

FLORIDA CLUB CONNECTION RULES AND REGULATIONS (formerly Club Navigo)

These FLORIDA CLUB CONNECTION RULES AND REGULATIONS (“**Club Rules**”) have been adopted by Navigo Vacation Club, Inc., a Florida corporation (“**NVC**”), effective _____, 2013. These Club Rules amend, restate, and replace in their entirety those certain Club Navigo Rules and Regulations dated March 2009, pursuant to which NVC was given the unilateral authority to amend such rules. Club Navigo is now known as the Florida Club Connection. Each member of Florida Club Connection, their guests, invitees, lessees, licensees and designees (“**Club Member**” or “**Member**”) shall be governed by and shall comply with the terms and conditions of these Club Rules, as amended from time to time.

1. DEFINITIONS

- 1.1. Affiliated Resorts. Means a resort or other facility which has become affiliated with the Club from time to time on a direct basis pursuant to a Club Affiliation Agreement, Wholesale Accommodation Agreement or pursuant to any other agreement or arrangement approved by NVC.
- 1.2. Bank. The act by a Club Member in deferring the use of all or a portion of the Club Member’s Club Points from a given Use Year into the succeeding Use Year.
- 1.3. Biennial Timeshare Interest. A Timeshare Interest in a Club Resort which has a Reservation Window every other year for the term of the Timeshare Interest.
- 1.4. Borrow. The act by a Club Member of using a portion of the Club Points from the Club Member’s next succeeding Use Year in a given Use Year.
- 1.5. Check-in Day. The first day of use of a given Timeshare Period as set forth in the Resort Documents.
- 1.6. Club or Florida Club Connection. The service name given to the variety of exchange and reservation services and vacation and travel benefits currently offered and the restrictions currently imposed through NVC. The services provided by NVC include the operation of the reservation system, through which Members reserve the use of the Units of the Club Resorts, pursuant to the priorities, restrictions and limitations set forth in the Club Documents. The Club is not a legal entity or association of any kind.
- 1.7. Club Documents. Those instruments governing the use and operation of the Club, including each Resort Affiliation Agreement (with respect to the applicable Club Resort), the Florida Club Connection Disclosure Guide and the Club Rules, which are promulgated, executed or amended by NVC from time to time, and any Consent Agreement or Supplemental Declaration, if applicable.
- 1.8. Club Dues. The costs and expenses of the Club that are assessable to each Club Member or Club Resort each calendar year.
- 1.9. Club Member or Member. The owner of record of a Timeshare Interest. The term Club Member shall include all co-owners of the Timeshare Interest.

- 1.10. Club Reservation Window. The period beginning ten (10) months before the Check-in Day of a given Timeshare Period in which a Member can reserve use at any Club Resort, notwithstanding specific terms of affiliation with a Club Resort that specify otherwise.
- 1.11. Club Point. The symbolic unit of use comparison assigned to a Timeshare Period by NVC and which enables Club Members to access Club services and benefits.
- 1.12. Club Point Account. The record of the number of Club Points available for use at a given time by a Club Member.
- 1.13. Club Point Directory. The table of Club Points required to reserve the use of a given Timeshare Period.
- 1.14. Club Resort. A resort which has become affiliated with the Club from time to time pursuant to a Resort Affiliation Agreement or otherwise, and includes both Island One and Affiliated Resorts.
- 1.15. Club Rules. These Florida Club Connection Rules and Regulations governing the reservation and use of Club Resort Units and facilities, as promulgated, adopted or amended from time to time by NVC.
- 1.16. Consent Agreement. The instrument recorded in the applicable public records, which instrument evidences the agreement of an Owner to make such Owner's Timeshare Interest subject to the Resort Affiliation Agreement and the Club Documents; to make Club membership an appurtenance to such Timeshare Instrument; and to make the Resort Affiliation Agreement and the Club Documents a covenant running with the title to such Timeshare Instrument.
- 1.17. Event Week Reservation Window. The period beginning fifteen (15) months preceding the Check-in Day of designated high demand Timeshare Periods, known as event weeks, and lasting to 45 days prior to the Check-in Day of the designated Timeshare Period in which a Member can reserve use of an event week.
- 1.18. External Exchange Program. The contractual arrangement between NVC and an external exchange company or companies under which Club Members may reserve, under certain conditions, the use of accommodations at non-Club Resorts.
- 1.19. Home Resort. As to a particular Timeshare Interest owned, the Club Resort in which that Timeshare Interest is located.
- 1.20. Home Resort Reservation Window. The period beginning thirteen (13) months prior to the Check-in Day of each Timeshare Period at a given Club Resort and lasting three (3) months in which a member can reserve use at his or her Home Resort.
- 1.21. Island One Resorts. A resort which has become affiliated with the Club from time to time pursuant to a Resort Affiliation Agreement or otherwise. Membership in the Club is an appurtenance of and a condition of ownership of a Timeshare Interest at an Island One Resort.
- 1.22. Managing Entity. The board of administration, the owners' association, management company or other entity responsible for operating and maintaining a given Club Resort.

