her Use Rights to Exchange Program during the 12-month audit period in exchange for the right to reserve a Use Period in any future year.
- **The percentage of confirmed Exchange Requests, if reported, would only be the summary of the Exchange Requests properly applied for in the year reported, and such percentage should not be relied upon to indicate the probabilities of a Member being confirmed to any specific choice or range of choices.**

The most recent audit is attached hereto as Exhibit 3.

8. OTHER BENEFITS, SERVICES, AND OPPORTUNITIES

Operating Company may arrange additional exchange opportunities with one or more External Exchange Companies that would enable Members to make an Exchange Request with respect to resorts other than Affiliated Resorts. In certain situations, Operating Company has the right to require a Member to utilize a certain exchange method (Instant Xchange or 5-Year Advantage Xchange as applicable to Members in the Points system, or Deposit First or Request First as applicable to Members in the Weeks system) if Operating Company determines in its sole discretion that this is necessary for the efficient management of the Exchange Pool. An owner of a Qualifying Interest at an Affiliated Resort who does not become a Member of the Exchange Program is not prevented from enrolling in the exchange program of such External Exchange

Company pursuant to an affiliation arrangement that the Association, the resort developer or the Operating Company has concluded with such External Exchange Company.

Operating Company may, in its sole discretion, make Other Redemption Opportunities available from time to time in the Exchange Pool and obtain said Other Redemption Opportunities from Third Parties. Operating Company shall not be required to make any such Other Redemption Opportunities available, but may do so to further the efficient management of the Exchange Pool. Only the Exchange Program provided by Operating Company is regulated by the Florida Department of Business and Professional Regulation.

Such additional exchange privileges or Other Redemption Opportunities will be available to Members in accordance with the terms of the arrangements made by Operating Company. Fees associated with such additional privileges or benefits may be included in Exchange Program Dues charged to Members as determined by Operating Company. Other than the Exchange Program, Operating Company is not obligated to provide any additional exchange opportunities or provide any Other Redemption Opportunities.

Operating Company also reserves the right to offer Members varying benefits, services and opportunities with respect to each Tier Code, which benefits, services and opportunities may be modified, expanded or deleted at any time in Operating Company's sole and absolute discretion.

APPENDIX 1

EXCHANGE PROGRAM DUES SCHEDULE

DEX EXCHANGE PROGRAM FEE SCHEDULE
2025 Fees

		DEX fees for members who are also members of The Club without HGV Max benefits					DEX fees for members who are also members of ExtraOrdinary Escapes ("EE") without HGV Max benefits			DEX fees for members who are also members of The Club or EE with HGV Max benefits					
		DEX fees for members who own Deeded Weeks					EE			Member Preferred Preferred+ Premier Premier+ Centum+					
Membership Fees															
1 yr.	\$89	n/a					n/a			n/a					
2 yrs.	\$159														
3 yrs.	\$219														
5 yrs.	\$299														
Exchange Fee															
Phone	\$189	\$209	\$199	\$189	\$179	\$169	\$209	\$199	\$189	\$209	\$209	\$199	\$189	\$179	\$169
Online	\$179	\$199	\$189	\$179	\$169	\$159	\$199	\$189	\$179	\$199	\$199	\$189	\$179	\$169	\$159
Guest Certificate Fee	\$55 Phone \$45 Online	\$94 Phone \$89 Online					\$94 Phone \$89 Online			\$94 Phone \$89 Online					
DEX Protection Plan	\$89	\$189	\$179	\$169	\$159	\$149	\$189	\$179	\$169	\$189	\$189	\$179	\$169	\$159	\$149
Late Deposit Fee	\$155	\$309					\$309			\$309					
Cancellation Fee	\$200	n/a					n/a			n/a					
Tier Upgrade															
Cash	\$225	\$360	\$340	\$320	\$280	\$240	\$360	\$340	\$320	\$360	\$360	\$340	\$320	\$280	\$260
Points	n/a	3,000	2,750	2,500	2,250	2,000	3,000	2,750	2,500	3,000	2,950	2,750	2,500	2,250	2,000

All amounts above are set forth in U.S. Dollar.

EXHIBITS

EXHIBIT 1

DESTINATION XCHANGE POINTS PROGRAM TERMS AND CONDITIONS

DESTINATION XCHANGE
POINTS PROGRAM
TERMS AND CONDITIONS
June 1, 2025

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These Destination Xchange Points Program Terms and Conditions (the “**Terms and Conditions**”) have been adopted by DestinationXchange, LLC, a Delaware limited liability company (“**Operating Company**”), the company that established the Destination Xchange Points program (the “**Exchange Program**”). These Terms and Conditions govern the operation of the Exchange Program and provide for the rights, privileges, priorities, limitations and restrictions for use of the Exchange Program.

1. **DEFINITIONS.** As used herein, the following capitalized terms shall have the following meanings:

- 1.1 “**5-Year Advantage Xchange**” means a method of Exchange Request whereby Member deposits a Qualifying Interest prior to making a reservation request. May also be referred to as a “Deposit First Exchange”. Upon confirmation of a deposit, a Member receives a Tier Credit based upon the number of Points allocated to the deposited Qualifying Interest.
- 1.2 “**Accommodation**” means the physical space including but not limited to an apartment, condominium, home, townhome or cooperative unit, cabin, lodge or hotel or motel room, or any other private or commercial structure or facility, whether or not permanently affixed to real property, including a cabin on a cruise ship, yacht, or other similar vessel or a houseboat or a motor home, available for use or occupancy by one or more individuals and made available to the Exchange Program.
- 1.3 “**Affiliated Managed Resort**” means an Affiliated Resort that is managed by an affiliate of Operating Company.
- 1.4 “**Affiliated Resort**” means a timeshare plan, resort accommodation or other facility or program containing one or more Qualifying Interests which has become affiliated with the Exchange Program from time to time on a direct basis pursuant to an Affiliation Agreement or pursuant to any other agreement or arrangement approved by Operating Company designating such resort or other facility as an “Affiliated Resort.”
- 1.5 “**Affiliation Agreement**” means one or more written contracts between Operating Company and the developer or the managing entity, Association or other governing entity of a resort or other facility, single-site timeshare plan, a multi-location timeshare plan or travel, leisure or vacation-related products pursuant to which the same becomes an Affiliated Resort or an Other Redemption Opportunity and purchasers and owners of Qualifying Interests become eligible to join the Exchange Program.
- 1.6 “**Annual Membership Fee**” means that portion of the Exchange Program Dues consisting of the annual fee as described in Article 6 of these Terms and Conditions.
- 1.7 “**Association**” means an underlying condominium, townhome, master, timeshare or community property owners’ association or other entity which is the official governing entity of an Affiliated Resort.

- 1.8 **“Association Fee”** means any fee a Member is obligated to pay to the Member’s Association by virtue of such Member’s ownership of a Qualifying Interest, including without limitation, recreational, maintenance and reserve fees, special assessments and ad valorem taxes.
- 1.9 **“Co-Owner”** means an individual authorized, along with the Primary Member, to make Exchange Requests.
- 1.10 **“Corporate Member”** means a Member whose Annual Membership Fee may be paid by the Association, developer or manager of the relevant Affiliated Resort.
- 1.11 **“Declaration”** means the declaration of condominium, the declaration of covenants, conditions and restrictions, deed of trust or any similar instrument applicable to a specific Affiliated Resort or Other Redemption Opportunity by which the Qualifying Interests associated with such Affiliated Resort or Other Redemption Opportunity are encumbered or the residential or timeshare regime or other use or ownership regime is established and governed.
- 1.12 **“Exchange Pool”** means the aggregation of all of the Use Rights and Other Redemption Opportunities which Operating Company has accumulated, classified, has available, or has access to facilitate the completion of exchanges requested by Members and to facilitate the satisfaction of other obligations of Operating Company to Members.
- 1.13 **“Exchange Program”** means the Destination Xchange Points program which provides vacation, travel, exchange and other leisure benefits to its Members, and which is governed by these Terms and Conditions.
- 1.14 **“Exchange Program Documents”** means those agreements and other documents governing the use and operation of the Exchange Program, including, but not limited to, these Terms and Conditions, each Affiliation Agreement, the Membership Documents, and any other agreements or documents utilized from time to time to establish, operate or describe the Exchange Program or to make Accommodations or Other Redemption Opportunities available to the Members, as such agreements and documents may be entered into, promulgated or amended, from time to time in Operating Company’s sole discretion.
- 1.15 **“Exchange Program Dues”** means those fees which each Member is required to pay in order to remain in good standing pursuant to these Terms and Conditions and the Exchange Program Documents including the Annual Membership Fee, the Exchange Fee and the Other Charges.
- 1.16 **“Exchange Program Dues Schedule”** means the dues schedule which sets forth the dollar amounts of the Exchange Program Dues.
- 1.17 **“Exchange Program Membership Agreement”** means any document executed by Operating Company that bestows membership on the purchaser or owner of a Qualifying Interest.

- 1.18 **“Exchange Request”** means a 5-Year Advantage Xchange or Instant Xchange request made with Points to Operating Company that is made by or on behalf of a Member (by the Primary Member or a Co-Owner) for the use of Accommodations or Other Redemption Opportunities in exchange for relinquishing the Member’s Use Rights relating to his or her Qualified Interest to the Exchange Program. Except as otherwise provided herein in connection with a 5-Year Advantage Xchange exchange, the Member’s applicable Use Rights are not relinquished until an exchange is confirmed by Operating Company.
- 1.19 **“External Exchange Program”** means any Person providing external exchange services to the Members of the Exchange Program whether the arrangements are concluded by Operating Company or through private contact between the Member and such Person.
- 1.20 **“Guest Certificate”** means a certificate issued by Operating Company at the request of the Primary Member for use of an Accommodation or Other Redemption Opportunity for a guest not staying with the Primary Member or a Co-Member.
- 1.21 **“Home Resort”** means the Affiliated Resort in which a Member owns a Qualifying Interest or as defined in the relevant Affiliation Agreement.
- 1.22 **“Instant Xchange”** means a method of Exchange Request whereby Member requests and confirms a reservation while instantaneously depositing a Qualifying Interest.
- 1.23 **“Member”** means any Person (including a Corporate Member) who is entitled to the benefits of membership in the Exchange Program by reason of being the owner of a Qualifying Interest in an Affiliated Resort and having completed the relevant Exchange Program Membership Agreement or such other documentation as Operating Company requires and all other types or classifications of membership established by Operating Company from time to time in its discretion. Notwithstanding anything in the Exchange Program Documents to the contrary, any Person may alternatively become a Member through entering into an Exchange Program Membership Agreement (or similar documentation) directly with Operating Company, regardless of whether such Person has a Qualifying Interest at an Affiliated Resort.
- 1.24 **“Membership Documents”** means, as applicable, the Exchange Program Membership Agreement, the Affiliation Agreement, the Membership Guide, Destination Xchange Disclosure Guide, these Terms and Conditions, the Reservation Rules, and Statement of Key Operating Statistics, or such other agreements or documents which grant or govern specific membership rights.
- 1.25 **“Membership Guide”** means the guide describing how the Exchange Program is operated, as revised from time to time by Operating Company in its discretion.
- 1.26 **“Operating Company”** means DestinationXchange, LLC, a Delaware limited liability company, or one of its affiliates, their successors and assigns.

- 1.27 **“Other Charges”** means that portion of the Exchange Program Dues described in Article 6 of these Terms and Conditions which a Member may be required to pay other than the Annual Membership Fee and the Standard Exchange Fee.
- 1.28 **“Other Redemption Opportunity”** means anything made available for Members, other than Accommodations, in exchange for the Use Rights associated with a Member’s Qualifying Interest or, as applicable, in exchange for their Points. These may include, but are not limited to, travel, leisure or vacation related products or benefits.
- 1.29 **“Person”** means an individual, a corporation, a partnership, a trust, a limited liability company, a limited liability partnership or any other form of organization recognized by applicable law.
- 1.30 **“Points”** means the symbolic currency utilized by Operating Company to quantify the reservation, use and/or other rights of a Member based upon the Member’s Qualifying Interest.
- 1.31 **“Points System”** means the system or arrangement enabling the functioning of the Exchange Program through the medium of Points to quantify the trading power of a Member and the Points values of Accommodations and Other Redemption Opportunities which may be reserved or obtained by such Member in accordance with the Reservation Rules.
- 1.32 **“Primary Member”** means the individual who is authorized to exercise all rights of a particular membership. Members must designate a Primary Member by notifying Operating Company by written authorization signed by all individual Members associated with a membership or by an authorized representative of the business entity for membership’s held by a corporate entity. Operating Company may charge an administrative fee, as Operating Company may determine from time to time, to change a Primary Member designation.
- 1.33 **“Qualifying Interest”** means (a) an interest in an Affiliated Resort or in some other program or system entitling the owner to the use or occupancy of an Accommodation or to obtain an Other Redemption Opportunity, (b) “points” or any other medium symbolically representing the right to use or occupy an Accommodation or one of a group of Accommodations or to obtain an Other Redemption Opportunity, or (c) such interest as Operating Company may choose to accept in connection with bestowing membership on the owner or holder thereof from time to time in accordance with the provisions of these Terms and Conditions.
- 1.34 **“Reservation Rules”** means the rules describing the procedures regarding Member exchanges with respect to Qualifying Interests, as revised from time to time by Operating Company in its discretion.
- 1.35 **“Resort Manager”** means the managing entity contractually responsible for the operation of an Affiliated Resort.

- 1.36 “**Resorts Directory**” means any published or posted listing of Accommodations or Other Redemption Opportunities made available through the Exchange Program and, among other information, providing the number of Points required to reserve various Use Periods in such Accommodations or to obtain such Other Redemption Opportunities.
- 1.37 “**Standard Exchange Fee**” means that portion of the Exchange Program Dues described in Article 6 of these Terms and Conditions which a Member may be required to pay in addition to the Annual Membership Fee and the Other Charges.
- 1.38 “**Terms and Conditions**” means these Terms and Conditions, which set forth the terms, restrictions and conditions of the Exchange Program, as well as the obligations of Members, as the same may be amended from time to time by Operating Company in its discretion.
- 1.39 “**Third Party**” means any Person other than Operating Company who is not a Member, including without limitation those who make Other Redemption Opportunities available to the Members through the Exchange Pool.
- 1.40 “**Tier**” means the tier assigned by the Operating Company to the Accommodations in accordance with the Reservation Rules.
- 1.41 “**Tier Credit**” means a credit given to a Member in connection with a 5-Year Advantage Xchange exchange enabling the Member to reserve Accommodations in a specified Tier.
- 1.42 “**Tier Upgrade Fee**” means fees as established by the Operating Company, which may be changed from time to time, which a member may elect in order to pay to upgrade an exchange.
- 1.43 “**Use Period**” means the period of time during which a Member has the right to use and occupy an Accommodation.
- 1.44 “**Use Rights**” means those rights a Member or Operating Company has to use or occupy an Accommodation or to obtain an Other Redemption Opportunity, which rights are, in the case of each Member, attributable to his or her Qualifying Interest, in accordance with the Declaration of the respective Affiliated Resort or Other Redemption Opportunity, together with any associated rights, if applicable.
- 1.45 “**Use Year**” means a calendar year or other period established by Operating Company for each membership type during which a Member may deposit the Use Rights associated with the Member’s Qualifying Interest for inclusion in the Exchange Pool in accordance with these Terms and Conditions. The period established as the Use Year may vary for different membership types and may vary from the period set in a given Member’s Home Resort’s governing documents for the use or redemption of his or her Use Rights relating to his or her Qualifying Interest.

2. THE EXCHANGE PROGRAM OPERATIONS.

- 2.1 **Confirmation of the Establishment of the Exchange Program.** Operating Company hereby reaffirms its establishment of the Exchange Program for the purpose of providing owners of Qualifying Interests with the opportunity to obtain membership in the Exchange Program and vacation, Other Redemption Opportunities, travel, exchange and other leisure benefits. The Exchange Program is not a corporation, legal entity or association of any kind. Instead, the Exchange Program is the service name given to the variety of exchange, reservation and use services and related benefits offered from time to time by Operating Company, together with such additional services as Operating Company may arrange through additional agreements with other service providers.
- 2.2 **Commencement of Operations.** The Exchange Program is operated and managed by Operating Company pursuant to the terms and provisions of these Terms and Conditions and the other Exchange Program Documents. Operating Company is expressly authorized to take any and all action as it deems appropriate to operate the Exchange Program, including without limitation, the affiliation of Affiliated Resorts, entering into relationships with the providers of Other Redemption Opportunities, admission of Members and the implementation of all exchange management systems. Operating Company reserves the right to sell computer and any and all other services to the Affiliated Resorts, and other resorts and facilities and to operate reservation and other management systems as a separate commercial enterprise.

3. MEMBERSHIP.

- 3.1 **Membership Eligibility.** A purchaser becomes eligible to join the Exchange Program upon entering into a contract to purchase, or previously having purchased, a Qualifying Interest from an affiliate of Operating Company, or from any developer approved or permitted by Operating Company and meeting the other requirements of membership, including, but not limited to, the payment of all fees and dues, or as otherwise approved or permitted by Operating Company. Other owners of Qualifying Interests may, in the sole discretion of Operating Company, be deemed to be eligible for membership in the Exchange Program. Operating Company is not the developer or seller of any Qualifying Interests. The developer and the Association of an Affiliated Resort are also eligible to become Members as provided below in this Section with respect to such developer's or the Association's unsold inventory of Qualifying Interests. Other categories or classifications of membership may be created and utilized by Operating Company from time to time. However, and as applicable, no person or entity shall be eligible for membership unless such Member's Use Rights associated with the Member's Qualifying Interest are assigned or made available to the Exchange Program for inclusion in the Exchange Pool, pursuant to the terms of the relevant Affiliation Agreement or such other agreement by which a resort becomes affiliated with the Exchange Program. Unless a particular Affiliation Agreement provides otherwise, Operating Company may require any eligible person who wishes to join the Exchange

Program to complete the Membership Documents appropriate for the membership being sought and may require the payment of an initial membership fee, application fee and other fees as may be determined by Operating Company from time to time. The Members will have access through the reservation system operated pursuant to these Terms and Conditions to the Use Rights attributable to the Qualifying Interests deposited or otherwise made available to Operating Company. Each Member relinquishes the Use Rights associated with the Member's Qualifying Interest in a given Use Year once the Use Rights attributable in such Use Year have been deposited or made available to the Exchange Program.

The Membership Documents are separate from the Member's contract with the developer or seller regarding the purchase of the Qualifying Interest. The Exchange Program is also separate and distinct from the local system or means by which use and occupancy at an Affiliated Resort is allocated among owners pursuant to the applicable Declaration.

