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THE WESTIN NANEA OCEAN VILLAS OWNER'S HANDBOOK

(September 2015)

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DISCLOSURE STATEMENT
ON

Nanea Ocean Villas

Name of Time Share Plan or Building

45 Kai Malina Parkway, Lahaina, Maui, Hawaii 96761

Location

READ THIS
DISCLOSURE
STATEMENT
BEFORE SIGNING
ANYTHING

The disclosure statement is prepared and issued by the developer of the time share plan. It is NOT prepared or issued by the State of Hawaii.

THE STATE OF HAWAII HAS NOT PASSED ON THE MERITS OF THE TIME SHARE PLAN DESCRIBED HEREIN.

Nanea Ocean Villas

INTRODUCTION

In this Disclosure Statement, the Developer is sometimes referred to as “we”, and Buyers are sometimes referred to as “you”. Capitalized terms not otherwise defined in this Disclosure Statement have the meanings given to them in the Vacation Plan Documents. The Vacation Plan Documents are listed in Exhibit A. You should read this entire Disclosure Statement, including the exhibits, to be sure that you see all of the important information in it.

1. DEVELOPER

The Developer is SVO PACIFIC, INC, a Florida corporation. Its address is 9002 San Marco Court, Orlando, Florida 32819, Telephone (407) 903-4000.

We are offering for sale time share interests, called “*Vacation Ownership Interests*” in the Nanea Ocean Villas Vacation Ownership Plan (which we call the “*Vacation Ownership Plan*” or just the “*Plan*”).

2. PLAN MANAGER

The owners of the Vacation Ownership Interests (called “*Vacation Owners*” or just “*Owners*”) will manage the Plan through and as members of an association of the Owners (the “*Association*”). The Association is a non-profit Hawaii corporation and its name is Nanea Ocean Villas Owners Association, Inc. Certain of the Association’s management responsibilities, duties and authority are given to an agent or “plan manager” (the “*Plan Manager*”), as described in Section 15.

The Plan Manager is SVO HAWAII MANAGEMENT, INC., a Hawaii corporation. Its address is 6 Kai Ala Drive, Lahaina, Maui, Hawaii 96761, Telephone (808) 667-3361. Its Responsible Managing Employee is Angela Nolan. Her address and telephone number is the same as for the Plan Manager. The Plan Manager is related to the Developer.

3. TIME SHARE PLAN

Welcome to the Nanea Ocean Villas Vacation Ownership Plan. We have worked hard to create a vacation plan that will provide you with enjoyable vacation experiences for many years to come. Here is how it works:

3.1. INTRODUCTION.

The basic idea of the Plan is that the Owners will share the use of certain units in the Nanea Ocean Resort (the “*Project*”) and

will also share the cost of operating the Plan and maintaining those units and their furnishings, and the Project

The Project is a fee simple beachfront planned community. It is planned to consist of retail, restaurant, vacation ownership, and hotel components, and may also be used for certain other purposes. It is located at 45 Kai Malina Parkway, Lahaina, Maui, Hawaii 96761, and is part of the Ka`anapali North Beach resort.

The nature of the Plan and the rights and duties of the Developer, the Buyers, and anyone else who participates in the Plan or who has an interest in it, are governed by the Vacation Plan Documents.

Under the Vacation Plan Documents, you and every other Owner will have the right to reserve the use of a Unit in the Project. The Units included in the Plan are called “*Villas*” and they are listed in Exhibit B.

Unlike some vacation plans, however, you are not necessarily limited to a certain type of unit such as a one-bedroom unit. And you are not necessarily restricted to a particular week nor do you always have to use a whole week at a time.

Instead, the Plan has been designed to give you flexibility when planning your vacation. You may choose from several different kinds of Villas. You may reserve as few as one and as many as fourteen nights for each reservation.

Of course, each Owner does not have unlimited use rights. Instead, the use of the Villas is divided among the Owners through a “reservation system.” The reservation system establishes rules, priorities, and procedures for making reservations for use of the Villas based on the number and kind of Points owned by each Owner.

“*Points*” are used to establish each Owner's ownership interest in the Project and to reflect the Owner’s rights to enjoy the benefits of the Vacation Ownership Interest in comparison to all other Vacation Ownership Interests, including the relative ability to reserve the use of a Villa.

You and every other Owner will have the right to receive a certain number of Points every year or every two years. You may “spend” your Points to reserve a Villa or to obtain other benefits available through the Plan. Every night of the year is given a “Point Value” - the number of Points required to reserve the use of that Villa for that night. With some exceptions, you may reserve any type of Villa for any available night so long as that type of Villa is available and you have enough Points, and the right kind of Points (Section 3.4.E discusses the 2 kinds of Points) to reserve it.

To widen your vacation opportunities, the Developer has arranged for Owners to have the opportunity to join the

Starwood Vacation Network (“SVN”). SVN is an Exchange Program designed to link different vacation resorts. If you join SVN, you will have the opportunity to request a reservation at other participating resorts. This gives you more opportunities for places to stay when choosing your vacation destination.

SVN currently includes various Westin and Sheraton vacation ownership resorts located in Hawaii, the Bahamas, the U.S. Virgin Islands, Florida, Colorado, California, Arizona, South Carolina, and elsewhere. Other vacation plans or vacation clubs may also join but neither the Developer nor anyone else can make any promises about that. Each resort included in SVN is called an “SVN Resort.”

To provide even more vacation choices, SVN currently provides access to the Interval International, Inc. (“Interval International”) Exchange Program. This gives you the opportunity to request a reservation for units in nearly two thousand different vacation ownership resorts around the world.

This disclosure statement focuses on the Plan itself. The SVN and Interval International Exchange Programs are separate programs in which you may choose to participate. You will receive separate disclosure documents explaining who runs those programs, how their programs work, and the costs of membership and participation.

So as an Owner in the Nanea Ocean Villas Vacation Ownership Plan, and if you participate in the SVN program, you will have the opportunity to request a reservation for:

- ❖ A Villa in the Plan;
- ❖ A unit in other SVN Resorts; or
- ❖ A unit in the nearly two thousand resorts available through Interval International, Inc.

So far, we have only given you an overview of the Plan and highlights of your exchange opportunities. Now let’s get down to the details of what you are buying and how the Plan works.

3.2. HOW DOES THE PROJECT WORK?

A. Nature of the Project. The Project is a planned community governed by Chapter 421J, Hawaii Revised Statutes. It consists of certain land on Maui and the buildings and other improvements on the land. The Project Documents designate parts of the Project as “Units” and the rest as “Common Areas.” Although the Project is not a condominium, these designations are important in determining who gets to use any particular part of the Project, and who is responsible to maintain, repair, and replace the different parts of the Project. The details are set forth in the legal documents that established and govern the Project (the “Project Documents”), and they are listed in Exhibit A.

1) Units. There are three kinds of Units: “Commercial Units,” “Parking Units” and “Resort Units.”

Resort Units are generally designed to be used as vacation lodgings and fall into two groups: “Villas” and “Lodging Units.” Villas are the Units included in the Plan and that may be available for your use. All other Resort Units are Lodging Units. The Lodging Units are likely to be used for hotel purposes but they can be used as permanent or temporary residences and they can also be added to the Plan. The Commercial Units can be used for any lawful purpose and are likely to be used to provide certain hotel-type services such as food and beverage services, a convenience store, activity sales, sales and marketing of the Vacation Ownership Interests, administrative offices, and so on. Parking Units can be used for parking motor vehicles and, in some cases, for other purposes (for example, for storage areas, as a landing area for helicopters, drones, or other aircraft, for satellite dish or other transmission purposes, or as administrative offices, workshops, and so on). The Developer makes no promise as to the actual use of the Commercial or Parking Units.

Exhibit C lists all of the Units in the Project (not just the Villas) based on the Developer’s current plans. If the Developer’s plans change, then the Developer may revise Exhibit C to reflect these changes.

2) Common Areas. All parts of the Project other than the Units are Common Areas. There are two kinds: General Common Areas and Limited Common Areas. “Limited Common Areas” are areas set aside for use by a certain Owner or group of Owners. All other Common Areas are “General Common Areas” and available for use by everyone. Exhibit D lists some noteworthy Limited Common Areas based on the Developer’s current plans (and which can change if the Developer’s plans change).

3) Shared Areas. Certain Limited Common Areas relating to Unit 101 have been designated as “Shared Areas.” At present, these include the front desk, the bell desk area, the baggage storage area, various administrative areas, the Owner’s Lounge, and most of the lobby area of Building 3. Exhibit E depicts the Shared Area based on the Developer’s current designations of it (and which can change if the Developer’s chooses to make a change).

B. PROJECT OWNERSHIP INTERESTS. The Project Documents create “Project Ownership Interests.” Each Project Ownership Interest consists of a fee simple interest in the entire Project and certain additional rights. There are several kinds of Project Ownership Interests:

1) Commercial Ownership Interests. They include the right to use a specific Commercial Unit.

2) Parking Ownership Interests. They include the right to use a specific Parking Unit.

3) Lodging Ownership Interests. They include the right to use a specific Lodging Unit.

4) Vacation Ownership Interests.

Note that the term “Resort Ownership Interest” means a Lodging Ownership Interest or a Vacation Ownership Interest.

3.3. WHAT AM I BUYING?

A. **A Vacation Ownership Interest.** You are buying a “*Vacation Ownership Interest.*” It consists of an Ownership Share in the Project (see Subsection 3.3.B) together with the following rights, each of which is appurtenant to the Ownership Share and is subject to the terms and conditions of the Vacation Plan Documents and the Project Documents:

- ❖ The right to receive an allotment of Points either every year or every other year.
- ❖ The right to use those Points to reserve the use of a Villa either every year or every other year. For some kinds of Vacation Ownership Interests, the Points are automatically used to reserve the use of a certain Villa or type of Villa for a specific week. For all others, the Owner must request a reservation.
- ❖ During the time period reserved, the right to use (i) a Villa, (ii) any Limited Common Areas available to the Villa, and (ii) the General Common Areas of the Project.
- ❖ A membership in the Association.
- ❖ A membership in the Nanea Ocean Resort Community Association, Inc., a Hawai'i nonprofit corporation (the “*Community Association*”). It is the association of Owners of Project Ownership Interests in the Project.
- ❖ A membership in Ka'anapali North Beach Master Association, Inc., a Hawai'i nonprofit corporation (the “*Ka'anapali North Beach Association*”). It is the association of property owners in the Ka'anapali North Beach community.

B. **What is My Ownership Share?** Your “*Ownership Share*” is an “undivided interest” in the Project. The term “undivided” in this context means that, although you are buying an interest in the Project, you are not buying a particular piece or portion of the Project; rather, you are buying a fractional interest in the Project as a whole. You will be a co-owner of the Project along with the Developer and the Owners of other Interests in the Project.

C. **Is it Fee Simple?** Each Buyer will receive a deed of his or her Ownership Share in the Project in fee simple. The deed will be recorded in the real estate records of the State of Hawaii. Because the Buyer will receive a real estate deed, under Hawaii law the Plan is an “ownership” plan.

D. **What Are My Basic Rights and Duties?** As the Owner of a Vacation Ownership Interest, you will have all of the interests, rights, duties, and privileges of a Vacation Owner under the Vacation Plan Documents and under the Project

Documents. Your rights, interests, privileges and duties as an Owner are established, defined, limited and governed by the Vacation Plan Documents and the Project Documents, and can be changed as provided in them. This includes, for example, the details about how to use your Points, the Villas that you may reserve and the times that you may do so and your duty to pay your share of the costs of owning and operating the Villas, the Plan, and the Project. For your convenience, we will discuss or summarize some of the highlights of these documents, but *you should make time to read them yourself so that you fully understand your interests, rights, privileges and duties.* Note that in this Disclosure Statement any reference to any of these documents should be construed to also refer to all amendments made to them from time to time.

E. **Exchange Program Participation.** When you purchase your Vacation Ownership Interest, you will also be offered a membership in SVN. The SVN Exchange Program is owned and operated by Starwood Vacation Exchange Company, a Delaware corporation (the “*SVN Operator*”). It is an affiliate of the Developer. As a member of SVN (an “*SVN Member*”), you may voluntarily choose to request a reservation for vacation lodgings included in other SVN Resorts. You will also have the opportunity to take advantage of other benefits offered through SVN from time to time. This currently includes, for example, use of the Interval International Exchange Program (although this may not always be so). The SVN and Interval International Exchange Programs are governed by their own rules and regulations, as described in their own separate Exchange Program disclosure documents. The Developer will give you copies of them but those documents are prepared by the Exchange Companies, not the Developer, and the Developer takes no responsibility for them. While we think that you will like the SVN and Interval International Exchange Programs, participation is entirely voluntary and they are not part of the Developer’s offering.

3.4. HOW DOES THE VACATION PLAN WORK?

A. **Time Periods.** Before we can explain how the Plan works, you must first understand some special terms that we use. These terms are used to divide the nights and weeks of the year among the Owners, to explain when Owners can request a reservation, the check-in day for their vacation, to describe when the Villas will be closed for cleaning and maintenance, and so on.

- ❖ A “*Use Year*” is a period beginning at noon on the first Friday of the first full week in each calendar year and ending at noon on the first Friday of the first full week of the next calendar year.
 - An “*Odd Year*” is a Use Year that starts in an odd-numbered calendar year, like 2017, 2019, and so on.
 - An “*Even Year*” is a Use Year that starts in an even-numbered calendar year, like 2018, 2020, and so on.

- ❖ A “*Use Night*” is a period starting at “*check-in time*” on one day and ending at “*check-out time*” on the next day. The exact time of day for check-in and check-out will be stated in the Reservation Rules, which now state that check-out time is 10:00 a.m., and check-in time is 4:00 p.m.
- ❖ A “*Use Week*” is a period beginning at check-in time on one day and ending at check-out time on the same day of the following week.
- ❖ A “*Use Period*” is a Use Night, Use Week, or any other period of consecutive Use Nights in a given Villa.
- ❖ A “*Vacation Period*” is a Use Period reserved by an Owner, the Developer or someone else.
- ❖ “*Service Period*” means a Minor Service Period or a Major Service Period.
 - “*Minor Service Period*” means the time between check-out time of one person's Vacation Period and check-in time later that day. The Association can use this time to provide housekeeping and other services.
 - “*Major Service Period*” means a Use Period set aside for annual maintenance and repairs of the Villa. Each year, the Association may choose up to three Use Nights in each Villa to be the “*Major Service Period*” for that Villa. If needed to maintain or upgrade the Villas and if the Plan’s vacancy rate is high enough to permit it, the Association may set aside additional time for Major Service Periods.

B. What Are Points? Points serve two functions.

First, Points are used to allocate the benefits of the Plan among the Owners. You and every other Owner have the right to receive a certain number of Points for use in each Use Year or in every other Use Year. You may use them to reserve the use of the Villas for one or more Use Periods pursuant to priorities, restrictions and limitations established from time to time in accordance with the Vacation Plan Documents. Or you may use them to obtain other benefits available through the Plan.

Second, Points are used to determine the Ownership Share in the Project held by each Owner of a Vacation Ownership Interest. The more Points that you own, the greater your ownership of the Project.

Please note that Points are sometimes called “Home Options” in some of the Vacation Plan Documents. Both terms mean the same thing.

C. Where Do Points Come From? As property is included in the Plan, the Developer automatically assigns a certain number of Points to it. The number of Points assigned to each Villa will be equal to the numerator of the Ownership Share established with respect to that Villa in the Project

Documents. For example, suppose that the Ownership Share of the Unit 3212 Interest is:

$$\frac{4,163,400}{3,098,581,502}$$

When the Developer includes Unit 3212 in the Plan, the Developer will also create 4,163,400 Points. Note that the Ownership Share of each Project Ownership Interest, and thus the number of Points for each Villa, is determined by the Developer based on the Unit or Unit Type and any other relevant factors as determined by the Developer in its sole, absolute and unfettered discretion.

D. What Property is Included in the Plan? Exhibit B to this Disclosure Statement lists the Villas currently in the Plan. The Developer can include more property in the Plan as discussed in Section 4. Property is “included” in the Plan only if it is submitted to the Vacation Plan Declaration.

E. Are There Different Kinds of Points? Each time that the Developer includes a Unit in the Plan, the Developer must state whether the Unit is a Resort View Villa or an Ocean Front Villa. Points allocated to a Resort View Villa are called “*Resort View Points*.” Points allocated to an Ocean Front Villa are called “*Ocean Front Points*.” Exhibit B to this Disclosure Statement states whether the Villas in the Plan are Resort View Villas or Ocean Front Villas.

F. How Many Points Does it Take to Reserve a Villa?

The number of Points required to reserve a Villa for one Use Night is called its “*Point Value*.” The Developer sets the initial Point Values. After that, the Reservation System Operator will set the Points Values in most cases.

The “*Reservation System Operator*” is someone hired by the Association to manage and operate the reservation system for the Plan. The initial Reservation System Operator is Starwood Vacation Exchange Company, a Delaware corporation. It is the same company that serves as the SVN Operator, as discussed in Section 3.3E, above.

In setting the Point Values, the Reservation System Operator may consider all factors that it considers to be relevant in its sole, absolute and unfettered discretion. This may include, for example: (i) the location, size, capacity, furnishings and other features of a Villa or kind of Villa, (ii) the location (geographic, topographic, and scenic), recreational and other features of the Project as compared to other resorts of the Developer or its affiliates, or that are available through the SVN program or another Exchange Program, (iii) demand and availability for Owner use, (iv) the cost to buy, build, furnish, operate, or maintain a particular Villa, and (v) anything else determined to be relevant in the sole, absolute and unfettered discretion of the Reservation System Operator. The decision of the Reservation System Operator on the Point Value of a Use Night is final.

Each year, the Reservation System Operator will publish a chart showing the Point Value for each Use Night or Use Week in every Villa. This chart is called the “*Points Chart*.” A copy of the current Points Chart is attached as Exhibit F. The Developer prepared the first Points Chart.

Each Use Night may have a different Point Value. The Point Value for a particular Use Night may change from one Use Year to the next. Also to reduce the likelihood that a Villa will not be used, the Reservation System Operator may reduce the Point Value of Use Periods not reserved as of sixty or fewer days before the Check-In Day, although it is not currently planning to do so.

In setting the Point Values, the Reservation System Operator does not have to compare each Villa to each other Villa. Instead, it may assign Points based on a comparison of the different Villa Types rather than on a comparison of specific Villas. This does not mean that the Reservation System Operator must assign different Point Values to different Villa Types. Instead, the Reservation System Operator may assign the same or similar Point Values to Villas designated as different Villa Types if the Reservation System Operator decides that the reservation value of those Villas is similar or the same. Conversely, the Reservation System Operator may assign different Point Values to Villas designated as the same Villa Types if the Reservation System Operator decides that differences in the reservation value of those Villas should be reflected in the Points Chart. The Reservation System Operator can change the Villa Type groupings from time to time, or even create new Villa Types based on any factors that are relevant, or that are intended to increase the opportunity of the Owners as a whole to use and enjoy the Vacation Property, as determined in the Reservation System Operator’s sole, absolute and unfettered discretion.

Likewise, the Reservation System Operator does not have to compare each Use Night to every other Use Night when assigning Point Values. Instead, the Reservation System Operator may divide the year into different periods, called “*Seasons*.” For example, it might divide the year into peak, high, medium and low Seasons. It may then divide the Use Nights among the Seasons. It may then set Point Values based on a comparison of the different Seasons rather than a comparison of each specific Use Night or Use Week. The Reservation System Operator may change the starting and ending dates of Seasons from time to time or even create new Seasons or delete existing Seasons based on things like changes in vacation patterns, changes in the Reservation System Operator’s estimate of the reservation value of different Use Periods, or any other factors that are relevant, or that are intended to increase the opportunity of the Owners as a whole to use and enjoy the Vacation Property, as determined in the Reservation System Operator’s sole, absolute and unfettered discretion.

The Reservation System Operator may set different Point Values for Use Periods having special characteristics. For example, the Reservation System Operator may set higher

Point Values for holidays like Thanksgiving or for weeks in which a special event, such as Aloha Week, occurs. These higher Point Values would apply even if the Use Period otherwise falls within a specific Season.

The sum of the Point Values for each Use Night in a Use Week may be higher than the Point Value for the full Use Week. This is because breaking up a Use Week into smaller Use Periods may mean that some of the Use Nights may go unused. As a result, the Reservation System Operator may choose whether to reflect this in setting the Point Values for use of the individual Use Nights making up a Use Week, in its sole, absolute and unfettered discretion.

The Reservation System Operator may draw other distinctions when preparing the Points Chart. It may do so in order to recognize new kinds of Vacation Ownership Interests or reservation and use rights created from time to time, or to enhance the administration and operation of the Plan or the reservation system, or for any other purpose that is relevant, as determined by the Reservation System Operator in its sole, absolute and unfettered discretion.

The Reservation System Operator can change the Point Value of a Use Period from time to time in accordance with the Vacation Plan Declaration and the one-to-one use-right to use-night requirement of the Act. These changes will not take effect until after they appear in the Points Chart. The Developer may change the Point Value of a Use Period as required by law or by any governmental agency. The Reservation System Operator may revise the Points Chart during the Use Year. For example, it might do so to reflect things like the addition or deletion of Units, the creation of new Villa Types or new kinds of Vacation Ownership Interests, changes required by governmental agencies, and so on.

You should be aware that whenever the Reservation System Operator makes changes to the Point Values, the total number of Use Nights that you will be able to reserve in a particular Villa Type with the Points that you receive for use in that year may increase or decrease. For example, if the Point Values for a Use Night in a two-bedroom Villa goes up, then you may not be able to reserve as many Use Nights as you could before the increase. Conversely, if the Point Value of a Use Night in a two-bedroom Villa goes down, then you would be able to reserve more Use Nights without buying any more Points.

The Association may enter into a contract which requires that Point Values assigned by the Reservation System Operator conform to the Point Values assigned to the Vacation Property by a third party for exchange purposes.

The decisions of the Developer and the Reservation System Operator on Point assignments are final. However, the assignment of Point Values must comply or be administered in accordance with any applicable requirements of the one-to-one use-right to use-night requirement of the Act. The Vacation Plan Documents provide rules about how to make this determination. For example, if the sum of the Point Values for

the Use Nights in a certain Use Week is higher than the Point Value charged to reserve the full Use Week as discussed above, then the Point Value of the full Use Week will be used in making this determination.

The Vacation Plan Declaration also makes allowances for rounding, approximations, and yearly variances. Like a calendar year, the Use Year does not have exactly 52 weeks in it. There are always a few extra days, and sometimes an extra week. Some calendar years have more weekend days and so do some Use Years. The sum of the Points assigned to all of the Use Periods in a Use Year may differ from one year to the next depending on whether the extra days fall on week days or on the weekend, or whether there are more weekends or even an extra week in the Use Year. (Point Values may be higher for weekend nights than for weeknights.) Subject to any limitations contained in the Act, the Reservation System Operator may set Point Values without regard to these kinds of differences.

G. How Often Can I Reserve a Villa? You can purchase the right to reserve and use a Villa in every Use Year or in every other Use Year.

If you choose every year, then you will own an “*Annual Vacation Ownership Interest*”, sometimes called an “*Every-Year Vacation Ownership Interest*.” It gives you the right to receive an allotment of Points every year. You may use those Points to request reservations for Use Periods in every Use Year.

If you prefer every other year use rights then you will own a “*Biennial Vacation Ownership Interest*”, sometimes called an “*Every-Other-Year Vacation Ownership Interest*.” There are two kinds of Biennial Vacation Ownership Interests:

If you choose an “*Even-Year Vacation Ownership Interest*”, then you will have the right to receive an allotment of Points every other year. You may use those Points to request one or more reservations to use a Villa in Even Years (Use Years that start in an even-numbered calendar year such as 2018, 2020, and so on). To be clear, the Use Period reserved must fall within an Even Year, but the reservation may be requested at any time permitted by the Reservation Rules.

If you choose an “*Odd-Year Vacation Ownership Interest*”, then you will have the right to receive an allotment of Points every other year. You may use those Points to request one or more reservations to use a Villa in Odd Years (Use Years that start in an odd-numbered calendar year such as 2019, 2021, and so on). To be clear, the Use Period reserved must fall within an Odd Year, but the reservation may be requested at any time permitted by the Reservation Rules.

Your Deed will say whether you have an Every-Year, Even-Year, or Odd-Year Vacation Ownership Interest.

Each allotment of Points relate to a specific Use Year. If you do not use them to reserve a Use Periods that fall within that Use Year, then they will expire.