- 1.23. NVC. Navigo Vacation Club, Inc., a Florida corporation.
- 1.24. NVC Reservation Window. The 90-day period, preceding the Check-in Day of each unreserved Timeshare Period.
- 1.25. Owner. The owner of record of a Timeshare Interest at any Club Resort. The term Owner shall include all co-owners of the Timeshare Interest.
- 1.26. Reservation Confirmation. The written acknowledgment sent by NVC confirming that the Member has been assigned a Timeshare Period or Split Timeshare Period.
- 1.27. Reservation Procedure. The procedure adopted for a Club Member to reserve a Timeshare Period.
- 1.28. Reservation Window. The thirteen (13) month period for non-Event Weeks and the fifteen (15) month period for Event Weeks, preceding each Timeshare Period, during which such Timeshare Period is available for reservation by Club Members subject to the applicable priority periods.
- 1.29. Resort Affiliation Agreement. The contract among NVC and the developer of the resort and the Managing Entity of the resort pursuant to which accommodations and interests in the facilities of that resort are included as a part of the Club and membership in the Club is an appurtenance to and condition of ownership of any Timeshare Interests in such accommodations.
- 1.30. Resort Documents. All of the documents for a particular Club Resort, by whatever names denominated, and any amendments thereto, that create and govern the rights and relationships of the Club Members who own Timeshare Interests at that Club Resort and which govern the use and operation of that Club Resort, exclusive of the Club Documents.
- 1.31. Split Timeshare Period. That period of time, less than seven (7) consecutive days, during which a Club Member with a Reservation Confirmation is entitled to the possession and use of a Unit at a Club Resort.
- 1.32. Timeshare Period. The period of time during which a Club Member is entitled to the possession and use of a Unit at a Club Resort pursuant to the Resort Documents for that Club Resort and the Club Documents. The term Timeshare Period includes Split Timeshare Periods unless the context dictates otherwise.
- 1.33. Timeshare Interest. The timeshare interest in a Unit, which timeshare interest is subject to the Club. Unless the context dictates otherwise, Timeshare Interest includes Biennial Timeshare Interests.
- 1.34. Unit. An accommodation of a Club Resort which may consist of certain condominium units created pursuant to controlling state law and those certain other parcels of real property improved with structures containing designated areas for separate occupancy and residential use, which were not formally condominiumized, but which are identified as "Units" pursuant to the Resort Documents and available for reservation by Club Members.
- 1.35. Use Year. The period beginning on the first day of the Club Member's anniversary month, as designated on the Club Member's purchase contract, and lasting twelve (12) months.

2. OPERATION OF THE CLUB

2.1. Membership. To participate in the Club, each Member must purchase or own a Timeshare Interest at a Club Resort.

2.1.1. Membership in the Club is an appurtenance to each Timeshare Interest. Upon recording of a deed to a Timeshare Interest or the recording of a Consent Agreement, the Member is entitled to enjoy the benefits of membership in the Club.

2.1.2. Membership in the Club automatically terminates for a given Member if the Member voluntarily or involuntarily transfers his or her Timeshare Interest and owns no other Timeshare Interest, or if the Member's Home Resort ceases to be a Club Resort or is not available for occupancy for whatever reason.

2.2. Removal of Club Resorts.

2.2.1. Removal of Island One Resorts. Membership is appurtenant to the Timeshare Interests at Island One Resorts. NVC may only withdraw one or more Timeshare Periods at an Island One Resort, or suspend or terminate the Resort Affiliation Agreement with an Island One Resort under the specific conditions outlined in the Club Documents.

2.2.2. Removal of Affiliated Resorts. NVC may withdraw one or more Timeshare Periods at an Affiliated Resort, or suspend or terminate the Resort Affiliation Agreement, Wholesale Accommodation Agreement or other agreement with an Affiliated Resort, in its sole and absolute discretion.

2.3. Club Managing Entity. The Club shall be operated and managed by NVC pursuant to the terms of the Club Documents. NVC is expressly authorized to take such actions as it deems necessary or appropriate for the operation of the Club, including the implementation of all reservation system duties as more specifically outlined in these Club Rules.

NVC is not responsible for the site operation and maintenance of a given Club Resort, including the operation of site reservation systems not operated by the Club. Owners should contact the Managing Entity of the Club Resort with respect to the operation and maintenance of such Club Resort.

2.4. Club Dues and Fees.

2.4.1. Club Resorts.

2.4.1.1. Costs and expenses incurred by the Club in connection with the operation of the reservation system and the delivery of other Club services and benefits shall constitute common expenses of the Club and shall be charged as Club Dues to individual Club Members or each Club Resort, as more specifically provided in the Resort Affiliation Agreement for each Club Resort.

2.4.1.2. The Managing Entity of each Club Resort shall have the responsibility for promulgating a Club Resort operating budget each calendar year in the manner required by applicable law, which budget, if permitted under the Resort Documents, shall include the Club Resort's share of the Club Dues as charged by NVC, if applicable, in accordance with the Resort

Documents. All Club Dues owed to NVC (either as a common expense of the Club Resort timeshare plan or by individual Club Members) shall be charged by the Managing Entity of that Club Resort to the Club Members annually, together with the common expenses of the Club Resort; shall be collected by the Managing Entity; shall be remitted to NVC by the Managing Entity as collected; and in any event, shall be paid to NVC by the Managing Entity no later than the date required in the Resort Affiliation Agreement for that Club Resort each year.

2.4.1.3. Costs and expenses incurred by the Club which are uniform among all Club Resorts shall be charged as Club Dues by the Club to individual Club Members or each Club Resort, as more specifically provided for in the Resort Documents, based upon a reasonably prorated formula; however, costs and expenses specially or disproportionately incurred by the Club with respect to a given Club Resort or Resorts may be charged by the Club only to the affected Resort or Resorts (or Members in such Resort or Resorts) as a portion of their Club Dues.