The developer of any participating Affiliated Resort, as well as the Association for any participating Affiliated Managed Resort, shall be granted a special status of membership, enabling the Use Rights attributable to blocks of developer or Association-owned Qualifying Interests to be made available to the Exchange Program for the benefit of Members, including from promotional Point allotments, and allowing some preemptory reservation selection privilege for Use Periods in exchange for such Use Rights. Such selection will be carefully monitored by Operating Company to reasonably ensure that the value of the Use Rights made available and the Use Periods selected in this manner are balanced in value and enhance the satisfaction level of the Members as a whole.

- 3.2 **Basis of Membership.** The terms under which any Member participates in the Exchange Program shall be established in the relevant Membership Documents. Except for Corporate Members or as otherwise set forth in the relevant Affiliation Agreement, no purchaser or owner of a Qualifying Interest in an Affiliated Resort shall become a Member of the Exchange Program automatically, merely by purchasing or owning such Qualifying Interest. The basis of participation in each specific instance shall be governed by the terms of the relevant Affiliation Agreement or such other agreement by which a resort becomes affiliated with the Exchange Program and any other associated Membership Documents. Membership requires the timely payment of Exchange Program Dues and is further governed by the terms and provisions of these Terms and Conditions, the Membership Documents and other Exchange Program Documents. Renewal of Membership shall be governed by the individual Membership Documents or the relevant Affiliation Agreement.
- 3.3 **Membership Status.** As applicable, Members may assign the Use Rights associated with their Qualifying Interest to the Exchange Program in connection with an Instant Xchange and receive an allocation of Points for use within the Exchange Program. Alternatively, Members may assign the Use Rights associated with their Qualifying Interest to the Exchange Program in connection with a 5-Year

Advantage Xchange and receive a Tier Credit for use with the Exchange Program. Upon either such assignment, said Use Rights shall be deemed irrevocably committed to the Exchange Program for all of that calendar year or other period.

The rights of membership for a Member shall be available only so long as (i) the Exchange Program exists, (ii) the Member satisfies all membership requirements and is in good standing, both in the Exchange Program and at his or her Affiliated Resort, and (iii) the Member owns at least one Qualifying Interest at an Affiliated Resort. Therefore, in the event that affiliation with an Affiliated Resort is terminated for any reason, the Members whose memberships are based upon Qualifying Interests at such Affiliated Resort will no longer be able to continue membership in the Exchange Program, unless such a Member also has another Qualifying Interest in a different Affiliated Resort.

Membership in the Exchange Program shall not be deemed to be included in the ownership of any Qualifying Interest owned. Membership shall not be an interest in real property and shall not constitute any proprietary, voting or other right in or to the Exchange Program other than the membership rights set forth in these Terms and Conditions. No Member shall have any right to any of the assets of the Exchange Program or Operating Company either while a Member or upon termination. No refunds of initial membership fees, or any other Exchange Program Dues or fees shall be paid to a terminating Member unless otherwise required by law. A Member's membership may automatically renew periodically during the term of the Exchange Program, in accordance with Section 3.2.

All taxes of any nature levied, charged or due with regard to membership, the payment of Exchange Program Dues and other fees, the allocation of Points, and the use of such Points to complete the exchange shall be the liability of the respective Member.

3.4 **Member Acts.** No Member shall have the authority to contract for or in the name of the Exchange Program, Operating Company or any other Member or to bind in any way the Exchange Program, Operating Company, or any other Member.

3.5 **Non-Transferability of Membership.** Unless the relevant Membership Documents provide otherwise, membership in the Exchange Program shall be personal to the Member and may not be voluntarily or involuntarily assigned or conveyed regardless of whether the purported assignment or conveyance is to the successor in interest to such Member's Qualifying Interest. A Member who no longer owns any Qualifying Interest at any Affiliated Resort will no longer be a Member. Any existing reservations will be cancelled. Operating Company shall not recognize any assignee or transferee with respect to any membership rights which would have been recognized with respect to the assignor/transferor Member. The new owner of a Qualifying Interest previously subject to these Terms and Conditions will not automatically become a Member, but must apply for membership as a new Member. Accordingly, said new owner must be approved by Operating Company and must satisfy any other eligibility requirements, as

established by Operating Company from time to time, which may include a requirement to execute independent Membership Documents and pay the then current initial membership fees, application fees and other fees as may be established by Operating Company. Policy exceptions to this non-transferability rule may be established on a case-by-case basis by Operating Company, who may charge an administrative fee with respect to each instance that an exception is implemented.

- 3.6 **Membership Name.** For each membership, there shall be only one Primary Member who shall be an individual and who shall have the right to exercise all membership rights except as provided in this Section. Operating Company, in its sole discretion, may permit the purchasers of more than one Qualifying Interest to aggregate those Qualifying Interests into one membership. An individual may be the Primary Member with respect to more than one Qualifying Interest. The Primary Member for each membership shall be identified in the respective Membership Documents.

If ownership of a Qualifying Interest is held by multiple individuals, or in other legal forms, such as a corporation, partnership, limited liability company, or trust, then such owners must identify one individual as the Primary Member to exercise the membership rights with respect to such Qualifying Interest. The Primary Member shall be initially identified in the Membership Documents but may be changed subsequently by separate written documents. The Primary Member may identify in the Membership Documents or later by separate written documents the names of not more than three additional Co-Owners from whom Operating Company may take direction in connection with making reservations and exercising other membership rights. Operating Company may charge an administrative fee for each time it is requested to establish or change such designations after the execution of the Membership Documents. In the event of a dispute or contradictory directions from one or more Co-Owners, the directions of the Primary Member shall be final.

- 3.7 **No Resale, Lease or Rental Assistance.** Operating Company has no obligation to assist a Member with the resale, lease or rental of his or her Qualifying Interest.
- 3.8 **Personal Use.** Joining the Exchange Program should not be done for investment purposes, financial gain or for commercial use, but for the sole purpose of personal use and enjoyment. Using the Exchange Program to support any commercial rental activities is prohibited.
- 3.9 **Suspension of Membership.** In the event of the following occurrences, Operating Company may suspend all membership rights of a Member until the reason for suspension has been removed or said membership is terminated:

(a) Upon a breach of any provision of these Terms and Conditions by a Member, including, but not limited to, failure to pay in a timely manner any and all Exchange Program Dues and any other fees which may be charged by Operating

Company from time to time in accordance with the provisions of these Terms and Conditions or a breach of the restrictions on Member Rentals in accordance with the Reservation Rules; or

(b) Upon the failure of a Member to pay his or her Association Fees in a timely fashion; or

(c) Upon the failure of a Member to make timely payments relating to any mortgage, security agreement or purchase contract obligation pertaining to the Qualifying Interest of such Member which forms the basis for his or her membership in the Exchange Program; or

(d) Upon the determination by Operating Company that the Member's conduct constitutes conduct unbecoming of a Member of the Exchange Program. The decision of Operating Company shall be final. Examples of unbecoming conduct may include, but shall not be limited to, criminal behavior or threats and verbal abuse. A suspension under this Section 3.9(d) shall normally be for a minimum of one year. Certain serious acts may also result in termination of membership with no option to reinstate. Operating Company may also recommend to the Affiliated Resort in which the suspended Member owns a Qualifying Interest that it take appropriate disciplinary action against the suspended Member; or

(e) Upon the occurrence of an event of a loss or casualty or upon the taking by eminent domain, making Accommodations in the Affiliated Resort to which a Member's Qualifying Interest relates unavailable. The suspension shall remain in effect while the decision to rebuild is being made by the Resort Manager or other appropriate entity and while reconstruction or repair is in progress. Under such circumstances, when the unavailable Accommodations again become available for occupancy, the membership privileges of those Members whose privileges had been temporarily suspended will be reinstated without reinstatement fees or new initial membership fees.

Operating Company also reserves the right to suspend the membership rights of a Member for such other reasons as Operating Company, in its sole discretion, determines to be in the best interests of the Exchange Program.

Except where required by law, Operating Company is under no obligation to give any notice to the Member whose membership rights have been suspended of the occurrence of the event causing such suspension or that his or her membership rights have been suspended.

During a suspension of membership rights, such Member may not make any Exchange Requests, and Operating Company may cancel any confirmed exchanges previously made by such Member for any Use Year during which the suspension applies. A Member subject to suspension may be reinstated by Operating Company upon the full correction of the defects or unbecoming conduct causing suspension, including but not limited to, the payment of all accrued interest and late fees to

Operating Company, as well as to the Association, and any reinstatement fee charged by Operating Company. During a suspension of membership rights and as applicable, a Member will not be allocated Points arising from the particular Qualifying Interest(s) giving rise to the suspension during any Use Year that the suspension is in effect. During such suspension, however, any Use Rights deposited or made available to the Exchange Program with respect to the Qualifying Interest(s) giving rise to the suspension shall remain in the Exchange Pool. The Operating Company may also cancel any confirmed reservations for a Use Period utilizing Points previously allocated to such Member in respect of that or those Qualifying Interest(s) subject to such suspension for the Use Year in which the suspension arose.

When suspension has occurred due to failure of such Member to pay Exchange Program Dues or other fees or amounts due Operating Company, partial payment of the full amount due will not cause reinstatement. However, the funds received from a Member in partial payment shall be allocated by Operating Company as it may determine, and in the absence of such determination, as follows: first to satisfy any outstanding Standard Exchange Fee, then the unpaid Annual Membership Fee, then unpaid Other Charges, then interest due, then any late fees due, and lastly a reinstatement fee.

The suspension of membership rights will be followed by reinstatement or by termination in accordance with Section 3.10.

3.10 **Termination of Membership in The Exchange Program.** In the event of one or more of the following occurrences, the applicable Member's membership in the Exchange Program shall automatically terminate, effective as of the applicable date indicated below:

(a) Upon the date of the voluntary or involuntary assignment or conveyance of ownership of such Member's Qualifying Interest whether by action of the owner or by operation of law or through foreclosure or other enforcement of lien rights or security interests, unless such transaction was subject to exceptions adopted by Operating Company in its sole discretion;

(b) Upon the date of termination of the Affiliation Agreement with respect to the Affiliated Resort in which such Member had his or her Qualifying Interest;

(c) Upon the date of the decision by the Resort Manager of an Affiliated Resort to eliminate or terminate such Member's Qualifying Interest as the result of a fire or other casualty or taking by eminent domain which results in the elimination of one or more Accommodations from such Affiliated Resort, all in accordance with the applicable Declaration;

(d) Upon the date of termination of a Qualifying Interest, if such Qualifying Interest was the only basis for such Member's membership in the Exchange Program;

(e) Upon the date of termination of the Exchange Program;

(f) Upon the expiration of thirty (30) days (or such longer period of time determined by Operating Company) following the date written notification (which notification may be included in a notice of termination of the underlying Qualifying Interest) of suspension of membership rights has been provided to a Member where such Member has failed to cure or make acceptable arrangements to cure the reasons for such suspension; or

(g) Upon the date of voluntary withdrawal of a Member or the Member's personal representative from the Exchange Program.

All Exchange Program Dues, including any prepaid Exchange Program Dues for future years, and any other fees due and owing by a terminating Member must be paid to the date of the membership termination, and there shall be no refund of any fees previously paid to Operating Company unless otherwise required by law. After the date of membership termination, such terminated Member shall not be entitled to enjoy the rights and benefits of the Exchange Program and the Use Rights associated with such terminating Member's Qualifying Interests that have been deposited in the Exchange Pool shall not be available to such Member. With respect to any eligible person who was previously a Member and desires to once again become a Member, Operating Company reserves the right to require said Member to complete a new set of Membership Documents appropriate for the membership being sought and may require the payment of an additional initial membership fee as determined by Operating Company from time to time. Notwithstanding the anything contained in this Section 3.10 to the contrary, where reasonable, as determined in Operating Company's sole discretion, any confirmed Exchange Requests for Members that had their membership in the Exchange Program terminated pursuant to Sections 3.10(b) will be honored if confirmed prior to the date the Membership is terminated.

4. **RESERVATION RULES.**

(a) All Members of the Exchange Program shall be bound by the terms of these Reservation Rules upon becoming a Member. One or more of these Reservation Rules may not apply to certain classes of Members, as more particularly described in the Membership Documents or other documents pertaining to that class of Members. Operating Company may waive or suspend any of these Reservation Rules on a case by case basis in the actual operation and management of the Exchange Program to the extent determined reasonable by Operating Company.

(b) These Reservation Rules may be modified or deleted and additional rules may be added by Operating Company from time to time which Operating Company, in its sole discretion, determines will be for the principal purpose of improving upon the quality and operation of the Exchange Program and furthering the collective enjoyment of the use of Accommodations and Other Redemption Opportunities by present and future Members as a whole. While all such alterations and additions shall be effective immediately upon creation, such changes will not, however, be effective as to an existing Member until the membership has been informed of such changes. Any amended version of any Exchange Program Documents may be distributed to the Members by Operating Company by website posting, unless a Member makes a specific request in writing to have the Exchange Program Documents delivered in a paper form. In the event Operating Company elects to distribute changes to Exchange Program Documents to the Members using a website posting, Operating Company is not obligated to provide additional notice to the Members that such changes have been posted on the website. All Members have the obligation to check the Exchange Program's website regularly for changes to any Exchange Program Documents.

4.2 **Points.**

(a) Operating Company shall utilize a Points-based exchange system to facilitate the operations and management of the Exchange Program as it pertains to Instant Xchanges or 5-Year Advantage Xchanges and as otherwise may be applicable. Each of the Use Rights made available to the Exchange Program by Members under the Points System will be graded by Operating Company to quantify the relative trading power of such Use Rights relinquished by the Member. The grading of the Use Rights by Operating Company will depend on numerous criteria as determined by Operating Company in its sole discretion, and may include such factors as the location, size, capacity, floor level, view, costs of construction and relative quality of the Accommodation or Accommodations to which such Use Rights relate; the amenities of the Affiliated Resort and the local area; the season of the year in which the Use Rights may be used; permissible commencement dates; and such other factors as Operating Company may determine to be appropriate from time to time in its sole discretion.

(b) The Use Periods in Accommodations available to Members for reservation from the Exchange Pool and the Other Redemption Opportunities available through the Exchange Program shall also be graded by Operating Company to quantify the relative Points values and Tier of each Use Period and each Other Redemption Opportunity. In addition to the criteria listed above for grading Use Rights, the grading of the Use Periods in Accommodations may also include the demand factors which Operating Company must evaluate when managing the inventory of the Exchange Pool. In grading Other Redemption Opportunities, Operating Company shall, in its sole discretion, assign the number of Points required to reserve each such Other Redemption Opportunity taking into

account the economics and circumstances of providing such Other Redemption Opportunity to the Members and such other factors as Operating Company may from time to time deem appropriate. In order to balance demand for Accommodations and Other Redemption Opportunities available through the Points System, the Points or Tier Credit required to reserve a particular Accommodation or Other Redemption Opportunity may be temporarily discounted or increased.

(c) Operating Company expects to conduct the assessment and grading of Accommodations and Other Redemption Opportunities such that under normal circumstances the grading, as expressed in terms of Points or Tier Credits and published to Members, should not need to be revised, subject to the permitted temporary discounting of particular Accommodation(s) and/or Other Redemption Opportunities for the effective management of the Exchange Pool. From time to time, however, Operating Company may, having examined the best available evidence and having exercised its reasonable business judgment in good faith, consider that permanent adjustments to the grading of an Affiliated Resort, of a particular Accommodation, of a specific Use Period or Periods or of a particular Other Redemption Opportunity, need to be made in order to preserve the general integrity of the system. For example, Operating Company may need to balance supply and demand by increasing the Point values or Tier Credits for Use Periods in times and/or areas of consistently higher than anticipated demand, or by decreasing the Point values or Tier Credits for Use Periods in times of and/or areas of consistently lower than anticipated demand. Further, Operating Company may also be permitted to increase the relative Points value or Tier Credits for Accommodations and Other Redemption Opportunities to reflect upgrading, increased quality and new construction. Where such permanent adjustments to Point values or Tier Credits are made, Operating Company shall not be obligated to offset an overall increase in grading by a corresponding decrease elsewhere within the system, and vice versa.

(d) Where a non-temporary re-grading for a Use Period or Periods at an Affiliated Resort occurs, the Points periodically allocated to such Use Period or Use Periods at the Affiliated Resort shall be increased or decreased to reflect the re-grading of the Use Rights. The revised Points allocation shall apply for the first complete Use Year following the re-grading. Operating Company shall notify all Members affected by any such changes by such means as Operating Company considers expedient following its decision to re-grade the relevant Use Period or Periods, including by website posting, notice, newsletter or other similar communication.

(e) Operating Company shall be entitled, but not obligated to, allot Points through various programs (including but not limited to a bulk deposit or block exchange), in exchange for inventory Use Periods, on a basis qualifying the Point use for reservation accommodation purposes only and/or any other restriction deemed necessary for the purpose of effectively managing the inventory in the Exchange Pool.

4.3 **Exchange Request Method.** Operating Company has implemented the following exchange methods for Member's utilization of the exchange privilege granted as part of the Exchange Program.

4.3.1 5-Year Advantage Xchange. In connection with the 5-Year Advantage Xchange method, Members will have the right to deposit, either electronically or otherwise as determined by Operating Company, a Qualifying Interest in the Exchange Pool prior to submitting an Exchange Request. Upon confirmation of such deposit, Member relinquishes Member's Use Right for the Accommodations associated with their Qualifying Interest at their Home Resort and Member will receive a Tier Credit based upon the number of Points allocated to the Qualifying Interest. The number of Points required per Tier Credit are available in the Program Documents posted on the website or by contacting the Operating Company.

Members may request exchanges using a Tier Credit up to 24 months in advance of the check-in date for the requested Use Period in Accommodations in the associated Tier (or a lower tier). Except as these Reservation Rules or the terms and conditions governing Other Redemption Opportunities may otherwise specifically provide, the use and occupancy of Accommodations or the obtaining of an Other Redemption Opportunity that a Member reserves in exchange for the Member's deposited Points must occur within five (5) calendar years of the deposit. Members can make one exchange request with each deposit. Excess Points/Tier Credits, if any, not needed to make such exchange will be forfeited. Members may request exchanges in a higher Tier than the deposited Tier Credit. A Tier Upgrade Fee will be payable for each Tier upgraded. Members can make multiple deposits. However, the Tier Credits associated with the separate deposits cannot be combined in one exchange request (though concurrent or back to back exchange requests are allowed).