H. How Many Points Will I Have? The Ownership Share for your Vacation Ownership Interest is directly related to the number of Points that will be allotted to the Vacation Ownership Interest and whether Points will be allotted every year or every other year. It works like this:

First, the Developer creates the Points by including Units in the Plan as explained in Section 3.4.C.

Then the Developer assigns the right to receive an allotment of those Points to the Vacation Ownership Interests.

The number of Points that you choose to buy will be stated in your Deed. You will receive that number of Points for each Use Year (if you buy an Annual Vacation Ownership Interest) or every other Use Year (if you buy a Biennial Vacation Ownership Interest). This determines the Ownership Share of your Vacation Ownership Interest.

The Ownership Share for each Vacation Ownership Interest is stated as a fraction, and is established as follows:

- ❖ For an Every-Year Vacation Ownership Interest, the numerator (top number) of that fraction will be equal to the number of Points that will be allotted to the Vacation Ownership Interest every year.
- ❖ For an Every-Other-Year Vacation Ownership Interest, the numerator (top number) of that fraction will be equal to one half of the number of Points that will be allotted to the Vacation Ownership Interest every other year.
- ❖ The bottom number (denominator) is the same as the denominator used to determine the undivided interest of all Project Ownership Interests in the Project (initially, 3,098,581,502).

For example, suppose that a Vacation Ownership Interest includes the right to receive an allotment of 80,000 Points.

If the Owner has the right to receive an allotment of 80,000 Points every year (i.e., an Every-Year Vacation Ownership Interest), then his or her Ownership Share will be:

$$\frac{80,000}{3,098,581,502}$$

In this example, the bottom number (3,098,581,502) is the denominator used to set the undivided interest of all of the Project Ownership Interests in the Project.

The top number (80,000) represents the number of Points that will be allotted to this particular Vacation Ownership Interest for use in each Use Year.

However, if the Owner has the right to receive an allotment of 80,000 Points only every other year (i.e., an Every-Other-Year Vacation Ownership Interest), then his or her Ownership Share will be:

$$\frac{40,000}{3,098,581,502}$$

As in the prior example, the bottom number (3,098,581,502) still is the denominator used to set the undivided interest of all of the Project Ownership Interests in the Project.

The top number (40,000) represents one-half of the number of Points that will be allotted to this particular Vacation Ownership Interest for use in every other Use Year.

Note that this example assumes that the denominator (bottom number) used in the Project Documents to determine the undivided interest of each Project Ownership Interest is 3,098,581,502. If that changes, then the denominator used to establish the Ownership Share of each Vacation Ownership Interest will also change accordingly. However, a change in the denominator will not change the number of Points that you have the right to receive.

You can choose the number of Points that you wish to buy. However, the Developer may require that you buy at least a certain minimum number of Points. Although the current minimum is 20,700, that's only enough to reserve a few nights in a One-Bedroom Resort View Villa. So unless you own a Vacation Ownership Interest in other SVN Resorts, you may want to buy more Points in order to broaden your vacation opportunities.

I. **What Use Nights Can I Use?** The nights that you may reserve depend on the reservation rights that you choose when you buy your Vacation Ownership Interest. You can choose a "Floating Vacation Period" or a "Specific Vacation Period."

1) **Floating Vacation Period.** If you choose a "Floating Vacation Period," then you must reserve a Use Period using your Points. To do so, you must follow the procedures in the current Reservation Rules. You cannot, of course, reserve a Use Period chosen by the Association to be a Major Service Period or any Use Period that is already reserved, or subject to a permanent reservation, or that any other person has the exclusive right to reserve. A Vacation Ownership Interest that has a Floating Vacation Period is called a "Floating Vacation Ownership Interest." You will own a Floating Vacation Ownership Interest unless your Deed says that you have a Specific Vacation Period.

2) **Specific Vacation Period.** If you choose a "Specific Vacation Period," then a Specific Week Period in each Use Year (for an Annual Vacation Ownership Interest) or every other Use Year (for a Biennial Vacation Ownership Interest) will automatically be reserved for you. In effect, you have a permanent reservation for that Specific Week Period. A

Vacation Ownership Interest that has a Specific Vacation Period is called a "Specific Vacation Ownership Interest."

The Specific Week Period that the Owner has the right to use is called the "Owner's Specific Week." The Owner's First Deed will fix the Owner's Specific, as follows:

a) **Specific Week Right.** You may choose to buy "Specific Week Rights." This means that a Specific Week Period automatically will be reserved for you each year (for an Annual Vacation Ownership Interest) or every other year (for a Biennial Vacation Ownership Interest). A "Specific Week Period" is Use Week that begins on a Friday and ends the following Friday. Specific Week Periods are numbered from 1 – 52. For example, Specific Week Period No. 1 is the Use Week commencing on the first Friday of the first full week in each calendar year, and Specific Week Period No. 2 is the Use Week immediately following. Additional weeks up to and including Specific Week Period No. 52 are computed in a like manner. Excess days, if any, between the end of Specific Week Period No. 52 and the beginning of Specific Week Period No. 1 of the following year, regardless of the month, year or number of days, are not included in any Specific Week Period except to the extent necessary to establish the Owner's Specific Week for an Owner having New Years Event Period.

b) **Event Period Right.** You may choose to buy "Event Period Rights." This means that a week that includes a specific holiday automatically will be reserved for you each year (for an Annual Vacation Ownership Interest) or every other year (for a Biennial Vacation Ownership Interest). These weeks are called "Event Periods" and there are currently two of them:

- ❖ The "Christmas Event Period" is the Specific Week Period that includes December 25.
- ❖ The "New Year's Event Period" is the Specific Week Period that includes January 1.

From time to time, December 25 and/or January 1 will occur on Friday. In such a case, the check-in date for the Christmas Event Period or the New Years Event Period will be set in the manner provided in the Reservation Rules. If the Reservation Rules do not provide for this, then the Reservation System Operator will determine the check-in date for the Event Period for that year.

The Developer may also create new Event Periods in any amendment to the Vacation Plan Declaration or in a Declaration of Annexation.

3) **Number of Specific Vacation Periods.** The Developer plans to convey Vacation Ownership Interests having Specific Vacation Periods covering all of the Christmas Event Periods and New Years Event Periods. As a result, it is unlikely that you will be able to reserve a Christmas Event Period or New Years Event Period unless you buy an Event Period Right for that specific Event Period.

4) **Minimum Length of Stay.** The Reservation System Operator has the right to impose minimum length of stay rules that may require Owners to reserve a minimum number of Use Nights for each Vacation Period reservation. Owners may make multiple reservations using their Points, subject to the Reservation Window priorities; however, the Reservation System Operator also has the right to limit the number and length of reservations that a single Owner may reserve during the Home Resort Reservation Period. Currently, Owners are limited to three (3) pending reservations for each Vacation Ownership Interest owned during the Home Resort Reservation Period. In addition, during the Home Resort Reservation Period, Owners may not reserve a Vacation Period that lasts more than fourteen (14) consecutive Use Nights for each Vacation Ownership Interest owned.

5) **Temporary Floating Use.** The Reservation Rules may permit the Owner of a Specific Vacation Ownership Interest to give up his or her Specific Vacation Period for a particular Use Year and instead be treated as if the Owner had a Floating Vacation Period for that Use Year. In that case, (i) the Owner will have the same reservation and use rights as an Owner of a Floating Vacation Ownership Interest for that particular Use Year, and (ii) the Owner's Specific Week surrendered will become available for reservation by other Owners. The Reservation Rules may impose conditions or limitations on the ability of an Owner to give up his or her Specific Vacation Period in this manner.

6) **New Kinds of Villa Types and Vacation Ownership Interests.** The Developer has the right, in its sole, absolute, and unfettered discretion, to create new Villa Types or new types of Vacation Ownership Interests with different reservation rights. The Vacation Plan Declaration prohibits the Developer from (i) changing the rights of existing Owners (other than the Developer) to reserve and use the existing Vacation Property (other than property that the Developer can remove from the Plan), or (ii) creating new kinds of Vacation Ownership Interests or reservation or use rights that do not comply with the one-to-one use-right to use-night requirement of the Act. The Developer also may create new Reservation Periods in addition to those described above, and they may have different minimum and maximum time periods or dates for submitting a reservation request. For example, the Developer may create new Reservation Periods when it creates new kinds of Vacation Ownership Interests. If new kinds of Vacation Ownership Interests are created with new special Reservation Periods (for example, a new kind of Event Period), the Developer may create special protections for the new special reservation rights.

7) **Other Reservation Rules.** The Reservation Rules may, but need not, create other reservation priorities, restrictions, limitations, and Reservation Periods. For example, they may: (i) designate Villas as smoking or non-smoking Villas (at present, all Villas are non-smoking Villas); (ii) limit the number of weekend Use Nights that an Owner may reserve or the times when an Owner may reserve them; (iii) provide for rotating priority list for the use of Use Periods in great demand,

such as holiday Use Periods, and for waiting lists; (iv) limit how far in advance an Owner may reserve a weekend Use Period or a Use Period having a duration of less than a week; (v) limit an Owner's reservation rights if the Owner had a confirmed reservation in that Use Year but changed or canceled it; and (vi) limit the time period within which an Owner may cancel a reservation without losing some or all of his or her Points.

J. **What Villa May I Use?** The Villa that you may reserve depends on whether your Vacation Ownership Interest has Ocean Front Points or Resort View Points, and whether it has a "*Floating Villa Use Right*", a "*Specific Villa Right*," or a "*Villa Type Right*," and how far in advance you request a reservation.

1) **Villa Types.** The Vacation Plan Documents divide the Villas into different groups or "*Villa Types*." Although the Developer can add more Villa Types in the future, initially all Villas will be considered to be a "*One Bedroom Villa*," a "*Two Bedroom Villa*," or a "*Three Bedroom Villa*." Each Villa is further designated as either "*Ocean Front*" or "*Resort View*." A list of the Villas showing Villa Type of each is attached as Exhibit "B" (the "*Villa List*"). The Developer has reserved the right to create additional Villa Types in the future.

2) **Resort View and Ocean Front Villas.** During the Home Resort Reservation Period, a Resort View Villa may only be reserved using Resort View Points, and an Ocean Front Villa may only be reserved using Ocean Front Points.

Note that the designation of a Villas as an Ocean Front or Resort View Villa has nothing to do with the actual orientation or view from the Villa. For example, a "Resort View" Villa may have a view of the pool and courtyard area of the Project, the mountains, parking structures and/or Honoapiilani Highway on the mauka side of the Project, the Honua Kai condominium on the North side of the Project (or fences, walls, or other barriers separating the Project from Honua Kai), or Keka'a Park on the South side (or fences, walls, or other barriers separating the buildings from Keka'a Park). Likewise, some of the Ocean Front Villas may actually be recessed from the ocean. Instead of having an unobstructed view of the Pacific Ocean, some Ocean Front Villas may overlook pools, roofs and other Improvements of the Project. The views from Villas located on lower floors may be partially or mostly obscured. Some Villas may face walls or other Improvements of the Project. **The Developer makes no representations or warranties as to the view from any Villa or any Villa Type.**

3) **Floating Villa Use Right.** If you choose a Floating Villa Use Right, then you may use your Points to reserve any available Villa. You cannot, however, reserve a Villa that is already reserved by someone else or that is permanently reserved or that anyone else has the exclusive right to reserve. You will not have the right to reserve any specific Villa. In fact, the Villa that you use may not be determined until you check in.

4) **Specific Vacation Periods.** If your Vacation Ownership Interest has a Specific Vacation Period, then it may have either a Specific Villa Right or a Villa Type Right.

- ❖ If a Vacation Ownership Interest has a “*Specific Villa Right*” then the Owner will have the right to use the specific Villa designated in the Owner’s deed.
- ❖ If a Vacation Ownership Interest has a “*Villa Type Right*,” then in each Use Year (for an Annual Vacation Ownership Interest) or every other Use Year (for a Biennial Vacation Ownership Interest) a Villa that is the Villa Type (for example, a Two-Bedroom Ocean Front Villa) stated in the Owner’s First Deed will automatically be reserved for use by the Owner during the Owner’s Specific Week subject to the following: (i) The Owner will not have the right to reserve any specific Villa; and (ii) the Villa that an Owner will use may not be determined prior to check-in. At check-in, the Plan Manager may assign to the Owner the use of any Villa that is the Villa Type that the Owner is entitled to use.
- ❖ An Owner automatically gives up the Specific Villa Right or Villa Type Right for the Use Year if the Owner gives up his or her Specific Vacation Period for that Use Year and chooses instead to be treated as if the Owner had a Floating Vacation Period for that Use Year.

5) **Assigned Villa.** If you have a Floating Villa Use Right or a Villa Type Right, the Plan Manager will assign a Villa for your use. That Villa is called your “*Assigned Villa.*” If you have a Specific Villa Right, the specific Villa designated in your First Deed is called your “*Assigned Villa.*”

3.5. **RESERVATIONS.**

A. **How Do I Make a Reservation?**

1) If you do not have Specific Week Rights or Event Period Rights, then you must reserve a Use Period using your Points. To do so, you must first check the Points Chart to find the Point Value of the Use Period and Villa Type that you want to reserve. Then check to be sure that you have enough Points to reserve it. You must then follow the rules for making reservations contained in the Reservation Rules. If you are unsure about any of these things, just call Reservation Services. “*Reservation Services*” is a place you can call for help in making reservations. Its phone number is (888) 986-9637.

2) If you have Specific Week Rights or Event Period Rights, then the Reservation System Operator will reserve your Specific Week Period or Event Period for you automatically. The Points associated with your Specific Week Period or Event Period will be used to make this reservation.

B. **Reservation Rules and Procedures.** The Reservation Rules contain the rules for making or confirming reservations. A copy of the current Reservation Rules is attached as Exhibit G. The Reservation Rules may include any

conditions, restrictions and limitations that the Reservation System Operator chooses. Except as otherwise provided in the Vacation Plan Declaration, the Reservation System Operator has the right to change the Reservation Rules from time to time in all respects and for any purpose, in its sole, absolute and unfettered discretion, without the consent of Owners. The Reservation Rules must comply or be administered in accordance with the one-to-one use-right to use-night requirement of the Act. All amendments are subject to the prior written consent of Developer for as long as Developer owns a Vacation Ownership Interest.

Important Note:

The rules discussed in Exhibit G apply for making reservations in the Plan pursuant to the Reservation Rules of the Plan. They are not the rules for making reservations through SVN.

The SVN Rules are the reservation rules for the SVN Exchange Program. To make a reservation through SVN, you must follow the SVN Rules. See the Starwood Vacation Exchange Company Disclosure Guide for information about SVN and the SVN Rules.

If you are an SVN Member and you wish to make a reservation after the expiration of the Home Resort Reservation Period, then you must make your reservation request in compliance with the SVN Rules and other SVN Documents, not the Plan’s Reservation Rules.

C. **When Can I Make a Reservation?** The Reservation Rules create a “*Reservation Window*” for each Use Period. This is a time when an Owner or other person may request a reservation. The Reservation Rules currently provide that the Reservation Window for a Use Period begins one year before the Check-In Day for that Use Period. This means that on July 1, 2018, the Reservation Systems Operator would begin taking reservations for a Use Period that starts on July 1, 2019. You cannot request a reservation for a Use Period before the start of the Reservation Window for that Use Period.

The Reservation Rules currently divide the Reservation Window for a Use Period into three “*Reservation Periods.*” The Reservation System Operator may also create new kinds of Reservation Periods from time to time in its sole, absolute and unfettered discretion. The current Reservation Periods are as follows:

1) **Home Resort Reservation Period.** The “*Home Resort Reservation Period*” is a period when only Owners in this Plan may request a reservation of a Villa in the Plan, and they may only use their Points in the Plan to make such a reservation. The Home Resort Reservation Period currently is a four-month period beginning twelve (12) months

and ending eight (8) months before the Check-in Day of a given Use Period. During the Home Resort Reservation Period:

- Owners having Resort View Points may only reserve Use Periods in Resort View Villas.
- Owners having Ocean Front Points may only reserve Use Periods in Ocean Front Villas.

2) **Exchange Float Period.** The “*Exchange Float Period*” currently begins immediately after the end of the Home Resort Reservation Period and ends sixty (60) days before the Check-in Day of a given Use Period. During the Exchange Float Period:

- All Owners may request a reservation of any available Use Period in the Plan on a first-come, first-served basis. Although the Vacation Plan Declaration provides that Ocean Front Points may be used to reserve Ocean Front Villas, and Resort View Points may be used to reserve Resort View Villas, this limitation does not apply to reservations made after the expiration of the Home Resort Reservation Period.
- Owners who choose to become SVN Members will be able to seek reservations at other SVN Resorts, and SVN Members at other SVN Resorts may request reservations of the Villas in the Plan. They will do this through the SVN Exchange Program. If you are an SVN Member and you request a reservation during the Exchange Float Period, your Point in the Plan will be converted to StarOptions. (“*StarOptions*” is the name for points used in the SVN Exchange Program – see the Starwood Vacation Exchange Company Disclosure Guide for details.) SVN Members may use their StarOptions to reserve Villas in the Plan, or accommodations at other SVN Resorts, in accordance with the Starwood Vacation Network Rules and Regulations (the “*SVN Rules*”).
- Owners not participating in the SVN Exchange Program may use their Points in the Plan to make a reservation in accordance with the Reservation Rules of the Plan. They will not, however, be able to reserve accommodations at other SVN Resorts through the SVN Exchange Program.

3) **Exchange Priority Period.** The “*Exchange Priority Period*” currently begins sixty (60) days before the Check-in Day of a given Use Period. During the Exchange Priority Period, the rights of members to reserve a Use Period are subject to other priorities as set forth in the Reservation Rules, and are therefore limited. If you do not request a reservation before the start of the Exchange Priority Period, then the Reservation System Operator’s ability to confirm your reservation request will be limited by and subject to the following:

- Any reservations made available by the Reservation System Operator to the Plan Manager for maintenance purposes;
- Any reservations used by Reservation System Operator for rental to Owners; and
- Any reservations used by Reservation System Operator for its own purposes including exchange, promotional use, rental to third parties, or any other purpose as Reservation System Operator determines in its sole, absolute and unfettered discretion as such right has been assigned to Reservation System Operator from the Association in the SVN Affiliation Agreement.

4) **Other Reservation Periods.** There may be other Reservation Periods in addition to these. They may appear, for example, if the Developer creates a new Villa Type or a new kind of Vacation Ownership Interest or when the Reservation System Manager creates new kinds of Reservation Periods. For example, suppose the Developer decides to add a group of Units and to create a new kind of Vacation Ownership Interest that gives certain Owners the first chance to reserve those Villas at certain times such as for Aloha Week. If so, the Developer might create a new Reservation Period when only those Owners can reserve one of those Villas for Aloha Week. This Reservation Period might be one of the Home Resort Reservation Periods. It might begin and end before the start of any other Home Resort Reservation Periods, but it would not have to do so.

5) **Advance Deposits.** Each year, the Reservation System Operator has the right to forecast the anticipated Owner demand for access to one or more Exchange Programs. It may then reserve Use Periods for the purpose of depositing them with an Exchange Program on behalf of the Owners. The Reservation System Operator may do this in advance of the time when the Owners actually request an exchange.

This is called an “*Advance Deposit.*” Advance Deposits are intended to help make the reservation system work better while enhancing the opportunities of the Owners to exchange their rights to use a Villa in the Plan for the right to use accommodations in other resorts. It is based in part on the expectation that depositing a Use Period in advance of the time when an Owner requests an exchange may increase the likelihood that the Owner’s exchange request will be confirmed, and may help protect the Owner from limitations on late or last-minute exchange requests.

The Home Resort Reservation Period currently provides a four-month period when only Owners in the Plan can request a reservation for a Villa in the Plan. This suggests that Owners have a four-month period to request a reservation free of any competition from Exchange Program members. However, the Reservation Rules allow the Reservation System Operator to start reserving Use Periods for Advance Deposits as early as thirty days after the start of the Home Resort Reservation

Period. As a result, the Owners only have a one-month period to request a reservation free of any competition from Exchange Program members. For the balance of the Home Resort Reservation Period, the number of Use Nights available for reservation by Owners will be reduced by the number of Use Nights reserved for Advance Deposits for Exchange Program Members.

D. **How Are Reservations Confirmed?** Reservation requests are generally confirmed on a space available, first-come, first-served basis, subject to the reservation priorities of Owners with Event Period Rights or Specific Week Rights and subject also to the priority rights and other provisions set forth in the Vacation Plan Declaration and the Reservation Rules. Since availability will vary, the Reservation System Operator cannot guarantee confirmation of a reservation for any specific Use Period in any specific Villa at any time unless you have Event Period Rights or Specific Week Rights, and a Specific Villa Right. The earlier a reservation request is submitted, the better the chance that a reservation confirmation can be secured.

3.6. **WHAT ARE MY USE RIGHTS?**

During your Vacation Period, you have the exclusive right to use your Assigned Villa and the furnishings in it. During the same Vacation Period, you also have the right to use (a) the General Common Areas of the Project and any Limited Common Areas available to your Assigned Villa, (b) the Shared Areas of the Project to the extent permitted under the Project Declaration, and (c) any Ka'anapali North Beach Amenities to the extent permitted under the Ka'anapali North Beach Documents. These rights are subject to the terms and conditions of the Vacation Plan Documents, the Project Documents, and the Ka'anapali North Beach Documents (together, the "*Governing Documents*").

The number of people allowed in any Unit is limited to the maximum number permitted by law, the Project Documents and the Association Rules, whichever is lower. Currently, the limit is six (6) persons for a One Bedroom Villa; eight (8) persons for a Two Bedroom Villa; and ten (10) persons for Three Bedroom Villa.

You must take care of your Assigned Villa and its furnishings, and all other property available for your use. This includes, among other things, the Common Areas of the Project. You must leave them in good and sanitary condition except for ordinary wear and tear. You must pay for any damage and any items that are lost or missing after your Vacation Period. You must also remove all personal effects at the end of your Vacation Period or you risk losing them.

You may reserve a Villa so that your children, parents, relatives, a friend, or just about anyone else (except a Competitor of the Developer) can use it. You may also rent your Vacation Period. However, you cannot join a "rental pool" or similar arrangement where your Vacation Periods are placed together in a pool with other Owners' Vacation Periods

and then rented, or where rental income and/or expenses are shared in some other way. Only the Developer can enforce this restriction.

You will be responsible for your Guests and renters. You must pay any charges they owe to the Association if they do not pay them. For example, if they do not pay their long distance telephone charges, you must pay them. You will also be responsible for their misconduct and for any loss or damage that they cause.

Except for your Assigned Villa during your Vacation Period, you may not use or occupy a Villa or its furnishings. Likewise, except during your Vacation Period you may not use any of the Common Areas of the Project unless they are open to the general public.

You may only use the Villas as vacation lodgings. You cannot use them for any commercial purpose or as a primary residence. You cannot use them to carry on any business, trade or profession, or for sales of any articles or goods, or for any other commercial purpose. And you cannot bring clients, customers or other business invitees onto the premises on a regular basis for business purposes. Of course, this does not limit rental of the Villas solely for use as vacation lodgings.

Persons with handicaps or disabilities may keep specially trained animals in their Assigned Villa or elsewhere on the Project as permitted by the legal documents governing the Plan and the Project, or by law. No other pets or animals of any kind may be allowed or kept in any Villa or elsewhere on the Project except as explicitly provided in the Association Rules or the Community Association Rules.

Anyone who fails to check out on time or who damages a Villa or its furnishings so that it cannot be used will be subject to sanctions, including eviction and payment of all damages resulting from the misconduct. Such a person must also pay an amount equal to twice the daily rental value of the Villa for each day or part of a day that it is unavailable.

Smoking is currently prohibited everywhere in the Project including, but not limited to, within the Villas and their lanais, on the pool decks and all enclosed pool and recreation areas, all children's play and activity areas, and all other, except those areas (if any) specifically designated and marked as an approved smoking area.

