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*These Rules and Regulations only apply to Members who have a Membership and Points in Diamond Resorts European Collection Limited and are not enrolled as Members in The Club (Members who own only resale points in Diamond Resorts European Collection are not enrolled as Members in The Club).*

*The European Collection is party to an Affiliation Agreement with HVC International Club, Inc.*

*As part of that Affiliation Agreement, Members of the European Collection are automatically enrolled as Members of The Club and should refer to the applicable rules of The Club at [www.hgv.com](http://www.hgv.com) when using their Points to make reservations and to obtain details of the Member Benefit redemption opportunities within The Club.*

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## **Rules and Regulations**

### **1. Definitions**

- 1.1 These Rules and Regulations are made in accordance with Article 18(b)(ii) of the Articles of Association of Diamond Resorts European Collection Ltd. (“the Collection Articles”). Defined words and terms used herein shall have the same meaning as defined in the Collection Articles, or where applicable, as defined in the Articles of THE Club® (“Club Articles”).

### **2. General**

- 2.1 These Rules and Regulations relate the operation of the European Collection Points System in respect of Diamond Resorts European Collection Ltd (the “European Collection”), and they are intended to govern the exercise of holiday benefits by Members.
- 2.2 The European Collection is operated and managed by Diamond Resorts (Europe) Ltd (“the Management Company”) pursuant to the terms of the Management Agreement. The Management Company, or its legally appointed agent, is expressly authorised to take such action as it deems necessary and appropriate to operate the European Collection Points System, including, but not limited to, the implementation of all reservation system management duties. Pursuant to clause 7 of the Management Agreement, the Management Company has sub-delegated the administration of the European Collection’s Points System to HVC International Club, Inc (“The Club Operating Company”).
- 2.3 These Rules and Regulations apply to those European Collection Resorts featured in the current European Collection Resort Portfolio issued by the European Collection

Operating Company. The European Collection Operating Company reserves the right to provide reservation services for other Resorts, and Members of the European Collection shall be bound by the terms of these Rules and Regulations.

2.4 These Rules and Regulations contain detailed information regarding the operation of the European Collection Points System, including, but not limited to, the following:

2.4.1 The procedures by which a reservation must be made and confirmed.

2.4.2 Procedures for and limitations upon cancelling confirmed reservations.

2.4.3 Rules for external exchange programs.

2.4.4 The holiday Points values allocated to each type of accommodation during the seasonal band in each of the Accommodation Units.

2.4.5 Any other Rules and Regulations which the European Collection Operating Company (being the Management Company or to the extent that its functions have been sub-delegated to The Club Operating Company then The Club Operating Company) in its sole discretion determines are necessary or desirable from time to time in order to enforce the Rules and Regulations of the European Collection Points System in a manner which, in the European Collection Operating Company's reasonable business judgement, will be for the principal purpose of improving upon the quality and operation of the Points System and furthering the collective enjoyment of the use of Accommodation Assets by present and future Members as a whole.

2.5 The Rules and Regulations may be altered by the European Collection Operating Company from time to time and at its sole discretion, if it deems such alteration(s) to be for the principal purposes of improving upon the quality and operation of the Points System and furthering the collective enjoyment of the use of the Accommodation Assets by the present and future Members as a whole. All such alterations shall be binding on all Members upon receipt of notice of any changes which shall be distributed to each Member at their last known postal or email address prior to the effective date of any alteration.

2.6 The holiday Points benefits due to the Members shall be calculated by reference to the number of annual holiday Points to which a Member is entitled from time to time and the European Collection Operating Company shall periodically issue Resort Portfolios providing details of the resorts available for occupation by Members, and Points Tables illustrating the number of holiday Points required for occupation of each Accommodation Unit for each week in the Use Year.

2.7 2.7.1 The Points Table may be varied by the European Collection Operating Company from time to time for the benefit of the Members if the variation is deemed to be necessary in order to improve the quality and operation of the Points System.