4.3.2 Instant Xchanges. With the Instant Xchange method, Members will have the right to search, either electronically or otherwise as determined by Operating Company, all Accommodations and Other Redemption Opportunities available for exchange in the Exchange Pool prior to submitting a Qualifying Interest to the Exchange Pool, and will not be required to give up the Member's Use Right for the Accommodations associated with their Qualifying Interest at their Home Resort until an Exchange Request has been subsequently confirmed. Upon confirmation, however, all of Member's Use Rights submitted with the Exchange Request shall be automatically relinquished and immediately assigned to the Exchange Program for deposit in the Exchange Pool as directed by the Operating Company. When a Member submits an Exchange Request, the Member will be required to pay a Standard Exchange Fee in accordance with Article 6 of the Terms and Conditions. When Members are using the Instant Xchange method, Points are being used to instantaneously create a Tier Credit while confirming an exchange reservation up to 24 months in advance of the check-in date for the requested Use Period. Using the Instant Xchanges method, Members may borrow from the following years' Points allocation.

4.3.3 When Exchange Requests are confirmed in connection with Instant Xchanges and Use Rights are deposited in connection with 5-Year Advantage Xchanges, all rights to use the Use Rights relating to the Qualifying Interest deposited are immediately assigned to the Exchange Program. Deposits of Use Rights are final and cannot be rescinded.

4.3.4 Operating Company reserves the right, at any time and in any circumstance, to amend the Exchange Request methods if Operating Company determines in its sole discretion that this is necessary for the efficient management of the Exchange Pool.

4.4 **Reservations Procedures and Priorities.**

(a) For each Use Year, a Member can submit an Exchange Request(s) with respect to the number of Points allocated to the Member's Qualifying Interest for that Use Year for one or more Use Periods in Accommodations or to obtain one or more Other Redemption Opportunities available in the Exchange Pool. No Member can make an Exchange Request, utilize a confirmed Accommodation or obtain an Other Redemption Opportunity, unless the applicable Exchange Program Dues for the Use Year have been paid by Member or on their behalf, all applicable Association Fees with respect to his or her Qualifying Interest at the Home Resort have been paid and the Member is otherwise in good standing with the Exchange Program, Operating Company, any lender with a security interest in the Member's Qualifying Interest and the Association.

(b) All reservations based on an Exchange Request are confirmed on a first-come, first-served basis for available Use Periods in Accommodations, subject to the exchange reservation request timelines and other procedures outlined in these Reservation Rules or other privilege given to certain classes of membership. Confirmation of Exchange Requests for specific Use Periods or Accommodations will be subject to availability. The longer a Member waits to submit an Exchange Request, the more likely it is that the opportunities to reserve a Use Period in the available Accommodations will not meet the Member's desires.

(c) As there may be limited availability or quantities of the various Other Redemption Opportunities, all Exchange Requests for Other Redemption Opportunities will likewise be confirmed on a first come, first served basis, subject to all rules and conditions applicable to each Other Redemption Opportunity as set forth in the Resorts Directory or any other materials which Operating Company distributes relating to such Other Redemption Opportunity. As with Use Periods and Accommodations, confirmation of Exchange Requests for specific Other Redemption Opportunities will be subject to availability.

(d) A Member may submit an Exchange Request relating to any desired Use Period at and any Affiliated Resort, regardless of the resort or season so long as the Member has sufficient Points/Tier Credits to reserve the same.

(e) Exchange Requests for a Use Period in an Accommodation or an Other Redemption Opportunity will be taken on a first-come, first-served basis. Operating Company's ability to confirm an Exchange Request is dependent upon the availability of the desired Use Periods and Accommodations or the requested Other Redemption Opportunities. There is no guarantee that any particular Member will be able to confirm an Exchange Request for an Accommodation or Other Redemption Opportunity that is desirable to the Member. Operating Company has entered into certain agreements with External Exchange Programs to allow Members access to additional Use Periods in Accommodations or Other Redemption Opportunities. Under the agreements with the External Exchange Programs, certain non-Members shall also have the right to reserve Use Periods in Accommodations or Other Redemption Opportunities. All Exchange Requests are subject to the exchange reservation request timelines and other procedures outlined within these Reservation Rules. Operating Company reserves the right, in its discretion, to make certain Affiliated Resorts only available to certain classes of membership.

(f) All Exchange Requests for reservations must be made by telephone or online, or such other methods, as may be advised by Operating Company from time to time, to the reservation department ("**Exchange Program Reservations**"). Operating Company will, in materials to be made available from time to time, notify Members of website addresses and other access information for Exchange Program Reservations appropriate to their place of domicile.

(g) Exchange Program Reservations shall have complete discretion to refuse to confirm any specific Exchange Request if Exchange Program Reservations determines that confirming such Exchange Request would be contrary to the intent of these Reservation Rules, or to the best interests of the Members generally.

(h) Operating Company may make available Use Periods of durations less than seven days at certain Affiliated Resorts to the extent such action is consistent with the efficient management of the Exchange Pool and acceptable to the respective Association. Any Member reserving a Use Period of less than seven days may be charged additional cleaning fees.

(i) Except as otherwise set forth here, a Member who has Use Rights attributable to more than one Qualifying Interest may aggregate the Points allocated to such Use Rights for the purpose of submitting an Exchange Request for Use Periods in Accommodations or for Other Redemption Opportunities. Operating Company may charge a Standard Exchange Fee, a cancellation fee, a guest certificate fee and other fees with respect to each reservation made by a Member.

(j) To effectively manage the inventory in the Exchange Pool, Operating Company shall be entitled, but not obligated, to:

4.4.10.1 Discount the Points/Tier Credits normally required for some or all resort offerings for late availability space and Other Redemption Opportunities as Operating Company deems expedient or prudent; or offer varying the Points/Tier Credits of certain Accommodations or Affiliated Resorts if Operating Company considers that inventory utilization may be increased or Operating Company considers that such action is necessary or beneficial to the overall management of the Exchange Pool, and

4.4.10.2 Reserve available Use Periods in Accommodations during the final 45 days preceding the first day (or last day, as determined by Operating Company) of the Use Period and obtain Other Redemption Opportunities. Where Operating Company determines, in its reasonable judgment, that the Members will not or may not be making use of these Use Periods and that there will be adequate accommodations for the Members for said Use Year, Operating Company may reserve them for its own purposes, including but not limited to, inspection of the respective Affiliated Resort, promotional use, rental or any other purpose which Operating Company determines. Operating Company shall incur no cost for the occupancy and use of the Accommodations used under this rule.

4.4.10.3 When Member inventory is unavailable for any reason following the confirmation of an Exchange Request, Operating Company, in its sole discretion, may make available alternative accommodations, although Operating Company shall have no obligation to do so. If Member inventory is unavailable for any reason following the confirmation of an Exchange Request and alternative accommodations are not available, Operating Company shall refund the Member's Standard Exchange Fee and any other fees paid specifically in connection with such reservation and such Member shall be entitled to submit an additional Exchange Request.

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

(a) Reservations cancelled within 24 hours of confirmation will receive a full refund of Points/Tier Credit and all Exchange Fees paid. Unless covered by a reservation protection plan purchased by Member, cancellation of a confirmed reservation will result in the loss of the Points used to make such reservations.

The foregoing notwithstanding, Operating Company may revise this Section to add or delete additional cancellation deadlines. If a Member is eligible to submit a subsequent Exchange Request after having canceled a reservation from a confirmed Exchange Request, there is no guarantee that any alternative reservation requested will be available to the Member.

(b) A Member who intends to check in at the Affiliated Resort after the arrival day designated on the confirmed reservation must contact the check-in desk at the Affiliated Resort prior to the commencement of that Use Period to state that such Member will be arriving subsequent to such designated arrival day or risk forfeiting the reservation. A Member who intends to obtain an Other Redemption Opportunity on a day other than that designated in the confirmed reservation therefor must contact the provider thereof (as indicated on the confirmed reservation) prior to the Member's new date for obtaining said Other Redemption Opportunity or the designated date, whichever is earlier, or risk forfeiture of the reservation. The Members recognize that in the case of Other Redemption Opportunities, they may not be able to change the date for obtaining their reserved Other Redemption Opportunity.

(c) Members who fail to check in during the Use Period for which they have been issued a confirmed reservation or who fail to take up the confirmed Other Redemption Opportunity (or who arrive late and do not comply with Section 2.5.4) will forfeit their ability to make an additional Exchange Request for that Use Year with respect to the Use Rights deposited for the confirmed reservation, as the case may be, and may be subject to a no-show fee.

(d) Operating Company shall be entitled to cancel reservations in respect of any Other Redemption Opportunity for any reason whatsoever, or in respect of Accommodations in any Affiliated Resort that ceases to be an Affiliated Resort or becomes unsuitable for Member use, for any reason whatsoever. In such an event, Operating Company will give as much prior notice as possible to Members affected and will use its reasonable efforts to offer suitable alternative reservations. If any such cancellation by Operating Company shall be made during the same Use Year as such cancelled Accommodation or Other Redemption Opportunity was to be used, the affected Member shall have, the ability to submit an additional Exchange Request for a Use Period in Accommodation or for an Other Redemption Opportunity utilizing the Points/Tier Credits attributable to such cancelled reservation during the same or the following Use Year. Provided, however, if Operating Company has confirmed a reservation to a Member for a Use Period in Accommodations or for an Other Redemption Opportunity that are made uninhabitable or unavailable by casualty, governmental taking, natural disaster, or act of God, or other reason beyond its control, Operating Company shall have no obligation to provide that Member with an alternative reservation for that Use Year and that Member waives any and all claims against the Exchange Program and Operating Company. However, Operating Company shall use reasonable efforts to confirm an alternate reservation during the same or the following Use Year. The Accommodations or Other Redemption Opportunities which may be available under such circumstances may be limited or restricted.

5. **ACCOMMODATIONS AND OTHER REDEMPTION OPPORTUNITIES.**

5.1 **General.** Operating Company has established a network of Affiliated Resorts which are affiliated with the Exchange Program through Affiliation Agreements or

such other agreements by which a resort becomes affiliated with the Exchange Program. Such Affiliated Resorts have been developed or managed by companies affiliated with Operating Company, or reviewed by Operating Company prior to affiliation with the Exchange Program, to assure standards of high quality and efficient management. Operating Company may affiliate other resorts or other properties as Affiliated Resorts if such resorts or properties demonstrate sufficiently high quality and efficient management. Operating Company is not obligated to affiliate any particular number of Affiliated Resorts.

- 5.2 **Additional Memberships and Classes of Membership.** There is no cap on the number of Members who can join the Exchange Program and Operating Company does not undertake to maintain any particular number of Members from time to time. The Exchange Program will be managed in such a manner as to encourage additional memberships, which in turn will increase the Use Periods in Accommodations available in the Exchange Pool. The addition of more Members will increase the Use Periods in Accommodations available, but will also increase the number of persons attempting to utilize Accommodations. Operating Company may also establish additional types of memberships, including but not limited to tiering based on number of Qualifying Interests owned and other loyalty-based Member characteristics and limited memberships which only allow use of certain Affiliated Resorts. Operating Company reserves the right, in its discretion, to make certain Affiliated Resorts only available to certain classes of membership.
- 5.3 **Other Redemption Opportunities.** Operating Company may, in its sole discretion, from time to time make Other Redemption Opportunities available from time to time in the Exchange Pool and obtain said Other Redemption Opportunities from Third Parties. Operating Company shall not be required to make any such Other Redemption Opportunities available or continue to do so, but may do so to further the efficient management of the Exchange Pool. The cost of providing such Other Redemption Opportunities may be included in the Exchange Program Dues or as an additional reservation charge, as Operating Company may determine in its sole discretion.
- 5.4 **Withdrawal of Accommodations.** Operating Company may withdraw one or more Accommodations at an Affiliated Resort, or suspend or terminate the Affiliation Agreement with an Affiliated Resort under any one of the following conditions:
- (a) Failure of management of an Affiliated Resort to maintain sufficiently high standards of quality in the maintenance and operation, resulting in a consistent pattern of dissatisfaction of Members.
 - (b) Destruction or condemnation of part or all of an Affiliated Resort, thus rendering such Affiliated Resort unsuitable for use by Members.
 - (c) Termination of the Declaration or expiration of the leasehold or “right to use” interest relating to some or all of the Accommodations or amenities

at an Affiliated Resort, thus rendering such Affiliated Resort unsuitable for use by Members.

(d) Any other circumstances which might cause an Affiliated Resort or its Accommodations to become unavailable or unsuitable for Member use, such as the termination of an affiliation, bank deposit or block exchange agreement or any other factors which may be out of the Member's control as Operating Company deems appropriate in its sole discretion.

(e) In the event that Exchange Program is terminated, such event will result in the withdrawal of all Accommodations.

In the event of occurrence of any of the circumstances which results in the withdrawal of Accommodations, excluding termination of the Exchange Program, Operating Company shall use commercially reasonable efforts to make available alternative Use Periods for Members whose reservations must be canceled, but Operating Company is under no obligation whatsoever to satisfy any specific request, nor to reimburse Members for expenses or inconvenience incurred in changing their vacation plans. Members whose Use Rights relate to Accommodations that have been withdrawn from the Exchange Program will be subject to suspension, and will be subject to conditions as outlined in Section 3.9.

5.5 Occupation of Accommodations and Use of Other Redemption Opportunities.

(a) Each occupant of an Accommodation and each user of an Other Redemption Opportunity shall comply at all times with the provisions of all internal rules and local regulations of the Affiliated Resort; all rules and regulations applicable to the use of the Other Redemption Opportunity; and all laws, statutes and regulations of the local, municipal, county and state jurisdictions in which the Accommodations or Other Redemption Opportunity, as the case may be, is/are located or is/are otherwise applicable to the Other Redemption Opportunity.

(b) Use and occupancy of each Accommodation and use of each Other Redemption Opportunity shall be strictly in accordance with the provisions of the Terms and Conditions and these Reservation Rules.

(c) Each Accommodation shall be vacated by the occupants at the expiration of the relevant Use Period and all personal property belonging to the occupants shall be removed. Accommodations shall be left in a good, clean and sanitary condition, and in at least as good a condition as the Accommodations were in at the commencement of the relevant Use Period.

(d) Each Other Redemption Opportunity shall, if appropriate, be vacated or returned at the end of its period of use by the users thereof and shall be vacated or returned in the condition required by the terms of use thereof.

(e) Each occupant/user shall comply with such procedures for reporting such occupant's/user's departure from any Accommodation or return/departure of/from any Other Redemption Opportunity and for discharging any bills that may have been incurred during the occupancy.

(f) No occupant shall damage, interfere with or do anything likely to lower the value or attractiveness or appearance of any Accommodation, of any of the common areas or of any furnishings, fixtures or fittings therein or of any Other Redemption Opportunity. Any damage will be billed as Other Charges.

(g) No Accommodation or the common areas or the fixtures, fittings, furnishings or other equipment of any Accommodation or any other common areas nor any part of, or area adjacent to, any Other Redemption Opportunity shall be altered or damaged. Any damage will be billed as Other Charges.

(h) No occupant shall do or permit to be done anything in an Accommodation or in or to any Other Redemption Opportunity which shall be or tend to be a nuisance or annoyance to any other person lawfully entitled to enjoy the applicable Affiliate Resort at any time or Other Redemption Opportunity, or engage in conduct determined by Operating Company to be unbecoming a Member of the Exchange Program, or commit waste or do any act or introduce any substance or thing which might violate any policy of insurance or require an increased premium to be paid for the same.

(i) No occupant/user shall keep any animal, bird, fish or other livestock in or upon any Accommodation or Other Redemption Opportunity, except such animals that assist persons with disabilities, e.g., seeing eye dogs, pursuant to and subject to the rules and regulations of the individual Affiliated Resorts and Other Redemption Opportunities.

(j) No occupant shall use any Accommodation or permit the same to be used for any purpose whatsoever other than as a temporary private vacation home occupied by no more than the published maximum number of persons. No user shall make any use of an Other Redemption Opportunity other than such use as is expressly permitted or contemplated by such Other Redemption Opportunity. The occupants of Accommodations and the users of Other Redemption Opportunities shall not make use thereof for any illegal or immoral purpose whatsoever or for the purpose of any trade, business, profession or manufacture, including commercial rentals. Nor shall any Member own or control a website with content pertaining to the Exchange Program, the Affiliated Resorts, Operating Company or HVC International Club, Inc. without the express permission of Operating Company.

(k) As to Accommodations and those Other Redemption Opportunities, the following additional rules shall apply:

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

(m) Except for Accommodations where expressly permitted, clothes or other articles shall not be hung or exposed anywhere outside any Accommodation or any Other Redemption Opportunity or in any position visible from outside the building in which the Accommodation or Other Redemption Opportunity is located.

(n) No occupant shall throw dirt, garbage, rags or any other deleterious material from the windows or balconies of any Accommodation or Other Redemption Opportunity, or deposit such items into sinks, bathtubs, toilets and other pipes or conduits of any Accommodation or Other Redemption Opportunity.

(o) No occupant shall allow any music or singing whether by instrument or voices, radio, television or other means in any Accommodation or in any Other Redemption Opportunity so as to cause nuisance or annoyance to any other occupier of adjoining space and in particular so as not to be audible outside the Accommodation or Other Redemption Opportunity between 11:00 p.m. and 9:00 a.m. or during other times that may be designated by the Resort Management Company or the provider of the Other Redemption Opportunity.

(p) No occupant shall obstruct the private roadway, passageways or pedestrian walkways or disabled access points serving the Accommodation or Other Redemption Opportunity nor use them for any other purpose than for access to or egress from the Accommodation or Other Redemption Opportunity which the occupant is entitled to use.

(q) No occupant shall store in any Accommodation or Other Redemption Opportunity or near thereto any inflammable or explosive material.

(r) No occupant shall display any signs, advertising, banners, flags or the like.

6. **EXCHANGE PROGRAM DUES AND OTHER FEES.**

- 6.1 **Establishment of Exchange Program Dues.** Each Member will be required to pay Exchange Program Dues consisting of an Annual Membership Fee, a Standard Exchange Fee and Other Charges which shall be payable to Operating Company. The Annual Membership Fee shall be payable annually or at any other times that Operating Company in its absolute discretion deems appropriate. The Standard Exchange Fee shall be payable at the time a Member makes an Exchange Request. Certain Exchange Program Dues may be payable using Use Rights associated with the Qualifying Interest. Certain Members may also incur Other Charges. Exchange Program Dues may be different for different Qualifying Interests and/or different classes of membership. Operating Company shall determine the Exchange Program Dues for each class of membership and shall update the amount and

payment on an annual basis or at such other time as Operating Company may deem appropriate in its sole discretion. Operating Company will inform each Member of the total amount of Exchange Program Dues which must be paid to remain in good standing and be entitled to participate in the Exchange Program in accordance with the procedure set forth in these Terms and Conditions. Exchange Program Dues shall be set forth in the Exchange Program Dues Schedule and/or Fees at a Glance provided in connection with the Membership Documents.