2.4.2. Biennial Timeshare Interests. A Club Member who owns a Biennial Timeshare Interest shall be responsible for one full annual Club Dues expense every calendar year regardless of the manner in which such Member is obligated to pay maintenance fees, taxes and other assessments pursuant to the documents governing the Member's Home Resort.

2.4.3. Restrictions on Use of Club Points. Use of Club Points may be restricted by NVC if the Club Member is not current in the payment of the Member's Home Resort maintenance fees and taxes, all applicable Club Dues, or Timeshare Interest mortgage payments. In addition, failure by a Club Member to pay the Club Dues could result in the imposition and foreclosure of lien by the Managing Entity of the Club Resort against the non-paying Club Member's Timeshare Interest.

2.5. Transaction Fees. Except as otherwise provided in the Resort Documents, a Club Member who uses the Club to make a reservation -- other than a reservation in which the Club Member exercises Event Week Reservation Window rights or Home Resort Reservation Window rights -- shall be liable for any transaction fees charged by NVC from time to time. NVC shall have the right to charge such other transaction fees as it deems appropriate in its sole discretion from time to time. Such fees may be charged for transactions including changes or cancellations, guest certificates, bonus time, upgrades, and additional housekeeping fees for Split Timeshare Period usage.

3. CLUB POINTS

3.1. Assignment of Club Points.

3.1.1. For administrative convenience in the operation of the Club and in the determination of the respective rights of Club Members to enjoy the benefits of membership in the Club, each Member will annually receive an assigned number of Club Points representing the reservation power of the Timeshare Period attendant to the Member's Timeshare Interest, or provided to the Club by the Member or on behalf of the Member, in relation to the other Timeshare Periods currently existing in the Club. NVC will annually assign and automatically deposit Club Points into the Member's Club Point Account at the beginning of a Club Member's Use Year.

3.1.2. Club Members who own Biennial Timeshare Interests are only entitled to receive an assignment of Club Points and automatic deposit of Club Points into the Member's Club Point Account at the beginning of every other Use Year.

3.1.3. Notwithstanding the Timeshare Interest owned by a Club Member at a Club Resort that is subject to a site reservation system floating use plan, Club Members who own a floating Timeshare Interest will be assigned a number of Club Points, by NVC in its sole discretion, equivalent to the Timeshare Period reserved by such Club Member or on behalf of such Club Member or attributed to such Club Member in accordance with the Club Member's floating use rights as set forth in the Resort Documents, and provided to the Club. NVC only guarantees that it will provide the Club Points for the Timeshare Period that it actually receives on behalf of a Club Member each year, and NVC disclaims any and all representations, promises, guarantees or warranties made by any entity other than NVC as to the number of Club Points that will be received by a Club Member for Timeshare Periods that are reserved in a site reservation system floating use plan and provided to the Club by any person or entity.

The number of Club Points assigned to represent the reservation power of a given Timeshare Period within the Club is based upon such factors as relative Club Member demand for use of the Club Resort, seasonality of the Timeshare Period, and Unit type.

3.2. Revising Assignments. NVC has the right, and is required under chapter 721, to revise the Club Point assignments for reserving the use of Timeshare Periods or Split Timeshare Periods from time to time. This right to revise assignments is exercised by NVC in the best interests of Members as a whole and in accordance with applicable law, but does not require the consent of the developer, the Managing Entity of the Club Resort or any Club Member. In making revisions, NVC will take into account the anticipated relative use demand of each Club Resort based upon all evidence reasonably available under the circumstances. As a result of revising Club Point assignments for reserving the use of Timeshare Period or Split Timeshare Periods, it is possible that the number of Club Points assigned to a Timeshare Period may increase or decrease over time relative to the values assigned to other Timeshare Periods in the Club; provided, however, that the Club Member shall always have the right to reserve a Timeshare Period related to the Club Member's Timeshare Interest during the Home Resort Reservation Window.

NVC reserves the right to revise the Club Point assignments for reservations made within the Club and without Club Member consent; however, in making any amendments, NVC will use its best efforts, in good faith and based upon all reasonably available evidence under the circumstances, to further the best interests of the Members as a whole with respect to their opportunity to use and enjoy the Units and facilities of the Club.

In those calendar years when "Unit Week 53" occurs, as defined in the Resort Documents for each Club Resort, Unit Week 53 may be reserved for use by the person to whom such use is assigned pursuant to the Resort Documents; however, Unit Week 53 may not be deposited with the Club, and no Club Points will be assigned to Unit Week 53.

3.3. Club Point Directory. The number of Club Points required to reserve the use of a given Timeshare Period within the Club during the Use Year is set forth in the Club Point Directory.

3.4. Use of Club Points. Club Members may use Club Points to reserve available Timeshare Periods or Split Timeshare Periods at Club Resorts; to arrange for an external exchange through the External Exchange Programs; to arrange for special exchanges (as set forth in the Club Rules); or to acquire other vacation and travel benefits offered through NVC from time to time. If the Club Member elects to exercise the Member's rights during the Event Week Reservation Window or Home Resort Reservation Window, the Club Points will be withdrawn from the Member's Club Point Account. The use and occupancy of accommodations that a Member reserves with his or her allocation of Club Points must occur during the same Use Year for which those Club Points were allocated unless Banked as prescribed in Section 3.8.