2.7.2 The European Collection Operating Company may revalue the Points attributed to Accommodation Units within seasons of the year. Any seasonal re-allocation of Points, up to a cumulative total of plus or minus 20% of the seasonal Points value for any particular European Collection seasonal classification, can be made by the European Collection Operating Company without approval of the Members. A change in excess of 20% will require the sanction of a resolution of

the European Collection in General Meeting on which the Ordinary Members shall be entitled to vote.

- 2.7.3 The European Collection Operating Company may at any time alter the Points Grading of any particular Use Period provided always in such case that the existing Members shall be entitled to a proportional increase or decrease in the Points Grading of other Use Periods so that their overall entitlement to Occupancy Rights shall not be affected.

### **3 Reservations, procedures and priorities into European Collection Resorts**

- 3.1 Reservation requests for a Use Period in an Accommodation Unit will be taken on a first come, first served basis. The European Collection Operating Company's ability to confirm a reservation is dependent upon the availability of the desired Use Periods and Accommodation Units. There is no guarantee that any particular reservation request can be fulfilled. All reservation requests are subject to the exchange reservation request timelines and other procedures outlined within these Rules and Regulations and any applicable reservation priority (as defined in Rules 3.5 to 3.6).
- 3.2 Except as these Rules and Regulations may otherwise specifically provide, the use and occupancy of Accommodation Units that a Member reserves with their periodic allocation of Points must occur during the same Use Year as the Use Year for which those Points were allocated.
- 3.3 All inquiries or requests for reservations must be made by telephone or online, or such other methods that may be advised by the European Collection Operating Company from time to time, to the reservation department ("Club Reservations"). European Collection Operating Company will, in materials to be made available from time to time, notify Members of addresses, telephone numbers and other access information for Club Reservations appropriate to their place of domicile. To increase the likelihood of success in making a reservation, Members should, wherever possible, request a reservation as far in advance as possible and specify multiple desired locations and Use Periods.
- 3.4 Club Reservations shall have complete discretion to refuse to confirm any specific reservation request if it is believed that such reservation may be in contravention of these Rules and Regulations, or contrary to the best interests of the Members generally.
- 3.5 Any Member having been granted a Home Resort priority may request an exchange reservation at their Home Resort by contacting Club Reservations in accordance with the terms established in any relevant documents pertaining to the Home Resorts priority.
- 3.6 If a Member fails to contact Club Reservations within the priority period of the applicable Home Resort priority or any other reservation priority to which the Member may be entitled for a particular Use Period, such Member will lose the right to make a priority reservation under such reservation priority. Such Member may, however, still request the desired Use Period at their Home Resort or on a non-preference basis, competing with other members of the European Collection.
- 3.7 No reservation request for a Use Period at a European Collection Resort may be made earlier than thirteen months in advance of the first day of the desired Use Period (or should the European Collection Operating Company so determine in its sole discretion, the last day of the desired Use Period).