6.2 **Annual Membership Fee.** An Annual Membership Fee must be paid by each Member, including Members that own biennial Qualifying Interests and is included in the Member's annual Exchange Program or Association Fees. The Annual Membership Fee shall be payable annually or at any other times that Operating Company in its absolute discretion deems appropriate and may vary by membership class. The amount of the Annual Membership Fee shall be established each year (or otherwise periodically) as determined by Operating Company and may be billed on a flat per-Member basis, on a per Point basis or other method established by Operating Company. The Annual Membership Fee shall enable Operating Company to operate efficiently and, in the event that the Annual Membership Fee is insufficient, Operating Company shall be authorized to send additional or supplemental billings. For Corporate Members, the Annual Membership Fee is generally paid by the Association, developer or manager of the relevant Affiliated Resort

6.3 **Standard Exchange Fee.** A Standard Exchange Fee will be charged each time a Member makes an Exchange Request. The amount of the Standard Exchange Fee shall be established each year (or otherwise periodically) as determined by Operating Company and may be billed on a flat per-exchange basis or any other method established by Operating Company. The Standard Exchange Fee may vary by membership class as determined by loyalty levels within that membership class. The Standard Exchange Fee currently ranges between \$159 USD and \$209 USD.

6.4 **Other Charges.** Members may also be charged "Other Charges" at any time, either separately or as part of the Exchange Program Dues. These fees will cover any expenses associated with the operation of the Exchange Program which are not covered in the Annual Membership Fee or the Standard Exchange Fee. Such expenses may include, but shall not be limited to:

(a) Obligations incurred by Operating Company in providing Other Redemption Opportunities for the Exchange Pool as contemplated in Section 5.3 of these Terms and Conditions;

(b) Costs which arise in connection with specific administrative functions requested by a Member or resulting from the actions or inaction of a Member;

(c) Costs arising from offering other vacation, travel and leisure benefits to Members not provided for by separate fees charged to the users of such other specific benefits;

(d) Tier Upgrade Fees, late deposit fees, Guest Certificate fees and other fees as established by Operating Company; and

(e) In certain instances upon check-in to an Affiliated Resort, additional taxes, surcharges, and fees may be required to be paid as a condition of stay in accordance with applicable local, county, state or other governmental mandates. Such taxes, surcharges, and fees shall be the Member's responsibility for payment in accordance with such jurisdictional laws.

6.5 **Guest Certificates.**

(a) Confirmations with respect to an Exchange Request may be used only by the Member or Associate who receives the confirmation unless use of the confirmation is given to another person through the issuance of a Guest Certificate, who shall be deemed to be the licensee of the Member and for whose acts and omissions the Member shall continue to be responsible. A Guest Certificate may be in either paper or electronic form. A Guest Certificate shall be required for any Member rental pursuant to Section 2.7.

(b) A Guest Certificate may be requested only by a Member who either has received a confirmation or is requesting a reservation. Operating Company reserves the right to limit the number of Guest Certificates per Member per Use Year.

(c) Individuals under the age of eighteen (18) are not eligible to use a Guest Certificate.

(d) A fee for each Guest Certificate is chargeable in accordance with the fee levels established by Operating Company from time to time.

(e) The Member requesting a Guest Certificate is responsible for payment of any expenses incurred as well as any damages caused by his or her guests staying in the Accommodation, and for the replacement of any items missing from such Accommodation.

(f) Additional persons may accompany the Guest Certificate recipient provided that the number of persons does not exceed the maximum occupancy of the confirmed accommodation type designated on the reservation confirmation.

(g) The use of a Guest Certificate is subject to any and all conditions or limitations that may be imposed thereon by Operating Company from time to time.

(h) Operating Company reserves the right to terminate the membership status of any Member and to revoke any issued Guest Certificate, if any of the above conditions are breached.

Operating Company may establish additional fees and may change the amount and terms of all fees from time to time. Some such fees are established in these Terms and Conditions and the Membership Documents, but Operating Company shall not be limited to implementing only such fees.

- 6.6 **Payment of Exchange Program Dues and Interest.** Each Member shall pay all Exchange Program Dues by the due date as established by Operating Company. Failure to pay such Exchange Program Dues as required shall obligate the Member to pay (i) interest on the unpaid amount, from the date due until paid at a rate not to exceed the highest annual rate of interest allowed by applicable law, and (ii) a late fee as may be determined by Operating Company from time to time. A Member who has failed to pay the Exchange Program Dues in a timely manner shall also be subject to having his or her membership rights suspended pursuant to Section 3.9 of these Terms and Conditions.
- 6.7 **Initial Membership Fee.** Operating Company may establish an initial membership fee and an application fee for each class of membership which Operating Company may charge the respective Members upon applying for membership status, whether initially or with respect to a reinstatement of a terminated membership. Such fee may be adjusted from time to time and may be waived by Operating Company. Such fee, once paid or waived, shall not be charged again with respect to the Member's initial Qualifying Interest while such Member maintains continuous in good standing and full membership status in the Exchange Program. In the event the initial membership fee is to be paid over time, Operating Company may reserve some or all of the benefits associated with membership in the Exchange Program until such time as the initial membership fee is paid in full.
- 6.8 **Currency.** Exchange Program Dues shall be payable in currency designated by Operating Company. All exchange rates shall be determined by and acceptable to Operating Company where payment is made in another currency but accepted by Operating Company. Members shall bear all risk relating to fluctuations in the value of currency.
- 6.9 **Additional Resort Charges.** Operating Company shall have no obligation to advise Members in advance of additional charges they may face in visiting any particular Affiliated Resort or in using any particular Other Redemption Opportunity. Each Member acknowledges that he or she is responsible for researching all such additional charges in advance and that Operating Company shall not be responsible for such additional charges in any event. A Member may be subject to a housekeeping fee at an Affiliated Resort during such Member's Use Period if the services requested by that Member exceed the housekeeping services provided.

6.10 **Deposit of Future Use Years.**

(a) In the event that a Member makes an Exchange Request in which the Member will deposit a Use Right within a particular Use Year but the use and occupancy of the Accommodation requested or the date of obtaining the requested Other Redemption Opportunity shall occur in the next succeeding Use Year, Operating Company may require payment of all or a portion of the estimated Exchange Program Dues and Association Fees for such next succeeding Use Year prior to issuing a confirmation with respect to the Exchange Request. Operating Company shall determine the estimated Exchange Program Dues and Association Fees for any subsequent Use Year.

(b) In the event that the estimated Exchange Program Dues or Associations Fees charged to the Member in accordance with Section 6.9(a) are lower than the actual Exchange Program Dues or Associations Fees published by Operating Company or the applicable Association, the Member will be required to pay the amount of the difference within 30 days of the due date in order to remain a Member in good standing.

(c) In the event that the estimated Exchange Program Dues or Association Fees charged to the Member in accordance with Section 6.9(a) are higher than the actual Exchange Program Dues or Association Fees published by Operating Company or the applicable Association, the Member's account will show a credit but Operating Company will not be obligated to refund the difference.

7. **RIGHTS AND POWERS OF OPERATING COMPANY.** Operating Company shall, without limiting the other rights and powers set forth in other provisions of these Terms and Conditions, have the rights and powers set forth in this Article 7.

7.1 **Evaluation of Points Allocation.** Operating Company may periodically evaluate the demand by Members for the various Accommodations and Other Redemption Opportunities and thus manage the Exchange Pool through demand balancing which may cause a re-grading in terms of Points and Tier Credits required to reserve any particular Use Periods, seasonal classifications, Accommodations or Other Redemption Opportunities. Operating Company reserves the right to offer Members varying benefits, services and opportunities with respect to different Membership levels, which benefits, services and opportunities may be modified, expanded or deleted at any time in Operating Company's sole and absolute discretion.

7.2 **Record of Members.** Operating Company may maintain a record of the names of all Members and, as applicable, allocation of Points and the cumulative number of Points allocated; however, no Member shall have the right to inspect, copy or otherwise view the record of the names of all Members. Operating Company shall be prohibited from allowing any Member or third-party from viewing such record of the names of all Members unless required by a governmental agency responsible for the regulation of the Exchange Program.

- 7.3 **Amendment of Terms and Conditions.** Operating Company may amend some or all of these Terms and Conditions from time to time in any way in its sole and absolute discretion and such modifications shall be effective upon creation. Such changes will not, however, be effective as to an existing Member until the membership has been informed of such changes by a website posting or similar communication by Operating Company, in its sole discretion. Any amended version of any Exchange Program Documents may be distributed to the Members by Operating Company by website posting, unless a Member makes a specific request in writing to have the Exchange Program Documents delivered in a paper form. In the event Operating Company elects to distribute changes to Exchange Program Documents to the Members using a website posting, Operating Company is not obligated to provide additional notice to the Members that such changes have been posted on the website. Operating Company will primarily inform membership of changes and amendments to exchange program documents as contemplated by this section by website posting; all Members have the obligation to check the Exchange Program's website regularly for changes to any exchange program documents.
- 7.4 **Right to Act Unilaterally.** Operating Company may act through its officers, employees and authorized agents and representatives regarding its operation and management of the Exchange Program and in no circumstance shall it be required to first obtain either the advice or the consent of the Members. Operating Company may, however, voluntarily seek the consent or advice of some or all of the Members. Any action of Operating Company pursuant to the terms of these Terms and Conditions, any other Exchange Program Documents or otherwise shall be taken unilaterally and in its sole and absolute discretion.
- 7.5 **Unreserved Use Periods.** Operating Company shall monitor the level and distribution of deposited Use Periods in Accommodations that have not been reserved 45 days preceding the first day of the Use Period and shall exercise its discretion in the overall best interest of the Exchange Program and the Members as a whole as to the use of such unreserved Use Periods. Operating Company may make such Use Periods available for rental to the Members and on an external basis, or Operating Company may use such Use Periods for its own purposes, including but not limited to, inspection, promotional use, rental to support Other Redemption Opportunities and other Operating Company programs or any other purpose as Operating Company may determine. Provided, however, that any such rental or use shall only be permitted by Operating Company if there are adequate Use Periods taken as a whole and across the Use Year to meet the needs of Members for reservations of Use Periods during such Use Year.
- 7.6 **Profit of Operating Company.** Operating Company has the right to make a profit with regard to its management and operations of the Exchange Program.

8. LIMITED LIABILITY OF OPERATING COMPANY.

8.1 **Limitation on Liability.** In the event of any loss or damage by a Member through the use of the Exchange Program, any liability of the Exchange Program, Operating Company or its respective officers, directors, shareholders, managers, members or employees, for such loss or damage will be limited to the amount of the Annual Membership Fee paid by the Member for the Use Year in which the loss occurred. In no event shall the Exchange Program, Operating Company or its respective officers, directors, shareholders, managers, members or employees be liable for special, consequential or punitive damages. Where required by law, the limitations contained in this clause do not apply to loss or damage sustained by a Member as a result of bodily injury or fraud.

8.2 **No Liability for No Vacation.** The exchange membership program of the Exchange Program works on a space available, first-come first-served basis for available Use Periods in Accommodations and a first come, first served basis for Other Redemption Opportunities, subject to the exchange reservation request timelines set forth in the Reservation Rules and other procedures outlined within these Terms and Conditions or other privilege given to certain classes of membership. There is no assurance to any Member that there will be an Accommodation available for the Use Period desired by such Member or, alternatively, sufficient quantities or availability of any particular Other Redemption Opportunity desired by such Member. Additionally, the Member shall not expect to reclaim, in any year, a Use Period in Accommodations covered by his or her Qualifying Interest, except in the event such Accommodation was available after following normal Terms and Conditions to complete the exchange. Operating Company shall not be liable in the event a Member is not able to make a reservation for an Accommodation or to obtain an Other Redemption Opportunity in order to complete an exchange. This Section 8.2 does not affect any statutory rights of a Member.

8.3 **External Exchange Program.**

Operating Company shall not be liable for any representations made to Members by individuals representing any External Exchange Program or by the materials prepared by any External Exchange Program and distributed to the Members.

(a) Operating Company reserves the right to approve one or more External Exchange Programs to provide additional exchange services to Members. The use of any External Exchange Company with respect to an Accommodation reserved for a Use Period or a reserved Other Redemption Opportunity without the approval of Operating Company is prohibited.

(b) Members may be automatically enrolled as a member of an external exchange service for each year of membership in the Exchange Program that coincides with the term of the agreement with the External Exchange Program as set forth in the relevant Membership Documents.

(c) The use of any External Exchange Program is subject to the payment of any Exchange Program Dues and Other Charges owing to Operating Company and any fees payable to the External Exchange Company.

(d) The use of any External Exchange Program is subject to the operating policies and procedures agreed upon from time to time between Operating Company and External Exchange Program.

9. **MEMBERSHIP IN PROPERTY OWNERS ASSOCIATIONS.**

9.1 **Association.** All Members must remain members in good standing of all Associations that govern their respective Qualifying Interest, as applicable. Where allowed by law, a Member may appoint Operating Company as a voting representative with the authority to exercise any voting privileges in the Association which such Member may have. For this purpose, a Member shall execute any consent, designation, proxy or other documentation that may be requested from time to time by Operating Company to further evidence or continue the effectiveness of such delegation.

9.2 **Termination of Voting Representation.** If Operating Company has been appointed the voting representative of a Member, it shall serve in such capacity only until such time as the Member's membership in the Exchange Program is terminated.

10. **MISCELLANEOUS.**

10.1 **Construction of Terms and Conditions.** Operating Company shall have the sole right and authority to interpret these Terms and Conditions, provided that nothing contained herein shall preclude Operating Company or any Member from the right to judicial construction of any of the terms of these Terms and Conditions. In the event of any conflict between the terms and provisions of these Terms and Conditions and any other of the Exchange Program Documents, the terms and provisions of these Terms and Conditions shall, in all instances, control and prevail. These Terms and Conditions shall be construed in accordance with the laws of the State of Florida. These Terms and Conditions shall be interpreted liberally in favor of an interpretation which will give these Terms and Conditions full force and effect. Any action brought to enforce the terms or interpret any provision of these Terms and Conditions shall be exclusively brought in the Circuit and County Courts of the Ninth Judicial Circuit, in and for Orange County, Florida. Any Member or other Person who commences an action at law or in equity or an administrative action or proceeding against or involving the Exchange Program or Operating Company shall pay their own attorneys' and paralegals' fees and all litigation and other costs incurred in connection therewith.

10.2 **Severability.** In the event any one or more of the phrases, sentences, clauses or paragraphs contained in these Terms and Conditions should be invalid, these Terms and Conditions shall be construed as if such invalid phrase or phrases, sentence or

sentences, clause or clauses, and paragraph or paragraphs had not been inserted, and the remaining provisions will therefore be valid and fully enforceable in accordance with the terms thereof.

- 10.3 **Notices and Operating Company Address.** Any written notice required to be given under these Terms and Conditions and the other Exchange Program Documents is to be delivered electronically by e-mail to said Member's e-mail address or by posting on Operating Company's Website; and to Operating Company's address herein below or as may be changed by Operating Company by written notification to the Members of the same. Unless otherwise stated in these Terms and Conditions, every notice so given shall be effective from the earlier of the date of the e-mail, posting, or mailing of such notice, as the case may be, and such date shall be the date such notice is deemed given for all purposes. It shall be each Member's obligation to notify Operating Company in writing of any change to said Member's e-mail address. All written notices from Operating Company delivered to a Member using the Member's e-mail address properly on file with Operating Company shall be deemed to be received by the Member upon delivery by Operating Company regardless of whether the Member's e-mail address is current and accurate. Members do have a right to file a written request to have notifications and Exchange Program Documents delivered in paper form.

The address of Operating Company for purposes of notice hereunder shall be 1450 Center Crossing Road, Las Vegas, Nevada, 89144, or such other address as may be identified in the Resorts Directory.

- 10.4 **Ratification by Members.** By executing his/her/its Membership Documents, each Member shall be deemed to have ratified, confirmed and agreed to be bound by the terms and provisions of these Terms and Conditions as they may be amended from time to time and, in the event of amendment, such ratification, confirmation and agreement shall be conclusively presumed by the Member's subsequent payment of Exchange Program Dues.
- 10.5 **No Recording of Terms and Conditions.** Neither these Terms and Conditions nor any part hereof shall be recorded in public records of any county or jurisdiction providing for the recordation of documents.
- 10.6 **Trademarks.** HVC International Club, Inc. and the Destination Xchange program are trademarks that may not be used without prior written permission of Operating Company. Other brand names may be trademarks of their respective owners.
- 10.7 **Termination of the Exchange Program.** Operating Company reserves the right to terminate the Exchange Program in its sole and absolute discretion.
- 10.8 **Member Rentals.**

(a) Reservations of Accommodations or Other Redemption Opportunities for commercial purposes or for any other purpose other than the personal use of the Member or the Member's family and guests is prohibited. Use

by a Member of public advertising or an online website to seek renters shall be deemed a prohibited commercial use. Members who are primary developers of Affiliated Managed Resorts (that is, members of HVC International Club, Inc.) and providers of Other Redemption Opportunities are specifically exempted from this restriction, and are entitled to use their reserved Accommodations and reserved Other Redemption Opportunities for promotional, rental, or other commercial purposes.

(b) Subject to the restrictions in Section 2.10.1 or in other Exchange Program Documents, no prior approval is required from Operating Company for the Member to rent or allow another party to use an Accommodation or an Other Redemption Opportunity after Member has obtained a confirmation with respect to an Exchange Request. However, such Member is obligated to inform Exchange Program Reservations, the Affiliated Resort front desk or the provider of the Other Redemption Opportunity, as the case may be, of the names of such guests, family members, or renters prior to the day of check in or the designated day for first obtaining the Other Redemption Opportunity, as the case may be, and the Member will be responsible for the acts or omissions of such parties, including the failure to pay charges incurred at the Affiliated Resort or with respect to the Other Redemption Opportunity.

EXHIBIT 2

DESTINATION XCHANGE WEEKS PROGRAM TERMS AND CONDITIONS

DESTINATION XCHANGE
WEEKS PROGRAM
TERMS AND CONDITIONS
(For Owners of Deeded Weeks)
June 1, 2025

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These Destination Xchange Weeks Program Terms and Conditions (the “**Terms and Conditions**”) have been adopted by DestinationXchange, LLC, a Delaware limited liability company (“**Operating Company**”), the company that established the Destination Xchange program (the “**Exchange Program**”). These Terms and Conditions govern the operation of the Exchange Program and provide for the rights, privileges, priorities, limitations and restrictions for use of the Exchange Program.