3.5. Additional Club Points. If a Club Member does not have sufficient Club Points to make a desired reservation or access desired Club benefits during a given Use Year, the Member can Borrow Club Points from the Club Member's next succeeding Use Year as set forth in Paragraph 3.8; or, if available may purchase an additional Timeshare Interest to supplement the Member's total Club Points. The assignment or transfer by one Club Member of the use of the Member's Club Points to another Member is prohibited.

3.6. Unused Club Points. If a Club Member has not used a portion of the Member's Club Points during a given Use Year, such unused Club Points will automatically expire at the end of the Use Year unless such points are Banked in accordance with Paragraph 3.8.

3.7. Borrowing Club Points. A Club Member may Borrow all or a portion of the Club Member's Club Points from the Member's next succeeding Use Year for use in connection with the Club Member's current Reservation Window. The Borrowing of Club Points is also subject to the following restrictions:

3.7.1. A Club Member relinquishes the Member's priority right to reserve the Member's Timeshare Interest during the following Use Year's Home Resort Reservation Window whenever the Member Borrows Club Points from such Use Year.

3.7.2. A Club Member may only Borrow Club Points at the time a reservation is made. A Club Member may borrow up to one hundred percent (100%) of succeeding year Use Year but only if the additional Club Points are necessary for the Club Member to make a reservation.

3.7.3. If a Club Member intends to Borrow all or a portion of the Club Points from the Member's next Use Year, the Member must first pay the Member's total estimated Home Resort common expenses and taxes and Club Dues for the Club Member's next Use Year to the Managing Entity of the Home Resort, which will hold such estimated fees and taxes for the Club Member.

3.7.4. NVC reserves the right to prohibit a Club Member from Borrowing the Member's Club Points during the first two (2) years of the term of any purchase-money financing related to the Member's Timeshare Interest.

3.7.5. A Club Member will not be permitted to Borrow Club Points any time the Member is delinquent in the payment of Club Dues, Home Resort common expenses and taxes, or purchase-money note payments.

3.7.6. NVC reserves the right, in its sole discretion, to revise these Club Rules with regard to Borrowing at any time, and from time to time, including suspending or expanding the Borrowing activity, if NVC, in its reasonable business judgment, determines that such amendment will result in an improvement in the quality and operation of the Club and will further the collective enjoyment of the use of the Club by present and future Club Members as a whole.

3.8. Banking Club Points. Banking of Club Points involves the decision by a Club Member during a given Use Year to save all or a portion of the Member's Club Points for use during the next succeeding Use Year. The Banking of Club Points is also subject to the following restrictions:

3.8.1. A Club Member may Bank Club Points as follows:

3.8.1.1. all or a portion of the Club Member's Club Points if notification is given to NVC up to six (6) calendar months after the start of the current Use Year; or

3.8.1.2. up to fifty percent (50%) of the Club Member's Club Points if notification is given to NVC from seven (7) calendar months and up to eight (8) calendar months after the start of the current Use Year; or

3.8.1.3. up to twenty-five percent (25%) of the Club Member's Club Points if notification is given to NVC from nine (9) calendar months and up to ten (10) calendar months after the start of the current Use Year; or

3.8.1.4. No Club Points may be Banked less than sixty (60) days prior to the end of the current Use Year.

3.8.2. Club Points shall not be Banked automatically. Club Members who want to Bank their Club Points must request that the Club Points be Banked during each Use Year.

3.8.3. Club Members who Bank their Club Points must use their Banked Club Points during the next succeeding Use Year. The Banked Club Points shall expire if Club Members fail to use their Banked Club Points during the next succeeding Use Year.

3.8.4. Club Members who own Biennial Timeshare Interests and want to use their Banked Club Points during a Use Year other than the one in which their Timeshare Period occurs may do so by first notifying NVC.

3.8.5. A Club Member will not be permitted to Bank Club Points any time the Member is delinquent in the payment of Club Dues, Home Resort common expenses and taxes, purchase-money note payments, down payments or closing costs.

3.8.6. NVC reserves the right, in its sole discretion, to revise these Club Rules with regard to Banking at any time, and from time to time, including suspending or expanding the Banking activity, if NVC, in its reasonable business judgment, determines that such amendment will result in an improvement in the quality and operation of the Club and will further the collective enjoyment of the use of the Club by present and future Club Members as a whole.

3.9. Total Bank and Borrowing Limitations. The total number of Club Points accumulated by a Club Member may in no event exceed three hundred percent (300%) of the Club Member's total Club Point allotment for the current Use Year.

4. RESERVATION PROCEDURES AND PRIORITIES.

4.1. Reservation Procedures.

4.1.1. Reservation Procedures; First Come, First Served. Each Club Member will be permitted to reserve a Timeshare Period during the Club Member's Use Year, subject to availability. Reservations for a particular Timeshare Period will be taken on a first come, first served basis within the Timeshare Period's Reservation Window, in accordance with and subject to the reservation priority periods set forth below. A Club Member may only make a reservation for an available Timeshare Period during that Timeshare Period's Reservation Window.