3.7. **WHAT SHOULD I KNOW ABOUT THE STARWOOD VACATION NETWORK?** The Association, the Plan Manager and the Developer have entered into an agreement (the "*SVN Affiliation Agreement*") with the SVN Operator to make the SVN Exchange Program available to the Owners in this Plan. "SVN" and "Starwood Vacation Network" are names used to refer to a variety of exchange system and related services and travel benefits offered from time to time by the SVN Operator. The SVN Exchange Program is described in more detail in the Starwood Vacation Exchange Company Disclosure Guide (the "*SVN Disclosure*")

Guide”). You should make time to read it. Here are some things you may wish to know about it:

A. **Membership.** Membership in SVN is entirely voluntary. To join and use the program, you must sign a Starwood Vacation Network Owner Membership Agreement. There is no fee to join, but you must pay an annual fee to renew your membership and you must also pay all transaction fees and any other fees charged by the SVN Operator for exchange services or other benefits available through SVN. These fees and charges are subject to change in the SVN Operator’s sole discretion. Your SVN Membership will end when the SVN Affiliation Agreement ends, if you choose not to renew your SVN Membership (it has a 5-year term with automatic 5-year renewals), or when you are no longer an Owner such as if you sell your Vacation Ownership Interest. You can transfer your SVN Membership to your children but you CANNOT transfer it to someone who buys your Vacation Ownership Interest. Membership in SVN may not be available to anyone who buys your Vacation Ownership Interest or may be available for a fee as determined from time to time by the SVN Operator in its sole discretion.

B. **Affiliation Agreement.** Unless the SVN Affiliation Agreement is terminated earlier, it will stay in effect until the Plan terminates. The Association may terminate the SVN Affiliation Agreement in the event of a material and adverse breach by the SVN Operator and if the SVN Operator fails to cure its violation within the time permitted by the SVN Affiliation Agreement or any longer time permitted by the Board of Directors of the Association. The Affiliation Agreement will also terminate automatically in certain other circumstances (for example, if the Plan terminates). The SVN Operator may terminate the Affiliation Agreement in certain circumstances such as if the Villas are not managed, operated, and maintained up to the SVN Operator’s standards, or if the Plan fails to comply in any material respect with any applicable federal, state, or local law or regulation or if SVN is determined to be a vacation club or multisite vacation ownership plan under the laws of any place where an SVN Resort is located. You should not purchase in reliance that the SVN Affiliation Agreement will remain in effect. You should make time to read both the SVN Affiliation Agreement and your Starwood Vacation Network Owner Membership Agreement, especially if membership in SVN or access to Interval International is important to you.

C. **Reservations.** During the Exchange Float Period and Exchange Priority Period, SVN Members (not just Owners in this Plan) will be able to reserve a Villa in this Plan on a space available, first-come, first-served basis subject to the priority rights established in favor of the various SVN Members and the reservation and exchange rules and regulations stated in any documents that govern SVN and any changes and additions made to any of them from time to time (the “SVN Documents”). Likewise, an Owner in this Plan will be able to reserve the use of SVN Units at other SVN Resorts subject to similar restrictions and limitations.

D. **StarOptions.** If you are an SVN Member and if you request a reservation during the Exchange Float Period or Exchange Priority Period, the SVN Operator will convert your Points in the Plan into StarOptions pursuant to the SVN Documents. For now, when your Points in the Plan are converted to StarOptions, you will get one StarOption for each of your Points in the Plan. This could change so that your Points may be worth more or fewer StarOptions at some future date. This would not affect your rights to make a reservation during the Home Resort Reservation Period.

E. **Other SVN Resorts.**

1) New units or resorts may be included in SVN from time to time. The addition of units and facilities will result in the addition of new vacation ownership interests and new SVN Members, who will compete with existing SVN Members in making reservations for the use of available vacation periods within SVN Resorts, including Nanea Ocean Villas, and also may result in an increase in the SVN Membership Fees assessed against SVN Members.

2) Specific units and even whole resorts may be removed from SVN from time to time. Also, a member resort (including the Plan) may withdraw from the SVN if its affiliation agreement expires or otherwise ends.

3.8. **INTERVAL INTERNATIONAL.** The SVN Operator has entered into a contract with Interval International to make its Exchange Program available to SVN Members. For a description of the Interval International Exchange Program, please consult the Interval International Exchange Directory. Access to Interval International is provided through SVN and SVN Members do not have to pay a separate annual membership fee for access to the Interval International program. SVN Members who use Interval International are charged applicable exchange and/or service fees for the Interval International Exchange Program.

Interval International is a completely separate company from the Developer and the SVN Operator. Interval International cannot make promises for or representations about the Developer or SVN. Likewise, the SVN Operator, the Developer, and the Developer’s sales agents cannot make promises for Interval International or representations about Interval International, its Exchange Program or its current or future plans. Interval International is only responsible for the representations contained in the written materials supplied by it and that the salespeople provide to you. Neither the Developer nor the SVN Operator is responsible for any promises that Interval International makes. Likewise, Interval International is not responsible for the Developer or the SVN Operator. Representations or promises about Interval International’s Exchange Program are limited to the materials provided by Interval International. If you have questions about its Exchange Program, you should contact Interval International directly.

While the SVN Operator expects that its relationship with Interval International will continue, there is no assurance that it will do so for any particular time period. Your decision to buy your Vacation Ownership Interests should be based primarily on the use of your own use rights in the Plan and not on the SVN or Interval International Exchange Programs.

3.9. **SPECIAL RIGHTS OF THE DEVELOPER.**

The Developer is an Owner and generally has all of the rights that other Owners have. The Developer also has various special use and other rights (the “*Developer’s Reserved Rights*”) that other Owners do not. The Developer’s Reserved Rights are described in Exhibit H. *You should make time to read it.*

3.10. **ENFORCEMENT OF OWNERS’ RESPONSIBILITIES.**

As members of, and acting through the Association, the Owners have the right to enforce the Vacation Plan Documents. The Association may take any action permitted by the Vacation Plan Documents or by law. For example, it may try to stop any improper activity, suspend your rights as an Owner (such as your voting rights and your rights to make a reservation or an exchange), refuse to let you check in, charge a fine, or foreclose on and sell your Vacation Ownership Interest and use the money from the sale to pay your debts. The Association may also use your reservation rights to reserve a Villa, rent it, and then use the rent money to pay your debts to the Association. The Association may also take legal action. For example, it may file a lawsuit to collect money or seek a court order. The Community Association has similar rights under the Project Documents.

4. **DESCRIPTION OF TIME SHARE UNITS, BUILDING, LOCATION, ETC.**

4.1. **LOCATION OF THE PROJECT.** The Units now in the Plan, as well as those that may be added to the Plan later, are part of the Nanea Ocean Resort, a planned community governed by Chapter 421J, Hawaii Revised Statutes. The Project is located on about 26.692 acres of fee simple land in the Ka’anapali North Beach development, on the Island of Maui. The address of the Project is 45 Kai Malina Parkway, Lahaina, Maui, Hawaii 96761.

4.2. **DESCRIPTION OF THE PROJECT.** The Developer’s current plans for the Project provide for the following: The Project is planned to have eight buildings, identified as Buildings 1 through 8 on the Project Plan. Some of the Buildings are planned to be free-standing structures while others are interconnected. For convenience of reference, each Building is treated as a free-standing structure in this Disclosure Statement. All eight Buildings are planned to contain Resort Units and Limited Common Areas of the Resort Units. Buildings 3 and 4 will also contain Commercial Units and Limited Common Areas of one or more Commercial Units. Some of the other Buildings are also planned to contain Limited Common Areas of one or more Commercial Units. In addition, the Project is planned to have two parking structures,

each designated as a separate Parking Unit. The Project is also planned to contain various amenities, including one or more pools, pool decks, barbeque areas, and so on. Part of the Project will be used as a public park, known as Keka’a Park. Keka’a Park includes open areas, a driveway, a public parking area, and a comfort station (restroom building) for persons using Keka’a Park.

4.3. **CONSTRUCTION AND PHASED DEVELOPMENT.** The Developer plans to develop the Project in stages, called “Phases.” They are described in Exhibit I.

4.4. **STATUS OF CONSTRUCTION.** Under the Developer’s current schedule, the Villas in Phase 1 are expected to be completed, furnished and available for occupancy in about August, 2017. The actual completion and availability dates, however, may vary significantly depending upon numerous factors, not all of which are within the Developer’s control. In addition, the completion date of the individual Buildings and Units within each Phase may vary from Building to Building, and Unit to Unit. Construction of the foundations for other Phases has begun but the Developer has not yet determine when the Villas in later phases are expected to completed, furnished and available for occupancy, or even if they will be completed.

4.5. **VILLA TYPES.** Although the Project Documents may divide the Units differently, for purposes of the Vacation Ownership Plan, the Units included in the Plan at the outset fall into one of three Villa Types: One Bedroom Villas, Two Bedroom Villas, and Three Bedroom Villas. They are described as follows:

A. “*One Bedroom Villas*” have one master bedroom, one bathroom, a combination kitchen/dining area, a living room, and a lanai. These Villas have an interior area of about 819 square feet and lanais of about 118 or 222 square feet, depending on the Unit.

1) Certain “*One Bedroom Villas*” have a kitchen that is separate from the dining areas instead of a combined kitchen/dining area. These Villas have an interior area of about 1015 square feet and lanais of about 281 square feet.

B. “*Two Bedroom Villas*” have one master bedroom, one guest bedroom, two bathrooms, a combination kitchen/dining area, a living room, and a lanai. These Villas have an interior area of about 1,220 square feet and lanais of about 118, 215, or 224 square feet, depending on the Unit.

1) Some Two Bedroom Villas also have a foyer and these Villas have an interior area of about 1,361 square feet and a lanai of about 118 square feet.

2) Some “*Two Bedroom Villas*” have a kitchen that is separate from the dining areas instead of a combined kitchen/dining area. These Villas have an interior area of about 1416 square feet and lanais of about 201 square feet.

C. “Three Bedroom Villas” have one master bedroom, two guest bedrooms, two bathrooms, a combination kitchen/dining area, a living room, and a lanai. These Villas have an interior area of about 1,477 square feet and lanais of about 221 or 224 square feet, depending on the Unit.

1) Some Three Bedroom Villas also have a foyer and these Villas have an interior area of about 1,611 square feet and a lanai of about 201 square feet.

Note: The floor areas for the Villas are approximate and may change during construction. The Developer makes no representations or warranties as to the actual area of any particular Villa. The exact areas of particular Villas are likely to vary. They may differ from areas calculated by reference to the actual Villa boundaries as described in the Declaration. Also note that although the lanai areas are mentioned above, the lanais are Resort Limited Common Areas and are managed and maintained by the Community Association. Among other things, this is intended to promote uniformity in the appearance and furnishings of the lanais.

4.6. **UNITS IN THE PLAN.** Only the Units listed as Villas in Exhibit B are currently included in the Plan. The Developer may add more Units to the Plan at any time and without the consent of any Owner or anyone else. The Developer is not promising to add more Units to the Plan. The Developer may also remove Villas from the Plan so long as the Developer owns Vacation Ownership Interests having Points equal to all of the Points assigned to a Villa being removed.

When the Developer adds Units into the Plan, it may create new Villa Types or new kinds of Vacation Ownership Interests for any or all Units being added. If the Developer creates a new Unit Type or new kinds of Vacation Ownership Interest, or if the Developer owns Points equal to all of the Points assigned to all of the Interests for a particular Unit Type, then the Developer may change the Project Documents with respect to that Villa Type. For example, the Developer could create new kinds of Vacation Ownership Interests that give the Owners of them the first chance or the exclusive right to reserve certain Villas.

These rights of the Developer are subject to certain limits. For example, the Developer cannot change the rights of existing Owners to reserve and use the Villas already included in the Plan (except for Villas that the Developer could remove from the Plan).

4.7. **EASEMENTS.** “Easement” is a legal term. In general, it refers to the right of one person to use property in the possession of someone else. The Project Documents create various easements. Some of them can be briefly summarized as follows:

A. The Shoreline Setback Area is subject to an existing easement. This easement requires that the Shoreline Setback Area remain open and available to the public as open space, for recreational access and passive recreational uses, and for

Native Hawaiian use for traditional and customary uses of the shoreline and near-shore ocean waters. The Native Hawaiian uses include fishing, diving, ho’okupu ceremonies (ritual prayers on the shoreline) and gathering. Also, although Keka`a Park is located on the Land of the Project, it is open to the public. It includes a public parking area, the initial location and configuration of which is shown on the Project Plan. Members of the public seeking access between Honoapiilani Highway and Keka`a Park may cross other parts of the Project to the extent necessary for access.

B. Employees, customers, and so on, of a Commercial Unit, can come onto the Project, park in the Parking Units (subject to payment of reasonable parking fees and to the right of the Commercial Owner to validate parking), make deliveries, make casual use (such as after dinner strolls) of the pathways and walkways, and do other things reasonably necessary in connection with the conduct of normal business operations.

C. The Developer and persons authorized by it may use the grounds and facilities of the Project to conduct educational, cultural, entertainment or sporting events, other activities of general community interest, private weddings and wedding receptions, and other public or private events. This includes the right to allow such persons to come onto the Project, to park in the Parking Units, to use the Resort Limited Common Areas, and so on. The Developer may keep all sums generated from such events or activities, but must reimburse the Community Association for its actual out-of-pocket costs of such activity (except for losses or damages covered by insurance for personal injury, death, or property damage claims).

D. The Developer and persons authorized by it have the exclusive right and an exclusive easement to conduct marketing and sales activities (which may be extensive) on the Common Areas (including but not limited to the Limited Common Areas of the Resort Units) and from any Developer Unit. This right includes but it is not limited to the right to permit purchasers and prospective purchasers to come onto the Project and to park in the Parking Units (subject to payment of reasonable parking fees and to the right of the Developer to validate such parking), the right to show the Project to those persons, the right to use Units and their Limited Common Areas as model units, customer relations, sales, marketing, management, and/or administrative offices, the right to establish and operate tour or activity desks or other businesses intended to promote sales, and the right to use banners, signs or other extensive sales displays and activities at the Project.

This easement applies to activities conducted in connection with the initial sale and/or any resale of (i) one or more Vacation Ownership Interests and/or other Project Ownership Interests in the Project, and (ii) other time share interests, fractional interests and/or condominium units developed, marketed, offered or sold by the Developer or a related company.

E. The Developer and persons authorized by it have an easement as may be reasonably necessary or convenient to complete the installation, construction or renovation any Improvements and to correct any defects and other punch list items in the Project or to use any of the other Developer's Reserved Rights.

F. The Owner of the Unit 101 Interest has the exclusive right (but no duty): (i) to provide bellhop service, (ii) to provide valet parking service and to control the flow of vehicles through the porte cochere, and loading, unloading, and parking of vehicles in the driveway and in the parking stalls in the vicinity of the porte cochere, and (iii) to construct, install, operate, repair, maintain and/or relocate electronic, television, radio, cable television and communication antennae, satellite dishes and other similar equipment and facilities on, above or within the rooftops of the buildings, and to lease, rent, or license these rights to others. The Unit 101 Owner may keep all proceeds generated by or from any of these activities. If the Owner of the Unit 101 Interest requests it, the Owner of the Parking Unit 1 Interest must designate up to two hundred (200) of the contiguous parking stalls (or more if Unit 101 Owner decides that it is necessary) for exclusive use as valet parking stalls, which right is subject to the obligation to pay reasonable parking fees.

G. The Owner of the Unit 101 Interest also has the right (but no duty) to operate one or more children's programs. It may make these programs available to children of (i) Occupants of the Project and their Guests, and (ii) potential purchasers of Project Ownership Interests, Vacation Interests, Fractional Interests, and/or condominium units marketed, offered or sold by the Developer or a related company, while they are attending a sales presentation, and their guests. The programs may involve use of the Project grounds and amenities, even if they are Limited Common Areas.

H. The Owner of the Unit 102 Interest has the exclusive right (but no duty): (i) to provide room service, (ii) to place tables, with chairs and (if it desires) umbrellas and/or cabanas on the pool decks and elsewhere on the grounds of the Project, and to provide food and beverage services to those tables and cabanas, and to customers elsewhere on the grounds of the Project, (iii) to transport food, beverages, supplies, glasses, dishes, and so on, to and from Unit 102, and (iv) to use the restrooms located on the grounds of the Project (e.g., the pool bathrooms). The Unit 102 Owner may keep all proceeds generated by or from any of these activities.

I. The Developer and persons authorized by it have an easement to create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with (a) the use of its other easement rights, or (b) the development of any Adjacent Parcels, and/or (c) the use of the Developer's Reserved Rights or any other rights of the Developer described in the Project Declaration.

J. The Developer has the right to establish, operate and maintain in the Common Area no more than ten (10) booths or concession stands.

K. Both the Developer and the Association have certain rights to create, grant, accept, change, or otherwise deal with easements in favor of the Project, and easements over, under or through the Project in favor of others or their property.

Each person who has any interest in the Project (i) understands, acknowledges and accepts that some or all of the easements described in this Section 4.7 and related activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards, (ii) consents to this activity, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that he or she may have, now or in the future, against the Developer and various other persons. Each Owner and every other Interested Person assumes the risk of any property damage, personal injury or loss in property value arising from the exercise of these easements.

4.8. **KA'ANAPALI NORTH BEACH.** The Project is part of a larger community known as Ka'anapali North Beach. The former owner of the land of the Project recorded the Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach (the "*Ka'anapali North Beach Declaration*") against all of the lands in Ka'anapali North Beach to ensure that such lands would be used and developed in accordance with the standards and restrictions described the Ka'anapali North Beach Declaration. The Ka'anapali North Beach Declaration applies to the Project and to all Owners of the Project.

The Ka'anapali North Beach Declaration provides for the use, administration, repair and maintenance of the "common area" of Ka'anapali North Beach. This is different from the Common Area of the Project. The common area of Ka'anapali North Beach includes two parks, a roadway, an area set aside for public open space, and so on. The Ka'anapali North Beach Declaration also provides for the implementation of a monitoring program for Hawksbill turtles in the Shoreline Setback Area. These functions will be performed by the Ka'anapali North Beach Master Association, Inc., a non-profit Hawaii corporation (the "*Ka'anapali North Beach Association*") whose members consist of the owners of the lands in Ka'anapali North Beach.

Each Owner of a Project Ownership Interest in the Project will be a member of the Ka'anapali North Beach Association. Members may use the common areas of Ka'anapali North Beach subject to the conditions and restrictions imposed by the Ka'anapali North Beach Declaration, rules and regulations adopted by the Ka'anapali North Beach Association, and other documents and laws. The Community Association, not the individual Owners, has the right to vote in the Ka'anapali North Beach Association. The Community Association must pay the amounts charged to it by the Ka'anapali North Beach

Association. Those amounts will be a Project Expense of the Project and each Owner will pay a share of it.

4.9. **KA'ANAPALI NORTH BEACH / WEST MAUI BENEFIT FUND.** The Developer in cooperation with The West Maui Preservation Association, a Hawaii non-profit corporation, has established a community fund to be called the "North Beach/West Maui Benefit Fund (the "*Benefit Fund*") by means of a trust agreement or other appropriate entity or entities. The Benefit Fund is controlled by a Board of Trustees or Board of Directors (the "*Benefit Fund Board*"). The Developer does not own the Benefit Fund or control the Benefit Fund Board. The Benefit Fund will be used for designated improvement projects, including land acquisition, improvement of coastal resources, roadway improvements and other appropriate benefits to the North Beach/West Maui area and community, as determined by the Benefit Fund Board in its sole discretion, and for certain other expenses such as the costs of defending any claims brought against The West Maui Preservation Association, or relating to the Benefit Fund or any projects approved by the Board.

The Association will make a yearly contribution to the Benefit Fund. The amount of the yearly contribution is designated on the Association Budget and will vary from year to year. The Association's contribution for each Every-Other-Year Vacation Ownership Interest must be paid in each year, even if the Owner of the Vacation Ownership Interest has no use rights in that year. The amount of the yearly contributions shall be adjusted each year by an amount equal to the percentage increase in the Consumer Price Index All Urban Consumers for Hawaii/City and County of Honolulu published by the Department of Labor, Bureau of Labor Statistics (the "*Benefit Fund CPI*") over the 12-month period from July 1 to June 30 of the preceding calendar years for which such contribution is due, but not more than five percent (5%) in any one year. The amount of the yearly contribution may only be adjusted upwards; it cannot be adjusted downward.

The yearly contributions will be suspended when the Benefit Fund reaches \$2 million, but contributions will resume when the amount in the Benefit Fund falls below \$1.5 million. The Developer and the Plan Manager have the right to receive the Benefit Fund's financial statements upon request. The financial statements will show the current balance held in the Benefit Fund together with a listing of all disbursements made out of the Benefit Fund during the prior 12-month period.

4.10. **NO WARRANTIES.** The Developer is developing the Project, but it is not the general contractor nor is it related to the general contractor for the Project. The Developer expects but does not promise that the construction contract for the Project will require that, for one year after the "date of Substantial Completion of the Work", the contractor will correct any of the "Work" that is "found to be not in accordance with the requirements of the Contract Documents" (as those terms are defined in the construction contract) unless the Developer has previously accepted it. The Developer will lose this right if, during the one-year period, it fails to notify

the contractor and give the contractor an opportunity to make the correction. The Developer expects, but does not promise, that the construction contract(s) for later phases of the Project will contain a similar provision.

If you give the Developer written notice of such a condition promptly after you discover it and before the applicable warranty period is up (and before the Developer accepts the condition), the Developer will forward your notice to the general contractor together with a notice from the Developer asking the general contractor to make the correction. However, the Developer is not making any warranty of its own or joining in the contractor's warranty or guaranteeing that the contractor will fix any defects or honor its warranty. The Developer is simply trying to pass on the benefit of the general contractor's limited warranty.

Except for the warranty of title in your deed, the Developer makes no warranties, express or implied, about your Vacation Ownership Interest(s), the Project or any part of it, or about consumer products or anything else now or hereafter installed or contained in the Project. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for any particular purpose or sufficiency of design. THE PROPERTY IS TRANSFERRED TO YOU "AS IS" AND "WHERE IS", WITH ALL DEFECTS, WHETHER VISIBLE OR HIDDEN, AND WHETHER KNOWN OR NOT KNOWN. This means, among other things, that neither the Developer nor any of its affiliates has to correct or fix any defect no matter what causes it or when it is discovered.

You also (1) give up (or, in legal terms, "waive and release") any and all rights and claims that you may have, now or in the future, against the Developer and all companies related to it, each of their directors, officers, members or managers (in the case a limited liability company), agents, employees and independent contractors (their "Representatives") and all of their successors and assigns, for (i) any defects in the Project, or any part of it, or in any consumer products or anything else installed or contained in the Project or any part of it, and (ii) for injury to persons or property arising from any such defects, and (2) agree to indemnify and hold the Developer and its affiliates, and each of their respective Representatives, and all of their successors and assigns, harmless from all loss, damage and expense suffered or incurred as a result thereof. This means that neither the Developer nor any affiliate of the Developer will have to pay for any injury or damage to people or things as a result of any defect.

Finally, without limiting the other parts of this Section 4.10, ***nothing in the Project Plan is intended to be or is a representation or warranty by the Developer.*** For example, bathrooms may have more or fewer sinks than shown on the Project Plan, the bathroom tubs may be shaped differently than shown on the Project Plan, and Villas and lanais may be smaller or larger than shown on the Project Plan, or may be configured differently.

4.11. **POOLS, BEACH AND OCEAN.** The Project fronts on a beach and on the Pacific Ocean. The beach and the ocean are NOT part of the Project. The Project has two swimming pools, both of which are part of the Resort Limited Common Areas of the Project.

A. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that:

1) The pools and the proximity of the Project to the beach and the Pacific Ocean create inherent and potentially dangerous conditions and risks of personal injury and/or property damage to Owners and anyone else present on the Project or using the beach or ocean, and to the Project. Hawai'i is known for its high surf, and the surf can be dangerous, especially to inexperienced swimmers or swimmers unfamiliar with strong currents. The ocean may also cause erosion of the beach, change the location of the shoreline and the seaward boundaries of the Project, and otherwise cause damage to the Improvements of the Project including but not limited to damage from salt spray, high humidity, high tides, high waves, and other forces of nature. In addition, the beach and ocean in front of the Project may contain rocks, rock formations and/or coral. The County of Maui may or may not choose to post lifeguards in or around the beach, or may choose to do so only at certain times (for example, weekends and holidays). Nothing requires that lifeguards be provided by the Association, the Community Association, any Fractional Owners Association, the Developer, the Plan Manager, the Ka'anapali North Beach Association, or anyone else, and you should not assume or expect that they will provide them with respect to the beach or ocean or, for that matter, with respect to any pools or other water features of the Project. In addition to the risks normally associated with swimming and other water activities, the Project is located in a Tsunami inundation area.

2) Normal use of the beach and ocean may result in increased traffic, noise, gathering of crowds (especially on weekends and holidays), trespassers, and related inconveniences or nuisances.