- 3.8 Use Periods of durations less than seven days at certain Resorts may be made available to Members to the extent that such action is consistent with the efficient management of the inventory and in accordance with the rules of the individual Resorts.
- 3.9 A Member may make as many reservations as necessary to utilize all of the Points available to such Member in the respective Use Year. Members will not have to pay reservation transaction fees for European Collection reservations made in any Use Year. The European Collection Operating Company reserves the right to impose limited transaction fees for Members at a later date if it deems necessary to do so for the collective benefit of the majority of the Members. Specifically, the European Collection Operating Company may charge a cancellation fee, a guest certificate fee and other fees with respect to any other reservations made by a Member.
- 3.10 Although a reservation may be requested during the time periods detailed in these Rules and Regulations, such reservation may be confirmed only if the requesting Member has sufficient Points available for use in the Use Year in which the use and occupancy of an Accommodation Unit requested is to occur. If the reservation request pertains to use and occupancy of an Accommodation Unit during a Use Year other than the current Use Year or the Member has insufficient Points to make the reservation in the current Use Year, then the Member must create the availability of Points in the desired Use Year by undertaking either a saving or borrowing transaction pursuant to these Rules and Regulations, or, where available, by renting or buying Points.
- 3.11 Points are always allocated for a specific Use Year and, subject to Rule 3.13, unused Points will expire at the end of the applicable Use Year. By means of saving and borrowing transactions, a Member may change the Use Year within which certain Points are associated for reservation purposes.
- 3.12 A Member may borrow some or all of their future allocation of Points from the Use Year immediately following the Use Year for which the Member desires to use such borrowed Points. The Points then available to the Member for reservation purposes in the desired Use Year will be increased by the number of Points so borrowed. After the borrowing transaction has been effected, the number of Points available to the Member in the immediately following Use Year will be reduced by the number of Points so borrowed. In order for a Member to complete a borrowing transaction, that Member will be required to make a deposit against future Management Charge and assessments to be levied by the applicable Association with respect to the Points to be borrowed and pay any borrowing fee charged by the European Collection Operating Company. Once a Member has notified the European Collection Operating Company of an intention to borrow Points, the instruction may not be cancelled. Borrowed Points will expire if not utilized to make a reservation in the Use Year for which the borrowing transaction occurred. Borrowed Points must be used in the year borrowed and may not be carried forward.
- 3.13 The European Collection Operating Company may, in its sole discretion, publish or post on its website the current procedures to save Points, together with a series of deadlines for the saving of Points and the percentage of Points which may be saved up to each deadline along with the applicable fee payable for saving Points. In the absence of such publication or posting by European Collection Operating Company, Members who have fully paid the Management Charge for a particular Use Year shall be deemed to have saved any unused portion of the Points allocated for that Use Year, and such unused

portion shall be automatically reallocated into the immediately succeeding Use Year. The Points available to the Member for reservation purposes in the immediately following Use Year will be increased by the number of Points which have been carried forward by savings under this rule. Points which have been carried forward for use in the immediately following Use Year must be used in that Use Year and may not be carried forward to subsequent Use Years.

- 3.14 The European Collection Operating Company may effect a temporary suspension of either saving or borrowing or both if it considers such action to be necessary to preserve the general integrity of the Points and reservation system. The European Collection Operating Company shall reintroduce the suspended facility as and when, in its sole discretion, it deems appropriate to do so.
- 3.15 In the event that the unused balance of a Member’s annual Points allocation is insufficient to request a reservation, the unused Points can be used as rental credits against the cost of renting European Collection Accommodation Units. The European Collection Operating Company will publish the value of rental credits allowed against unused Points and the cost of renting European Collection Accommodation Units from time to time. A maximum of 1000 unused Points may be used as rental credits in any year and are only valid for the Use Year in which they are issued.
- 3.16 If Reservations have not received a reservation request for a particular Use Period less than 59 days prior to its commencement, such Use Period shall be deemed to be “Late Availability Space” and shall be offered to Members at 50% of the original designated Points value for that Use Period subject to availability. Late availability space reservations cannot be deposited with any exchange company.

**4 Split week reservations**

- 4.1 Split week reservations are available at certain European Collection Resorts and in certain types of Accommodation Units only at the European Collection Operating Company’s discretion.
- 4.2 Split week reservations may be made for a minimum of two nights or otherwise at the European Collection Operating Company’s discretion. Subject to review from time to time at the European Collection Operating Company’s discretion, split week reservations may be linked to seven day reservations.
- 4.3 Where split week reservations are available, details of the split week, check in days, and the number of Points required to make a split week reservation, which is calculated as a percentage of the total number of Points required for a seven day reservation, is described in the European Collection Resort Portfolio.

**5. Cancellations, alterations and no-shows**

- 5.1 Unless covered by a reservation protection plan purchased by the Member, cancellation of a confirmed reservation will result in the percentage loss of the Points used to make such reservations as follows and may also result in the imposition of a cancellation fee:

Notification of Cancellation	Point value credited to your account
91-365 days prior to the commencement of the Use Period or the designated date for	100%

obtaining the Other Redemption Opportunity (“Start Date”)	
61-90 days prior to the Start Date	75%
31-60 days prior to the Start Date	50%
0-30 days prior to the Start Date	None

The foregoing notwithstanding, the European Collection Operating Company may revise this Rule 5.1 to add or delete additional cancellation deadlines with a more or less graduated percentage scale.