4.1.2. Making a Reservation. To reserve a Timeshare Period -- other than a Timeshare Period reserved during the Event Week Reservation Window or the Home Resort Reservation Window for which the Club Member has reservation rights -- a Club Member must determine if the Club Member has the necessary Club Points to reserve the desired Timeshare Period. To determine the number of Club Points necessary to make a reservation, the Club Member may refer to their account online or call NVC for reservation assistance. Once the Club Member has determined that the Club Member has a sufficient number of Club Points to make the desired reservation and that the Club Member is within the appropriate reservation priority window, then the Club Member can make a reservation online subject to availability or call NVC for reservation assistance. A reservation will only be confirmed if the Club Member has paid all Home Resort maintenance fees, Club Dues, real estate taxes, and currently due Timeshare Interest mortgage payments, pursuant to Article 6.

4.2. Reservation Windows. If a Club Member desires to use the Member's Club Points to reserve a Timeshare Period, such Timeshare Period must be available during the Reservation Window.

Reservations for Timeshare Periods will be made on a first come, first served basis, subject to the reservation priorities. NVC cannot ensure confirmation of a reservation of any specific Timeshare Period or Split Timeshare Period at any specific Club Resort since availability will vary based on such factors as the reservation priorities and the number of other purchasers making reservations for accommodations at the same Club Resort.

Although NVC will continue to make reservations up to the Check-in Day of any given Timeshare Period, subject to the rules of each Club Resort, the ability of NVC to confirm such reservations shall be limited by the reservation priorities set forth in this Paragraph 4.2., and Members are encouraged to submit requests as far in advance as possible in order to ensure that they receive a reservation and obtain the best choice of available Timeshare Periods. Reservations are subject to the following reservation priorities:

4.2.1. Event Week Reservation Window. During this period, Club Members having rights to reserve high demand Timeshare Periods, that have been designated as event weeks, during which Club Members having Event Week Reservation Window rights may reserve the

designated Timeshare Periods prior to such Timeshare Periods becoming available for reservation by Club Members who do not have such rights.

4.2.2. Home Resort Reservation Window. During this period, Club Members who own Timeshare Interests at a Home Resort have a priority right to reserve Home Resort Timeshare Periods at the Home Resort prior to such Timeshare Periods becoming available for reservation by Club Member from other Club Resorts. Club Members who exercise their Home Resort Reservation Rights must do so on a first come, first served basis and in accordance with the reservation rules for their Home Resort and any applicable Supplemental Declaration, including limitations as to season and Unit type. Club Members should also note that other Club Members from the same Home Resort also have the right to reserve Timeshare Periods at the Home Resort during the Home Resort Reservation Window. Special rules governing reservations during this period include the following:

4.2.2.1. If a Club Member reserves a Timeshare Period during the Home Resort Reservation Window and the reservation is for the reservation of a lock-off Unit (a Unit in which a part of the Unit may be reserved by the Club Member with the remaining part of the Unit being “locked off” and being subject to exclusive use by others), the Club Member will no longer have Home Resort Reservation Window priority rights with respect to the Club Member’s remaining unused Club Points.

4.2.2.2. Upon receiving a Reservation Confirmation of a Club Member’s reservation for a Timeshare Period during the Home Resort Reservation Window, a Member may make use of the Timeshare Period for personal use or for use by guests, invitees, lessees, licensees and designees.

4.2.2.3. A Club Member relinquishes Home Resort Reservation Window rights whenever the Member voluntarily elects to enter the Club Reservation Window and reserve a Unit for a different Timeshare Period at another Club Resort or to access an External Exchange Program.

4.2.2.4. Once a Club Member has reserved a Timeshare Period during the Home Resort Reservation Window, the Member cannot cancel this reservation without relinquishing the Member’s Home Resort Reservation Window rights and entering the Club Reservation Window. If a Club Member desires to reserve a Timeshare Period after such a cancellation, the Member must compete with other Members for such reservation on a first come, first served basis.

4.2.2.5. If a Club Member Borrows any Club Points from the next Use Year, the Member’s Home Resort Reservation Window rights for the next Use Year will automatically be relinquished.

4.2.2.6. NVC reserves the right to affiliate Club Resorts with the Club that have Home Resort Reservation Windows of varying lengths.

4.2.2.7. If a Club Member reserves a Timeshare Period during the Home Resort Reservation Window, the Club Points which have been assigned to the Member’s Club Point Account for that Use Year will be withdrawn from the Member’s Club Point Account.

4.2.3. Bulk Banking. NVC shall have the right, but not the obligation, to reserve a number of Timeshare Periods from time to time and at any time such Timeshare Periods become available to the Club, for the purpose of depositing the reserved Timeshare Periods with an External Exchange Program on behalf of Members based upon NVC's determination, in its sole discretion, of anticipated Member demand to access the External Exchange Programs.

4.2.4. Club Reservation Window. During the Club Reservation Window, all Club Members have the right to request reservations on a first come, first served basis for any available Timeshare Period, subject to NVC's bulk banking rights. The number of Club Points required to reserve the use of a given Timeshare Period within the Club during the Club Reservation Window is set forth in the Club Point Directory.

4.2.5. NVC Reservation Window. Any Timeshare Period that is not reserved by a Club Member by the beginning of the 90-day period preceding the Check-in Day of the Timeshare Period and any bulk banked External Exchange Program reservation that is not reserved by a Club Member by the beginning of the 90-day period preceding the expiration of that reservation right in the External Exchange Program, may be utilized by NVC for its own purposes including promotional use, rental or any other purpose as NVC determines in its sole discretion.