B. The Developer, the Association, the Plan Manager, and each Owner here and now gives notice of the activities and effects described above (the "*Pool, Beach and Ocean Activities*") and of the risks of personal injury and/or property damage resulting from or incidental to the Pool, Beach and Ocean Activities (the "*Pool, Beach and Ocean Risks*"). **Each Interested Person and anyone else who is present on the Project:**

1) Assumes all risks of personal injury, death, or loss or damage to property resulting from or incidental to any of the Pool, Beach and Ocean Activities or the Pool, Beach and Ocean Risks; and

2) Gives up (in legal terms, "waives, releases and discharges") all rights, claims and actions that such person may have against the Protected Persons, now or in the future, for personal injury, death, or loss or damage to property arising

from or related to the Pool, Beach and Ocean Activities or the Pool, Beach and Ocean Risks. The "Protected Persons" are (i) the Developer and all of its affiliates, the Owners, the Association and the Plan Manager; (ii) the Representatives of each person listed in item (i); and (iii) the successors and assigns of each person listed in items (i) and (ii); and

3) Agrees to indemnify and hold the Protected Persons harmless from all rights, claims and actions that such person may have against the Protected Persons, now or in the future, for personal injury, death, or loss or damage to property arising from or related to the Pool, Beach and Ocean Activities or the Pool, Beach and Ocean Risks.

4.12. **PRIOR USE OF THE LAND.** Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that **the Project is located on a site previously used and operated as an airport and airstrip, and that the Land was also used for activities related to the operation, maintenance, and use of an airport, airstrip and aircraft. For example, fuels, chemicals, and other substances were stored and used on the Land.**

4.13. **SUGAR CANE AND OTHER AGRICULTURAL OPERATIONS.** Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that (i) before and after the Land was used as an airport, it was used for farming sugar cane and for other agricultural operations, and (ii) the Project is located near or next to other land used for the same purposes. These operations include, for example, open burning, percolating, evaporating, milling, generating power, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigating, and all other activities incidental to planting, cultivating, harvesting, and processing crops or incidental to ranching. This activity may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, and other substances and phenomena of every description (collectively, the "Agricultural Effects") to be discharged, emitted, or transmitted over and upon the Project. The Agricultural Effects may be a bother or a nuisance to an Owner or anyone else occupying or using the Project. Each Owner also hereby acknowledges that the Hawai'i Right to Farm Act (Chapter 165 of the Hawai'i Revised Statutes) and Hawai'i law limit the circumstances under which farming operations may be deemed to be a nuisance.

4.14. **WAIVER OF RIGHTS.** Each Owner and every other Interested Person gives up (in legal terms, "waives and releases") any rights, claims or actions that he or she may have, now or in the future, against the Developer or the State of Hawai'i, and each of their Representatives, licensees, invitees, successors and assigns arising directly or indirectly out of or from the Agricultural Effects as to the Project or any surrounding areas, or from prior use of the Land as an airport and airstrip.

4.15. **VOG.** The long term volcanic activity/eruptions from Kilauea volcano on the Island of Hawai'i has resulted in emissions into the air which are commonly called "vog." Vog refers to a type of air pollution or volcanic smog created by the gases emitted into the air from the ongoing volcanic eruption mixing with water vapor and very small particles which are primarily sulfur compounds and sulfur dioxide. Vog is the haze visible in the air on the Island of Hawai'i and sometimes on other islands. Vog becomes thicker or lighter depending upon the amount of emissions from Kilauea volcano, the direction and amount of wind, and other weather conditions. People with pre-existing respiratory conditions are more prone to adverse effects from vog which may include: headaches, breathing difficulties, increased susceptibility to respiratory ailments, watery eyes, and sore throat, but the long-term health effects of vog are currently unknown, at least to the Developer. Since the weather, wind direction and amount of volcanic activity vary from day to day it is not possible to provide specific guidance regarding when the vog will be heavy or light. **The presence of vog in the air surrounding the Project may be a nuisance or danger to an Owner or anyone else occupying or using the Project. Each Owner and every other Interested Person gives up (in legal terms, "waives and releases") any rights, claims or actions that he or she may have, now or in the future, against the Developer and all of its affiliates, and each of their respective Representatives, licensees, invitees, successors and assigns arising directly or indirectly out of or from the presence or effect of vog in the air surrounding the Project, and agrees to indemnify and hold the Developer and its affiliates and each of their respective Representatives harmless from any such rights, claims and causes of action.**

4.16. **SECURITY.** The Association, the Developer, or the Plan Manager may, but need not, take steps designed to make the Project safer than it otherwise might be. **The Association, the Developer, the SVN Operator, the Plan Manager, the Community Association, the Managing Agent, and each of their respective Representatives, are not in any way to be considered insurers or guarantors of the safety or security of people or property within the Project, nor can any of them be held responsible or liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. The Association, the Developer, the Plan Manager, the Community Association, the Managing Agent, and the SVN Operator make no representation or warranty that any fire protection, burglar alarm, or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project or to any Unit; or (iv) will provide the detection or protection which it is designed or**

intended to provide. Each Owner and every other Interested Person (including but not limited to each Occupant) understands, acknowledges, agrees, and accepts that the Association, the Developer, the SVN Operator, the Plan Manager, the Community Association, the Managing Agent, and each of their Representatives, are not insurers and that each person present on the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.

4.17. **ENVIRONMENTAL FACTORS.** Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that the views from each Villa, height of the Villa above the ground level, exposure to morning, afternoon or evening sun, exposure to prevailing and non-prevailing winds and rain, exposure to other natural and human-made environmental factors (for example, exposure to noise or fumes from vehicular traffic emanating from within the Project or from neighboring driveways, streets or highways [including but not limited to parking in the Keka'a Park and traffic on Honoapiilani Highway], surface water runoff from neighboring properties, sounds of crashing surf, pedestrian traffic, child or adult play, related music and activities, noise, dust, smoke, odors, surface water runoff and other things emanating from the Units or their lanais, barbeque areas, the pools, pool decks, walkways and grounds, lobby areas, other Common Areas, the ocean, the beach, Keka'a Park, **the County wastewater (sewage) treatment plant located on the other side of Honoapiilani Highway from the Project,** the rock crushing facility and concrete batch plants located in the general vicinity of the Project, exercise of traditional native Hawaiian ceremonies, construction, landscaping, operation and maintenance of neighboring homes, projects or properties, construction and maintenance of electrical transmission lines and facilities within or in the vicinity of the Project, irrigation of the Project or neighboring properties with reclaimed water, treated effluent, or other non-potable water sources, volcanic fog ["vog"] from the Island of Hawai'i, salt spray from the ocean, and so on), proximity of the Villas to trash facilities and stairwells, proximity of the Villas to parking stalls intended to comply with the Americans With Disabilities Act, suitability of Villas for various kinds of disabilities, and so on, all differ depending on the orientation, nature, design and location of the Villa and the building in which it is located, as well as on other factors. **All Villas may be subject to some or all of the factors listed above (the "Environmental Factors").** For the most part the Developer has no control over the Environmental Factors and, in any case, **the Developer makes no representations or warranties with respect to the presence, absence, impact, lack of impact, intensity, timing, duration, affect, or anything else arising from or relating to any of the Environmental Factors.** Neither the Developer's brokerage firm nor any other real estate brokerage firm has been authorized by the Developer to make any such representations or warranties on its behalf. **Each**

Owner and every other Interested Person, and all of their respective licensees and invitees, gives up (in legal terms, “waives and releases”) any and all rights, claims and causes of action such person (or such person’s successors and assigns) may have, now or in the future, against the Developer and its affiliates, their respective Representatives, and each of their respective successors and assigns, arising directly or indirectly out of or from the Environmental Factors, and agrees to indemnify and hold the Developer and its affiliates and each of their respective Representatives harmless from any such rights, claims and causes of action.

4.18. **DISCLOSURES AS TO STARWOOD BRAND.** The Developer or its affiliates have entered into certain agreements with Starwood Hotels & Resorts Worldwide, Inc., a Maryland corporation, and/or its affiliates (“The Starwood Companies”) that provide the Developer, among other things, with the rights to utilize the name “Westin” and certain logos or other trademarked symbols registered by one or more of The Starwood Companies (individually and collectively, the “Starwood Brand”) in sales and marketing materials. **Each Owner agrees that neither use by the Developer or the Project Developer of the Starwood Brand nor licensing of the Starwood Brand to the Project, the Plan, the Association or the Community Association, shall make any of The Starwood Companies (other than the Project Developer as to the Project, the Developer as to the Plan and the SVN Operator as to SVN): (1) a developer of, or seller of any interest in, or marketing or sales agent for, the Project, the Plan, or SVN, or (2) the entity offering or promoting the Project, the Plan, SVN, or any other product offered by the Developer, the Project Developer, or SVN. Each Owner waives (gives up) any claims, whether specific or not, that The Starwood Companies (other than the Project Developer as to the Project, the Developer as to the Plan, and the SVN Operator as to SVN) is liable or responsible as such developer, seller, and marketing and sales agent with respect to the Project, the Plan or SVN.** The terms “developer”, “seller”, “entity offering” and “marketing” and “sales agent” as used in this paragraph shall have expansive definitions and shall include as many activities, direct or tangential, as may be undertaken in each of these capacities. Neither the Association or the Community Association, nor any of the Owners are intended third-party beneficiaries of any contractual obligations between (i) The Starwood Companies, and (ii) the Developer, the Project Developer, and/or the SVN Operator. Among other things, this means that the Association, the Community Association, and the Owners have no right to enforce any such contractual obligations.

4.19. **HAZARD AND LIABILITY INSURANCE.** You should read Section 16 of the Vacation Plan Declaration and 13 of the Project Declaration for a discussion of insurance

coverages that the Association and the Community Association are supposed to have. Although the Association and/or the Community will attempt to obtain these coverages, they may obtain less insurance if certain coverage is not reasonably available or if their respective boards of directors decide that it is too expensive. The following is a brief summary of the coverages required by the Vacation Plan Documents and/or the Project Documents:

A. **PROPERTY INSURANCE.** The Association and/or the Community Association must buy a policy of property insurance that covers fire, lightning, windstorm and hail, smoke, explosion, riot, civil commotion, aircraft and vehicle damage, and other risks covered by a “special form policy.” If it is available at a reasonable cost, the insurance must cover the full insurable replacement cost of the insured property (except for (i) exterior glass if the Board decides that this is too expensive, and (ii) excavations, foundations, footings, and other items normally excluded from such policies) at the time the insurance is purchased and at each renewal date, less deductibles and uninsured retentions, but including coverage for the increased costs of construction due to building code requirements.

B. **LIABILITY INSURANCE.** The Association or the Community Association must buy a commercial general liability insurance policy and, if necessary, commercial umbrella insurance. The policy must cover (i) the Association, the Board, the Developer, and the Plan Manager (in the case of the Association) and the Project’s board, the Project Developer and the Managing Agent (in the case of the Community Association), and (ii) each of their directors, officers, employees, and agents, and (iii) all Owners as a group against claims for personal injury, bodily injury, death, and property damage. The policy limits must not be less than \$5,000,000 for personal injury, bodily injury and death, and \$3,000,000 for property damage.

The Association and the Community Association must also buy a commercial automobile liability policy of insurance if they own or lease any motor vehicles. The policy limits may not be less than \$3,000,000 for bodily injury or death or property damage arising out of a single accident or occurrence.

You should note that the insurance policies are subject to various deductibles and that the Association and/or the Community Association may decide not to create reserves to pay the amount of the deductibles. If there is a loss, the Association or the Community Association may have to pay the amount of the deductibles from other funds.

You should review (or have a qualified insurance agent review) the insurance requirements stated in the Vacation Plan Documents and the Project Documents as well as the policies obtained by the Association and the Community Association, to decide whether or not to buy more insurance for yourself. You are free to do so. You and the associations are also free to buy insurance from any company permitted by law to write insurance policies in Hawai’i or on Hawai’i property. Since

insurance is the responsibility of these associations and the individual Owners, the Developer makes no guarantee that insurance will be available, or available at a reasonable cost, or adequate.

4.20. **ADDITIONAL INFORMATION.**

A. The property is subject to that certain Special Management Area (SMA) Permit 88/SM1-023 and Shoreline Setback Variance (SSV) 88/SSV-002 dated July 19, 1988, issued by the County of Maui, as confirmed by letter of July 22, 1988, issued by Christopher L. Hart, Planning Director. The property is also subject to Special Management Area Permit SM1-2003 0024 issued by the County of Maui, dated October 13, 2004. The property is also subject to Special Management Area Use Permit (Docket No. 97-SM1-006) dated December 14, 1998 to the extent that it applies to the Project.

B. The property is located in a tsunami inundation area. It is also located in a flood zone and flood control measures may be required. Certain areas in the Shoreline Setback Area (as that term is defined in the Project Documents) have been designated and must be preserved as wetlands.

C. The County of Maui has not made a determination as to whether any portions of the Project may contain historical sites. The Project is subject to certain public access requirements providing access to the beach in front of the Project. The Project is also subject to a 150 foot setback from the ocean. Please note that any further development may require additional Special Management Area approval by the County of Maui.

5. **(MULTIPLE LOCATION TIME SHARE PLAN)**

Not applicable. The Plan includes only units in the Project.

6. **TIME SHARE PLAN IN A CONDOMINIUM**

Not applicable. The Project is not a condominium. The Developer has reserved the right, however, to change part of the Project into a condominium. The Developer does not have to do this nor does it promise to do so.

7. **RESTRAINTS ON TRANSFER OF BUYER'S INTEREST**

7.1. **UNDER THE GOVERNING DOCUMENTS.**

A. **GENERAL RULE.** One of the many benefits of owning a Vacation Ownership Interest is that you can transfer it to your children, a friend, or just about anyone else. Because it is a real estate interest, you can also mortgage your Vacation Ownership Interest. If you own more than one Vacation Ownership Interest, you may transfer or mortgage each of them

separately. However you cannot transfer or mortgage less than an entire Vacation Ownership Interest. There are certain exceptions, including these: (i) you can pledge or transfer your voting rights to a lender having a mortgage on your Vacation Ownership Interest (including but not limited to a Lender who has someone else hold a mortgage on your Vacation Ownership Interest for the benefit of the Lender); and (ii) the seller under an agreement of sale may retain legal title and the right to vote on certain matters. The buyer may transfer his or her entire interest under the agreement of sale, but nothing less. The Association has a lien on each Vacation Ownership Interest for all amounts charged to it or to its Owner. This is discussed in Section 12. The Community Association also has a lien on each Vacation Ownership Interest for all amounts charged to it or to its Owner.

B. **NOTICE OF TRANSFER.** The Vacation Plan Declaration requires that notice of any transfer must be given to the Association. The Project Declaration also requires that notice of a transfer be given to the Community Association. If notice is not given, they do not have to recognize the transfer, and both the prior Owner, and the new Owner will be liable to them for charges for the Vacation Ownership Interest. The Plan Manager and the Managing Agent may collect reasonable service charges to register the change in ownership on their records.

7.2. **WHEN THE DEVELOPER'S CONSENT IS REQUIRED.**

A. The Developer's consent is required if you want to transfer your Purchase Agreement before Closing, or to transfer a Vacation Ownership Interest that is mortgaged to the Developer. If the Developer assigns the mortgage to someone else, that person's consent will also be necessary.

B. Without the Developer's written consent, you cannot sell, transfer, lease, rent, or otherwise contribute your Vacation Ownership Interest, use rights or Points to (i) any other *Vacation Plan* (a vacation ownership or time share plan or program), (ii) any *Fractional Plan* (a plan in which one or more persons are entitled to the use, occupancy, or possession, on a periodically or intermittently recurring basis, of one or more units – for example, a fractional ownership plan, a "private residence club", or a "non-equity club"), or (iii) a Competitor of the Developer (but this does not prevent an Owner from participating in a "Traditional Exchange Program", as that term is defined in the Vacation Plan Documents and the Project Documents, or any Exchange Program available through the SVN Operator). Any attempt to do so will not be effective; it will be void. The Developer may withhold its consent in its sole discretion. Also, Competitors of the Developer are not allowed to own any interest in the Property. If a Competitor acquires any interest in a Vacation Ownership Interest without the Developer's consent, or if anyone who has any rights or interest in a Vacation Ownership Interest becomes a Competitor without the Developer's written consent, that interest will return to the Developer automatically. The Developer may withhold its consent in its sole discretion.

A “*Competitor*” is anyone who is: (i) a developer, marketer, sales agent (including but not limited to any OPC), or manager of a Vacation Plan or Fractional Plan (except a plan developed by the Developer or a related company); or (ii) an Exchange Company other than SVN or another affiliate of the Developer; or (iii) anyone who, for a commercial purpose or for any other improper purpose, is acting on behalf of or collaborating with anyone listed in items (i) or (ii). The Developer may cancel your Purchase Agreement if it learns that you are a Competitor. Even if it does not learn this before closing, your deed and contract will not constitute the Developer’s consent.

C. No timeshare plans, fractional plans, exchange programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Project or the Units; (b) shall acquire or accommodate Units or Project Ownership Interests; or (c) shall be permitted to incorporate a Unit or Project Ownership Interests into such entity, program, structure, scheme, device or plan, except by the Developer or except with the prior written authorization from the Developer, which authorization may be given or withheld in the Developer’s sole, absolute and unfettered discretion, and which authorization shall be evidenced by a written instrument executed by the Developer, recorded in the Bureau of Conveyances of the State of Hawai‘i, and containing a specific reference to the Declaration.

7.3. RIGHT OF FIRST REFUSAL TO PURCHASE. If you receive an offer to buy (the “*Offer to Buy*”) your Vacation Ownership Interest and if you want to accept it, you must first notify the Developer before accepting the offer. Likewise, if you make an offer to sell your Vacation Ownership Interest (the “*Offer to Sell*”), then (i) the Offer to Sell must state that it is subject to the Developer’s Right of First Refusal under the Vacation Plan Declaration, and (ii) you must notify the Developer within five business days after the buyer’s acceptance of the Offer to Sell. In either case, you must provide to the Developer a complete copy of the Offer to Buy or Offer to Sell (the “*Offer Document*”). The Developer will then have the right and an option to buy your Vacation Ownership Interest at the same price and on the same terms contained in the Offer Document. If the Developer decides to buy it, then the Developer will send you written notice of that decision within ten (10) business days after the Developer receives both (1) the notice of the Offer to Buy or Offer to Sell, and (2) a copy of the Offer Document. The Developer’s notice will create a binding contract between you and the Developer to buy your Vacation Ownership Interest on the terms stated in the Offer Document (subject, however, to a reasonable extension of the closing date). If the Developer does not send notice of its decision to buy your Vacation Ownership Interest within the ten (10) business day period, then you may sell your Vacation Ownership Interest to the buyer under the Offer Document. If the Offer Document is changed in any way (for

example, a reduction in the price, a change in the buyer or an assignment of the buyer’s rights to someone else), or if the sale does not close within ninety (90) days, then the Offer to Buy or Offer to Sell will be considered a new Offer to Buy/Offer to Sell and you must re-submit it to the Developer and the requirements of this paragraph will apply again. If the Developer chooses not to buy your Vacation Ownership Interest, this will not constitute consent by the Developer of a sale or other transfer of the Interest to a Competitor or a waiver of the Developer’s rights.

IMPORTANT NOTICE: Please be aware that the value and marketability of your Vacation Ownership Interest may or may not be substantially and adversely affected by the Developer’s right of first refusal. Accordingly, if you try to sell your Vacation Ownership Interest later, the price that you may be offered for your Vacation Ownership Interest may be considerably less than the price you would otherwise be offered, and the amount of time it may take to sell your Vacation Ownership Interest may be much longer than the amount of time it would otherwise take to sell your Vacation Ownership Interest if the Developer did not have the right of first refusal. The Developer’s right of first refusal may possibly make difficult or delay the sale of your Vacation Ownership Interest.

8. MUTUAL RECISSION PROVISION

You and the Developer both have the right to cancel your Purchase Agreement without penalty by giving the other party written notice within seven calendar days after: (1) signing the contract; or (2) you receive this disclosure statement, whichever is later. The seven-day period is called the “*Seven-Day Cancellation Period*”. You will receive a form of Notice of Cancellation [Form TS-10 of the Department of Commerce and Consumer Affairs of the State of Hawaii (“*DCCA*”)] with all pertinent information filled in at the time that you sign your Purchase Agreement. If you cancel, then, within 15 business days: (a) all payments made must be returned to you; and (b) you must return all sales materials received in good condition, except for reasonable wear and tear, or their reasonable value (up to \$25.00) may be deducted from your payments.

9. TITLE DEFECTS OR ENCUMBRANCES

“*Encumbrances*” are interests in or claims on property held by someone other than the owner of that property. They also include duties imposed by certain documents that affect the property and its owner. For example, a document giving the telephone company a right to install telephone lines across the land of a resort is an encumbrance.

Your Vacation Ownership Interests will be deeded to you subject to the encumbrances listed in Exhibit A and to (i) any mortgage signed by you, and (ii) any other encumbrances that do not make your title unmarketable. These are called the “*Permitted Encumbrances.*”

The Vacation Plan Documents, the Project Documents and your Vacation Ownership Deed are also Permitted Encumbrances. The Developer has certain special and reserved rights, called the “*Developer’s Reserved Rights*”, under these documents. Some of those rights are described in Exhibit H. When you sign your Vacation Ownership Deed, you consent to, accept, approve, and make the agreements about the Developer’s Reserved Rights. You also give to the Developer the right of first refusal described in Section 7.3, above. These consents, acceptances, approvals, agreements, and the right of first refusal will also be encumbrances on your Vacation Ownership Interest. You should read your Vacation Ownership Deed and your Purchase Agreement with care.

10. PENDING OR ANTICIPATED SUITS

Not applicable. There are now no suits pending or anticipated that are material to the Vacation Ownership Interests or the Plan of which the Developer has or should have knowledge.

11. FINANCIAL OBLIGATION OF PURCHASERS

11.1. **PURCHASE OBLIGATION.** You must pay the Purchase Price stated in your Purchase Agreement. You may pay it at once in cash or over time on credit from the Developer. If you buy on credit then you must make monthly loan payments both before and after Closing. See your truth-in-lending statement or Closing Disclosures for the annual percentage rate and other information. The Developer is not arranging, and has no duty to arrange, outside financing for any Buyer. If you buy on credit, you must pay all costs of the collection agent to whom your payments are made. You must also pay the “Administrative Fee” listed in your Purchase Agreement and that amount may be used to pay closing costs. The Developer will pay all closing costs beyond that except that you must pay any title insurance premiums in excess of \$100. See Exhibit J for information about installment purchase terms and closing costs. All amounts are in United States dollars. Be sure to ask about special purchase prices and terms that may be offered from time to time. The Developer has the right to change Exhibit J from time to time.

11.2. **ASSOCIATION CHARGES.** As an Owner, you must pay all amounts charged to you by the Association, the Community Association, and the Ka’anapali North Beach Association. See Section 12.

11.3. **ENFORCEMENT.** You should be aware that if you do not pay or keep the promises you make in your Purchase Agreement (or in any note and mortgage that you sign), the Developer may take any action permitted by the Purchase Agreement (or note and mortgage) and allowed by law. Among other things, the Purchase Agreement allows the Developer to keep any payments made by a Buyer who defaults, and the mortgage permits the Developer to foreclose. *You should read these documents carefully.*

11.4. **EXCHANGE FEES.** If you choose to join SVN, you must pay their annual membership fees and any other costs of participation. If you choose to access Interval International’s exchange program through SVN, you will not have to pay an annual membership fee but you must pay any other fees charged by it. See the exchange disclosure documents for the amounts of these fees.

12. ESTIMATE OF DUES, MAINTENANCE FEES, REAL PROPERTY TAXES, ETC.

12.1. **ASSESSMENTS.** After Closing, you must pay:

- ❖ Assessments for Plan Expenses charged by the Association of the Vacation Ownership Plan;
- ❖ Assessments for Project Expenses charged by the Community Association;
- ❖ Any Personal Charges charged to you by either of these associations; and
- ❖ Any amounts charged to you by the Ka’anapali North Beach Association.

Exhibit K provides examples of the amounts that the Owner of an Every-Year Vacation Ownership Interest would pay for Annual Assessments based on the number of Points purchased and the budget attached to this Disclosure Statement as Exhibit L.