- 5.2 If a Member cancels a confirmed reservation, a similar reservation may not be subsequently re-booked as a late availability space reservation at the applicable discount off the normal Point value for that Use Period in such Accommodation. For this purpose, a similar reservation for an Accommodation Unit will be a reservation which is in the same geographical region as that cancelled by the Member and for which the Use Period reserved commences within 14 days of the commencement of the cancelled Use Period. If a Member is identified at any time as having broken this rule, an adjustment may be made retrospectively by the European Collection Operating Company to the Member’s Points account (either in the same Use Year, or in a subsequent Use Year) so that the Member is charged the full Point cost of the reservation.
- 5.3 Subject always to Rule 5.2, a Member may submit a subsequent reservation request after having cancelled a confirmed reservation, but there can be no guarantee that any alternative reservation requested will be available to the Member.
- 5.4 A Member who intends to check in at a Resort after the arrival day designated on the confirmed reservation must contact the check-in desk at the 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.
- 5.5 Members who fail to check-in during the Use Period for which they have been issued a confirmed reservation (or who arrive late and do not comply with Rule 5.4) will forfeit 100% of the Points used to make the reservation for that Use Period as the case may be, and may be subject to a no-show fee.
- 5.6 5.6.1 The European Collection Operating Company shall be entitled to cancel reservations in respect of any Resort which shall cease to be a European Collection Resort. In such an event, the European Collection Operating Company will give as much prior notice as possible to Members affected and will use its reasonable best endeavours to offer suitable alternative reservations.
- 5.6.2 If any such cancellation shall be made during the same Use Year as the confirmed Use Period affected, Members may carry forward their full allocation of Points for that Use Year to the following Use Year irrespective of the time of year in which the Points are carried forward without any prior approval by the European Collection Operating Company.
- 5.6.3 If the European Collection Operating Company has confirmed a reservation to a Member and owing to any disaster or act of God or other reason beyond the European Collection Operating Company’s control, the relevant accommodation cannot be used or occupied, that Member waives any and all claims against the

European Collection Operating Company and the European Collection and neither party shall have any obligation to provide that Member with an alternative reservation for that Use Year.

**6. Payment of Management Charges applicable to all European Collection Members**

- 6.1 Members will be invoiced for their Management Charges on a periodic basis.
- 6.2 Management Charges directly or indirectly include, but are not limited to, the following components:
- (a) Interior and exterior maintenance, cleaning and repair of all European Collection Accommodation units.
  - (b) Major refurbishment sinking fund allocation.
  - (c) On-site management and reception/check-in services.
  - (d) Housekeeping and linen services.
  - (e) All utility costs (electricity may be charged to members according to consumption at the end of each occupied Use Period).
  - (f) All taxes and building and contents insurance.
  - (g) Member reservations service.
  - (h) Customer Services Department.
  - (i) Management Charge billing and collection service.
- 6.3 Members will have to be current in the payment of their Management Charges in order to be able to make a reservation request in any Use Year.
- 6.4 In the event that a Member requests a reservation for the next succeeding Use Year, the European Collection Operating Company will request payment of a deposit on account of the Management Charge for the next succeeding Use Year prior to issuing a confirmed reservation. The amount of the deposit will be notified to Members requesting a reservation and may be varied by the European Collection Operating Company from time to time.
- In order to borrow Points from the following Use Year for use in the current Use Year, Members will be required to pay a deposit on account of the Management Charge in respect of the borrowed Points. The amount of the deposit will be notified to Members requesting to borrow Points and may be varied by the European Collection Operating Company from time to time.
- 6.5 In the event that the deposit charged to the Member in accordance with Rule 6.4 is lower or higher than the actual Management Charge published by the European Collection Operating Company, the Member's account will be charged or be credited with the amount of the difference at the time of the next Management Charge Billing.
- 6.6 If a Member is delinquent in the payment of their Management Charge, their membership rights will be suspended. A Member may only be able to submit a reservation request once they have made their Management Charges current.