4.2.6. Discounted Club Point Opportunities. To effectively manage the Timeshare Interests in the Club, NVC shall be entitled, but not obligated, to (a) discount the Club Points normally required for some or all accommodations at a Club Resort as NVC deems expedient or prudent for the benefit of the Club and the Club Members; or (b) offer varying discounts in Club Points if NVC considers that inventory utilization may be increased or NVC considers that such action is necessary or beneficial to the overall management of the Club.

4.3. Split Timeshare Period Options. Club Members will be permitted to make reservations during the Club Reservation Window for Split Timeshare Periods at Club Resorts as permitted by NVC from time to time to further the best interests of the Members as a whole and in accordance with the following:

4.3.1. A Split Timeshare Period may only be reserved during the Reservation Window for the Timeshare Period containing the Split Timeshare Period. All reservations for Split Timeshare Periods shall be subject to the reservation priorities for the Timeshare Period containing the Split Timeshare Period in question. NVC reserves the right in its sole discretion to designate those Timeshare Periods in which Split Timeshare Periods will be permitted to be reserved from time to time. Club Points required to reserve a Split Timeshare Period are subject to change by NVC from time to time and without Club Member consent in the best interests of Members as a whole. A Club Member who uses Club Points to reserve a Split Timeshare Period may use any remaining Club Points to reserve another available Timeshare Period or Split Timeshare Period.

4.3.2. As a condition to receiving a Split Timeshare Period Reservation Confirmation, a Club Member may be required to pay an additional housekeeping fee as determined and charged by the Club Resort containing the Unit that is the subject of the Split Timeshare Period reservation. Club Members may also be required to pay an administrative fee to NVC.

4.3.3. The Club reserves the right to limit or suspend the reservation of Split Timeshare Periods. Although NVC may permit Club Members to make Split Timeshare Period reservations in increments of as little as one day, NVC has the right to impose a minimum number of consecutive days for each reserved Split Timeshare Period, which minimum number may vary from Club Resort to Club Resort.

4.4. Failure to Make a Timely Reservation. If a Member fails to make a reservation during the reservation window set forth above during the Club Member's Use Year, the Club Member's right to make a reservation for that Use Year will automatically expire, including the right to reserve a Timeshare Period related to the Club Member's Timeshare Interest, and the Club Points assigned for that Use Year will automatically expire. On the first day of each new Use Year, the Member will again have the right to reserve a Timeshare Period during that new Use Year. A Member unable to use any available Timeshare Period is not relieved of the obligation to pay all Club Dues, assessments, taxes and purchase-money financing associated with the ownership of a Timeshare Interest.

4.5. Reservation Required. Before a Member may exchange a Timeshare Period or use it for any other purpose, the Member must first receive a Reservation Confirmation from NVC for a particular Timeshare Period.

4.6. Confirmations; Unit Preferences. Reservation Confirmations for a particular Unit type will be sent via the U.S. Postal Service, facsimile or by email to each Member by NVC to document all confirmed reservations. Units will be assigned at the time of the Check-in Day of the assigned Timeshare Period. Special accommodation assignments, such as ground level Units, cannot be guaranteed, but will be noted as a preference in the Reservation Confirmation.

4.7. Cancellations by Members.

A Reservation Confirmation may be cancelled by a Member by notifying NVC by telephone or in writing at least fourteen (14) days prior to the Check-in Day of the assigned Timeshare Period. A cancellation fee established by NVC from time to time will be charged to the Member for any requests for a new or changed reservation after a cancellation is made by the Club Member.

4.7.1. A Member may cancel a confirmed reservation; however, NVC will charge a cancellation fee, as it determines from time to time, for the Club Member's request to change the reservation or make a new reservation. Currently, the cancellation charge is \$35.00 for each change or new reservation. NVC shall have the right to increase or decrease this charge in its sole discretion.

4.7.2. Cancellations of confirmed reservations made more than ninety (90) days prior to the Check-in Day for a reserved Timeshare Period will result in full restoration of the related Club Points to the Club Member's Club Point Account for further use during that Use Year, although the Member's related Home Resort Reservation Window rights will not be restored.

4.7.3. Cancellations of confirmed reservations made sixty-one (61) to ninety (90) days prior to the Check-in Day for a reserved Timeshare Period will result in restoration of seventy five percent (75%) of the related Club Points to the Club Member's Club Point Account for

further use during that Use Year, although the Member's related Home Resort Reservation Window rights will not be restored.

4.7.4. Cancellations of confirmed reservations made fourteen (14) to sixty (60) days prior to the Check-in Day for a reserved Timeshare Period, will result in restoration of fifty percent (50%) of the related Club Points to the Club Member's Club Point Account for further use during that Use Year, although the Member's related Home Resort Reservation Window rights will not be restored.

4.7.5. Borrowed Club Points that were used to make a cancelled reservation will be returned to the Club Member's next succeeding Use Year according to the same percentages as set forth above. No refund of advance payment of estimated common expenses, real estate taxes or Club Dues will be made, and Home Resort Reservation Window rights associated with such Use Year will not be restored.

4.7.6. A Reservation Confirmation must be cancelled by a Member by notifying NVC by telephone or in writing, including electronic format, at least fourteen (14) days prior to the Check-in Day of the assigned Timeshare Period. A Club Member's Club Points will not be restored to the Club Member's Club Point Account for further use if the Member fails to cancel a reservation at least fourteen (14) days prior to the Check-in Day for a reserved Timeshare Period.