12.2. **VACATION PLAN EXPENSES.**

A. **Plan Expenses.** “*Plan Expenses*” means the costs of operating the Vacation Ownership Plan, the costs of owning and maintaining the Vacation Property, and all other sums designated as Plan Expenses in the Declaration, the Articles or the Bylaws. The Plan Expenses are shared by the Vacation Owners. Plan Expenses may include among other things, any or all of the following:

- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television to the extent not paid by the Community Association.
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Vacation Property to the extent not paid by the Community Association.
- ❖ The cost of buying insurance required or permitted by the Vacation Plan Documents.
- ❖ Wages, accounting and legal fees, management fees, start-up fees, housekeeping and cleaning fees, security costs, and other expenses necessary to maintain, repair, manage and operate the Vacation Property.
- ❖ All costs and expenses of providing, operating, and managing the reservation system.

- ❖ All amounts charged to the Villas by the Community Association or the Ka'anapali North Beach Association (except amounts separately charged to individual Owners). This includes, for example, the expenses of operating and maintaining the Project.
- ❖ All Shared Area Expenses charged to the Villas pursuant to the Project Documents.
- ❖ Any amounts charged pursuant to any agreement between the Association and the Parking Unit Owner(s) to permit Owners to park in the Parking Units.
- ❖ Any amount charged by the Community Association or the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant of a Villa or the Occupant's Guest.
- ❖ Any taxes or other governmental charges upon or charged to the Vacation Property or the use of it or on any other interest of the Owners (except taxes separately charged to individual Owners) to the extent not paid by the Community Association.
- ❖ Any liability for loss or damage relating to the Vacation Property or the use of it.
- ❖ Any money owed to the Association by any Owner or other person to the extent the Board decides that it is uncollectible or too expensive to collect, as a practical matter.
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Plan Expenses for any prior year.
- ❖ Amounts needed for the Reserve Accounts. These are the savings accounts of the Association. The money is used to pay for Capital Improvements. "Capital Improvements" are things like replacing the carpeting or appliances, other major repairs and remodeling, or replacing the Villas or Common Furnishings. (Day to day maintenance and repairs are not Capital Improvements.)
- ❖ Any amounts due from the Association under the Affiliation Agreement.
- ❖ Any amounts needed by the Board to buy one or more Vacation Ownership Interests in a foreclosure sale.
- ❖ Any amounts needed by the Association to pay the yearly contributions to the Benefit Fund.

B. **Your Share of Plan Expenses.** Each Owner must pay a Fair Share of the Plan Expenses. "Fair Share" means, for a given Vacation Ownership Interest, a share determined by multiplying the amount in question by the following fraction:

$$\frac{\text{The Ownership Share of the Vacation Ownership Interest}}{\text{The Sum of the Ownership Shares}}$$

For All Vacation Ownership Interests
For Which Assessments Have Begun

In addition, the Fair Share for an Every-Other-Year Vacation Ownership Interest will include a yearly service or bookkeeping fee in an amount set by the Board from time to time.

C. **When Assessments Begin.** Assessments for Points assigned by the Developer to a given Villa begin on the later of (i) the first day of the month after the Unit is included in the Plan, or (ii) the date when the County of Maui issues a temporary or permanent certificate of occupancy for the Villa. From then on, the Owner of those Points, whether it is the Developer or someone else, must pay a Fair Share of the Plan Expenses.

D. **Regular Assessments.** Every year, the Association's Board adopts a budget showing the Plan Expenses for the coming year (the "Budget"). The Budget reflects Plan Expenses based on all Vacation Ownership Interests paying Assessments or expected to be paying Assessments by the start of the coming year. Of course, the actual expenses may vary, especially as additional property is included in the Plan. A copy of the current Budget of Plan Expenses is attached as Exhibit L to this Disclosure Statement. Each Vacation Ownership Interest covered by the Budget must pay a Fair Share of the Plan Expenses shown in the Budget. This is called your "Regular Assessment". (Note: If a Vacation Ownership Interest is not covered by the Budget, the Regular Assessment will equal the Fair Share for a Vacation Ownership Interest having the same Ownership Share. Unless the Developer determines otherwise, the amount of the Regular Assessment will not be prorated.)

E. **Special Assessments.** Each Vacation Ownership Interest for which Assessments have begun will pay a Fair Share of any amounts (beyond the Regular Assessments) needed to pay Plan Expenses. This is called a "Special Assessment." If for any reason the Regular Assessments for the Plan Expenses are, or will be, inadequate to pay all Plan Expenses on time, or if the Vacation Property is damaged or destroyed and the costs to repair or replace it cannot be fully paid by using available insurance proceeds and the money from any appropriate Reserve Account, the Board must (i) increase the next year's Budget to make up the shortfall, (ii) charge a Special Assessment, and/or (iii) borrow the funds needed to pay the shortfall, whether from the Reserve Account or from other sources. The Board may also charge a Special Assessment in any other circumstances permitted by law or by the Vacation Plan Documents. For example, the Board may charge a Special Assessment for the purpose of making Capital Improvements authorized by the Association.

F. **Developer Subsidy.** The Developer must pay Assessments on each Vacation Ownership Interest that it owns and for which Assessments have begun. Instead of doing so, however, the Developer may enter into a "Subsidy Contract" with the Association in which the Developer agrees to pay to

the Association the difference between (i) the actual Plan Expenses incurred and that must be paid by the Association in a given year, and (ii) all Regular Assessments collected from Owners other than the Developer and all other amounts paid to the Association by anyone other than the Developer. The Developer does not have to pay, however, the amount of any Special Assessments for capital expenditures, insurance policy deductibles, underinsured losses, or uninsured losses. The Subsidy Contract does not require that the Developer pay any increase in the Plan Expenses resulting from (i) any new category of imposition levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in the real property taxes.

The Developer and the Association have entered into a Subsidy Contract. Owners should be aware that they must pay the budgeted amount of Assessments even if the actual expenses are lower than the budgeted amount. If the actual expenses are lower than the budgeted amount, the Developer will pay a lower subsidy amount.

G. Personal Charges. A “*Personal Charge*” is an expense not covered by Assessments. This includes expenses that result from the act, failure to act, or other conduct of an Owner or Primary Occupant, or the Guest of an Owner or Primary Occupant. It also includes charges for extra services requested or used by the Owners or Primary Occupants or by their Guests. The following expenses are examples of Personal Charges:

- ❖ The cost of food, beverages, telephone charges, optional housekeeping service and other special services or supplies resulting from or related to the occupancy of the Villa during a person’s Vacation Period.
- ❖ Charges arising from or related to the use of the Common Furnishings, the Project, or the amenities of Ka’anapali North Beach (for example, rentals of sports supplies or other recreational equipment, and so on).
- ❖ The cost to repair any Villa or to repair or replace any Common Furnishings in it because of loss or damage occurring during a person’s Vacation Period (unless caused by ordinary wear and tear or by an unavoidable accident or other casualty).
- ❖ Expenses to any other Owner or the Association due to a person’s intentional or negligent act or failure to act.
- ❖ Expenses resulting from any intentional or negligent violation of the Ka’anapali North Beach Documents, the Project Documents, or the Vacation Plan Documents.
- ❖ Collection Costs. (Costs incurred to collect any overdue Assessments or Personal Charges. It includes, but is not limited to foreclosure costs, court costs, and reasonable attorneys’ fees, costs, and expenses.)
- ❖ Any late charges and interest on overdue payments.

- ❖ So long as the Plan is part of the SVN program, any sums charged to the Association or to an Owner in accordance with the Affiliation Agreement.

An Owner is fully responsible for the Personal Charges of his or her Guests. An Owner is not responsible, however, for the Personal Charges of anyone who uses his or her use rights through an Exchange Program.

H. International Owner Surcharge. For Vacation Ownership Interests owned by Owners residing outside of the United States, the Plan Manager reserves the right to charge a surcharge in an amount set by the Plan Manager from time to time to cover the added costs for postage, personal delivery, increased frequency of and costs associated with long distance and/or international communications, deliveries and so on, and also to cover any tax on the surcharge.

12.3. **PROJECT EXPENSES.**

A. Project Expenses. “Project Expenses” means all charges, costs and expenses incurred by the Community Association for or in connection with the administration, management, operation, maintenance and repair of the Project and all other sums designated as Project Expenses in the Project Documents. The Project Expenses are shared by the Owners of the Project Ownership Interests, including the Owners of Vacation Ownership Interests in the Project. Project Expenses may include among other things, any or all of the following:

- ❖ The costs (i) to maintain, repair, rebuild, upgrade, replace and restore the Common Areas; (ii) to make any additions and alterations to the Common Areas; and (iii) for any labor, services, materials, supplies and equipment needed to do any of the things listed in (i) or (ii).
- ❖ The cost of all utility services for the Project such as water, electricity, garbage disposal, telephone and cable television. However this does not apply to costs of such services that are separately charged to the individual Units.
- ❖ The cost of buying any insurance or bonds required or permitted by the Project Documents.
- ❖ Wages, accounting and legal fees, management fees, start-up fees, janitorial expenses, security costs, and other expenses necessary to manage, operate, maintain, repair, upgrade and improve the Project.
- ❖ All amounts charged to the Project or to the individual Owners or their Units by the Ka’anapali North Beach Association.
- ❖ Any amount charged by the Ka’anapali North Beach Association due to an intentional or negligent act by an Occupant or an Occupant’s Guest.
- ❖ The cost of pest control services, whether or not affecting any particular Unit or Units.

- ❖ Any taxes or other governmental charges upon or charged to the Project or any part of it or the use of it or on any other interest of the Owners (except taxes separately charged to individual Owners or to the Vacation Owners Association).
- ❖ Any liability for loss or damage relating to the Project or the use of it, or any accident, fire or nuisance on or in the Project.
- ❖ Any money owed to the Community Association by any Owner or other person to the extent the Community Association's Board decides that, as a practical matter, it is uncollectible or too expensive to collect.
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Project Expenses for any prior year.
- ❖ Amounts needed for the Reserve Accounts. These are the savings of the Community Association. The money is used to pay for Capital Improvements. "Capital Improvements" are things like replacing the roofs, painting the building exteriors, other major repairs, maintenance and remodeling of the Property, replacing the Community Association Property, and so on. Day to day maintenance and repairs are not Capital Improvements.
- ❖ Any amounts needed by the Community Association Board to buy one or more Project Ownership Interests in a foreclosure sale.

B. **Categories Of Project Expenses.** There are four kinds of Project Ownership Interests: Commercial, Parking, Lodging, and Vacation Ownership Interests. Some of the Project Expenses pertain to all of the Project Ownership Interests. Others relate only to some of them or perhaps only one of them.

To reflect this, Project Expenses are divided into the following groups: General Common Expenses, Vacation Unit Expenses, Commercial Unit Expenses, Parking Unit Expenses, Lodging Unit Expenses, Limited Common Expenses, Commercial Limited Common Expenses, Resort Limited Common Expenses, and Shared Area Expenses. They are described as follows:

1) **"General Common Expenses"** means all Project Expenses except Vacation Unit Expenses, Commercial Unit Expenses, Parking Unit Expenses, Lodging Unit Expenses, Limited Common Expenses, Commercial Limited Common Expenses, Resort Limited Common Expenses, and Shared Area Expenses. This includes, for example, the cost of using, owning, operating, maintaining, repairing, upgrading, and improving the General Common Areas such as driveways.

2) **"Limited Common Expenses"** means all Project Expenses relating to using, owning, operating, maintaining, repairing, remodeling, upgrading, and improving a Limited Common Area appurtenant to a particular Project

Ownership Interest or group of Project Ownership Interests. It does not include, however, any Project Expenses that fall within the definitions of Commercial Limited Common Expenses, Resort Limited Common Expenses, or Shared Area Expenses.

3) **"Commercial Limited Common Expenses"** means all Project Expenses relating to using, owning, operating, maintaining, repairing, remodeling, upgrading, and improving the Commercial Limited Common Areas. This includes, for example:

- ❖ The cost of utility services such as electricity for lighting the restrooms serving Units 101, 102 and 103, and janitorial service for cleaning them.
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Commercial Limited Common Areas.
- ❖ Amounts needed for the Reserve Accounts for the Commercial Limited Common Areas.

4) **"Resort Limited Common Expenses"** means all Project Expenses relating to using, owning, operating, maintaining, repairing, remodeling, upgrading, and improving the Resort Limited Common Areas. This includes, for example:

- ❖ The cost of utility services such as water and electricity for operating the pools and pool decks, or to provide gas to light any tiki torches in the Resort Limited Common Areas. It would also include, for example, the cost of lighting Resort Limited Common Areas such as the pool decks, elevator lobbies, hallways, and storage areas designated as Resort Limited Common Areas in the Declaration or on the Project Plan.
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Resort Limited Common Areas. This would include, for example, the costs of maintaining, repairing, and replacing the public comfort station of Keka`a Park, as well as the pools and pool decks located in the Resort Limited Common Areas.
- ❖ Amounts needed for the Reserve Accounts for the Resort Limited Common Areas.

5) **"Vacation Unit Expenses"** means all Project Expenses relating solely to the Vacation Units. (In the Project Documents, Villas are called "Vacation Units.") The Vacation Unit Expenses are charged to the Vacation Owners. Vacation Unit Expenses may include among other things, any or all of the following:

- ❖ All banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on incurred by the

Community Association in connection with payment of Assessments and Personal Charges by Vacation Owners or by Occupants of the Vacation Units or their Guests.

- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.
- ❖ Any amount charged by the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant or Guest of a Vacation Unit.
- ❖ Any taxes and other governmental charges upon or charged to the Vacation Units (separately from the rest of the Project) or on the use of the Vacation Units (separately from the rest of the Project), or on the Vacation Ownership Interests (except taxes separately charged to individual Owners or to the Vacation Owners Association).
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Vacation Unit Expenses for any prior year.

“Vacation Unit Expenses” does not include things like the cost of purchasing, maintaining, repairing or replacing furnishings, fixtures or equipment located within the Vacation Units, or the expenses of maintaining the Vacation Unit interiors or operating the Vacation Units or the Vacation Ownership Plan. These costs and expenses must be paid by the Vacation Owners through the Vacation Owners Association.

6) **“Lodging Unit Expenses”** means all Project Expenses relating solely to a given Lodging Unit. The Lodging Unit Expenses are charged to the Owner of the corresponding Lodging Ownership Interest. Lodging Unit Expenses may include, among other things, any or all of the following:

- ❖ All banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on incurred by the Community Association in connection with payment of Assessments and Personal Charges by Lodging Owners or by Occupants of the Lodging Units or their Guests.
- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.

- ❖ Any amount charged by the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant or Guest of a given Lodging Unit.
- ❖ Any taxes and other governmental charges upon or charged to a given Lodging Unit (separately from the rest of the Project) or on the use of a given Lodging Unit (separately from the rest of the Project), or on a given Lodging Ownership Interest (except taxes separately charged to individual Owners or their Interests).
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Lodging Unit Expenses for a given Lodging Unit in any prior year.

“Lodging Unit Expenses” does not include things like the cost of purchasing, maintaining, repairing or replacing furnishings, fixtures or equipment located within a Lodging Unit, or the expenses of maintaining the Lodging Unit interior or operating the Lodging Unit. These costs and expenses must be paid by the Owner of the Interest to which the Lodging Unit is appurtenant.

7) **“Commercial Unit Expenses”** means all Project Expenses relating solely to a given Commercial Unit or any Limited Common Areas appurtenant to a given Commercial Unit other than (i) Commercial Limited Common Areas, or (ii) Shared Areas. The Commercial Unit Expenses are charged to the Owner of the corresponding Commercial Ownership Interest. Commercial Unit Expenses may include, among other things, any or all of the following:

- ❖ All banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on incurred by the Community Association in connection with payment of Assessments and Personal Charges by Commercial Owners or by Occupants of the Commercial Units or their Guests.
- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.
- ❖ Any amount charged by the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant or Guest of a given Commercial Unit.
- ❖ Any taxes and other governmental charges upon or charged to a given Commercial Unit (separately from the rest of the Project) or on the use of a given Commercial Unit (separately from the rest of the Project), or on a given

Commercial Ownership Interest (except taxes separately charged to individual Owners or their Interests).

- ❖ Amounts needed to make up any shortfall in funds needed to pay the Commercial Unit Expenses for a given Commercial Unit in any prior year.

“Commercial Unit Expenses” does not include things like the cost of purchasing, maintaining, repairing or replacing furnishings, fixtures, or equipment located within a Commercial Unit, or the expenses of maintaining the Unit interior or operating the Unit. These costs and expenses must be paid by the Owner of the Interest to which the Commercial Unit is appurtenant.

8) **“Parking Unit Expenses”** means all Project Expenses relating solely to a given Parking Unit. The Parking Unit Expenses are charged to the Owner of the corresponding Parking Ownership Interest. Parking Unit Expenses may include, among other things, any or all of the following:

- ❖ All banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on incurred by the Community Association in connection with payment of Assessments and Personal Charges by Parking Owners or by Occupants of the Parking Units or their Guests.
- ❖ The cost of utility services such as water, electricity, trash disposal, and telecommunications services unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.
- ❖ Any amount charged by the Ka`anapali North Beach Association due to an intentional or negligent act by an Owner or Guest of a given Parking Unit.
- ❖ Any taxes and other governmental charges upon or charged to a given Parking Unit (separately from the rest of the Project) or on the use of a given Parking Unit (separately from the rest of the Project), or on a given Parking Ownership Interest (except taxes separately charged to individual Owners or their Interests).
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Parking Unit Expenses for a given Parking Unit in any prior year.

“Parking Unit Expenses” does not include things like the cost of purchasing, maintaining, repairing or replacing furnishings, fixtures, or equipment located within a Parking Unit, stripping the parking stalls, cleaning and maintaining the parking stalls, ramps and driveways, or operating the Parking Unit. These

costs and expenses must be paid by the Owner of the Interest to which the Parking Unit is appurtenant.

9) **“Shared Area Expenses”** means all charges, costs and expenses incurred by the Owner of the Interest to which the Shared Area is appurtenant for or in connection with the administration, management, operation, furnishing, remodeling, maintenance, repair and staffing of the Shared Area and all other sums designated as Shared Area Expenses in the Declaration, the Articles or the Bylaws. The Shared Area Expenses are shared by the Owners of the Resort Ownership Interests. Shared Area Expenses may include, among other things, any or all of the following:

- ❖ All costs to staff and operate the front desk, including the costs to provide check-in and check-out services, concierge services, telephone operators, and so on.
- ❖ All costs to staff and operate valet parking and bellhop services.
- ❖ Wages, benefits, and other costs for labor, materials, supplies and equipment relating to the operation and staffing of the Shared Areas;
- ❖ Accounting and other expenses for front desk operations, including the check-in and check-out of Owners and Occupants, the collection of Personal Charges charged to the Occupant’s Unit for things like room service and so on. This includes, among other things, banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on.
- ❖ The costs (i) to maintain, repair, remodel, rebuild, upgrade, replace and restore the Shared Areas; (ii) to make any additions and alterations to the Shared Area; and (iii) to provide, maintain, repair, upgrade and replace furniture, fixtures and equipment relating to the Shared Areas.
- ❖ The cost of all utility services for the Shared Area including water, electricity, trash disposal, telephone, and so on, unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.
- ❖ The cost of buying any insurance relating to the use, condition, management, or operation of the Shared Area, including but not limited to property insurance, liability insurance, worker compensation insurance, and so on.
- ❖ All taxes and other governmental charges upon or charged to Owner of the Interest to which the Shared Area is appurtenant, including any general excise or gross receipts

tax imposed on such Owner in connection with the payment or receipt of the Shared Area Expenses.

- ❖ Any liability for loss or damage relating to the Shared Areas or the use of it, or any accident, fire or nuisance on or in it.

C. **Your Share Of Project Expenses.** Each Owner must pay a Fair Share of the Project Expenses. In the case of the Project, “*Fair Share*” means the share of the Project Expenses to be charged to each Project Ownership Interest, including Owners of Vacation Ownership Interests. The Fair Share for each Interest will be determined as provided in Exhibit M.

D. **When Assessments Begin.**

1) Assessments for Project Expenses for a Commercial Ownership Interest, Parking Ownership Interest, or Lodging Ownership Interest begin on the first day of the month after the date when the County of Maui issues a temporary or permanent certificate of occupancy for the Owner’s Assigned Unit. From then on, the Commercial Owner, Parking Owner, or Lodging Owner, whether it is the Developer or someone else, must pay a Fair Share of the Project Expenses.

2) Assessments for Project Expenses for a Vacation Ownership Interest begin on the first day of the month after the date when the County of Maui issues a temporary or permanent certificate of occupancy for any Vacation Unit. From then on, the Owner of each Vacation Ownership Interest attributable to the Vacation Units for which the County of Maui has issued a temporary or permanent certificate of occupancy, must pay a Fair Share of the Project Expenses, whether the Vacation Owner is the Developer or someone else. For the purpose of administering this rule, and unless the Managing Agent determines in its sole, absolute and unfettered discretion that another method allocates the Project Expenses for the Vacation Units more fairly and equitably or more appropriately than the method described below, the Managing Agent shall allocate the Project Expenses among the Vacation Ownership Interests using the “points” system established in the Vacation Plan Declaration and shall:

a) Allocate to the Developer the Assessments attributable to any Vacation Units for which the County of Maui has issued a certificate of occupancy and which are being used by the Developer for sales and marketing purposes, as administrative offices, or as model units;

b) Allocate to Vacation Owners other than the Developer the Assessments attributable to all other Vacation Units for which the County of Maui has issued a certificate of occupancy, based on their respective Ownership Shares; and

c) Allocate to the Developer the remainder of any Assessments attributable to Vacation Units for which

the County of Maui has issued a certificate of occupancy. This would occur if the sum of the Points represented by the numerator of the Ownership Shares of the Vacation Ownership Interests identified in the two preceding paragraphs is less than the sum of the Points represented by the numerator of the Ownership Shares attributable to all Vacation Units for which the County of Maui has issued a certificate of occupancy.

E. **Regular Assessments.** Every year, the Community Association Board adopts a budget showing the Project Expenses for the coming year (the “*Budget*”). The Budget reflects Project Expenses based on all Project Ownership Interests paying Assessments or expected to be paying Assessments by the start of the coming year. Of course, the actual expenses may vary, especially as construction of additional Units is completed. A copy of the current Budget of Project Expenses is attached as Exhibit N to this Disclosure Statement. Each Project Ownership Interest covered by the Budget must pay a Fair Share of the Project Expenses shown in the Budget. This is called your “*Regular Assessment*”. (Note: If a Vacation Ownership Interest is not covered by the Budget, the Regular Assessment will equal the Fair Share for a Vacation Ownership Interest having the same Ownership Share. Unless the Developer determines otherwise, the amount of the Regular Assessment will not be prorated.)

F. **Special Assessments.** Each Project Ownership Interest for which Assessments have begun will pay a Fair Share of any amounts (beyond the Regular Assessments) needed to pay Project Expenses. This is called a “*Special Assessment*.” If for any reason the Regular Assessments for the Project Expenses are, or will be, inadequate to pay all Project Expenses on time, or if the Project or Community Association Property is damaged or destroyed and the costs to repair or replace it cannot be fully paid by using available insurance proceeds and the money from any appropriate Reserve Account, the Community Association Board must (i) increase the next year’s Budget to make up the shortfall, (ii) charge a Special Assessment, and/or (iii) borrow the funds needed to pay the shortfall, whether from the Reserve Account or from other sources. The Board may also charge a Special Assessment in any other circumstances permitted by law or by the Project Documents. For example, the Board may charge a Special Assessment for the purpose of making Capital Improvements authorized by the Community Association.

G. **Developer Subsidy.** The Developer must pay Assessments on Project Ownership Interests that it owns and for which Assessments have begun. Instead of doing so, however, the Developer may enter into a “*Subsidy Contract*” with the Community Association in which the Developer agrees to pay to the Community Association the difference between (i) the actual Project Expenses incurred and that must be paid by the Community Association in a given year, and (ii) all Regular Assessments collected from Owners other than the Developer and all other amounts paid to the Community Association by anyone other than the Developer. The Developer does not have to pay, however, the amount of any Special Assessments for capital expenditures, insurance policy

deductibles, underinsured losses, or uninsured losses. The Subsidy Contract does not require that the Developer pay any increase in the Project Expenses resulting from (i) any new category of imposition levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in the real property taxes.

The Developer and the Community Association have entered into a Subsidy Contract. Owners should be aware that they must pay the budgeted amount of Assessments even if the actual expenses are lower than the budgeted amount. If the actual expenses are lower than the budgeted amount, the Developer will pay a lower subsidy amount.