6.7 Interest shall be charged at the cumulative rate of 1% per month on the balance of any outstanding monies due by a Member to the Management Company. In addition, a late fee may be charged.

6.8 Members who have a The Club Membership will be required to pay the annual Club Fee applicable to their membership type within The Club.

## **7. Guest certificates**

7.1 Reservation confirmations may be used by the Member or associate Member who receives the confirmation. If the Member is not staying in the Accommodation then the Member must request a Guest Certificate for their guests who shall be deemed to be the licensee of the Member and for whose acts and omissions the Member shall continue to be responsible.

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

7.3 Individuals under the age of eighteen (18) or twenty-one (21) depending upon the location of the reservation are not eligible to use a Guest Certificate.

7.4 A fee for each Guest Certificate is chargeable in accordance with the fee levels established by the European Collection Operating Company from time to time.

7.5 The Member requesting a Guest Certificate is responsible for payment of any expenses incurred as well as any damages caused by their guest(s) staying in the Accommodation Unit, and for the replacement of any items missing from such Accommodation Unit.

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

7.7 The use of a Guest Certificate is subject to any additional conditions or limitations that may be imposed thereon by the European Collection Operating Company from time to time.

7.8 The European Collection Operating Company reserves the right to terminate the membership status of any Member(s) and to revoke any issued Guest Certificate(s), in the event that any of the above conditions are breached.

## **8. Rentals**

8.1 A Member is permitted to rent out the Accommodation Units reserved for the Use Period subject always to strict compliance with these Rules and Regulations. In particular, the use of Points to reserve Accommodation Units for commercial purposes or for any other purpose other than the personal use of the Member and the Member's guests pursuant to a bone fide Guest Certificate is prohibited. Use by a Member of public advertising, including but not limited to social media platforms and/or online websites, to seek rental opportunities for a reserved Accommodation Unit shall be deemed a prohibited commercial use and any such reservation will be cancelled. Furthermore, any Member found to be engaging in such activity risks their European Collection membership and

Points being suspended and/or cancelled at the discretion of the European Collection Operating Company. Members who are primary developers of Resorts (that is, members of the Diamond Resort™ group of companies) are specifically exempted from this restriction and are entitled to use their reserved Accommodation Units for promotional, rental, or other commercial purposes.

- 8.2 Subject to the restrictions in Rule 8.1 and Rules 7.1 through 7.8, no prior approval is required from the European Collection Operating Company for the Member to rent or allow another party to use an Accommodation Unit after the Member has obtained a confirmed reservation. However, such Member is obligated to inform Club Reservations or the Resort front desk as the case may be, of the names of such guests, with a Guest Certificate prior to the day of check in and the Member will be responsible for the acts or omissions of such parties, including the failure to pay charges incurred at the Resort.

## **9. Exchange services**

9.1.1 The European Collection Operating Company reserves the right to enter into Affiliation Agreements on behalf of the European Collection with one or more exchange programs to provide additional exchange services to Members.

9.1.2 Members may be enrolled as a member of an Exchange Program and the applicable fee for membership of that exchange program may be incorporated into the Management Charges.

9.1.3 The operating policies and procedures, the terms and conditions and the fees which apply to the applicable Affiliation Agreements are available on the website at [hiltongrandvacations.com](http://hiltongrandvacations.com)

- 9.2 The European Collection is party to an Affiliation Agreement (“Club Affiliation Agreement”) with HVC International Club, Inc. (“The Club Operating Company”), which has established The Club® an exchange program (“The Club”). As part of the Club Affiliation Agreement Members of the European Collection are automatically enrolled as Members of The Club (save for any Members who own only resale points).

As a result of the Club Affiliation Agreement Members use The Club to make all reservations using their Points for their Home Collection, ie into the European Collection resorts and also resorts within THE Club. Members can also use their Points for other Member Benefit redemption opportunities within The Club.