4.8. Late Arrival. A Member who intends to check in at the Club Resort after the arrival day designated on the confirmed reservation must contact the check-in desk at the Club Resort prior to the commencement of that Timeshare Period to state that such Member will be arriving subsequent to such designated arrival day or risk forfeiting the reservation.

4.9. No Show. Members who fail to check in during the Timeshare Period for which they have been issued a confirmed reservation will forfeit 100% of the Points used to make the reservation for that Timeshare Period, and may be subject to a no-show fee.

4.10. Cancellations by NVC. NVC shall be entitled to cancel reservations for any reason whatsoever, including without limitation reservations in Units in a Club Resort that ceases to be a Club Resort or becomes unsuitable for Member use for any reason whatsoever. In the event of such cancellation, NVC 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 NVC shall be made during the same Use Year as such cancelled Unit was to be used, the affected Member shall have the Club Points attributable to such cancelled reservation reinstated and such Member may Bank the reinstated Club Points for use in the following Use Year, irrespective of the time of year in which the Club Points are carried forward. Provided, however, if NVC has confirmed a reservation to a Member for a Timeshare Period in Units that are made uninhabitable or unavailable by casualty, governmental taking, natural disaster, or act of God, or other reason beyond its control, NVC 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 NVC. Notwithstanding the foregoing, NVC shall use reasonable efforts to confirm an alternate reservation during the same or the following Use Year. The Units which may be available under such circumstances may be limited or restricted.

5. OCCUPATION OF UNITS

5.1. Compliance with Rules and Local Law. Each occupant of a Unit shall comply at all times with the provisions of all internal rules and local regulations of the Club Resort and all laws, statutes and regulations of the local, municipal, county and state jurisdictions in which the Units are located.

5.2. Vacation of Units. Each Unit shall be vacated by the occupants at the expiration of the relevant Timeshare Period and all personal property belonging to the occupants shall be removed. Units shall be left in a good, clean and sanitary condition.

5.3. Check-Out. Each occupant shall comply with such procedures for reporting such occupant's departure from any Unit and for discharging any bills that may have been incurred during the occupancy.

5.4. Damage. No occupant shall damage, interfere with or do anything likely to lower the value or attractiveness or appearance of any Unit, or of any furnishings, fixtures or fittings therein. No Unit or the common areas or the fixtures, fittings, furnishings or other equipment of a Unit shall be altered or damaged. Any damages will be billed separately.

5.5. Nuisance. No occupant shall do or permit to be done anything in an Unit which shall be or tend to be a nuisance or annoyance to any other person lawfully entitled to enjoy the applicable Club Resort at any time, or engage in conduct determined unbecoming, 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.

5.6. Animals. No occupant shall keep any animal, bird, fish or other livestock in or upon any Unit, except service animals, as such animals are identified by state and federal law.

5.7. No Commercial Use. No occupant shall use any Unit or permit the same to be used for any purpose whatsoever other than as a temporary private vacation home occupied by no more than the published maximum number of persons. The occupants of Units shall not make use thereof for any purpose from which a nuisance can arise to other occupiers of adjoining space or for any illegal or immoral purpose whatsoever or for the purpose of any trade, business, profession or manufacture, including commercial rentals. Use by a Member of public advertising or an online website to seek renters shall be deemed a prohibited commercial rental activity, unless express written authorization is granted by NVC, in its sole and absolute discretion. Furthermore, Members shall not own or control a website with content pertaining to the Club Resorts, or any member of the Diamond Resorts International[®] group of companies without the express permission of Diamond Resorts International[®].

5.8. Additional Rules. As to all Units, the following additional rules shall apply:

5.8.1. The windows of any Unit shall not be darkened or obstructed other than by the use of the curtain material or internal blinds provided.

5.8.2. Except for Units where expressly permitted, clothes or other articles shall not be hung or exposed anywhere outside of any Unit in any position visible from outside the building in which the Unit is located.

5.8.3. No occupant shall throw dirt, garbage, rags or any other deleterious material from the windows or balconies of any Unit, or deposit such items into sinks, bathtubs, toilets and other pipes or conduits of any Unit.

5.8.4. No occupant shall allow any music or singing whether by instrument or voices, radio, television or other means in any Unit 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 Unit between 11:00 p.m. and 9:00 a.m. or during other times that may be designated by the manager of such Club Resort.

5.8.5. No occupant shall obstruct the private roadway, passageways or pedestrian walkways or disabled access points serving the Unit nor use them for any other purpose than for access to or egress from the Unit which the occupant is entitled to use.

5.8.6. No occupant shall store in any Unit or near thereto any inflammable or explosive material.

5.8.7. No occupant shall display any signs, advertising, banners, flags or the like.

6. MAINTENANCE FEE, AD VALOREM PROPERTY TAX, AND CLUB DUES DELINQUENCY

6.1. Assessments. Unless the applicable developer, Club Resort owners association and NVC agree otherwise, assessments for Timeshare Interests shall be due annually and assessments for Biennial Timeshare Interests shall also be due annually in an amount equal to fifty percent (50%) of the assessment amount due from similar annual Timeshare Interests in each year. Assessments for Timeshare Interests shall be due for a given occupancy year by the first day of the anniversary month assigned to that Timeshare Interest as set forth in the purchase contract for the initial sale of that Timeshare Interest by the applicable developer and as reflected in the financial books and records of the applicable Club Resort owners association, and shall be past due 30 days later.