1. **DEFINITIONS.** As used herein, the following capitalized terms shall have the following meanings:

- 1.1 “**Accommodation**” means the physical space including but not limited to an apartment, condominium, home, townhome or cooperative unit, cabin, lodge or hotel or motel room, or any other private or commercial structure or facility, whether or not permanently affixed to real property, including a cabin on a cruise ship, yacht, or other similar vessel or a houseboat or a motor home, available for use or occupancy by one or more individuals and made available to the Exchange Program.
- 1.2 “**Affiliated Managed Resort**” means an Affiliated Resort that is managed by an affiliate of Operating Company.
- 1.3 “**Affiliated Resort**” means a timeshare plan, resort accommodation or other facility or program containing one or more Qualifying Interests which has become affiliated with the Exchange Program from time to time on a direct basis pursuant to an Affiliation Agreement or pursuant to any other agreement or arrangement approved by Operating Company designating such resort or other facility as an “Affiliated Resort.”
- 1.4 “**Affiliation Agreement**” means one or more written contracts between Operating Company and the developer or the managing entity, Association or other governing entity of a resort or other facility, single-site timeshare plan, a multi-location timeshare plan or travel, leisure or vacation-related products pursuant to which the same becomes an Affiliated Resort or an Other Redemption Opportunity and purchasers and owners of Qualifying Interests become eligible to join the Exchange Program.
- 1.5 “**Annual Membership Fee**” means that portion of the Exchange Program Dues consisting of the annual fee as described in Article 6 of these Terms and Conditions.
- 1.6 “**Association**” means an underlying condominium, townhome, master, timeshare or community property owners’ association or other entity which is the official governing entity of an Affiliated Resort.
- 1.7 “**Association Fee**” means any fee a Member is obligated to pay to the Member’s Association by virtue of such Member’s ownership of a Qualifying Interest, including without limitation, recreational, maintenance and reserve fees, special assessments and ad valorem taxes.

- 1.8 **“Co-Owner”** means an individual authorized, along with the Primary Member, to make Exchange Requests.
- 1.9 **“Corporate Member”** means a Member whose Annual Membership Fee may be paid by the Association, developer or manager of the relevant Affiliated Resort.
- 1.10 **“Declaration”** means the declaration of condominium, the declaration of covenants, conditions and restrictions, deed of trust or any similar instrument applicable to a specific Affiliated Resort or Other Redemption Opportunity by which the Qualifying Interests associated with such Affiliated Resort or Other Redemption Opportunity are encumbered or the residential or timeshare regime or other use or ownership regime is established and governed.
- 1.11 **“Deposit”** means a Qualifying Interest in which the Use Rights have been relinquished to Operating Company.
- 1.12 **“Deposit First”** means a method of Exchange Request whereby Member deposits a Qualifying Interest prior to making a reservation request.
- 1.13 **“Exchange Pool”** means the aggregation of all of the Use Rights and Other Redemption Opportunities which Operating Company has accumulated, classified, has available, or has access to facilitate the completion of exchanges requested by Members and to facilitate the satisfaction of other obligations of Operating Company to Members.
- 1.14 **“Exchange Program”** means the Destination Xchange Weeks program which provides vacation, travel, exchange and other leisure benefits to its Members, and which is governed by these Terms and Conditions.
- 1.15 **“Exchange Program Documents”** means those agreements and other documents governing the use and operation of the Exchange Program, including, but not limited to, these Terms and Conditions, each Affiliation Agreement, the Membership Documents, and any other agreements or documents utilized from time to time to establish, operate or describe the Exchange Program or to make Accommodations or Other Redemption Opportunities available to the Members, as such agreements and documents may be entered into, promulgated or amended, from time to time in Operating Company’s sole discretion.
- 1.16 **“Exchange Program Dues”** means those fees which each Member is required to pay in order to remain in good standing pursuant to these Terms and Conditions and the Exchange Program Documents including the Annual Membership Fee, the Exchange Fee and the Other Charges.
- 1.17 **“Exchange Program Dues Schedule”** means the dues schedule which sets forth the dollar amounts of the Exchange Program Dues.

- 1.18 **“Exchange Program Membership Agreement”** means any document executed by Operating Company that bestows membership on the purchaser or owner of a Qualifying Interest.
- 1.19 **“Exchange Request”** means a Deposit First or Request First request made with a week to Operating Company that is made by or on behalf of a Member (by the Primary Member or a Co-Owner) for the use of Accommodations or Other Redemption Opportunities in exchange for relinquishing the Member’s Use Rights relating to his or her Qualified Interest to the Exchange Program. The Member’s applicable Use Rights are not relinquished until an exchange is confirmed by Operating Company.
- 1.20 **“External Exchange Program”** means any Person providing external exchange services to the Members of the Exchange Program whether the arrangements are concluded by Operating Company or through private contact between the Member and such Person.
- 1.21 **“Guest Certificate”** means a certificate issued by Operating Company at the request of the Primary Member for use of an Accommodation or Other Redemption Opportunity for a guest not staying with the Primary Member or a Co-Member.
- 1.22 **“Home Resort”** means the Affiliated Resort in which a Member owns a Qualifying Interest or as defined in the relevant Affiliation Agreement.
- 1.23 **“Member”** means any Person (including a Corporate Member) who is entitled to the benefits of membership in the Exchange Program by reason of being the owner of a Qualifying Interest in an Affiliated Resort and having completed the relevant Exchange Program Membership Agreement or such other documentation as Operating Company requires and all other types or classifications of membership established by Operating Company from time to time in its discretion. Notwithstanding anything in the Exchange Program Documents to the contrary, any Person may alternatively become a Member through entering into an Exchange Program Membership Agreement (or similar documentation) directly with Operating Company, regardless of whether such Person has a Qualifying Interest at an Affiliated Resort.
- 1.24 **“Membership Documents”** means, as applicable, the Exchange Program Membership Agreement, the Affiliation Agreement, the Membership Guide, Destination Xchange Disclosure Guide, these Terms and Conditions, the Reservation Rules, and Statement of Key Operating Statistics, or such other agreements or documents which grant or govern specific membership rights.
- 1.25 **“Membership Guide”** means the guide describing how the Exchange Program is operated, as revised from time to time by Operating Company in its discretion.
- 1.26 **“Operating Company”** means DestinationXchange, LLC, a Delaware limited liability company, or one of its affiliates, their successors and assigns.

- 1.27 **“Other Charges”** means that portion of the Exchange Program Dues described in Article 6.4 of these Terms and Conditions which a Member may be required to pay other than the Annual Membership Fee and the Standard Exchange Fee.
- 1.28 **“Other Redemption Opportunity”** means anything made available for Members, other than Accommodations, in exchange for the Use Rights associated with a Member’s Qualifying Interest or, as applicable, in exchange for their Points. These may include, but are not limited to, travel, leisure or vacation related products or benefits.
- 1.29 **“Person”** means an individual, a corporation, a partnership, a trust, a limited liability company, a limited liability partnership or any other form of organization recognized by applicable law.
- 1.30 **“Primary Member”** means the individual who is authorized to exercise all rights of a particular membership. Members must designate a Primary Member by notifying Operating Company by written authorization signed by all individual Members associated with a membership or by an authorized representative of the business entity for membership’s held by a corporate entity. Operating Company may charge an administrative fee, as Operating Company may determine from time to time, to change a Primary Member designation.
- 1.31 **“Qualifying Interest”** means (a)an interest in an Affiliated Resort or in some other program or system entitling the owner to the use or occupancy of an Accommodation or to obtain an Other Redemption Opportunity, (b)“points” or any other medium symbolically representing the right to use or occupy an Accommodation or one of a group of Accommodations or to obtain an Other Redemption Opportunity, or (c)such interest as Operating Company may choose to accept in connection with bestowing membership on the owner or holder thereof from time to time in accordance with the provisions of these Terms and Conditions.
- 1.32 **“Request First”** means a method of Exchange Request whereby Member requests a reservation prior to depositing a Qualifying Interest.
- 1.33 **“Reservation Rules”** means the rules describing the procedures regarding Member exchanges with respect to Qualifying Interests, as revised from time to time by Operating Company in its discretion.
- 1.34 **“Resort Manager”** means the managing entity contractually responsible for the operation of an Affiliated Resort.
- 1.35 **“Resorts Directory”** means any published or posted listing of Accommodations or Other Redemption Opportunities made available through the Exchange Program and, among other information, providing the Tier Code required to reserve various Use Periods in such Accommodations or to obtain such Other Redemption Opportunities.

- 1.36 “**Standard Exchange Fee**” means that portion of the Exchange Program Dues described in Article 6.3 of these Terms and Conditions which a Member may be required to pay in addition to the Annual Membership Fee and the Other Charges.
- 1.37 “**Terms and Conditions**” means these Terms and Conditions, which set forth the terms, restrictions and conditions of the Exchange Program, as well as the obligations of Members, as the same may be amended from time to time by Operating Company in its discretion.
- 1.38 “**Third Party**” means any Person other than Operating Company who is not a Member, including without limitation those who make Other Redemption Opportunities available to the Members through the Exchange Pool.
- 1.39 “**Tier Code**” means the tier number assigned by the Operating Company to the Accommodations in accordance with the Reservation Rules.
- 1.40 “**Tier Upgrade Fee**” means fees as established by the Operating Company, which may be changed from time to time, which a member may elect in order to pay to upgrade an exchange.
- 1.41 “**Use Period**” means the period of time during which a Member has the right to use and occupy an Accommodation.
- 1.42 “**Use Rights**” means those rights a Member or Operating Company has to use or occupy an Accommodation or to obtain an Other Redemption Opportunity, which rights are, in the case of each Member, attributable to his or her Qualifying Interest, in accordance with the Declaration of the respective Affiliated Resort or Other Redemption Opportunity, together with any associated rights, if applicable.
- 1.43 “**Use Year**” means a calendar year or other period established by Operating Company for each membership type during which a Member may deposit the Use Rights associated with the Member’s Qualifying Interest for inclusion in the Exchange Pool in accordance with these Terms and Conditions. The period established as the Use Year may vary for different membership types and may vary from the period set in a given Member’s Home Resort’s governing documents for the use or redemption of his or her Use Rights relating to his or her Qualifying Interest.

2. **THE EXCHANGE PROGRAM OPERATIONS.**

- 2.1 **Confirmation of the Establishment of the Exchange Program.** Operating Company hereby reaffirms its establishment of the Exchange Program for the purpose of providing owners of Qualifying Interests with the opportunity to obtain membership in the Exchange Program and vacation, Other Redemption Opportunities, travel, exchange and other leisure benefits. The Exchange Program is not a corporation, legal entity or association of any kind. Instead, the Exchange Program is the service name given to the variety of exchange, reservation and use services and related benefits offered from time to time by Operating Company,

together with such additional services as Operating Company may arrange through additional agreements with other service providers.

- 2.2 **Commencement of Operations.** The Exchange Program is operated and managed by Operating Company pursuant to the terms and provisions of these Terms and Conditions and the other Exchange Program Documents. Operating Company is expressly authorized to take any and all action as it deems appropriate to operate the Exchange Program, including without limitation, the affiliation of Affiliated Resorts, entering into relationships with the providers of Other Redemption Opportunities, admission of Members and the implementation of all exchange management systems. Operating Company reserves the right to sell computer and any and all other services to the Affiliated Resorts, and other resorts and facilities and to operate reservation and other management systems as a separate commercial enterprise.

3. **MEMBERSHIP.**

- 3.1 **Membership Eligibility.** A purchaser becomes eligible to join the Exchange Program upon entering into a contract to purchase, or previously having purchased, a Qualifying Interest from an affiliate of Operating Company, or from any developer approved or permitted by Operating Company and meeting the other requirements of membership, including, but not limited to, the payment of all fees and dues, or as otherwise approved or permitted by Operating Company. Other owners of Qualifying Interests may, in the sole discretion of Operating Company, be deemed to be eligible for membership in the Exchange Program. Operating Company is not the developer or seller of any Qualifying Interests. The developer and the Association of an Affiliated Resort are also eligible to become Members as provided below in this Section with respect to such developer's or the Association's unsold inventory of Qualifying Interests. Other categories or classifications of membership may be created and utilized by Operating Company from time to time. However, and as applicable, no person or entity shall be eligible for membership unless such Member's Use Rights associated with the Member's Qualifying Interest are assigned or made available to the Exchange Program for inclusion in the Exchange Pool, pursuant to the terms of the relevant Affiliation Agreement or such other agreement by which a resort becomes affiliated with the Exchange Program. Unless a particular Affiliation Agreement provides otherwise, Operating Company may require any eligible person who wishes to join the Exchange Program to complete the Membership Documents appropriate for the membership being sought and may require the payment of an initial membership fee, application fee and other fees as may be determined by Operating Company from time to time. The Members will have access through the reservation system operated pursuant to these Terms and Conditions to the Use Rights attributable to the Qualifying Interests deposited or otherwise made available to Operating Company. Each Member relinquishes the Use Rights associated with the Member's Qualifying Interest in a given Use Year once the Use Rights attributable in such Use Year have been deposited or made available to the Exchange Program.

The Membership Documents are separate from the Member's contract with the developer or seller regarding the purchase of the Qualifying Interest. The Exchange Program is also separate and distinct from the local system or means by which use and occupancy at an Affiliated Resort is allocated among owners pursuant to the applicable Declaration.

The developer of any participating Affiliated Resort, as well as the Association for any participating Affiliated Managed Resort, shall be granted a special status of membership, enabling the Use Rights attributable to blocks of developer or Association-owned Qualifying Interests to be made available to the Exchange Program for the benefit of Members, including from promotional Point allotments, and allowing some preemptory reservation selection privilege for Use Periods in exchange for such Use Rights. Such selection will be carefully monitored by Operating Company to reasonably ensure that the value of the Use Rights made available and the Use Periods selected in this manner are balanced in value and enhance the satisfaction level of the Members as a whole.

- 3.2 **Basis of Membership.** The terms under which any Member participates in the Exchange Program shall be established in the relevant Membership Documents. Except for Corporate Members or as otherwise set forth in the relevant Affiliation Agreement, no purchaser or owner of a Qualifying Interest in an Affiliated Resort shall become a Member of the Exchange Program automatically, merely by purchasing or owning such Qualifying Interest. The basis of participation in each specific instance shall be governed by the terms of the relevant Affiliation Agreement or such other agreement by which a resort becomes affiliated with the Exchange Program and any other associated Membership Documents. Membership requires the timely payment of Exchange Program Dues and is further governed by the terms and provisions of these Terms and Conditions, the Membership Documents and other Exchange Program Documents. Renewal of Membership shall be governed by the individual Membership Documents or the relevant Affiliation Agreement.

- 3.3 **Membership Status.** As applicable, Members may assign the Use Rights associated with their Qualifying Interest to the Exchange Program and receive a Deposit for use with the Exchange Program. Upon such assignment, said Use Rights shall be deemed irrevocably committed to the Exchange Program for all of that calendar year or other period.

The rights of membership for a Member shall be available only so long as (i) the Exchange Program exists, (ii) the Member satisfies all membership requirements and is in good standing, both in the Exchange Program and at his or her Affiliated Resort, and (iii) the Member owns at least one Qualifying Interest at an Affiliated Resort. Therefore, in the event that affiliation with an Affiliated Resort is terminated for any reason, the Members whose memberships are based upon Qualifying Interests at such Affiliated Resort will no longer be able to continue membership in the Exchange Program, unless such a Member also has another Qualifying Interest in a different Affiliated Resort.

Membership in the Exchange Program shall not be deemed to be included in the ownership of any Qualifying Interest owned. Membership shall not be an interest in real property and shall not constitute any proprietary, voting or other right in or to the Exchange Program other than the membership rights set forth in these Terms and Conditions. No Member shall have any right to any of the assets of the Exchange Program or Operating Company either while a Member or upon termination. No refunds of initial membership fees, or any other Exchange Program Dues or fees shall be paid to a terminating Member unless otherwise required by law. A Member's membership may automatically renew periodically during the term of the Exchange Program, in accordance with Section 3.2.

All taxes of any nature levied, charged or due with regard to membership, the payment of Exchange Program Dues and other fees, the allocation of Points, and the use of such Points to complete the exchange shall be the liability of the respective Member.

- 3.4 **Member Acts.** No Member shall have the authority to contract for or in the name of the Exchange Program, Operating Company or any other Member or to bind in any way the Exchange Program, Operating Company, or any other Member.
- 3.5 **Non-Transferability of Membership.** Unless the relevant Membership Documents provide otherwise, membership in the Exchange Program shall be personal to the Member and may not be voluntarily or involuntarily assigned or conveyed regardless of whether the purported assignment or conveyance is to the successor in interest to such Member's Qualifying Interest. A Member who no longer owns any Qualifying Interest at any Affiliated Resort will no longer be a Member. Any existing reservations will be cancelled. Operating Company shall not recognize any assignee or transferee with respect to any membership rights which would have been recognized with respect to the assignor/transferor Member. The new owner of a Qualifying Interest previously subject to these Terms and Conditions will not automatically become a Member but must apply for membership as a new Member. Accordingly, said new owner must be approved by Operating Company and must satisfy any other eligibility requirements, as established by Operating Company from time to time, which may include a requirement to execute independent Membership Documents and pay the then current initial membership fees, application fees and other fees as may be established by Operating Company. Policy exceptions to this non-transferability rule may be established on a case-by-case basis by Operating Company, who may charge an administrative fee with respect to each instance that an exception is implemented.
- 3.6 **Membership Name.** For each membership, there shall be only one Primary Member who shall be an individual and who shall have the right to exercise all membership rights except as provided in this Section. Operating Company, in its sole discretion, may permit the purchasers of more than one Qualifying Interest to aggregate those Qualifying Interests into one membership. An individual may be the Primary Member with respect to more than one Qualifying Interest. The

Primary Member for each membership shall be identified in the respective Membership Documents.

If ownership of a Qualifying Interest is held by multiple individuals, or in other legal forms, such as a corporation, partnership, limited liability company, or trust, then such owners must identify one individual as the Primary Member to exercise the membership rights with respect to such Qualifying Interest. The Primary Member shall be initially identified in the Membership Documents but may be changed subsequently by separate written documents. The Primary Member may identify in the Membership Documents or later by separate written documents the names of not more than three additional Co-Owners from whom Operating Company may take direction in connection with making reservations and exercising other membership rights. Operating Company may charge an administrative fee for each time it is requested to establish or change such designations after the execution of the Membership Documents. In the event of a dispute or contradictory directions from one or more Co-Owners, the directions of the Primary Member shall be final.