There are different types of memberships within The Club and a Member will be governed by the applicable membership rules of The Club.

For further details of the rules of The Club relating to reservations, cancellations, saving points etc please refer to the applicable Member directory and the website [theclub.hiltongrandvacations.com](http://theclub.hiltongrandvacations.com).

- 9.3 Members of the European Collection who have a The Club membership are also automatically enrolled into the Destination Xchange Program. Full details available on the website [theclub.hiltongrandvacations.com](http://theclub.hiltongrandvacations.com).

## **10. Occupation of Accommodation Assets**

- 10.1 Each occupant of an Accommodation Unit shall comply at all times with the provisions of all internal rules and local regulations of the Resort; and all laws, statutes and regulations of the local, municipal, county, state and national jurisdictions in which the Accommodation Unit, is located.
- 10.2 Use and occupancy of each Accommodation Unit shall be strictly in accordance with the provisions of the European Collection Articles and these Rules and Regulations.
- 10.3 Each Accommodation Unit 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. Accommodation Units shall be left in a good, clean and sanitary condition.
- 10.4 Each occupant shall comply with such procedures for reporting such occupant's departure from any Accommodation Unit and for discharging any bills that may have been incurred during the occupancy.
- 10.5 No occupant shall damage, interfere with or do anything likely to lower the value or attractiveness or appearance of any Accommodation Unit, of any of the common areas or of any furnishings, fixtures or fittings therein. Any damage will be billed as Other Charges.
- 10.6 No Accommodation Unit or the common areas or the fixtures, fittings, furnishings or other equipment of any Accommodation Unit or any other common areas shall be altered or damaged. Any damage will be billed as Other Charges.
- 10.7 No occupant shall do or permit to be done anything in an Accommodation Unit which shall be or tend to be a nuisance or annoyance to any other person lawfully entitled to enjoy the applicable Resort at any time or engage in conduct determined by the European Collection Operating Company to be unbecoming of a Member of the European Collection, 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.
- 10.8 No occupant/user shall keep any animal, bird, fish or other livestock in or upon any Accommodation Unit except such animals that assist persons with disabilities, e.g., seeing-eye dogs or where explicitly permitted by the rules and Regulations of the individual Resorts.
- 10.9 No occupant shall use any Accommodation 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 Accommodation Units shall not make use thereof for any purpose from which a nuisance can arise to other occupiers/users 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. Nor shall any Member own or control a website with content pertaining to the European Collection, the Resorts, The Club Operating Company or any member of the Diamond Resorts™ group of companies without the express permission of European Collection Operating Company.
- 10.10 As to Accommodation Units the following additional rules shall apply:

- (a) The windows of any Accommodation Unit shall not be darkened or obstructed other than by the use of the curtain material or internal blinds provided.
- (b) Except for Accommodation Units where expressly permitted, clothes or other articles shall not be hung or exposed anywhere outside any Accommodation Unit or in any position visible from outside the building in which the Accommodation Unit is located.
- (c) No occupant shall throw dirt, garbage, rags or any other deleterious material from the windows or balconies of any Accommodation Unit or deposit such items into sinks, bathtubs, toilets and other pipes or conduits of any Accommodation Unit.
- (d) No occupant shall allow any music or singing whether by instrument or voices, radio, television or other means in any Accommodation 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 Accommodation Unit between 11:00 p.m. and 9:00 a.m. or during other times that may be designated by the Resort or the European Collection Operating Company.
- (e) No occupant shall obstruct the private roadway, passageways or pedestrian walkways or disabled access points serving the Accommodation Unit nor use them for any other purpose than for access to or egress from the Accommodation Unit which the occupant is entitled to use.
- (f) No occupant shall store in any Accommodation Unit or near thereto any inflammable or explosive material.
- (g) No occupant shall display any signs, advertising, banners, flags or the like.

### **Data Protection Notice**

A copy of our privacy policy is available at <https://www.hiltongrandvacations.com/en/privacy-notice> or by emailing us at [legalUK@hgv.com](mailto:legalUK@hgv.com) .