6.2. Payment Before Reservation; Advance Payment. NVC reserves the right not to make or confirm a reservation or a request for an external exchange if all Home Resort maintenance fees, real estate taxes, Club Dues and currently due Timeshare Interest mortgage payments have not yet been paid for the applicable Use Year. If the Member has not yet been assessed such maintenance fees, real estate taxes, or Club Dues, the Member may be required to remit to the Managing Entity for the Club Member's Home Resort or NVC an amount equal to the estimated maintenance fees and real estate taxes. All such monies shall be held by the Home Resort Managing Entity and applied to the Club Member's Club Resort maintenance and tax assessments and Club Dues obligations. If the amount remitted to NVC is less than the actual maintenance fees, real estate taxes and Club Dues, the Member shall remain liable for the deficiency in accordance with the Resort Documents.

6.3. Payment Before Use. Notwithstanding anything else in this Article 6, even if NVC makes a reservation and sends a Reservation Confirmation prior to all applicable Home Resort maintenance fees, real estate taxes, Club Dues, and Timeshare Interest mortgage payments being paid in full, the Club Member must pay all such charges imposed against that Member's Timeshare Interest by the collection due date each year or by the Check-in Date before the Club Member can use the confirmed reservation. Any reservations confirmed prior to the assessment due date will be subject to cancellation if the Member does not pay the required fees and assessments imposed against the Club Member's Timeshare Interest by the due date each year.

6.4. Late Fees and Interest. NVC reserves the right to charge late fees and interest, in accordance with applicable law, for any unpaid and delinquent Club Dues. Such late fees and interest may be passed on by the Club Resort Managing Entity to the individual Club Members who are delinquent.

7. EXTERNAL EXCHANGE PROGRAM

7.1. Interval, RCI and Galaxy. In order to increase the range of options available to Club Members, NVC has entered into separate exchange agreements with either Interval International, Inc., (“**Interval**”) or RCI, LLC (“**RCI**”) and with Galaxy Exchange Company, Inc. (“**Galaxy**”) for each Club Resort, as applicable. Pursuant to these agreements, NVC is a “corporate member” in either the Interval External Exchange Program or the RCI Exchange Program or RCI Points Program (as applicable) and NVC is a “corporate member” in the Galaxy External Exchange Program on behalf of all Members thereby allowing Club Members to exchange to resorts that participate in either the Interval or RCI exchange networks, as applicable, and in the Galaxy exchange network. Neither Interval nor RCI is in any other way affiliated with NVC or any of its respective subsidiaries or affiliates. Galaxy is under common ownership with NVC. NVC, Interval, RCI and Galaxy are not under any obligation to renew these agreements.

7.2. External Exchange Reservations. A Club Member may make an external exchange request at any time prior to the end of the Member’s Use Year. A Club Member who is interested in an external exchange will contact NVC and indicate the Member’s preference for an exchange. Club Members will be asked to establish the unit size and season that they will be requesting, and based on the Club Members’ available Club Points and availability of accommodations, NVC will make a reservation at a Club Resort for travel prior to the end of the corresponding Use Year, and deposit the reserved Timeshare Period with the External Exchange Company. The Club Members will then contact the External Exchange Company to make a reservation through the External Exchange Program. Club Members will be required to pay an exchange fee for each confirmed exchange. Club Member participation in an External Exchange Program will be governed by the terms and conditions of the External Exchange Program and the following:

7.2.1. NVC reserves the right to approve one or more External Exchange Companies to provide additional exchange services to Members. The use of any External Exchange Company without the approval of NVC is prohibited.

7.2.2. All rules and regulations which apply to the use of Club accommodations and facilities by Club Members shall also apply to users of such accommodations and facilities through the External Exchange Programs, as applicable.

7.2.3. A Club Member will be charged the External Exchange Program’s published fee, if any, for each confirmed External Exchange.

7.2.4. With the exception of Timeshare Periods reserved during Event Week Reservation Window or a Home Resort Reservation Window, Club Members are prohibited from renting to a third party any accommodation reserved through the Club’s reservation system, including External Exchange Program accommodations.

7.2.5. Availability of accommodations within an External Exchange Program is entirely dependent upon the timeshare interests from various member resorts that are deposited into the system by other members of the External Exchange Program from time to time. Thus, a Club Member can have no assurance that the External Exchange Program will be able to provide the Member with an accommodation that meets the Member's needs and desires when the Member wants it or at a particular time. Moreover, the exchange accommodation received may or may not be comparable in size, layout, furnishings, services, or amenities to those contained in Club Resorts.

8. AMENDMENTS

NVC shall be responsible for amending the Club Rules from time to time as may be necessary in its sole opinion to improve upon the quality and operation of the Club and to further the collective enjoyment of the use of Timeshare Periods by present and future Members as a whole. Notice of any amendments to these Club Rules may be delivered by newsletter, annual mailings, electronic communication or other similar means to all Members at their last known mailing address, and such notice shall include an effective date for such amendments.

9. RENTAL

Except for the Timeshare Periods reserved during Event Week Reservation Window or during the Home Resort Preference Period, Club Members are prohibited from renting to a third party any accommodation reserved through the Club's reservation system, including External Exchange Program accommodations. Before a Club Member may rent a Timeshare Period, the Club Member must first receive the confirmed reservation from NVC for the Timeshare Period during the Event Week Reservation Window or during the Home Resort Reservation Window.