H. **Personal Charges.** A “*Personal Charge*” is an expense not covered by Assessments. This includes expenses that result from the act, failure to act, or other conduct of an Owner or Primary Occupant, or the Guest of an Owner or Primary Occupant. It also includes charges for extra services requested or used by Owners or Primary Occupants, or by their Guests. Personal charges include, for example:

- ❖ The cost of food, beverages, telephone charges, optional housekeeping service and other special services or supplies resulting from or related to a person's occupancy of a Resort Unit.
- ❖ Charges arising from or related to the use of the Community Association Property, the Project amenities (for example, rentals of sports supplies or other recreational equipment, and so on), or the amenities of Ka'anapali North Beach.
- ❖ The cost to repair any damage to any part of the Common Areas or to repair or replace any Community Association Property because of loss or damage caused by a Primary Occupant or his or her Guests, unless it is caused by ordinary wear and tear or by an unavoidable accident or other casualty.
- ❖ Expenses to any other Owner or the Community Association due to a person's intentional or negligent act or failure to act.
- ❖ Expenses resulting from any intentional or negligent violation of the Ka'anapali North Beach Documents.
- ❖ Collection Costs.
- ❖ Any late charges and interest on overdue payments.

An Owner or Primary Occupant is fully responsible for the Personal Charges of his or her Guests. An Owner is not responsible, however, for the Personal Charges of anyone who uses his or her use rights through an Exchange Program, including SVN.

12.4. ENFORCEMENT OF FINANCIAL DUTIES.

The Association and the Community Association have similar rights to collect all money you owe. For example, they may

charge late fees and interest. Each of them also has a lien on your Vacation Ownership Interest. They may foreclose on their liens and sell your Vacation Ownership Interest to someone else. If the money from the foreclosure sale is not enough to pay all amounts due plus legal fees and costs, you must pay the shortfall.

If you are in default, the Association may also refuse to allow you to make a reservation or to check in. It also may cancel any reservations that you are holding. It can even use your Points to reserve a Use Period, rent it, and then use the rent money to pay the amounts that you owe. It may also suspend services to your Villa or even file a lawsuit.

12.5. **TAXES.** The State of Hawaii taxes the occupancy of time share units. The amount of the tax will be 9.25% of the fair market rental value unless the Hawaii legislature changes it. By law, the “fair market rental value” is currently set to one-half of the gross daily maintenance fees that are paid by the owner and attributable to the time share unit. Because the period of time used by each Owner may vary due to the number of Points owned and the difference in Point Values of different Use Periods and Villas, Owners will be notified of the estimated occupancy tax amount by Reservation Services at the time when they request a reservation.

The State of Hawaii also charges a general excise tax on amounts collected by the Association, including Regular and Special Assessments, and Personal Charges. Although the tax rate is currently 4.0%, the charge for the tax will be higher (currently 4.166%) to ensure that the Association receives the amount that it needs, net after taxes. The Project is subject to real property taxes levied by the County of Maui. The County of Maui may increase or decrease real property taxes from time to time. The Developer makes no representations as to the taxes that may be charged by the County or State in the future.

13. ESCROW ACCOUNT

The Hawaii “*Time Share Law*” is contained in Chapter 514E, Hawaii Revised Statutes, and Chapter 16-106, Hawaii Administrative Rules. It requires that: (a) Buyer's Funds, Notes, and Loan Documents be put in escrow before closing and that the Buyer's Funds be refunded if the Buyer cancels as explained in Section 8 above; (b) Buyer's Funds must be refunded in the other circumstances explained in Section 14; and (c) Closing cannot occur until the Buyer is protected from Blanket Liens.

“*Funds*” means money. “*Notes*” means any “negotiable instrument” as defined in the Time Share Law. A check is an example of a negotiable instrument. A “*negotiable instrument*” generally is a document that the Developer could give to someone else who could then force the Buyer to keep his or her promise to pay free from any claim or defense that the Buyer might have against the Developer. “*Loan Documents*” means any “purchase money contract” as defined in the Time Share

Law. In general, “*purchase money contract*” refers to things like a promissory note, a mortgage, an agreement of sale, or other contract in which the Buyer agrees to repay a loan made to finance the Buyer’s purchase of a Vacation Ownership Interest and made to the Buyer by the Developer or by a lender that is (i) affiliated with the Developer or (ii) to whom the Developer referred the Buyer.

“*Closing*” refers to completing the sale of a Vacation Ownership Interest. This normally includes recording your Vacation Ownership Deed and any mortgage that you sign, and payment to the Developer of all sums due under your Purchase Agreement.

“*Blanket liens*” are certain kinds of encumbrances (for example, a mortgage) as defined in the Time Share Law that affect two or more Vacation Ownership Interests.

An escrow account for the Developer and its sales agents has been established with Hawaii Resort Escrow, Inc. (the “*Escrow Agent*”). Its address, telephone and fax numbers are 810 Richards Street, Suite 770, Honolulu, Hawaii 96813. Telephone: (404) 954-9831; Fax No. (404) 954-9898.

The Developer or the sales agent must give each Buyer’s Funds, Notes and Loan Documents to the Escrow Agent to hold in this account. But, as permitted by Hawaii’s Time Share Law, the Developer or any sales agent may initially hold all Notes (such as a Buyer’s check) and Loan Documents (a) that are payable to the Escrow Agent, or (b) that are not negotiable instruments, until the later of: (1) the expiration of the Seven-Day Cancellation Period; and (2) the end of any longer cancellation period provided to the Buyer in his or her Purchase Agreement.

14. ESCROW AGREEMENT

The Escrow Agreement is dated August 20, 2015. When you sign your Purchase Agreement, you also adopt the Escrow Agreement, just as if you had signed it yourself. Be sure to read it. The Escrow Agreement contains the Developer’s and your instructions for the handling of your Funds, Notes and Loan Documents, and for Closing your purchase. Some of the key provisions of the Escrow Agreement may be summarized as follows:

14.1. **RELEASE OF BUYER’S FUNDS.** No matter what else your Purchase Agreement says, the Escrow Agent may not release your Funds, Notes or Loan Documents to the Developer or a sales agent, or to someone else for the benefit of the Developer or a sales agent, until the last of these events occurs:

- A. The Escrow Agent has received a copy of a receipt for the Hawaii Disclosure Statement signed by you; and
- B. Your Seven-Day Cancellation Period has expired.

14.2. **CLOSING DATE.** The Developer must pick the day for the closing. That date is called the “*Closing Date*”. It must occur within 120 days after the Closing Conditions are met. The Developer, however, can postpone the closing if it wishes to do so. Neither the Developer nor the Escrow Agent have to give you notice of the Closing Date.

14.3. **CLOSING CONDITIONS.** The Escrow Agent will close the sale on the Closing Date if all of the “*Closing Conditions*” listed in the Escrow Agreement (including the following, among others) have happened:

A. The Escrow Agent has not received a valid notice that the Developer or you have cancelled your Purchase Agreement in the manner provided in the Escrow Agreement.

B. The Escrow Agent has received all necessary closing documents and money.

C. All requirements set by the Seller or anyone else loaning money to the Buyer for the purchase have been met (or waived) provided that the Escrow Agent is notified of those requirements in writing.

D. A title insurance company authorized to do business in Hawaii is committed to issue, after your Vacation Ownership Deed is recorded, a policy of title insurance on your Vacation Ownership Interest.

1) The title policy must insure that your Vacation Ownership Interest is subject only to any mortgage signed by you, the Permitted Encumbrances, and anything else that doesn’t make your title unmarketable.

2) If the Closing will happen less than forty-six (46) days after the Date of Completion, the title policy must include an attachment (in legal terms, an “*endorsement*”) insuring against any loss due to mechanics’ or materialmen’s liens. Note that “*Date of Completion*” has a special meaning under Section 507-43(f), HRS, and that meaning applies here. It generally refers to the date when notice is given that the construction has been completed.

E. As to each existing Blanket Lien, (i) the Escrow Agent is prepared to record or can confirm that someone else has already recorded a release of your Vacation Ownership Interest from the Blanket Lien, or (ii) in the case of mechanics’ or materialmen’s lien, your title policy includes an endorsement providing coverage against such liens.

F. If the Closing will occur less than forty-six (46) days after the Date of Completion, the Developer provides to the Escrow Agent satisfactory evidence that the Developer has filed with the Department of Commerce and Consumer Affairs of the State of Hawaii:

1) A copy of the building permit for the Project or the building of the Project upon which the Points to be issued to the Buyer are based;

2) A copy of an executed construction contract for the Project or the building of the Project upon which the Points to be issued to the Buyer are based; and

3) A copy of either (a) executed performance and labor and material payment bonds in an amount which is not less than one hundred per cent of the cost of construction stated in the construction contract for the Project or the building of the Project upon which the Points to be issued to the Buyer are based, or (b) a completion bond covering the Project or the building of the Project upon which the Points to be issued to the Buyer are based.

G. The requirements described in Section 14.1, above, have been met.

14.4. **FUNDS IN ESCROW.** The Escrow Agreement provides that any interest and other earnings on any investment of the Funds in escrow will belong to the Developer. In the event any uninvested funds generate bank earnings credits, such earnings shall accrue for the benefit of the Developer.

14.5. **USE OF BUYER'S FUNDS TO PAY CONSTRUCTION AND DEVELOPMENT COSTS.** If Buyer's funds are to be used for construction prior to completion of construction and prior to Closing, then upon Seller's request, the Escrow Agent will disburse Purchaser's Funds held by it from time to time to pay for (i) construction costs, (ii) architectural, engineering, and interior design service fees, (iii) the costs of purchasing furnishings and fixtures for the Villas, and (iv) finance and legal fees, and other incidental expenses of constructing the Villas or developing the Plan. These payments must be approved for payment by the construction management company hired by the Developer. However, no such disbursements shall be made unless the Developer first provides proof to Escrow Agent that the Developer has deposited with the State (i) a copy of the executed construction contract, (ii) a copy of executed performance and labor and material payment bonds in an amount which is not less than one hundred per cent of the cost of construction and covering any changes to the contract which do not in the aggregate increase the amount of the construction contract by more than ten per cent, (iii) a verified statement showing all costs involved in completing the Project, and (iv) satisfactory evidence acceptable to the Director of funds sufficient to cover the total costs of constructing, furnishing, and completing the Project from buyers' funds, equity funds, interim or permanent loan commitments or other sources.

14.6. **REFUNDS.** The Escrow Agent will refund your Funds, without interest, if and only if:

A. You or the Developer give a valid notice of cancellation during the Seven-Day Cancellation Period (this applies only if your offer and sale was made wholly or partly in Hawaii).

B. The Developer gives notice to the Escrow Agent that you have exercised any right to cancel that you have under the

Purchase Agreement (other than your right to cancel during the Seven-Day Cancellation Period).

C. You give notice to the Escrow Agent that you have exercised any right to cancel that you have under the Purchase Agreement (other than your right to cancel during the Seven-Day Cancellation Period). In that case, the Escrow Agent will notify the Developer of your decision to cancel. If the Developer approves your cancellation in writing, then your Funds, without interest and less any escrow cancellation fee, will be refunded. Otherwise, the Escrow Agent may deposit your money in court.

D. If the Developer instructs the Escrow Agent to do so, the Escrow Agent will refund your Funds.

14.7. **CANCELLATION BECAUSE THE BUYER DEFAULTS.** If you default and the Developer cancels your Purchase Agreement then your Funds will be delivered as provided in your Purchase Agreement. If the Purchase Agreement provides that your Funds are to be paid to the Developer as liquidated damages, then before doing so the Escrow Agent must give you notice, by registered or certified mail, stating that the Developer has declared that you are in default. If the Escrow Agent receives an objection from you within thirty (30) days after sending the notice to you, then the Escrow Agent may deposit your Funds in court. Otherwise, the Escrow Agent may release your Funds to the Developer.

14.8. **PROTECTION OF THE ESCROW AGENT.** The Escrow Agreement contains various protections for the Escrow Agent such as the following:

A. If there is any dispute or conflicting claims, the Escrow Agent may deposit your Funds with a court. The court would resolve the dispute or conflict.

B. Both the Developer and you agree to indemnify the Escrow Agent against (which means that you and the Developer agree to pay) for costs, damages, judgments, legal fees and expenses reasonably incurred by the Escrow Agent for acting as instructed in the Escrow Agreement. But this indemnity does not apply to anything caused by the Escrow Agent's negligence or misconduct.

15. ESTABLISHMENT OF A NON-PROFIT CORPORATION, ASSOCIATION MEMBERSHIP

15.1. **FORMATION OF THE ASSOCIATION.** Nanea Ocean Villas Owners Association, Inc., was formed on August 6, 2015. Everyone who owns a Vacation Ownership Interest is a member of the Association. This includes the Developer as to all unsold Vacation Ownership Interests.

15.2. **THE ASSOCIATION'S PURPOSES AND DUTIES, IN GENERAL.** The Association is the association of persons who own Vacation Ownership Interests. It has all of

the powers and must perform all of the duties listed in the Vacation Plan Documents. For example:

- ◆ It pays the Plan Expenses and manages the financial affairs of the Plan. This includes preparing annual Budgets, collecting Assessments and Personal Charges, and so on.
- ◆ It manages and maintains the Plan and the Vacation Property, and provides housekeeping services.
- ◆ It enforces the Vacation Plan Documents.

The Association is not responsible for the acts and omissions of Owners and Occupants. However it does have the right to remove Occupants who fail to leave their Assigned Villa on time.

15.3. OPERATION OF THE ASSOCIATION.

Members participate in the administration and management of the Plan through their membership and voting in the Association, and their election of Directors to govern it. Each Owner of a Vacation Ownership Interest is automatically a Member of the Association, and only Owners are Members.

The Association meets at least once every year and may meet more often by having special meetings. To have a meeting, Members owning at least fifteen percent (15%) of the total number of votes in the Association must be present. Generally, a majority of the votes cast at any meeting will control, unless a higher percentage is required by law or by the Vacation Plan Documents. The Developer's votes are included except to the extent that the Vacation Plan Documents expressly state that the Developer is not included.

The Bylaws of the Association contain, among other things, the rules for running the Association. For example, they include rules: (1) on how to call and run meetings; (2) on how members and Directors will vote and how decisions will be made; (3) on how Directors and officers will be elected or appointed; (4) governing the actions of Directors, officers and committees; and (5) on how to handle books and records. The Bylaws also provide Directors, officers and other Association agents protections on claims made against them because they acted for the Association.

The Project Documents contain similar provisions for the Project.

15.4. VOTING. Each Vacation Ownership Interest is entitled to cast that number of votes in the Association as shall be equal to the numerator (top number) of its Ownership Share. For example, suppose that the Ownership Share assigned to a Vacation Ownership Interest is this:

$$\frac{257,700}{3,098,581,502}$$

In this case, the Vacation Ownership Interest would have 257,700 votes.

To make voting more manageable, the Board may conduct voting on a percentage basis. Under this approach, each Vacation Ownership Interest would have a vote equivalent to the percentage that the number of votes assigned to that Vacation Ownership Interest bears to the total number of votes assigned to all Vacation Ownership Interests except those whose voting rights have been suspended.

When a Vacation Ownership Interest is owned by more than one person, its co-Owners do not each receive a separate allotment of votes. Votes are allocated to a Vacation Ownership Interest, not the Owners of it. The number of votes allocated to a Vacation Ownership Interest remains the same regardless of the number of co-Owners of that Vacation Ownership Interest. The co-Owners of a Vacation Ownership Interest must share the votes for that Vacation Ownership Interest and will have to agree among themselves on how to cast the vote of their Vacation Ownership Interest. The Association need not settle disputes among co-Owners as to voting. If they cannot agree, they lose their right to vote on the matter in question. Fractional (split) votes are not allowed. For example, if a Vacation Ownership Interest has 257,700 votes, all 257,700 votes must be cast together as a block. The Owner cannot cast, say, 100,000 of the votes. And co-Owners could not each cast half of the 257,700 votes. All votes of the Vacation Ownership Interest must be voted together.

The Articles establish classes of Members. Voting will not be done by class except where the Declaration, the Articles or the Bylaws expressly provide otherwise. The Articles contain some examples. The Articles for the Community Association contain similar provisions.

The Project Documents provide that each Project Ownership Interest is entitled to a vote in the Community Association equal to its Ownership Share in the Project. The provisions of the Project Documents governing voting are similar to those in the Vacation Plan Documents.

All Owners are encouraged to participate actively in the Association and the Community Association. So long as there is any substantial number of unsold Vacation Ownership Interests, as a practical matter the Developer will have significant voting power and therefore may have control over the Association and the Community Association, and their respective Boards, especially if other Owners do not participate.

15.5. THE BOARD OF DIRECTORS. The Board of Directors may exercise all powers and perform all duties of the Association. However the Board may not do anything that, by law or under the Vacation Plan Declaration, Articles or Bylaws, can only be done by the Owners.

The Board consists of five Directors although this can be changed. The initial Directors were appointed by the Developer and are employees or agents of the Developer.

The Developer has reserved the right to appoint and remove the officers and Directors of the Association. This right shall

remain in effect for a period (the “*Developer Control Period*”) commencing on the date when the Association is established and terminating no later than the earlier of

A. Sixty days after conveyance of seventy-five per cent of the Ownership Share for all Villas that may be created (i.e., for all Units in the Project that may be submitted to the Vacation Plan Declaration) to Owners other than a Developer or affiliate of the Developer;

B. Two years after the Developer has ceased to offer Vacation Ownership Interests for sale in the ordinary course of business;

C. Two years after any right to add new Villas was last exercised; or

D. The day the Developer, after giving written notice to the Association on behalf of the Owners, records an instrument voluntarily surrendering all rights to control activities of the Association.

Not later than the termination of the Developer Control Period, the Owners shall elect a new Board.

Purchasers should be aware that based on the above, the powers and rights of the Association are vested in the Developer until the occurrence of one of the termination events described above. Since the Developer controls this period of governance, the Association may not have meetings or powers to make decisions or object to Assessments or other governing matters. Further, after the Developer Control Period ends, Owners should be aware that the Developer will be able to hold one or more Board seats for an indefinite period of time so long as it has enough votes to elect one or more Directors.

The Board may delegate its powers to the officers of the Association or to one or more professional managers hired by the Association, including but not limited to the Reservation System Operator and the Plan Manager. The Board must hire a Plan Manager for the Plan.

On conflicts of interest, the Bylaws provide that a Director who has a conflict of interest on any issue before the Board must disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting. A transaction in which a Director has a conflict of interest may be approved in the manner provided in the Hawaii Nonprofit Corporations Act.

The Project Documents contain largely similar provisions for the Project.

15.6. **DELEGATION OF RESPONSIBILITIES, DUTIES AND AUTHORITIES TO THE PLAN MANAGER.** The Association must require the Plan Manager to perform the duties and obligations of the Association except for those that cannot be delegated by law or under the Project Documents.

The Management Contract has a term of 5 years from the date when the first deed of a Vacation Ownership Interest is recorded. The Association may terminate the contract at any time for cause if the Plan Manager violates a material part of it and fails to cure its violation within the time permitted by the Management Contract or any longer time permitted by the Board. After the first term and each later term ends, the Management Contract automatically will be renewed for additional three year terms unless the Association or the Plan Manager sends a notice canceling the Management Contract at least ninety (90) days before the next renewal date. The Association cannot give that notice without (i) the vote, at an annual or special meeting of the Association held within one year before the renewal date, of Owners holding more than 50% of the total number of votes for all Vacation Ownership Interests, or (ii) the written assent of Owners holding more than 50% of the total number of votes for all Vacation Ownership Interests. The written assent of each Owner giving his or her assent must be obtained within one year before the renewal date. If the Developer holds a majority of the votes in the Association, then (i) the Developer must abstain from the vote, and (ii) the Developer's votes will not be considered when determining whether a Majority of the Owners have voted or given their written assent to not renewing the Management Contract. Even so, it may be difficult for the Association to get the necessary votes or written assent. The Vacation Plan Declaration permits the Plan Manager to resign at any time upon ninety (90) days notice to the Association, but the Management Contract imposes certain limits on the ability of the Plan Manager to resign. The Developer appointed the initial Plan Manager and it is an affiliate of the Developer.

15.7. **THE WESTIN BRAND.** The Plan Manager has a relationship with Westin License Company (the “*Brand Owner*”) giving it or its affiliates the right to use the “Westin” name (the “*Brand*” or “*Brand Name*”) and certain service marks and trademarks (“*Marks*”) associated with the Brand Name. As a result, while the Management Contract is in effect, the Plan Manager will manage and operate the Vacation Property and the Vacation Ownership Plan in accordance with the License Standards as a “Westin”, “Westin Vacation Ownership Resort” or under such other comparable brand names and marks as may be used to identify the Vacation Property or the Vacation Ownership Plan as part of the vacation ownership resort system operated, managed, or owned by Starwood Hotels & Resorts Worldwide, Inc., (“*Starwood*”) its successors and assigns or any of its affiliates (including the Plan Manager, the Developer, and Brand Owner) or licensees (“*Comparable Brand*”). As used in this Disclosure Statement, the *License Standards* refer generally to any standards of construction, maintenance, and operation of vacation ownership resort properties owned or operated by Starwood, its successors or assigns, or any of its affiliates or licensees and designated as “Westins”, “Westin Vacation Ownership Resorts”, or by any other name associated with a Comparable Brand. The License Standards may be published from time to time as “License Standards” or “Brand Standards”.

The availability and use of the Brand and Marks, and any brands or marks associated with any Comparable Brands shall be subject to the terms, conditions, and requirements set forth in the Management Contract and the agreements between Plan Manager and the owner or owners of any such brands or marks (the “*Licensing Arrangement*”). The expenses, including any fees, incurred by the Association or by the Plan Manager to comply with such terms, conditions, and requirements with respect to the Vacation Property or the Vacation Ownership Plan shall be Plan Expenses. For purposes of the Management Contract, unless the context evidences a contrary intent, the use of the terms “Brand”, “Brand Name” or “Marks” shall be deemed to include any brands or marks associated with a Comparable Brand; the term “Licensing Arrangement” shall be deemed to include the Plan Manager’s rights to use any Comparable Brand and the brands and marks associated therewith; the term “Brand Owner” shall be deemed to include the owner of any Comparable Brand being used in connection with the Vacation Property; and the term “Licensing Standard” shall be deemed to include any standards promulgated by the owner of any Comparable Brand being used in connection with the Vacation Property.

The Brand Name, Marks, and Licensing Arrangement are not part of the Vacation Property or the Vacation Ownership Plan. Neither the Association nor the Owners have any right, title, or interest in the Marks or the Brand Name or in the Licensing Arrangement.

The Plan Manager’s ability to operate the Vacation Property in accordance with the License Standards and requirements of the Licensing Arrangement is in large part dependent on the annual approval by the Association of a Budget that is adequate both in terms of operating and reserve assessments to support such efforts by the Plan Manager. In this regard, the Management Contract requires that the Plan Manager and Association use their best efforts, consistent with their duties and obligations as set forth therein and in the Vacation Plan Documents, to prepare and approve Budgets sufficient to maintain the Vacation Property in accordance with the Licensing Standards. If requested by the Plan Manager, on occasion the Association may have to approve a Special Assessment against the Owners with respect to an item of operating expense mandated by the Licensing Arrangement in order for the Vacation Property to continue to conform with the “License Standards” and requirements of the Licensing Arrangement, which item of operating expense is so immediate in nature that a delay in assessment of same until the next Association fiscal year is not practicable. If the amount of the Special Assessment is such that, under the Vacation Plan Documents, a vote of the Owners is required to approve it, the Association must use its best efforts to obtain such approval.

If the Licensing Arrangement ends for any reason, the Plan and the Project will not be able to use the Brand Name and the Marks (including the Westin name). This may happen if, for example (i) the Management Contract with the Plan Manager ends for any reason, or the Project’s management contract with the Managing Agent ends for any reason; or (ii) the Plan or the

Project is not managed, operated, and maintained in a manner consistent with the License Standards, or (iii) the licensing arrangement expires and is not renewed, or (iv) if other normal business defaults occur.

The Management Contract for the Project has similar provisions.

15.8. **CHANGING THE PROJECT DOCUMENTS.**

A. **DECLARATION AND BYLAWS.** Generally, the Vacation Plan Declaration and Bylaws may be changed if (1) the amendment is approved by the vote of a Majority of the Owners Voting, and (2) if the Developer holds a mortgage on or owns any Vacation Ownership Interest, the Developer gives its written consent and signs the amendment.