- 3.7 **No Resale, Lease or Rental Assistance.** Operating Company has no obligation to assist a Member with the resale, lease or rental of his or her Qualifying Interest.
- 3.8 **Personal Use.** Joining the Exchange Program should not be done for investment purposes, financial gain or for commercial use, but for the sole purpose of personal use and enjoyment. Using the Exchange Program to support any commercial rental activities is prohibited.
- 3.9 **Suspension of Membership.** In the event of the following occurrences, Operating Company may suspend all membership rights of a Member until the reason for suspension has been removed or said membership is terminated:
- (a) Upon a breach of any provision of these Terms and Conditions by a Member, including, but not limited to, failure to pay in a timely manner any and all Exchange Program Dues and any other fees which may be charged by Operating Company from time to time in accordance with the provisions of these Terms and Conditions or a breach of the restrictions on Member Rentals in accordance with the Reservation Rules; or
 - (b) Upon the failure of a Member to pay his or her Association Fees in a timely fashion; or
 - (c) Upon the failure of a Member to make timely payments relating to any mortgage, security agreement or purchase contract obligation pertaining to the Qualifying Interest of such Member which forms the basis for his or her membership in the Exchange Program; or
 - (d) Upon the determination by Operating Company that the Member's conduct constitutes conduct unbecoming of a Member of the Exchange Program. The decision of Operating Company shall be final. Examples of unbecoming

conduct may include, but shall not be limited to, criminal behavior or threats and verbal abuse. A suspension under this Section 3.9 shall normally be for a minimum of one year. Certain serious acts may also result in termination of membership with no option to reinstate. Operating Company may also recommend to the Affiliated Resort in which the suspended Member owns a Qualifying Interest that it take appropriate disciplinary action against the suspended Member; or

(e) Upon the occurrence of an event of a loss or casualty or upon the taking by eminent domain, making Accommodations in the Affiliated Resort to which a Member's Qualifying Interest relates unavailable. The suspension shall remain in effect while the decision to rebuild is being made by the Resort Manager or other appropriate entity and while reconstruction or repair is in progress. Under such circumstances, when the unavailable Accommodations again become available for occupancy, the membership privileges of those Members whose privileges had been temporarily suspended will be reinstated without reinstatement fees or new initial membership fees.

Operating Company also reserves the right to suspend the membership rights of a Member for such other reasons as Operating Company, in its sole discretion, determines to be in the best interests of the Exchange Program.

Except where required by law, Operating Company is under no obligation to give any notice to the Member whose membership rights have been suspended of the occurrence of the event causing such suspension or that his or her membership rights have been suspended.

During a suspension of membership rights, such Member may not make any Exchange Requests, and Operating Company may cancel any confirmed exchanges previously made by such Member for any Use Year during which the suspension applies. A Member subject to suspension may be reinstated by Operating Company upon the full correction of the defects or unbecoming conduct causing suspension, including but not limited to, the payment of all accrued interest and late fees to Operating Company, as well as to the Association, and any reinstatement fee charged by Operating Company. During a suspension of membership rights and as applicable, a Member will not be allocated Deposits arising from the particular Qualifying Interest(s) giving rise to the suspension during any Use Year that the suspension is in effect. During such suspension, however, any Use Rights deposited or made available to the Exchange Program with respect to the Qualifying Interest(s) giving rise to the suspension shall remain in the Exchange Pool. The Operating Company may also cancel any confirmed reservations for a Use Period utilizing Points previously allocated to such Member in respect of that or those Qualifying Interest(s) subject to such suspension for the Use Year in which the suspension arose.

When suspension has occurred due to failure of such Member to pay Exchange Program Dues or other fees or amounts due Operating Company, partial payment of the full amount due will not cause reinstatement. However, the funds received

from a Member in partial payment shall be allocated by Operating Company as it may determine, and in the absence of such determination, as follows: first to satisfy any outstanding Standard Exchange Fee, then the unpaid Annual Membership Fee, then unpaid Other Charges, then interest due, then any late fees due, and lastly a reinstatement fee.

The suspension of membership rights will be followed by reinstatement or by termination in accordance with Section 3.9.

3.10 Termination of Membership in the Exchange Program. In the event of one or more of the following occurrences, the applicable Member's membership in the Exchange Program shall automatically terminate, effective as of the applicable date indicated below:

(a) Upon the date of the voluntary or involuntary assignment or conveyance of ownership of such Member's Qualifying Interest whether by action of the owner or by operation of law or through foreclosure or other enforcement of lien rights or security interests, unless such transaction was subject to exceptions adopted by Operating Company in its sole discretion;

(b) Upon the date of termination of the Affiliation Agreement with respect to the Affiliated Resort in which such Member had his or her Qualifying Interest;

(c) Upon the date of the decision by the Resort Manager of an Affiliated Resort to eliminate or terminate such Member's Qualifying Interest as the result of a fire or other casualty or taking by eminent domain which results in the elimination of one or more Accommodations from such Affiliated Resort, all in accordance with the applicable Declaration;

(d) Upon the date of termination of a Qualifying Interest, if such Qualifying Interest was the only basis for such Member's membership in the Exchange Program;

(e) Upon the date of termination of the Exchange Program;

(f) Upon the expiration of thirty (30) days (or such longer period of time determined by Operating Company) following the date written notification (which notification may be included in a notice of termination of the underlying Qualifying Interest) of suspension of membership rights has been provided to a Member where such Member has failed to cure or make acceptable arrangements to cure the reasons for such suspension; or

(g) Upon the date of voluntary withdrawal of a Member or the Member's personal representative from the Exchange Program.

All Exchange Program Dues, including any prepaid Exchange Program Dues for future years, and any other fees due and owing by a terminating Member must be

paid to the date of the membership termination, and there shall be no refund of any fees previously paid to Operating Company unless otherwise required by law. After the date of membership termination, such terminated Member shall not be entitled to enjoy the rights and benefits of the Exchange Program and the Use Rights associated with such terminating Member's Qualifying Interests that have been deposited in the Exchange Pool shall not be available to such Member. With respect to any eligible person who was previously a Member and desires to once again become a Member, Operating Company reserves the right to require said Member to complete a new set of Membership Documents appropriate for the membership being sought and may require the payment of an additional initial membership fee as determined by Operating Company from time to time. Notwithstanding the anything contained in this Section 3.10 to the contrary, where reasonable, as determined in Operating Company's sole discretion, any confirmed Exchange Requests for Members that had their membership in the Exchange Program terminated pursuant to Sections 3.10(b) will be honored if confirmed prior to the date the Membership is terminated.

4. RESERVATION RULES.

(a) All Members of the Exchange Program shall be bound by the terms of these Reservation Rules upon becoming a Member. One or more of these Reservation Rules may not apply to certain classes of Members, as more particularly described in the Membership Documents or other documents pertaining to that class of Members. Operating Company may waive or suspend any of these Reservation Rules on a case by case basis in the actual operation and management of the Exchange Program to the extent determined reasonable by Operating Company.

(b) These Reservation Rules may be modified or deleted and additional rules may be added by Operating Company from time to time which Operating Company, in its sole discretion, determines will be for the principal purpose of improving upon the quality and operation of the Exchange Program and furthering the collective enjoyment of the use of Accommodations and Other Redemption Opportunities by present and future Members as a whole. While all such alterations and additions shall be effective immediately upon creation, such changes will not, however, be effective as to an existing Member until the membership has been informed of such changes. Any amended version of any Exchange Program Documents may be distributed to the Members by Operating Company by website posting, unless a Member makes a specific request in writing to have the Exchange Program Documents delivered in a paper form. In the event Operating Company elects to distribute changes to Exchange Program Documents to the Members using a website posting, Operating Company is not obligated to provide additional notice to the Members that such changes have been posted on the website. All Members have the obligation to check the Exchange Program's website regularly for changes to any Exchange Program Documents.

4.2 **Tier Code.**

(a) Operating Company shall utilize a Request First and Deposit First exchange system to facilitate the operations and management of the Exchange Program. Each of the Use Rights made available to the Exchange Program by Members under the Weeks System will be graded by Operating Company to quantify the relative trading power of such Use Rights relinquished by the Member. The grading of the Use Rights by Operating Company will depend on numerous criteria as determined by Operating Company in its sole discretion, and may include such factors as the location, size, capacity, floor level, view, costs of construction and relative quality of the Accommodation or Accommodations to which such Use Rights relate; the amenities of the Affiliated Resort and the local area; the season of the year in which the Use Rights may be used; permissible commencement dates; and such other factors as Operating Company may determine to be appropriate from time to time in its sole discretion.

(b) The Use Periods in Accommodations available to Members for reservation from the Exchange Pool and the Other Redemption Opportunities available through the Exchange Program shall also be graded by Operating Company to quantify the relative Tier Code of each Use Period and each Other Redemption Opportunity. In addition to the criteria listed above for grading Use Rights, the grading of the Use Periods in Accommodations may also include the demand factors which Operating Company must evaluate when managing the inventory of the Exchange Pool. In grading Other Redemption Opportunities, Operating Company shall, in its sole discretion, assign the Tier Code required to reserve each such Other Redemption Opportunity taking into account the economics and circumstances of providing such Other Redemption Opportunity to the Members and such other factors as Operating Company may from time to time deem appropriate. In order to balance demand for Accommodations and Other Redemption Opportunities available through the Weeks system, a Tier Code required to reserve a particular Accommodation or Other Redemption Opportunity may be temporarily discounted or increased.

(c) Operating Company expects to conduct the assessment and grading of Accommodations and Other Redemption Opportunities such that under normal circumstances the grading, as expressed in terms of Tier Code and published to Members, should not need to be revised, subject to the permitted temporary discounting of particular Accommodation(s) and/or Other Redemption Opportunities for the effective management of the Exchange Pool. From time to time, however, Operating Company may, having examined the best available evidence and having exercised its reasonable business judgment in good faith, consider that permanent adjustments to the grading of an Affiliated Resort, of a particular Accommodation, of a specific Use Period or Periods or of a particular Other Redemption Opportunity, need to be made in order to preserve the general integrity of the system. For example, Operating Company may need to balance supply and demand by increasing the Tier Code for Use Periods in times and/or areas of consistently higher than anticipated demand, or by decreasing the Tier

Code for Use Periods in times of and/or areas of consistently lower than anticipated demand. Further, Operating Company may also be permitted to increase the relative Tier Code for Accommodations and Other Redemption Opportunities to reflect upgrading, increased quality and new construction. Where such permanent adjustments to Tier Codes are made, Operating Company shall not be obligated to offset an overall increase in grading by a corresponding decrease elsewhere within the system, and vice versa.

(d) Where a non-temporary re-grading for a Use Period or Periods at an Affiliated Resort occurs, the Tier Code periodically allocated to such Use Period or Use Periods at the Affiliated Resort shall be increased or decreased to reflect the re-grading of the Use Rights. The revised Tier Code shall apply for the first complete Use Year following the re-grading. Operating Company shall notify all Members affected by any such changes by such means as Operating Company considers expedient following its decision to re-grade the relevant Use Period or Periods, including by website posting, notice, newsletter or other similar communication.

(e) Operating Company shall be entitled, but not obligated to, allot Points through various programs (including but not limited to a bulk deposit or block exchange), in exchange for inventory Use Periods, on a basis qualifying the Point use for reservation accommodation purposes only and/or any other restriction deemed necessary for the purpose of effectively managing the inventory in the Exchange Pool.

4.3 **Exchange Request Method.** Operating Company has implemented the following exchange methods for Member's utilization of the exchange privilege granted as part of the Exchange Program.

4.3.1 Deposit First. With the Deposit First method, Members will have the right to deposit, either electronically or otherwise as determined by Operating Company, a Qualifying Interest in the Exchange Pool prior to submitting an Exchange Request. Upon confirmation of such deposit, Member relinquishes Member's Use Right for the Accommodations associated with their Qualifying Interest at their Home Resort and Member will receive a Deposit based upon the Tier Code allocated to the Qualifying Interest. The Tier Codes assigned to a Qualifying Interests are available in the Program Documents posted on the website or by contacting the Operating Company.

Except as these Reservation Rules or the terms and conditions governing Other Redemption Opportunities may otherwise specifically provide, the use and occupancy of Accommodations or the obtaining of an Other Redemption Opportunity that a Member reserves in exchange for the Member's deposited Week must occur within five (5) calendar years of the deposit. Members can make one exchange request with each deposit. Members can make multiple deposits. However, the Tier Codes associated with the separate deposits cannot be combined

in one exchange request (though concurrent or back to back exchange requests are allowed).

4.3.2 Request First. With the Request First method, Members will have the right to search, either electronically or otherwise as determined by Operating Company, all Accommodations and Other Redemption Opportunities available for exchange in the Exchange Pool prior to submitting a Qualifying Interest to the Exchange Pool, and will not be required to give up the Member's Use Right for the Accommodations associated with their Qualifying Interest at their Home Resort until an Exchange Request has been subsequently confirmed. Upon confirmation, however, all of Member's Use Rights submitted with the Exchange Request shall be automatically relinquished and immediately assigned to the Exchange Program for deposit in the Exchange Pool as directed by the Operating Company. When a Member confirms an Exchange Request, the Member will be required to pay a Standard Exchange Fee in accordance with Article 6 of the Terms and Conditions.

4.3.3. Deposits of Use Rights are final and cannot be rescinded.

4.3.4 Members may place an Exchange Request up to 24 months in advance of the check-in date for the requested Use Period in Accommodations in the associated Tier (or a lower tier). A Member may submit an Exchange Request for a desired Use Period that has a designated Tier Code lower than the Tier Code assigned to the Use Rights associated with a Member's Qualifying Interest. A Member who owns a Qualified Interest designated as Tier Code 4 or 5 may also submit an Exchange Request in which the Member is relinquishing one (1) Use Period designated as Tier Code 4 or 5 for two (2) Use Periods designated as Tier Code 1 or 2 with the payment of an additional Standard Exchange fee as determined by Operating Company. Additionally, a Member may also submit an Exchange Request to exchange their Use Right for a higher Tier Code with the payment of a Tier Upgrade Fee as determined by Operating Company.

4.3.4 Operating Company reserves the right, at any time and in any circumstance, to amend the Exchange Request methods if Operating Company determines in its sole discretion that this is necessary for the efficient management of the Exchange Pool.

4.4 **Reservations Procedures and Priorities.**

(a) For each Use Year, a Member can submit an Exchange Request(s) with respect to the number of Points allocated to the Member's Qualifying Interest for that Use Year for one or more Use Periods in Accommodations or to obtain one or more Other Redemption Opportunities available in the Exchange Pool. No Member can make an Exchange Request, utilize a confirmed Accommodation or obtain an Other Redemption Opportunity, unless the applicable Exchange Program Dues for the Use Year have been paid by Member or on their behalf, all applicable Association Fees with respect to his or her Qualifying Interest at the Home Resort have been paid and the Member is otherwise in good standing with

the Exchange Program, Operating Company, any lender with a security interest in the Member's Qualifying Interest and the Association.

(b) All reservations based on an Exchange Request are confirmed on a first-come, first-served basis for available Use Periods in Accommodations, subject to the exchange reservation request timelines and other procedures outlined in these Reservation Rules or other privilege given to certain classes of membership. Confirmation of Exchange Requests for specific Use Periods or Accommodations will be subject to availability. The longer a Member waits to submit an Exchange Request, the more likely it is that the opportunities to reserve a Use Period in the available Accommodations will not meet the Member's desires.

(c) As there may be limited availability or quantities of the various Other Redemption Opportunities, all Exchange Requests for Other Redemption Opportunities will likewise be confirmed on a first come, first served basis, subject to all rules and conditions applicable to each Other Redemption Opportunity as set forth in the Resorts Directory or any other materials which Operating Company distributes relating to such Other Redemption Opportunity. As with Use Periods and Accommodations, confirmation of Exchange Requests for specific Other Redemption Opportunities will be subject to availability.

(d) A Member may submit an Exchange Request relating to any desired Use Period and at any Affiliated Resort, regardless of the resort or season so long as the Member has sufficient Points/Tier Credits to reserve the same.

(e) Exchange Requests for a Use Period in an Accommodation or an Other Redemption Opportunity will be taken on a first-come, first-served basis. Operating Company's ability to confirm an Exchange Request is dependent upon the availability of the desired Use Periods and Accommodations or the requested Other Redemption Opportunities. There is no guarantee that any particular Member will be able to confirm an Exchange Request for an Accommodation or Other Redemption Opportunity that is desirable to the Member. Operating Company has entered into certain agreements with External Exchange Programs to allow Members access to additional Use Periods in Accommodations or Other Redemption Opportunities. Under the agreements with the External Exchange Programs, certain non-Members shall also have the right to reserve Use Periods in Accommodations or Other Redemption Opportunities. All Exchange Requests are subject to the exchange reservation request timelines and other procedures outlined within these Reservation Rules. Operating Company reserves the right, in its discretion, to make certain Affiliated Resorts only available to certain classes of membership.

(f) All Exchange Requests for reservations must be made by telephone or online, or such other methods, as may be advised by Operating Company from time to time, to the reservation department ("**Exchange Program Reservations**"). Operating Company will, in materials to be made available from time to time,

notify Members of website addresses and other access information for Exchange Program Reservations appropriate to their place of domicile.

(g) Exchange Program Reservations shall have complete discretion to refuse to confirm any specific Exchange Request if Exchange Program Reservations determines that confirming such Exchange Request would be contrary to the intent of these Reservation Rules, or to the best interests of the Members generally.

(h) Operating Company may make available Use Periods of durations less than seven days at certain Affiliated Resorts to the extent such action is consistent with the efficient management of the Exchange Pool and acceptable to the respective Association. Any Member reserving a Use Period of less than seven days may be charged additional cleaning fees.

(i) Except as otherwise set forth here, a Member who has Use Rights attributable to more than one Qualifying Interest may aggregate the Points allocated to such Use Rights for the purpose of submitting an Exchange Request for Use Periods in Accommodations or for Other Redemption Opportunities. Operating Company may charge a Standard Exchange Fee, a cancellation fee, a guest certificate fee and other fees with respect to each reservation made by a Member.

(j) To effectively manage the inventory in the Exchange Pool, Operating Company shall be entitled, but not obligated, to:

4.4.10.1 Discount the Tier Codes normally required for some or all resort offerings for late availability space and Other Redemption Opportunities as Operating Company deems expedient or prudent; or offer varying the Points/Tier Credits of certain Accommodations or Affiliated Resorts if Operating Company considers that inventory utilization may be increased or Operating Company considers that such action is necessary or beneficial to the overall management of the Exchange Pool, and

4.4.10.2 Reserve available Use Periods in Accommodations during the final 45 days preceding the first day (or last day, as determined by Operating Company) of the Use Period and obtain Other Redemption Opportunities. Where Operating Company determines, in its reasonable judgment, that the Members will not or may not be making use of these Use Periods and that there will be adequate accommodations for the Members for said Use Year, Operating Company may reserve them for its own purposes, including but not limited to, inspection of the respective Affiliated Resort, promotional use, rental or any other purpose which Operating Company determines. Operating Company shall incur no cost for the occupancy and use of the Accommodations used under this rule.