B. **ARTICLES.** Changes to the articles generally must be approved by the vote of (i) two-thirds of the Owners who are present at an Association meeting, and (ii) the Developer (if it is an Owner or if it holds a mortgage on or owns a Vacation Ownership Interest).

C. **OTHER CHANGES.** The Developer has special and reserved rights to change the Plan, the Project, the Vacation Plan Documents, and the Project Documents as discussed in Exhibit H. The Board may change the Articles to conform to the Declaration, the Bylaws, or Hawaii law. The Board may change the Association Rules. A Majority of the Owners may vote to change the Association Rules at a meeting of the Association so long as the notice of the meeting stated that the change would be considered at the meeting and includes a fair and accurate description of the proposed change. Changes to the Association Rules require the consent of the Developer if it holds a mortgage on or owns a Vacation Ownership Interests representing at least five million (5,000,000) Points. The Association and the SVN Operator may change the SVN Affiliation Agreement. The Reservation System Operator may, with the Developer’s approval, change the Reservation Rules. No amendment to the Project Documents may change, terminate or otherwise affect any of the Developer’s Reserved Rights or any other rights and privileges of the Developer unless the Developer gives its written consent and signs the amendment.

15.9. **AUTHORITY OF THE ASSOCIATION.**

A. The president of the Association or, if authorized by the Board, the Plan Manager may represent the Association or any two or more Owners similarly situated as a class in any proceeding concerning the Association, the Ka’anapali North Beach Association, the Community Association, the Project, the Plan or the Vacation Property. Each Owner gives a special power of attorney to the president of the Association and the Plan Manager, with full power to do anything needed or helpful to represent the Owner. An Owner may, however, appear separately or decide not to participate in the proceeding.

B. Each Owner gives the Association a special power of attorney to represent the Owner in any proceedings, negotiations, settlements or agreements related to any actual or threatened condemnation of the Project or any part of it.

C. Each Owner appoints the Community Association as its agent, and gives the Community Association a special power of attorney, to accept service of process and otherwise to receive and receipt for any notice to be given to the Owner with respect to any Land Use Permits, any zoning or land use matters relating to the Project, or any proceedings relating to any of these things. Upon receiving service of process or any such notice, the Community Association must send a copy of it to each Owner in the same manner that notice of Community Association meetings is given as provided in the Bylaws.

16. DEVELOPER IS ALSO ACQUISITION AGENT OR SALES AGENT OR PLAN MANAGER

The Developer is also the sales agent. Buyers should understand that the sales agents represent only the Developer and not any individual Buyer.

The Plan Manager is related to the Developer. The Developer is the Owner of any unsold Points. The Developer also has certain other special rights that other Owners do not. In short, the Developer has interests that compete with the interests of the other Owners. Because of this and because the Plan Manager is related to the Developer, the Plan Manager has potential conflicts of interest.

For example, the Plan Manager must enforce the Project Documents. This may give rise to conflicts in determining whether and how to interpret or enforce the Vacation Plan Documents when the interests of the Developer may be affected, and the amount of any Assessment or Personal Charges to be charged to or collected from the Developer under the Vacation Plan Documents or under any Subsidy Contract.

As another example, the Plan Manager is responsible to prepare the initial budget of Plan Expenses. The Developer may wish to keep Assessments lower while in sales. Conversely, the Plan Manager, whose fees are based partly on a percentage of Plan Expenses, may benefit from a greater budget. In either case, the budget is subject to Board approval.

Starwood Vacation Exchange Company is an affiliate of the Developer and the Plan Manager. It owns and operates the SVN Exchange Program and also serves as the Reservation System Operator for the Plan. A conflict of interest may arise to the extent that the Reservation System Operator has the authority to confirm reservations for the Developer, the Plan Manager, Owners who are SVN Members, Owners who are not SVN Members, and SVN Members from other resorts (meaning SVN Members who are not Owners in the Plan but who want to reserve a Villa in the Plan through the SVN Exchange Program). A conflict may arise if Owners must

compete for reservations of Villas in the Plan with the Developer, the Plan Manager, or SVN Members from other SVN Resorts. There is also a potential conflict when Owners who choose not to join the SVN Exchanger Program must compete for reservations with Owners who elect to become SVN Members. Finally, the Reservation System Operator has the unilateral right to change the Reservation Rules.

Potential conflicts of interest may be mitigated by the right of the Association to terminate the Plan Manager's contract for cause should it put the interests of the Developer above the proper management and administration of the Plan for the benefit of all Owners. Also, proper management of the Project and the Plan is in the Developer's interest so long as the Developer is still selling Vacation Ownership Interests in the Plan and receiving payments of the purchase price from the Buyers.

Although not a conflict of interest, you should realize that the SVN Operator has the right to choose other exchange programs and/or benefits to be offered through SVN, to determine the terms and conditions under which such programs or benefits may be offered, and/or to stop offering any such programs or benefits. Normal business considerations, including financial or other benefits to be derived by the SVN Operator or its affiliates, may influence its decisions on these matters.

17. COMPLIANCE WITH COUNTY REQUIREMENTS

A. The County of Maui has confirmed that time sharing is allowed in the Project.

B. The property is subject to that certain Special Management Area (SMA) Permit 88/SM1-023 and Shoreline Setback Variance (SSV) 88/SSV-002 dated July 19, 1988, issued by the County of Maui, as confirmed by letter of July 22, 1988, issued by Christopher L. Hart, Planning Director. The property is also subject to Special Management Area Permit SM1-2003 0024 issued by the County of Maui, dated October 13, 2004. The property is also subject to Special Management Area Use Permit (Docket No. 97-SM1-006) dated December 14, 1998 to the extent that it applies to the Project.

Copies of these permits are available for inspection by purchasers and prospective purchasers. The Project is subject to these permits. Some of the requirements of the SMA Permit apply to the initial construction and completion of the Project. Other requirements apply to the Project on an ongoing basis.

The Developer is responsible for compliance with the SMA Permits pertaining to the initial construction and completion of the Project and must pay the cost to do so. The Developer, however, has no obligation to comply with requirements of the SMA Permits that do not apply to the initial construction and completion of the Project or any phase of it. Owners and/or the owner associations must comply with these permits on an ongoing basis. The permits require, among other things, that

the Community Association buy and maintain comprehensive liability insurance of at least one million dollars naming the County of Maui as an additional insured. The policy must cover all claims or demands for property damage, personal injury and/or death arising out of the permits. The cost of the policy will be a Project Expense.

Please note that any further development may require additional permits by the County of Maui. The Developer has the authority to seek and accept such permits without the approval or consent of anyone else.

18. SALES IN VIOLATION OF HAWAII TIME SHARE LAW

Section 514E-11.3 of Hawaii law provides that every sale or transfer made in violation of the Hawaii Time Share Law is voidable at the election of the Buyer.

19. SERVICE OF PROCESS

This refers to the official delivery of papers involved in a lawsuit. The Developer may be served by serving process on The Corporation Company, 1000 Bishop Street, 15th Floor, Honolulu, Hawaii 96813.

20. MORE DISCLOSURES

Vacation Ownership Interests are offered and sold as real estate. Purchases should be made for personal use and enjoyment and for value as a vacation experience and for spending leisure time, not as an investment or for rental income purposes or for appreciation or for value at resale. No promises about rentals or resale services, or any other arrangement for economic benefit, are made or authorized.

While the Developer may provide financing for you, it will do so only for its own benefit. The Developer has not agreed to act as your agent in seeking a loan from someone else. If you are borrowing from someone other than the Developer, then (i) you must get the loan yourself and the Developer has no

obligation to help you do so, (ii) you must pay all costs and expenses charged by that lender, and (iii) you must make sure that your lender is ready to Close by the Closing Date.

Starwood Hotels & Resorts Worldwide, Inc., a Maryland corporation, is planning to spin off its vacation ownership subsidiaries into a standalone company, to be known as Vistana Signature Experiences, Inc., a Delaware corporation. At that time, the Developer, the SVN Exchange Program and the SVN Operator will be owned by Vistana Signature Experiences, Inc., or one of its affiliated companies, and each company is likely to be renamed.

21. THIS DISCLOSURE IS A SUMMARY ONLY. FOR MORE INFORMATION, READ ALL OF THE DOCUMENTS CAREFULLY

This document contains disclosures required by Section 514E-9, HRS and Section 16-106-3, HAR, of the Time Share Law. It also contains information that the Developer believes will be of general interest to Buyers. Buyers should understand that it is not possible or practical to include in this Disclosure Statement all points that each Buyer may consider important, or a summary of all the documents involved. It is also not possible for the Developer to predict which things may turn out to be important to the Buyers. Each Buyer is therefore cautioned to read carefully the Project Documents, the Escrow Agreement, and his or her Purchase Agreement, Buyer Certification, Vacation Ownership Deed, and any note and mortgage to be sure that the purchase will satisfy his or her own personal requirements and expectations.

Each Buyer is also cautioned that by signing a Purchase Agreement, he or she accepts and agrees to obey all of these documents.

Dated as of the accepted date or latest revision date, as applicable, stated on the cover page of this Disclosure Statement.

SVO PACIFIC, INC., a Florida corporation

By: 
Its: Vice President

Exhibit A

PERMITTED ENCUMBRANCES

Each Buyer's Vacation Ownership Interest will be subject to these encumbrances:

1. Any and all real property taxes assessed for current tax year but not yet due and payable.
2. Reservations of all mineral and metallic mines of every description to the Hawaiian Government; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 1, 1960, as contained in that certain instrument dated January 29, 1960, recorded in said Bureau in Book 3822, Page 37.
3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statutes, Chapter 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
4. The "**Ka'anapali North Beach Documents**" consisting of the following documents: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., (iv) any rules and regulations adopted thereunder, and (v) any amendments and supplements to any of the documents listed above, including but not limited to the following:
 - ❖ Designation of Successor Declarant and Assignment of Declarant's Rights and Interests Under Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach, effective November 22, 2002, filed in said Office as Land Court Document No. 2885398, and also recorded in said Bureau as Document No. 2003-015949.
 - ❖ Supplemental Declaration to Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated August 5, 2003, filed in said Office as Land Court Document No. 2972191, and also recorded in said Bureau as Document No. 2003-162023.
 - ❖ Designation of Successor Declarant and Assignment of Declarant's Rights and Interests Under Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated August 26, 2003, filed in said Office as Land Court Document No. 2983238, and also recorded in said Bureau as Document No. 2003-180662.
 - ❖ First Amendment to By-Laws of Kaanapali North Beach Master Association, Inc. dated September 17, 2003, filed in said Office as Land Court Document No. 3036052, and also recorded in said Bureau as Document No. 2003-267151.
5. The terms and provisions contained in Warranty Deed dated August 24, 1982, filed in said Office as Land Court Document No. 1128905, and also recorded in said Bureau in Book 16531 at Page 635.
6. Restriction of access rights, as shown on Map 2 of Land Court Application No. 1744.
7. The terms and provisions contained in the Private Water System Agreement dated October 2, 1991, recorded in said Bureau as Document No. 91-136263. (Not noted on Transfer Certificate(s) of Title referred to herein).

Said above Agreement was amended by instrument dated October 14, 1992, recorded in said Bureau as Document No. 92-169921. (Not noted on Transfer Certificate of Title referred to herein).
8. The terms and provisions contained in Subdivision Agreement (Large Lots) dated August 6, 1990, filed in said Office as Land Court Document No. 1756822, and also recorded in said Bureau as Document No. 90-127827.
9. Setback (40 feet wide) shown on Map 71, as set forth by Land Court Order No. 109618, recorded November 27, 1992 for building purposes.
10. Designation of Easement "176" shown on Map 71, as set forth by Land Court Order No. 109618, recorded November 27, 1992 for drainage purposes.
11. The terms and provisions contained in Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area) dated December 29, 1998, but effective December 14, 1998, filed in said Office as Land Court Document No. 2513420, and also recorded in said Bureau as Document No. 99-005138.

Said above Declaration was amended by instrument dated December 6, 2000, filed in said Office as Land Court

Document No. 2668965, and also recorded in said Bureau as Document No. 2000-170916.

12. The terms and provisions contained in Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Public Open Space/Recreation Area) dated December 29, 1998, but effective December 14, 1998, filed in said Office as Land Court Document No. 2513421, and also recorded in said Bureau as Document No. 99-005139.

Said above Declaration was amended by instrument dated December 6, 2000, filed in said Office as Land Court Document No. 2668964, and also recorded in said Bureau as Document No. 2000-170915.

13. Designation of Easement "256" shown on Map 86, as set forth by Land Court Order No. 138359, recorded May 8, 2000 for slope preservation purposes.
14. Designation of Easement "257" shown on Map 86, as set forth by Land Court Order No. 138359, recorded May 8, 2000 for open space/recreational purposes.
15. Designation of Easement "258" shown on Map 86, as set forth by Land Court Order No. 138359, recorded May 8, 2000 for shoreline setback purposes.
16. Reservations of the State of Hawaii, set forth in Land Court Order No. 138359, recorded May 8, 2000, including matters relating to the following:
 - a. Claims, if any of native tenants.
 - b. Claims, if any, to any historic, religious and archaeological sites.
 - c. Claims, if any, to rights of access through public highways, trails and pathways and historical uses on and across the parcels to the shoreline be determined, protected and not restricted.
 - d. Claims, if any, to waters having their source upon or flowing under the parcels.

17. All customary and traditional rights, of native Hawaiians as provided for by law, for subsistence, cultural and religious purposes, which rights may involve access to the subject property.
18. The terms and provisions contained in Declaration of Covenants, Conditions and Restrictions Joinder dated December 6, 2000, filed in said Office as Land Court Document No. 2668974, and also recorded in said Bureau as Document No. 2000-170918.

Said Declaration was amended by instrument dated January 31, 2003, filed in said Office as Land Court

Document No. 2887174, and also recorded in said Bureau as Document No. 2003-018974.

19. The terms and provisions contained in Unilateral Declaration of Restrictions; Joinder Agreement (North Beach Unit Count and Drainage) dated February 15, 2001, filed in said Office as Land Court Document No. 2683897, and also recorded in said Bureau as Document No. 2001-022448.
20. Designation of Easement "267" shown on Map 89, as set forth by Land Court Order No. 149182, recorded January 28, 2003 for access and utility purposes.
21. Grant of Easement and Agreement (Access, Entry Feature and Landscaping) over Easement "267", dated August 5, 2003, filed in said Office as Land Court Document No. 2972193, and also recorded in said Bureau as Document No. 2003-162025.

Amended and Restated Grant of Easement and Agreement (Access, Entry Feature and Landscaping) dated September 28, 2005, filed in said Office as Land Court Document No. 3333451, and also recorded in said Bureau as Document No. 2005-196560.

22. The terms and provisions contained in Declaration of Restrictions (Permit Applications) dated August 5, 2003, filed in said Office as Land Court Document No. 2972198, and also recorded in said Bureau as Document No. 2003-162031.
23. The terms and provisions contained in Limited Warranty Deed and Reservation of Rights dated June 21, 2005, filed in said Office as Land Court Document No. 3285094.
24. The terms and provisions contained in Declaration of Restrictions (Lot 3 Unit Count) dated June 21, 2005, filed in said Office as Land Court Document No. 3285095, and also recorded in said Bureau as Document No. 2005-122335.
25. The terms and provisions contained in Limited Warranty Deed and Reservation of Rights dated September 28, 2005, filed in said Office as Land Court Document No. 3333450.
26. Encroachments or any other matters as shown on survey map prepared by Erik S. Kaneshiro, Land Surveyor, dated May 25, 2005, updated September 8, 2005, as mentioned in Deed dated September 28, 2005, filed in said Office as Land Court Document No. 3333450.
27. Grant of Easement (Parking Purposes) dated September 28, 2005, filed in said Office as Land Court Document No. 3333452, and also recorded in said Bureau as Document No. 2005-196561.
28. Grant of Easement and Agreement (Fire Lane Access Purposes) dated September 28, 2005, filed in said Office

as Land Court Document Nos. 3333453 thru 3333454, and also recorded in said Bureau as Document Nos. 2005-196562 thru 2005-196563.

29. The terms and provisions contained in Declaration of Covenants, Conditions and Restrictions dated September 28, 2005, filed in said Office as Land Court Document No. 3333455, and also recorded in said Bureau as Document No. 2005-196564.
30. The terms and provisions contained in Short Form Memorandum of Agreement dated October 19, 2006, filed in said Office as Land Court Document No. 3505591 RE: construction of a 390-unit timeshare resort.
31. The terms and provisions contained in Grant of Easement and Agreement Regarding Expansion of Retention Basins and Allocation of Retention Capacity (North Beach Lot 4 - Mauka Retention Basins) dated November 30, 2006, filed in said Office as Land Court Document No. 3522688, and also recorded in said Bureau as Document No. 2006-222394.

Said above Grant and Agreement was amended by instrument dated December 1, 2011, filed in said Office as Land Court Document No. T-8031223, and also recorded in said Bureau as Document No. A43790630A thru A-43790630B.

32. The terms and provisions contained in Short Form Memorandum of Agreement dated May 5, 2008, filed in said Office as Land Court Document No. 3746262.
33. Grant of Waterline Easement dated May 20, 2009, filed in said Office as Land Court Document No. 3861460, and also recorded in said Bureau as Document No. 2009-079589.

Amended and Restated Grant of Waterline Easement dated October 4, 2010, filed in said Office as Land Court Document No. 4006856, and also recorded in said Bureau as Document No. 2010-152129.

34. The terms and provisions contained in Unilateral Agreement dated May 25, 2010, filed in said Office as Land Court Document No. 4030723.
35. The **Notice of Time Share Plan**, dated June 29, 2015, recorded as Document No. A-57081021.
36. The **“Project Documents”** consisting of the following documents: (i) that certain Nanea Ocean Resort Declaration of Covenants, Conditions, Easements and Restrictions, dated August 12, 2015, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-57081022 (herein with any amendments or supplements thereto, the **“Project Declaration”**), (ii) the Articles of Incorporation of Nanea Ocean Resort Owners Association, Inc., a Hawaii non-profit corporation, (iii) the Bylaws of the Nanea Ocean Resort Owners Association, Inc. (a copy is attached to the Declaration), (iv) any rules and regulations adopted thereunder, (v) the Project Plan (a copy of which is attached to the Declaration), and (vi) any amendments and supplements to any of the documents listed above.
37. The **“Vacation Plan Documents”** consisting of the following documents: (i) that certain Nanea Ocean Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership, dated August 12, 2015, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-57081023 (herein with any amendments or supplements thereto, the **“Vacation Plan Declaration”**), (ii) the Articles of Incorporation of Nanea Ocean Villas Owners Association, Inc., a Hawaii non-profit corporation (a copy is attached to the Vacation Plan Declaration), (iii) the Bylaws of the Nanea Ocean Villas Owners Association, Inc. (a copy is attached to the Vacation Plan Declaration), (iv) any rules and regulations adopted thereunder, including but not limited to (a) the Association Rules, and (b) the Reservation Rules, and (v) any amendments and supplements to any of the documents listed above.
38. The terms, covenants and conditions contained in any and all leases, subleases and/or tenancy agreements affecting the property described herein.

End of Exhibit A

Exhibit B

LIST OF VILLAS IN THE PLAN

BUILDING 1

1. UNIT TYPE	2. RESORT UNIT NUMBERS	3. OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
One Bedroom Resort View Villa	NONE	0
Two Bedroom Resort View Villa	1106, 1107, 1108, 1109, 1110, 1111, 1206, 1207, 1208, 1209, 1210, 1211, 1306, 1307, 1308, 1309, 1310, 1311, 1406, 1407, 1408, 1409, 1410, 1411, 1506, 1507, 1508, 1509, 1510, 1511, 1606, 1607, 1608, 1609, 1610 and 1611	<u>7,612,340</u> 3,098,581,502
Two Bedroom Ocean Front Villa	NONE	0
Three Bedroom Ocean Front Villa	1112, 1114, 1115, 1212, 1214, 1215, 1312, 1314, 1315, 1412, 1414, 1415, 1512, 1514 and 1515	<u>13,245,780</u> 3,098,581,502

BUILDING 2

1. UNIT TYPE	2. RESORT UNIT NUMBERS	3. OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
One Bedroom Resort View Villa	NONE	0
Two Bedroom Resort View Villa	2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2603, 2604, 2605, 2606, 2607, 2608 and 2609	<u>7,612,340</u> 3,098,581,502
Two Bedroom Ocean Front Villa	NONE	0
Three Bedroom Ocean Front Villa	NONE	0

BUILDING 3

1. UNIT TYPE	2. RESORT UNIT NUMBERS	3. OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
One Bedroom Resort View Villa	3212, 3316, 3416, 3516 and 3612	<u>4,163,400</u> 3,098,581,502
Two Bedroom Resort View Villa	3206, 3207, 3208, 3209, 3210, 3211, 3304, 3307, 3308, 3309, 3310, 3311,	<u>7,612,340</u> 3,098,581,502

	3312, 3313, 3314, 3315, 3404, 3407, 3408, 3409, 3410, 3411, 3412, 3413, 3414, 3415, 3504, 3507, 3508, 3509, 3510, 3511, 3512, 3513, 3514, 3515, 3604 and 3609	
Two Bedroom Ocean Front Villa	NONE	0
Three Bedroom Ocean Front Villa	NONE	0

BUILDING 4

1. UNIT TYPE	2. RESORT UNIT NUMBERS	3. OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
One Bedroom Resort View Villa	NONE	0
Two Bedroom Resort View Villa	4203, 4204, 4205, 4206, 4207, 4208, 4303, 4304, 4305, 4306, 4307, 4308, 4403, 4404, 4405, 4406, 4407, 4408, 4503, 4504, 4505, 4506, 4507, 4508, 4603, 4604, 4605, 4606, 4607 and 4608	<u>7,612,340</u> 3,098,581,502
Two Bedroom Ocean Front Villa	4209, 4211, 4309, 4311, 4409, 4411, 4509, 4511, 4609 and 4611	<u>9,082,380</u> 3,098,581,502
Three Bedroom Ocean Front Villa	4210, 4310, 4410, 4510 and 4610	<u>13,245,780</u> 3,098,581,502

End of Exhibit B

Exhibit C

LIST OF UNITS IN THE PROJECT AS PLANNED

COMMERCIAL UNITS

UNIT TYPE	COMMERCIAL UNIT NO.	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
COMMERCIAL	101	<u>64,384,200</u> 3,098,581,502
COMMERCIAL	102	<u>11,733,286</u> 3,098,581,502
COMMERCIAL	103	<u>2,645,227</u> 3,098,581,502

PARKING UNITS

UNIT TYPE	PARKING UNIT NO.	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
PARKING	1	<u>7,425,751</u> 3,098,581,502
PARKING	2	<u>5,338,838</u> 3,098,581,502

RESORT UNITS

BUILDING 1

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	NONE	0
RESORT	Two Bedroom Resort View Villa	1106, 1107, 1108, 1109, 1110, 1111, 1206, 1207, 1208, 1209, 1210, 1211, 1306, 1307, 1308, 1309, 1310, 1311, 1406, 1407, 1408, 1409, 1410, 1411, 1506, 1507, 1508, 1509, 1510, 1511, 1606, 1607, 1608, 1609, 1610 and 1611	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	1112, 1114, 1115, 1212, 1214, 1215, 1312, 1314, 1315, 1412, 1414, 1415, 1512, 1514 and 1515	<u>13,245,780</u> 3,098,581,502

BUILDING 2

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	NONE	0

RESORT	Two Bedroom Resort View Villa	2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2603, 2604, 2605, 2606, 2607, 2608 and 2609	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 3

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	3212, 3316, 3416, 3516 and 3612	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	3206, 3207, 3208, 3209, 3210, 3211, 3304, 3307, 3308, 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3404, 3407, 3408, 3409, 3410, 3411, 3412, 3413, 3414, 3415, 3504, 3507, 3508, 3509, 3510, 3511, 3512, 3513, 3514, 3515, 3604 and 3609	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 4

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	NONE	0
RESORT	Two Bedroom Resort View Villa	4203, 4204, 4205, 4206, 4207, 4208, 4303, 4304, 4305, 4306, 4307, 4308, 4403, 4404, 4405, 4406, 4407, 4408, 4503, 4504, 4505, 4506, 4507, 4508, 4603, 4604, 4605, 4606, 4607 and 4608	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	4209, 4211, 4309, 4311, 4409, 4411, 4509, 4511, 4609 and 4611	<u>9,082,380</u> 3,098,581,502
RESORT	Three Bedroom Ocean Front Villa	4210, 4310, 4410, 4510 and 4610	<u>13,245,780</u> 3,098,581,502

BUILDING 5

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	5106, 5103, 5208, 5209, 5308, 5309, 5408, 5409, 5508 and 5509	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	5104, 5015, 5107, 5202, 5204, 5205, 5206, 5207, 5302, 5304, 5305, 5306, 5307, 5402, 5404, 5405, 5406, 5407, 5502, 5504, 5505, 5506, 5507, 5602, 5604, 5605, 5606 and 5607	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 6

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	6107, 6115, 6207, 6215, 6307, 6315, 6407, 6415, 6507 and 6515	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	6106, 6109, 6108, 6110, 6111, 6112, 6113, 6114, 6206, 6208, 6209, 6210, 6211, 6212, 6213, 6124, 6306, 6308, 6309, 6310, 6311, 6312, 6313, 6314, 6406, 6408, 6409, 6410, 6411, 6412, 6413, 6414, 6506, 6508, 6509, 6510, 6511, 6512, 6513, 6514, 6608, 6609, 6610, 6611, 6612 and 6613	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 7

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	7102, 7103, 7110, 7202, 7203, 7302, 7303, 7402, 7403, 7502 and 7503	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	7104, 7105, 7106, 7107, 7108, 7109, 7204, 7205, 7206, 7207, 7208, 7209, 7210, 7304, 7305, 7306, 7307, 7308, 7309, 7310, 7404, 7405, 7406, 7407, 7408, 7409, 7410, 7504, 7505, 7506, 7507, 7508, 7509, 7510, 7602, 7603, 7604, 7605, 7606, 7607 and 7608	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 8

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	8107, 8108, 8207, 8208, 8307, 8308, 8407, 8408, 8507, 8508, 8607 and 8608	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	8103, 8104, 8105, 8106, 8206, 8204, 8205, 8206, 8303, 8304, 8305, 8306, 8403, 8404, 8405, 8406, 8503, 8504, 8505, 8506, 8603, 8604, 8605 and 8606	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	8110, 8210, 8310, 8410, 8510 and 8610	<u>9,082,380</u> 3,098,581,502
RESORT	Three Bedroom Ocean Front Villa	8109, 8111, 8209, 8211, 8309, 8311, 8409, 8411, 8509, 8511, 8609 and 8611	<u>13,245,780</u> 3,098,581,502

IMPORTANT NOTE: Only the Resort Units in Buildings 1 – 4 are currently included in the Plan.