4.4.10.3 When Member inventory is unavailable for any reason following the confirmation of an Exchange Request, Operating Company, in its sole discretion, may make available alternative accommodations, although Operating Company shall have no obligation to do so. If Member inventory is unavailable for any reason following the confirmation of an Exchange Request and alternative accommodations are not available, Operating Company shall refund the Member's Standard Exchange Fee and any other fees paid specifically in connection with such reservation and such Member shall be entitled to submit an additional Exchange Request.

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

(a) Reservations cancelled within 24 hours of confirmation will receive reinstatement of the Deposit and all Exchange Fees paid. Unless covered by a reservation protection plan purchased by Member, cancellation of a confirmed reservation will result in the loss of the Deposit used to make such reservations.

The foregoing notwithstanding, Operating Company may revise this Section to add or delete additional cancellation deadlines. If a Member is eligible to submit a subsequent Exchange Request after having canceled a reservation from a confirmed Exchange Request, there is no guarantee that any alternative reservation requested will be available to the Member.

(b) A Member who intends to check in at the Affiliated Resort after the arrival day designated on the confirmed reservation must contact the check-in desk at the Affiliated Resort prior to the commencement of that Use Period to state that such Member will be arriving subsequent to such designated arrival day or risk forfeiting the reservation. A Member who intends to obtain an Other Redemption Opportunity on a day other than that designated in the confirmed reservation therefor must contact the provider thereof (as indicated on the confirmed reservation) prior to the Member's new date for obtaining said Other Redemption Opportunity or the designated date, whichever is earlier, or risk forfeiture of the reservation. The Members recognize that in the case of Other Redemption Opportunities, they may not be able to change the date for obtaining their reserved Other Redemption Opportunity.

(c) Members who fail to check in during the Use Period for which they have been issued a confirmed reservation or who fail to take up the confirmed Other Redemption Opportunity (or who arrive late and do not comply with Section 2.5.4) will forfeit their ability to make an additional Exchange Request for that Use Year with respect to the Use Rights deposited for the confirmed reservation, as the case may be, and may be subject to a no-show fee.

(d) Operating Company shall be entitled to cancel reservations in respect of any Other Redemption Opportunity for any reason whatsoever, or in

respect of Accommodations in any Affiliated Resort that ceases to be an Affiliated Resort or becomes unsuitable for Member use, for any reason whatsoever. In such an event, Operating Company will give as much prior notice as possible to Members affected and will use its reasonable efforts to offer suitable alternative reservations. If any such cancellation by Operating Company shall be made during the same Use Year as such cancelled Accommodation or Other Redemption Opportunity was to be used, the affected Member shall have, the ability to submit an additional Exchange Request for a Use Period in Accommodation or for an Other Redemption Opportunity utilizing the Points/Tier Credits attributable to such cancelled reservation during the same or the following Use Year. Provided, however, if Operating Company has confirmed a reservation to a Member for a Use Period in Accommodations or for an Other Redemption Opportunity that are made uninhabitable or unavailable by casualty, governmental taking, natural disaster, or act of God, or other reason beyond its control, Operating Company shall have no obligation to provide that Member with an alternative reservation for that Use Year and that Member waives any and all claims against the Exchange Program and Operating Company. However, Operating Company shall use reasonable efforts to confirm an alternate reservation during the same or the following Use Year. The Accommodations or Other Redemption Opportunities which may be available under such circumstances may be limited or restricted.

5. **ACCOMMODATIONS AND OTHER REDEMPTION OPPORTUNITIES.**

5.1 **General.** Operating Company has established a network of Affiliated Resorts which are affiliated with the Exchange Program through Affiliation Agreements or such other agreements by which a resort becomes affiliated with the Exchange Program. Such Affiliated Resorts have been developed or managed by companies affiliated with Operating Company, or reviewed by Operating Company prior to affiliation with the Exchange Program, to assure standards of high quality and efficient management. Operating Company may affiliate other resorts or other properties as Affiliated Resorts if such resorts or properties demonstrate sufficiently high quality and efficient management. Operating Company is not obligated to affiliate any particular number of Affiliated Resorts.

5.2 **Additional Memberships and Classes of Membership.** There is no cap on the number of Members who can join the Exchange Program and Operating Company does not undertake to maintain any particular number of Members from time to time. The Exchange Program will be managed in such a manner as to encourage additional memberships, which in turn will increase the Use Periods in Accommodations available in the Exchange Pool. The addition of more Members will increase the Use Periods in Accommodations available, but will also increase the number of persons attempting to utilize Accommodations. Operating Company may also establish additional types of memberships, including but not limited to tiering based on number of Qualifying Interests owned and other loyalty-based Member characteristics and limited memberships which only allow use of certain Affiliated Resorts. Operating Company reserves the right, in its discretion, to make certain Affiliated Resorts only available to certain classes of membership.

5.3 **Other Redemption Opportunities.** Operating Company may, in its sole discretion, from time to time make Other Redemption Opportunities available from time to time in the Exchange Pool and obtain said Other Redemption Opportunities from Third Parties. Operating Company shall not be required to make any such Other Redemption Opportunities available or continue to do so, but may do so to further the efficient management of the Exchange Pool. The cost of providing such Other Redemption Opportunities may be included in the Exchange Program Dues or as an additional reservation charge, as Operating Company may determine in its sole discretion.

5.4 **Withdrawal of Accommodations.** Operating Company may withdraw one or more Accommodations at an Affiliated Resort, or suspend or terminate the Affiliation Agreement with an Affiliated Resort under any one of the following conditions:

(a) Failure of management of an Affiliated Resort to maintain sufficiently high standards of quality in the maintenance and operation, resulting in a consistent pattern of dissatisfaction of Members.

(b) Destruction or condemnation of part or all of an Affiliated Resort, thus rendering such Affiliated Resort unsuitable for use by Members.

(c) Termination of the Declaration or expiration of the leasehold or “right to use” interest relating to some or all of the Accommodations or amenities at an Affiliated Resort, thus rendering such Affiliated Resort unsuitable for use by Members.

(d) Any other circumstances which might cause an Affiliated Resort or its Accommodations to become unavailable or unsuitable for Member use, such as the termination of an affiliation, bank deposit or block exchange agreement or any other factors which may be out of the Member’s control as Operating Company deems appropriate in its sole discretion.

(e) In the event that Exchange Program is terminated, such event will result in the withdrawal of all Accommodations.

In the event of occurrence of any of the circumstances which results in the withdrawal of Accommodations, excluding termination of the Exchange Program, Operating Company shall use commercially reasonable efforts to make available alternative Use Periods for Members whose reservations must be canceled, but Operating Company is under no obligation whatsoever to satisfy any specific request, nor to reimburse Members for expenses or inconvenience incurred in changing their vacation plans. Members whose Use Rights relate to Accommodations that have been withdrawn from the Exchange Program will be subject to suspension, and will be subject to conditions as outlined in Section 3.9.

5.5 Occupation of Accommodations and Use of Other Redemption Opportunities.

(a) Each occupant of an Accommodation and each user of an Other Redemption Opportunity shall comply at all times with the provisions of all internal rules and local regulations of the Affiliated Resort; all rules and regulations applicable to the use of the Other Redemption Opportunity; and all laws, statutes and regulations of the local, municipal, county and state jurisdictions in which the Accommodations or Other Redemption Opportunity, as the case may be, is/are located or is/are otherwise applicable to the Other Redemption Opportunity.

(b) Use and occupancy of each Accommodation and use of each Other Redemption Opportunity shall be strictly in accordance with the provisions of the Terms and Conditions and these Reservation Rules.

(c) Each Accommodation shall be vacated by the occupants at the expiration of the relevant Use Period and all personal property belonging to the occupants shall be removed. Accommodations shall be left in a good, clean and sanitary condition, and in at least as good a condition as the Accommodations were in at the commencement of the relevant Use Period.

(d) Each Other Redemption Opportunity shall, if appropriate, be vacated or returned at the end of its period of use by the users thereof and shall be vacated or returned in the condition required by the terms of use thereof.

(e) Each occupant/user shall comply with such procedures for reporting such occupant's/user's departure from any Accommodation or return/departure of/from any Other Redemption Opportunity and for discharging any bills that may have been incurred during the occupancy.

(f) No occupant shall damage, interfere with or do anything likely to lower the value or attractiveness or appearance of any Accommodation, of any of the common areas or of any furnishings, fixtures or fittings therein or of any Other Redemption Opportunity. Any damage will be billed as Other Charges.

(g) No Accommodation or the common areas or the fixtures, fittings, furnishings or other equipment of any Accommodation or any other common areas nor any part of, or area adjacent to, any Other Redemption Opportunity shall be altered or damaged. Any damage will be billed as Other Charges.

(h) No occupant shall do or permit to be done anything in an Accommodation or in or to any Other Redemption Opportunity which shall be or tend to be a nuisance or annoyance to any other person lawfully entitled to enjoy the applicable Affiliate Resort at any time or Other Redemption Opportunity, or engage in conduct determined by Operating Company to be unbecoming a Member of the Exchange Program, or commit waste or do any act or introduce any substance or thing which might violate any policy of insurance or require an increased premium to be paid for the same.

(i) No occupant/user shall keep any animal, bird, fish or other livestock in or upon any Accommodation or Other Redemption Opportunity, except such animals that assist persons with disabilities, e.g., seeing eye dogs, pursuant to and subject to the rules and regulations of the individual Affiliated Resorts and Other Redemption Opportunities.

(j) No occupant shall use any Accommodation or permit the same to be used for any purpose whatsoever other than as a temporary private vacation home occupied by no more than the published maximum number of persons. No user shall make any use of an Other Redemption Opportunity other than such use as is expressly permitted or contemplated by such Other Redemption Opportunity. The occupants of Accommodations and the users of Other Redemption Opportunities shall not make use thereof for any illegal or immoral purpose whatsoever or for the purpose of any trade, business, profession or manufacture, including commercial rentals. Nor shall any Member own or control a website with content pertaining to the Exchange Program, the Affiliated Resorts, Operating Company or HVC International Club, Inc. without the express permission of Operating Company.

(k) As to Accommodations and those Other Redemption Opportunities, the following additional rules shall apply:

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

(m) Except for Accommodations where expressly permitted, clothes or other articles shall not be hung or exposed anywhere outside any Accommodation or any Other Redemption Opportunity or in any position visible from outside the building in which the Accommodation or Other Redemption Opportunity is located.

(n) No occupant shall throw dirt, garbage, rags or any other deleterious material from the windows or balconies of any Accommodation or Other Redemption Opportunity, or deposit such items into sinks, bathtubs, toilets and other pipes or conduits of any Accommodation or Other Redemption Opportunity.

(o) No occupant shall allow any music or singing whether by instrument or voices, radio, television or other means in any Accommodation or in any Other Redemption Opportunity so as to cause nuisance or annoyance to any other occupier of adjoining space and in particular so as not to be audible outside the Accommodation or Other Redemption Opportunity between 11:00 p.m. and 9:00 a.m. or during other times that may be designated by the Resort Management Company or the provider of the Other Redemption Opportunity.

(p) No occupant shall obstruct the private roadway, passageways or pedestrian walkways or disabled access points serving the Accommodation or

Other Redemption Opportunity nor use them for any other purpose than for access to or egress from the Accommodation or Other Redemption Opportunity which the occupant is entitled to use.

(q) No occupant shall store in any Accommodation or Other Redemption Opportunity or near thereto any inflammable or explosive material.

(r) No occupant shall display any signs, advertising, banners, flags or the like.

6. **EXCHANGE PROGRAM DUES AND OTHER FEES.**

6.1 **Establishment of Exchange Program Dues.** Each Member will be required to pay Exchange Program Dues consisting of an Annual Membership Fee, a Standard Exchange Fee and Other Charges which shall be payable to Operating Company. The Annual Membership Fee shall be payable annually or at any other times that Operating Company in its absolute discretion deems appropriate. The Standard Exchange Fee shall be payable at the time a Member makes an Exchange Request. Certain Exchange Program Dues may be payable using Use Rights associated with the Qualifying Interest. Certain Members may also incur Other Charges. Exchange Program Dues may be different for different Qualifying Interests and/or different classes of membership. Operating Company shall determine the Exchange Program Dues for each class of membership and shall update the amount and payment on an annual basis or at such other time as Operating Company may deem appropriate in its sole discretion. Operating Company will inform each Member of the total amount of Exchange Program Dues which must be paid to remain in good standing and be entitled to participate in the Exchange Program in accordance with the procedure set forth in these Terms and Conditions. Exchange Program Dues shall be set forth in the Exchange Program Dues Schedule and/or Fees at a Glance provided in connection with the Membership Documents.

6.2 **Annual Membership Fee.** An Annual Membership Fee must be paid by each Member, including Members that own biennial Qualifying Interests and is included in the Member's annual Exchange Program or Association Fees. The Annual Membership Fee shall be payable annually or at any other times that Operating Company in its absolute discretion deems appropriate and may vary by membership class. The amount of the Annual Membership Fee shall be established each year (or otherwise periodically) as determined by Operating Company and may be billed on a flat per-Member basis, on a per Point basis or other method established by Operating Company. The Annual Membership Fee shall enable Operating Company to operate efficiently and, in the event that the Annual Membership Fee is insufficient, Operating Company shall be authorized to send additional or supplemental billings. For Corporate Members, the Annual Membership Fee is generally paid by the Association, developer or manager of the relevant Affiliated Resort

6.3 **Standard Exchange Fee.** A Standard Exchange Fee will be charged each time a Member makes an Exchange Request. The amount of the Standard Exchange Fee shall be established each year (or otherwise periodically) as determined by Operating Company and may be billed on a flat per-exchange basis or any other method established by Operating Company. The Standard Exchange Fee may vary by membership class as determined by loyalty levels within that membership class. The Standard Exchange Fee currently ranges between \$179 USD and \$189 USD.

6.4 **Other Charges.** Members may also be charged “Other Charges” at any time, either separately or as part of the Exchange Program Dues. These fees will cover any expenses associated with the operation of the Exchange Program which are not covered in the Annual Membership Fee or the Standard Exchange Fee. Such expenses may include, but shall not be limited to:

(a) Obligations incurred by Operating Company in providing Other Redemption Opportunities for the Exchange Pool as contemplated in Section 5.3 of these Terms and Conditions;

(b) Costs which arise in connection with specific administrative functions requested by a Member or resulting from the actions or inaction of a Member;

(c) Costs arising from offering other vacation, travel and leisure benefits to Members not provided for by separate fees charged to the users of such other specific benefits;

(d) Tier Upgrade Fees, late deposit fees, Guest Certificate fees and other fees as established by Operating Company; and

(e) In certain instances upon check-in to an Affiliated Resort, additional taxes, surcharges, and fees may be required to be paid as a condition of stay in accordance with applicable local, county, state or other governmental mandates. Such taxes, surcharges, and fees shall be the Member’s responsibility for payment in accordance with such jurisdictional laws.

6.5 **Guest Certificates.**

(a) Confirmations with respect to an Exchange Request may be used only by the Member or Associate who receives the confirmation unless use of the confirmation is given to another person through the issuance of a Guest Certificate, who shall be deemed to be the licensee of the Member and for whose acts and omissions the Member shall continue to be responsible. A Guest Certificate may be in either paper or electronic form. A Guest Certificate shall be required for any Member rental pursuant to Section 2.7.

(b) A Guest Certificate may be requested only by a Member who either has received a confirmation or is requesting a reservation. Operating Company

reserves the right to limit the number of Guest Certificates per Member per Use Year.

(c) Individuals under the age of eighteen (18) are not eligible to use a Guest Certificate.

(d) A fee for each Guest Certificate is chargeable in accordance with the fee levels established by Operating Company from time to time.

(e) The Member requesting a Guest Certificate is responsible for payment of any expenses incurred as well as any damages caused by his or her guests staying in the Accommodation, and for the replacement of any items missing from such Accommodation.

(f) Additional persons may accompany the Guest Certificate recipient provided that the number of persons does not exceed the maximum occupancy of the confirmed accommodation type designated on the reservation confirmation.

(g) The use of a Guest Certificate is subject to any and all conditions or limitations that may be imposed thereon by Operating Company from time to time.

(h) Operating Company reserves the right to terminate the membership status of any Member and to revoke any issued Guest Certificate, if any of the above conditions are breached.

Operating Company may establish additional fees and may change the amount and terms of all fees from time to time. Some such fees are established in these Terms and Conditions and the Membership Documents, but Operating Company shall not be limited to implementing only such fees.

6.6 **Payment of Exchange Program Dues and Interest.** Each Member shall pay all Exchange Program Dues by the due date as established by Operating Company. Failure to pay such Exchange Program Dues as required shall obligate the Member to pay (i) interest on the unpaid amount, from the date due until paid at a rate not to exceed the highest annual rate of interest allowed by applicable law, and (ii) a late fee as may be determined by Operating Company from time to time. A Member who has failed to pay the Exchange Program Dues in a timely manner shall also be subject to having his or her membership rights suspended pursuant to Section 3.9 of these Terms and Conditions.

6.7 **Initial Membership Fee.** Operating Company may establish an initial membership fee and an application fee for each class of membership which Operating Company may charge the respective Members upon applying for membership status, whether initially or with respect to a reinstatement of a terminated membership. Such fee may be adjusted from time to time and may be waived by Operating Company. Such fee, once paid or waived, shall not be charged again with respect to the Member's initial Qualifying Interest while such Member

maintains continuous in good standing and full membership status in the Exchange Program. In the event the initial membership fee is to be paid over time, Operating Company may reserve some or all of the benefits associated with membership in the Exchange Program until such time as the initial membership fee is paid in full.

6.8 **Currency.** Exchange Program Dues shall be payable in currency designated by Operating Company. All exchange rates shall be determined by and acceptable to Operating Company where payment is made in another currency but accepted by Operating Company. Members shall bear all risk relating to fluctuations in the value of currency.

6.9 **Additional Resort Charges.** Operating Company shall have no obligation to advise Members in advance of additional charges they may face in visiting any particular Affiliated Resort or in using any particular Other Redemption Opportunity. Each Member acknowledges that he or she is responsible for researching all such additional charges in advance and that Operating Company shall not be responsible for such additional charges in any event. A Member may be subject to a housekeeping fee at an Affiliated Resort during such Member's Use Period if the services requested by that Member exceed the housekeeping services provided.

6.10 **Deposit of Future Use Years.**

(a) In the event that a Member makes an Exchange Request in which the Member will deposit a Use Right within a particular Use Year but the use and occupancy of the Accommodation requested or the date of obtaining the requested Other Redemption Opportunity shall occur in the next succeeding Use Year, Operating Company may require payment of all or a portion of the estimated Exchange Program Dues and Association Fees for such next succeeding Use Year prior to issuing a confirmation with respect to the Exchange Request. Operating Company shall determine the estimated Exchange Program Dues and Association Fees for any subsequent Use Year.

(b) In the event that the estimated Exchange Program Dues or Associations Fees charged to the Member in accordance with Section 6.9(a) are lower than the actual Exchange Program Dues or Associations Fees published by Operating Company or the applicable Association, the Member will be required to pay the amount of the difference within 30 days of the due date in order to remain a Member in good standing.

(c) In the event that the estimated Exchange Program Dues or Association Fees charged to the Member in accordance with Section 6.9(a) are higher than the actual Exchange Program Dues or Association Fees published by Operating Company or the applicable Association, the Member's account will show a credit but Operating Company will not be obligated to refund the difference.

7. **RIGHTS AND POWERS OF OPERATING COMPANY.** Operating Company shall, without limiting the other rights and powers set forth in other provisions of these Terms and Conditions, have the rights and powers set forth in this Article 7.

7.1 **Evaluation of Tier Codes.** Operating Company may periodically evaluate the demand by Members for the various Accommodations and Other Redemption Opportunities and thus manage the Exchange Pool through demand balancing which may cause a re-grading in terms of Tier Codes required to reserve any particular Use Periods, seasonal classifications, Accommodations or Other Redemption Opportunities. Operating Company reserves the right to offer Members varying benefits, services and opportunities with respect to different Membership levels, which benefits, services and opportunities may be modified, expanded or deleted at any time in Operating Company's sole and absolute discretion.

7.2 **Record of Members.** Operating Company may maintain a record of the names of all Members; however, no Member shall have the right to inspect, copy or otherwise view the record of the names of all Members. Operating Company shall be prohibited from allowing any Member or third-party from viewing such record of the names of all Members unless required by a governmental agency responsible for the regulation of the Exchange Program.

7.3 **Amendment of Terms and Conditions.** Operating Company may amend some or all of these Terms and Conditions from time to time in any way in its sole and absolute discretion and such modifications shall be effective upon creation. Such changes will not, however, be effective as to an existing Member until the membership has been informed of such changes by a website posting or similar communication by Operating Company, in its sole discretion. Any amended version of any Exchange Program Documents may be distributed to the Members by Operating Company by website posting, unless a Member makes a specific request in writing to have the Exchange Program Documents delivered in a paper form. In the event Operating Company elects to distribute changes to Exchange Program Documents to the Members using a website posting, Operating Company is not obligated to provide additional notice to the Members that such changes have been posted on the website. Operating Company will primarily inform membership of changes and amendments to exchange program documents as contemplated by this section by website posting; all Members have the obligation to check the Exchange Program's website regularly for changes to any exchange program documents.

7.4 **Right to Act Unilaterally.** Operating Company may act through its officers, employees and authorized agents and representatives regarding its operation and management of the Exchange Program and in no circumstance shall it be required to first obtain either the advice or the consent of the Members. Operating Company may, however, voluntarily seek the consent or advice of some or all of the Members. Any action of Operating Company pursuant to the terms of these Terms

and Conditions, any other Exchange Program Documents or otherwise shall be taken unilaterally and in its sole and absolute discretion.

7.5 **Unreserved Use Periods.** Operating Company shall monitor the level and distribution of deposited Use Periods in Accommodations that have not been reserved 45 days preceding the first day of the Use Period and shall exercise its discretion in the overall best interest of the Exchange Program and the Members as a whole as to the use of such unreserved Use Periods. Operating Company may make such Use Periods available for rental to the Members and on an external basis, or Operating Company may use such Use Periods for its own purposes, including but not limited to, inspection, promotional use, rental to support Other Redemption Opportunities and other Operating Company programs or any other purpose as Operating Company may determine. Provided, however, that any such rental or use shall only be permitted by Operating Company if there are adequate Use Periods taken as a whole and across the Use Year to meet the needs of Members for reservations of Use Periods during such Use Year.

7.6 **Profit of Operating Company.** Operating Company has the right to make a profit with regard to its management and operations of the Exchange Program.

8. **LIMITED LIABILITY OF OPERATING COMPANY.**

8.1 **Limitation on Liability.** In the event of any loss or damage by a Member through the use of the Exchange Program, any liability of the Exchange Program, Operating Company or its respective officers, directors, shareholders, managers, members or employees, for such loss or damage will be limited to the amount of the Annual Membership Fee paid by the Member for the Use Year in which the loss occurred. In no event shall the Exchange Program, Operating Company or its respective officers, directors, shareholders, managers, members or employees be liable for special, consequential or punitive damages. Where required by law, the limitations contained in this clause do not apply to loss or damage sustained by a Member as a result of bodily injury or fraud.

8.2 **No Liability for No Vacation.** The exchange membership program of the Exchange Program works on a space available, first-come first-served basis for available Use Periods in Accommodations and a first come, first served basis for Other Redemption Opportunities, subject to the exchange reservation request timelines set forth in the Reservation Rules and other procedures outlined within these Terms and Conditions or other privilege given to certain classes of membership. There is no assurance to any Member that there will be an Accommodation available for the Use Period desired by such Member or, alternatively, sufficient quantities or availability of any particular Other Redemption Opportunity desired by such Member. Additionally, the Member shall not expect to reclaim, in any year, a Use Period in Accommodations covered by his or her Qualifying Interest, except in the event such Accommodation was available after following normal Terms and Conditions to complete the exchange. Operating Company shall not be liable in the event a Member is not able to make a reservation

for an Accommodation or to obtain an Other Redemption Opportunity in order to complete an exchange. This Section 8.2 does not affect any statutory rights of a Member.

8.3 **External Exchange Program.**

Operating Company shall not be liable for any representations made to Members by individuals representing any External Exchange Program or by the materials prepared by any External Exchange Program and distributed to the Members.

(a) Operating Company reserves the right to approve one or more External Exchange Programs to provide additional exchange services to Members. The use of any External Exchange Company with respect to an Accommodation reserved for a Use Period or a reserved Other Redemption Opportunity without the approval of Operating Company is prohibited.

(b) Members may be automatically enrolled as a member of an external exchange service for each year of membership in the Exchange Program that coincides with the term of the agreement with the External Exchange Program as set forth in the relevant Membership Documents.

(c) The use of any External Exchange Program is subject to the payment of any Exchange Program Dues and Other Charges owing to Operating Company and any fees payable to the External Exchange Company.

(d) The use of any External Exchange Program is subject to the operating policies and procedures agreed upon from time to time between Operating Company and External Exchange Program.

9. **MEMBERSHIP IN PROPERTY OWNERS ASSOCIATIONS.**

9.1 **Association.** All Members must remain members in good standing of all Associations that govern their respective Qualifying Interest, as applicable. Where allowed by law, a Member may appoint Operating Company as a voting representative with the authority to exercise any voting privileges in the Association which such Member may have. For this purpose, a Member shall execute any consent, designation, proxy or other documentation that may be requested from time to time by Operating Company to further evidence or continue the effectiveness of such delegation.

9.2 **Termination of Voting Representation.** If Operating Company has been appointed the voting representative of a Member, it shall serve in such capacity only until such time as the Member's membership in the Exchange Program is terminated.

10. **MISCELLANEOUS.**

- 10.1 **Construction of Terms and Conditions.** Operating Company shall have the sole right and authority to interpret these Terms and Conditions, provided that nothing contained herein shall preclude Operating Company or any Member from the right to judicial construction of any of the terms of these Terms and Conditions. In the event of any conflict between the terms and provisions of these Terms and Conditions and any other of the Exchange Program Documents, the terms and provisions of these Terms and Conditions shall, in all instances, control and prevail. These Terms and Conditions shall be construed in accordance with the laws of the State of Florida. These Terms and Conditions shall be interpreted liberally in favor of an interpretation which will give these Terms and Conditions full force and effect. Any action brought to enforce the terms or interpret any provision of these Terms and Conditions shall be exclusively brought in the Circuit and County Courts of the Ninth Judicial Circuit, in and for Orange County, Florida. Any Member or other Person who commences an action at law or in equity or an administrative action or proceeding against or involving the Exchange Program or Operating Company shall pay their own attorneys' and paralegals' fees and all litigation and other costs incurred in connection therewith.
- 10.2 **Severability.** In the event any one or more of the phrases, sentences, clauses or paragraphs contained in these Terms and Conditions should be invalid, these Terms and Conditions shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, and paragraph or paragraphs had not been inserted, and the remaining provisions will therefore be valid and fully enforceable in accordance with the terms thereof.
- 10.3 **Notices and Operating Company Address.** Any written notice required to be given under these Terms and Conditions and the other Exchange Program Documents is to be delivered electronically by e-mail to said Member's e-mail address or by posting on Operating Company's Website; and to Operating Company's address herein below or as may be changed by Operating Company by written notification to the Members of the same. Unless otherwise stated in these Terms and Conditions, every notice so given shall be effective from the earlier of the date of the e-mail, posting, or mailing of such notice, as the case may be, and such date shall be the date such notice is deemed given for all purposes. It shall be each Member's obligation to notify Operating Company in writing of any change to said Member's e-mail address. All written notices from Operating Company delivered to a Member using the Member's e-mail address properly on file with Operating Company shall be deemed to be received by the Member upon delivery by Operating Company regardless of whether the Member's e-mail address is current and accurate. Members do have a right to file a written request to have notifications and Exchange Program Documents delivered in paper form.

The address of Operating Company for purposes of notice hereunder shall be 1450 Center Crossing Road, Las Vegas, Nevada, 89144, or such other address as may be identified in the Resorts Directory.

- 10.4 **Ratification by Members.** By executing his/her/its Membership Documents, each Member shall be deemed to have ratified, confirmed and agreed to be bound by the terms and provisions of these Terms and Conditions as they may be amended from time to time and, in the event of amendment, such ratification, confirmation and agreement shall be conclusively presumed by the Member's subsequent payment of Exchange Program Dues.
- 10.5 **No Recording of Terms and Conditions.** Neither these Terms and Conditions nor any part hereof shall be recorded in public records of any county or jurisdiction providing for the recordation of documents.
- 10.6 **Trademarks.** HVC International Club, Inc. and the Destination Xchange program are trademarks that may not be used without prior written permission of Operating Company. Other brand names may be trademarks of their respective owners.
- 10.7 **Termination of the Exchange Program.** Operating Company reserves the right to terminate the Exchange Program in its sole and absolute discretion.
- 10.8 **Member Rentals.**

(a) Reservations of Accommodations or Other Redemption Opportunities for commercial purposes or for any other purpose other than the personal use of the Member or the Member's family and guests is prohibited. Use by a Member of public advertising or an online website to seek renters shall be deemed a prohibited commercial use. Members who are primary developers of Affiliated Managed Resorts (that is, members of HVC International Club, Inc.) and providers of Other Redemption Opportunities are specifically exempted from this restriction, and are entitled to use their reserved Accommodations and reserved Other Redemption Opportunities for promotional, rental, or other commercial purposes.

(b) Subject to the restrictions in Section 2.10.1 or in other Exchange Program Documents, no prior approval is required from Operating Company for the Member to rent or allow another party to use an Accommodation or an Other Redemption Opportunity after Member has obtained a confirmation with respect to an Exchange Request. However, such Member is obligated to inform Exchange Program Reservations, the Affiliated Resort front desk or the provider of the Other Redemption Opportunity, as the case may be, of the names of such guests, family members, or renters prior to the day of check in or the designated day for first obtaining the Other Redemption Opportunity, as the case may be, and the Member will be responsible for the acts or omissions of such parties, including the failure to pay charges incurred at the Affiliated Resort or with respect to the Other Redemption Opportunity.

EXHIBIT 3

DESTINATION XCHANGE STATEMENT OF KEY OPERATING STATISTICS

DESTINATION XCHANGE, LLC
STATEMENT OF KEY OPERATING STATISTICS
YEAR ENDED DECEMBER 31, 2024



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INDEPENDENT ACCOUNTANTS' REPORT

The Board of Directors
of Destination Xchange, LLC
Orlando, Florida

We have examined the accompanying statement of key operating statistics and the related notes of Destination Xchange, LLC for the year ended December 31, 2024. Destination Xchange, LLC's management is responsible for the accompanying statement of key operating statistics that is required to be submitted by the Time-Sharing Acts of the States of Arkansas, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Indiana, Iowa, Maryland, Massachusetts, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, Oregon, Rhode Island, Tennessee, Texas, Virginia and West Virginia (Collectively referred to as the "States"), as described in Note 2. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the statement of key operating statistics is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the statement of key operating statistics. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the statement of key operating statistics, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

As described in Note 2, the Statement of Key Operating Statistics was prepared for the purpose of complying with the rules and regulations of the Time-Sharing Acts of the States and is not intended to be a presentation of Destination Xchange, LLC's financial position.

Our examination does not provide a legal determination on Destination Xchange, LLC's compliance with rules and regulations of the Time-Sharing Acts of the States. It is the responsibility of Destination Xchange, LLC to determine its compliance with the Time-Sharing Acts of the States.

In our opinion, the statement of key operating statistics for the year ended December 31, 2024, presents, in all material respects, the information required to be set forth therein by the Time-Sharing Acts of the States.

This report is intended solely for the information and use of the Board of Directors and management of Destination Xchange, LLC and the States, in connection with meeting the disclosure requirements of the Time-Sharing Acts of those states, and is not intended to be and should not be used by anyone other than the specified parties.



MYERS, BRETTHOLTZ & COMPANY, PA
Fort Myers, Florida
May 30, 2025

DESTINATION XCHANGE, LLC
STATEMENT OF KEY OPERATING STATISTICS
FOR THE YEAR ENDED DECEMBER 31, 2024

The number of purchasers enrolled in the exchange program at year-end.	382,683
The number of accommodations and facilities that have affiliation agreements with the exchange program at year-end.	86
The percentage of confirmed exchanges for the year, which is the number of exchanges confirmed by the exchange program, divided by the number of exchanges properly applied for.	100%
The equivalent number of time-share periods for which the exchange program has an outstanding obligation to provide an exchange to a purchaser who relinquished a time-share period in exchange for a time-share period in any future year.	178,855
The number of exchanges confirmed by the exchange program during the year.	36,937

THE PERCENTAGE OF CONFIRMED EXCHANGES PRESENTED ABOVE IS A SUMMARY OF THE EXCHANGE REQUESTS ENTERED WITH THE EXCHANGE PROGRAM IN THE PERIOD REPORTED, AND DOES NOT INDICATE THE PROBABILITY OF PURCHASERS BEING CONFIRMED TO ANY SPECIFIC CHOICE OR RANGE OF CHOICES, SINCE AVAILABILITY AT INDIVIDUAL LOCATIONS MAY VARY.

DESTINATION XCHANGE, LLC
NOTES TO STATEMENT OF KEY OPERATING STATISTICS
DECEMBER 31, 2024

NOTE 1 - DESCRIPTION OF THE EXCHANGE PROGRAM

Destination Xchange, LLC (“DEX”), a Delaware Corporation formed on May 5, 2015, is an exchange company offering an exchange program and related travel benefits to owners of time-share interests in timeshare programs that are affiliated with DEX.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying statement of key operating statistics include exchange statistics of DEX, and have been computed and disclosed in accordance with the Time-Sharing Acts of the following states:

Arkansas	§18-14-404 (b) (2)(Q) and (R)
California	§11216 (b) (17)
Colorado	§4 CCR 725-6, Chapter 4.5
Connecticut	§734b 42-103nn
Florida	§721.18 (1) (q) and (r)
Georgia	§44-3-172 (a) (2) (Q) and (R)
Hawaii	§514E-9.5 (a) (1-6)
Indiana	IC 32-32-3-12 (a) (7)
Iowa	§557A.12
Maryland	§11A-120 (a) (16) and (17)
Massachusetts	§183B-53 (a) (17) and (18)
Mississippi	§30-1601-8-8 (B)
Missouri	§407.625.1 (17) and (18)
Nebraska	§76-1714 (6) and (7)
Nevada	§NRS 119A.590.1 (o)
New Mexico	§47-11-8 (A) (17) and (18)
North Carolina	§93 A-48 (a) (17) and (18)
Oregon	§863-030-0075
Rhode Island	§34-41- 4.03(b) (15) and (16)
Tennessee	§66-32-122 (e)
Texas	Section 221.033
Virginia	§55.1-2219 (A) (17) and (18)
West Virginia	§36-9-17 (a) (17) and (18)

Membership

Owners at affiliated timeshare plans and members of other select exchange programs which are affiliated with DEX (“Affiliated Exchange Company”) may make their use rights associated with their affiliated timeshare plan or Affiliated Exchange Company for inclusion in the DEX exchange pool. DEX members must pay membership fees which cover the services required to operate DEX, including management, member benefits, web services, member publications and collateral materials. Such fee is paid either directly by the member or indirectly by a member’s homeowner’s association (“HOA”) or by the operator of an Affiliated Exchange Company. The amount of the membership fee is determined by DEX each year and may vary by timeshare plan, membership class and/or loyalty tier. Membership is renewed annually, dependent on the timely payment of the membership fee.

DESTINATION XCHANGE, LLC
NOTES TO STATEMENT OF KEY OPERATING STATISTICS
DECEMBER 31, 2024

Exchange Requests

Maintenance fees for the HOA and membership fees for DEX must be paid in full to deposit ownership weeks. All deposits are considered final and may not be cancelled.

There are no guarantees for specific requests made by any member of DEX and exchanges are processed and confirmed on a first come, first served basis. Reservations are final at time of booking.

Outstanding Obligation

A deposit of an ownership week is valid for five years from the arrival date of the week deposited.

NOTE 3 - AFFILIATION AGREEMENTS

All affiliation agreements are with developers, HOAs, or other exchange programs that have relationships with DEX.

DestinationXchange, LLC

**6355 MetroWest Boulevard
Orlando, FL 32835**

RECEIPT FOR EXCHANGE DOCUMENTS

**I (WE) HEREBY ACKNOWLEDGE RECEIPT FROM HVC INTERNATIONAL CLUB,
INC. OF A COPY OF THE DEX DISCLOSURE STATEMENT (DATED JULY 2025).**

Name:

Signature

Signature

Print Name

Print Name

Date

Date

Signature

Signature

Print Name

Print Name

Date

Date