End of Exhibit C

Exhibit D

LIMITED COMMON AREAS

DESIGNATION OF LIMITED COMMON AREAS. The following Common Areas are designated as Limited Common Areas:

1. UNIT 101 INTEREST. All portions of the Project identified as Limited Common Areas of Unit 101 on the Project Plan are Limited Common Areas appurtenant to the Unit 101 Interest, including but not limited to the following:

1.1 The lobby/sales/reception/front desk area, the administrative area, the owner's lounge, marketing 2 area, and two baggage storage areas identified as Limited Common Areas of Unit 101 on the Project Plan.

1.2 The storage areas on floors 2, 3, 4 and 5 of Building 3 identified as Limited Common Areas of Unit 101 on the Project Plan.

1.3 The sales kiosk and towel stand adjacent to Building 1 identified as Limited Common Areas of Unit 101 on the Project Plan.

1.4 The marketing area between the ground floor of Buildings 5 and 6 identified as Limited Common Areas of Unit 101 on the Project Plan.

1.5 The portions of the basement of Buildings 3 and 4 identified as Limited Common Areas of Unit 101 on the Project Plan including but not limited to the multi-function room, marketing offices, file storage room, HR office, various storage and general storage areas, training room, pump room, dish washing room, employee dining room, women employee locker/shower/toilet rooms, men employee locker/shower/toilet rooms, renewal lounge, meeting room, lost and found room, and refrigerator/freezer room.

1.6 The marketing, storage, and retail portions of the ground floor of Building 8, and the adjacent areas described as scuba rental and towel stand, identified as Limited Common Areas of Unit 101 on the Project Plan.

2. RESORT LIMITED COMMON AREAS. "*Resort Limited Common Areas*" are Limited Common Areas appurtenant to all of the Resort Ownership Interests.

2.1 THINGS THAT ARE RESORT LIMITED COMMON AREAS.

A. RESORT UNIT LANAIS. The lanais of the Resort Units are Limited Common Areas of the Resort Ownership Interests.

1) RESORT UNIT LANAI BOUNDARIES. The boundaries of the Resort Unit lanais consist of the following:

1) The decorated or finished surfaces of the outside walls of the building that separate the lanai from the interior of the Buildings.

2) The outside surface of any doors, door frames, windows and window frames that separate the lanai from the interior of the Buildings.

3) The interior decorated surface of any railings or support posts, and any other walls or other Improvements enclosing the lanai. If the Project Plan does not use walls, railings, support posts, or other physical Improvements to mark the boundaries of the lanai, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Project Plan.

4) An imaginary horizontal plane located just below the lowest point of and parallel to the underside of the floor of the lanai of the Unit on the next floor up, provided that:

➤ If the underside of the lanai floor for the next Unit up consists of exposed support beams, then the boundary will consist of an imaginary horizontal plane located just below the lowest point of the exposed support beams, and parallel to the floor of the lanai of the Unit on the next floor up.

➤ If there is no lanai on the next floor up, the boundary will be an imaginary horizontal plane located just below the lowest point of, and parallel to, the underside of the roof and/or the support beams or other Improvements comprising the roofing system located above the lanai.

- If there is no lanai floor or roofing system above the lanai, then the boundary will be an imaginary horizontal plane located parallel to and eight (8) feet above the lanai floor, but excluding from it any area occupied by other Improvements of the Project.

2) THINGS THAT ARE NOT PART OF THE RESORT UNIT LANAIS. The following are General Common Areas and are not part of the Resort Unit Lanais:

- The boundary walls, windows and window frames, doors and their door frames, floors and ceilings. However the decorated or finished surfaces of boundary walls and floors located within the lanais are part of the lanais.
- Any load-bearing walls or columns inside of the lanais. However the decorated or finished surfaces are part of the lanai.
- The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each lanai.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within a lanai if they are used for or serve more than one Unit, the General Common Areas, or the Limited Common Area of any other Project Ownership Interest.
- Any Improvements located above the lanai. This would include, for example the underside of the lanai for a Unit on the next floor up, or the underside of the roof and/or the support beams or other Improvements comprising the roofing system located above a lanai.

B. RESORT LIMITED COMMON AREAS DESIGNATED ON THE PROJECT PLAN. All portions of the Project identified as Resort Limited Common Areas on the Project Plan are Limited Common Areas appurtenant to the Resort Units, including but not limited to the following:

- 1) The pool equipment and storage room and landscape office in the basement of Building 4.
- 2) The trash/laundry room, consumable storage room, housekeeping room, office and storage room adjacent to the housekeeping room, PBX room, and laundry room in the basement of Building 3.

3) The workout room and adjacent men's and women's restrooms, various hallways, storage rooms, elevators, elevator lobbies, mechanical rooms, trash rooms/linen chutes, recycling rooms, stairways, chaise lounge storage area on the ground level of Building 8, housekeeping rooms at the intersection of Buildings 7 and 8.

4) Keka`a Park as shown on the Project Plan. This includes, but is not limited to the streets, roads, driveways, parking areas, and restroom building located within the boundaries of Keka`a Park as the boundaries appear on the Project Plan.

5) The Pump Room located in the parking structure comprising Parking Unit 1 (as shown on the Project Plan), water pumps, water filtering systems, water heating systems, and other equipment servicing the pools and/or water features of the Project, and all lines, pipes, cables, conduits, electrical and plumbing equipment, wiring and other and other transmission facilities and installations over, under and across the Project that serve the pool(s) or any water features.

C. OTHER RESORT LIMITED COMMON AREAS. The following areas are Limited Common Areas appurtenant to the Resort Units:

1) All of the grounds of the Project (whether or not designated as Resort Limited Common Areas on the Project Plan). This includes, among other things, the landscaping and front entry water features of the Project, the Courtyards shown on the Project Plan and all amenities located within them (for example, the pools, pool decks, any pool bathrooms, any pool showers, and any pool restroom building), the Shoreline Setback Area, and all pedestrian walkways, stairs, ramps, paths, trails, bikeways, and other passageways. However, it does not include any streets, roads, or driveways that are not located within the boundaries of Keka`a Park.

2) All retention basins located on the Project.

3. COMMERCIAL LIMITED COMMON AREAS. "Commercial Limited Common Areas" are Limited Common Areas appurtenant to all of the Commercial Ownership Interests that have an appurtenant exclusive right to use a Unit in Building 4. Currently this consists of Units 101, 102 and 103, but this can change.

3.1 THINGS THAT ARE COMMERCIAL LIMITED COMMON AREAS. The men's and women's restrooms located on the corridor between Commercial Units 101 and 102 are Commercial Limited Common Areas. This includes, for example, the following:

1) All of the walls and partitions that are not load-bearing and that enclose or are located inside of the men's and women's restrooms.

2) All windows, window frames, doors and door frames that enclose or are located inside of the men's and women's restrooms.

3) All closets located inside of or adjacent to the men's and women's restrooms;

4) The inner decorated or finished surfaces of all other walls, windows and window frames, doors

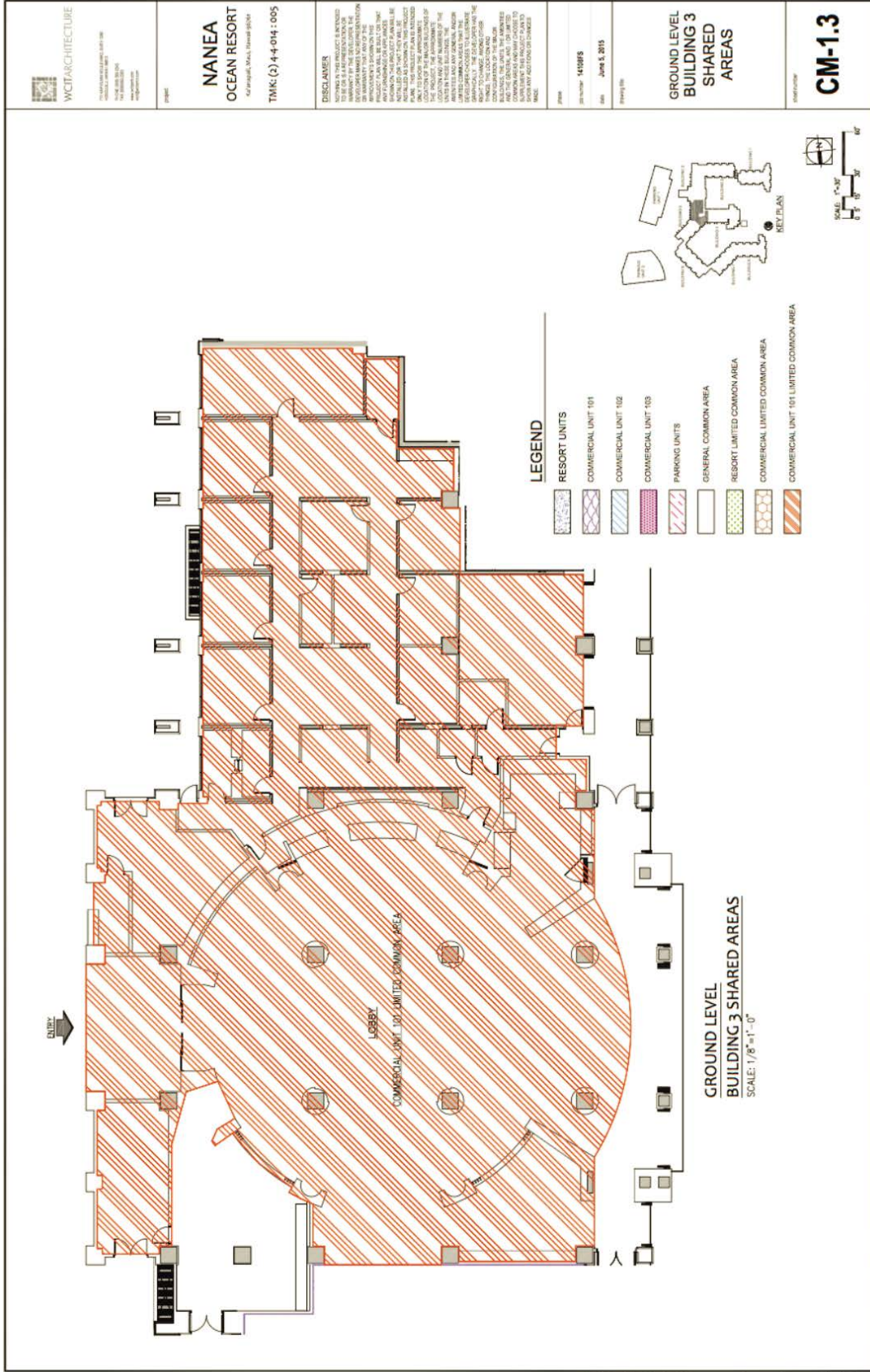
and their door frames, floors and ceilings enclosing the men's and women's restrooms.

5) All fixtures originally installed in the men's and women's restrooms and all replacements of those fixtures.

6) All vents, sewer lines, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations that serve only the men's and women's restrooms.

End of Exhibit D

Exhibit E



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 HONOLULU, HI 96813
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NANEA OCEAN RESORT
 4200 KAILUA, MAUI, HAWAII 96754
 TMK: (2) 4-014-005

DISCLAIMER
 THE ARCHITECT HAS PREPARED THIS SET OF ARCHITECTURAL DRAWINGS FOR THE PROJECT AS SHOWN ON THE CONTRACT DOCUMENTS. THE ARCHITECT MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE INFORMATION PROVIDED BY THE CLIENT OR ANY OTHER SOURCE. THE ARCHITECT HAS CONDUCTED VISUAL GENERAL VERIFICATION OF THE INFORMATION PROVIDED BY THE CLIENT AND HAS FOUND NO MAJOR DISCREPANCIES. THE ARCHITECT HAS CONDUCTED VISUAL GENERAL VERIFICATION OF THE INFORMATION PROVIDED BY THE CLIENT AND HAS FOUND NO MAJOR DISCREPANCIES. THE ARCHITECT HAS CONDUCTED VISUAL GENERAL VERIFICATION OF THE INFORMATION PROVIDED BY THE CLIENT AND HAS FOUND NO MAJOR DISCREPANCIES.

DATE: 14/08/15
 DRAWN BY: JAMES S. 2015

GROUND LEVEL BUILDING 3 SHARED AREAS

CM-1.3

End of Exhibit E

Exhibit F

POINTS CHART

THE WESTIN NANEA OCEAN VILLAS

MAUI, HAWAII

VILLA TYPE	WEEK	MONDAY- WEDNESDAY (PER DAY)	THURSDAY/SUNDAY (PER DAY)	FRIDAY/SATURDAY (PER DAY)	WEEKLY
3-BEDROOM OCEANFRONT	1-52	25,770	38,655	51,540	257,700
2-BEDROOM OCEANFRONT	1-52	17,670	26,505	35,340	176,700
2-BEDROOM RESORT VIEW	1-52	14,800	22,225	29,625	148,100
1-BEDROOM PREMIUM RESORT VIEW	1-52	8,100	12,150	16,200	81,000

End of Exhibit F

Exhibit G

Reservation Rules for the Nanea Ocean Villas Vacation Ownership Plan

These Reservation Rules for Nanea Ocean Villas Vacation Ownership Plan ("Reservation Rules") are promulgated pursuant to the Nanea Ocean Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions ("Villas Declaration").

1. Definitions.

All capitalized terms not otherwise defined in these Reservation Rules have the meaning given to them in the Villas Declaration. Definitions in the Villas Declaration will control over any inconsistent provisions in these Reservation Rules.

1.0 Annual Vacation Ownership Interest means a Vacation Ownership Interest or VOI with assigned Ownership Points that may be used annually, as designated on the VOI Deed and subject to these Reservation Rules and the Villas Declaration.

1.1 Association means the Nanea Ocean Villas Owners Association, Inc., a Hawaii nonprofit corporation.

1.2 Association Manager means SVO Hawaii Management, Inc., a Hawaii corporation.

1.3 Biennial Vacation Ownership Interest means a Vacation Ownership Interest or VOI with assigned Ownership Points that may be used biennially (every other year), in either an Even Use Year or an Odd Use Year, as designated on the VOI Deed and subject to these Reservation Rules and the Villas Declaration.

1.4 Check-in Day means the first day of a person's Vacation Period commencing at Check-In Time on such day.

1.5 Check-In Time means 4:00 p.m.

1.6 Check-Out Time means 10:00 a.m.

1.7 Christmas Event Period means the Specific Week Period that include the 25th day of December.

1.8 Designated Representative means the person or persons, designated by the Primary Contact, who is authorized to make reservations on behalf of the Owner or Owners who own the VOI and who is also authorized to receive information about the VOI.

1.9 Exchange Float Period means the period beginning eight (8) months and ending sixty (60) days prior to the Check-in Day of a given Use Period. During the Exchange Float Period, all Owners may request a reservation of that Use Period on a first-come, first-served basis. The Exchange Float Period begins immediately after the Home Resort Reservation Period.

1.10 Exchange Priority Period means the sixty (60) day period prior to the Check-in Day of a given Use Period during which the Owners' rights to reserve that Use Period are subject to other priorities as set forth in these Reservation Rules and are therefore limited.

1.11 Exchange Program means the contractual arrangement pursuant to which Owners may exchange their reservation and use rights in the Plan, under certain conditions, for the opportunity to reserve and use accommodations in resorts other than the Nanea Ocean Villas.

1.12 Event Period means a Specific Week Period that is fixed by an event. This means that the Event Period will move on the calendar to follow the event rather than being tied to the numbered Specific Week Period. For example. Owners with a Christmas Event Period will have the right to occupy a Villa during the Specific Week Period that includes the 25th Day of December, regardless of whether that Specific Week Period occurs in Specific Week Period 51 or 52. There are two types of event of Event Periods: the Christmas Event Period and the New Year's Event Period.

- 1.13 Event Period Right means the right appurtenant to some VOIs to have a specific Event Period automatically reserved for use by the VOI Owner in each Use Year (for an Annual VOI) or every other Use Year (for a Biennial VOI). The Event Period will be designated in the Owner's VOI Deed.
- 1.14 Home Resort Reservation Period means the four (4) month period beginning twelve (12) months and ending eight (8) months prior to the Check-in Day of a given Use Period, during which period all Owners in the Plan have the exclusive right to request a reservation of that Use Period, subject to the Villa Designation Rights, Event Period Rights or Specific Week Rights appurtenant to some VOIs.
- 1.15 New Year's Event Period means the Specific Week Period that includes the 1st day of January.
- 1.16 Ocean Front Points means Points allocated to Ocean Front Villas. During the Home Resort Reservation Period, Ocean Front Points may be used to reserve Ocean Front Villas in accordance with the Vacation Plan Documents, and to enjoy any other benefits of the VOI.
- 1.17 Ocean Front Villa means a Villa designated as an Ocean Front Villa on the Villa List.
- 1.18 Ocean Front Use Right refers to the right of Owners having Ocean Front Points to use those Points to reserve Use Periods in Ocean Front Villas during the Home Resort Reservation Period in accordance with the Reservation Rules.
- 1.19 One Bedroom Villa means a Villa designated as a "One Bedroom Resort Unit" on the Villa List.
- 1.20 Ownership Points or Points means the unit of measurement used to establish the Ownership Share of a VOI and to reflect the Owner's rights to enjoy the benefits of the VOI in comparison to all other VOIs, including the relative ability to reserve a Use Period and Villa in accordance with the Vacation Plan Documents. Points may also be referred to as "Home Options" during the term of the SVN Affiliation Agreement. The Plan has two types of Points, Resort View Points and Ocean Front Points.
- 1.21 Points Chart means the chart published annually by the Reservation System Operator setting forth the number of Points required to reserve each Use Period in each Villa.
- 1.22 Primary Contact means a single Owner who individually owns a VOI or the individual designated by the multiple Owners who own, or by a business entity that owns, a single VOI to represent such multiple Owners or business entity in all matters concerning the VOI, including dealing with Reservation Services.
- 1.23 Project means the Nanea Ocean Resort. It is located at 45 Kai Malina Parkway, Lahaina, Maui, Hawaii 96761.
- 1.24 Reservation Services means the division of the Reservation System Operator that handles and processes reservation requests and provides other Owner services from time to time.
- 1.25 Reservation System Operator means the entity engaged by the Association or the Association Manager to manage and operate the reservation system for the Vacation Ownership Plan. Initially, the Association has engaged the Starwood Vacation Exchange Company, a Delaware corporation, through the SVN Affiliation Agreement.
- 1.26 Reservation Window means the annually recurring twelve (12) month period beginning one (1) year prior to the Check-In Day of each Use Period during which Owners may request a reservation of that Use Period in accordance with and subject to these Reservation Rules. The Reservation Window consists of the Home Resort Reservation Period, followed by the Exchange Float Period, followed by the Exchange Priority Period.
- 1.27 Resort View Villa means a Villas designated as a Resort View Villa on the Villa List.
- 1.28 Resort View Points means Points allocated to Resort View Villas. During the Home Resort Reservation Period, Resort View Points may be used to reserve Resort View Villas in accordance with the Vacation Plan Documents, and to enjoy any other benefits of the VOI.
- 1.29 Resort View Use Right refers to the right of Owners having Resort View Points to use those Points to reserve Use Periods in Resort View Villas during the Home Resort Reservation Period in accordance with the Reservation Rules.

- 1.30 Specific Villa means the particular Villa as identified and designated by the unit number of the Villa identified on the Owner's VOI Deed.
- 1.31 Specific Villa Right means the right appurtenant to some VOIs to have a specific Villa automatically reserved for use by the VOI Owner. Only VOIs having a Specific Week Right or an Event Period Right may have a Specific Villa Right. A Specific Villa Right will be designated on the Owner's VOI Deed.
- 1.32 Specific Vacation Period means the right appurtenant to some VOIs to have a Specific Week Period or Event Period automatically reserved for use by the VOI Owner in each Use Year (for an Annual VOI) or every other Use Year (for a Biennial VOI). Owners of Specific Vacation Periods will have either a Specific Villa Right or a Villa Type Right, as listed on their VOI Deed.
- 1.33 Specific Week Period means a designated period of seven (7) consecutive days in each calendar year, numbered 1 through 52, and beginning and ending on Friday. Specific Week Period No. 1 is the seven (7) days commencing on the first Friday of the first full week in each calendar year, and Specific Week Period No. 2 is the seven (7) days immediately following. Additional weeks up to and including Specific Week Period No. 52 are computed in a like manner. Excess days, if any, between the end of Specific Week Period No. 52 and the beginning of Specific Week Period No. 1, regardless of the month, year or number of days, are not included in any Specific Week Period.
- 1.34 Specific Week Right means the right appurtenant to some VOIs to have a Specific Week Period automatically reserved for use by the VOI Owner in each Use Year (for an Annual VOI) or every other Use Year (for a Biennial VOI). The Owner's Specific Week Period will be designated in the Owner's VOI Deed.
- 1.35 StarOptions means the use currency assigned to a VOI on a yearly basis which may only be used in the Exchange Float Period or the Exchange Priority Period.
- 1.36 SVN means the Starwood Vacation Network, the service name given to the variety of exchange and reservation services and vacation and travel benefits currently offered and the restrictions imposed by the SVN Operator from time to time for resorts affiliated with the Starwood Vacation Network.
- 1.37 Three Bedroom Resort Villa means a Villa designated as a "Three Bedroom Resort Unit" on the Villa List.
- 1.38 Two Bedroom Resort Villa means a Villa designated as a "Two Bedroom Resort Villa" on the Villa List.
- 1.39 Use Night means a period beginning at Check-In Time on one day and ending at Check-Out Time the next day.
- 1.40 Use Period means an Use Night, a Use Week, or any other period of consecutive Use Nights in a given Villa which is available for reservation by an Owner.
- 1.41 Use Week means a period beginning at Check-In Time on one day.
- 1.42 Use Year means the annually recurring twelve (12) month period beginning at noon on the first Friday of the first full week in each calendar year and ending at noon on the first Friday of the first full week of the following calendar year.
- 1.43 Vacation Ownership Interest or VOI means an Ownership Share in the Project together with the following appurtenant rights: (i) the right to receive an allotment of Points every year or every other year; (ii) the right to use those Points to reserve a Villa; (iii) during the Use Period reserved, the right to use a Villa, its Limited Common Areas, and the General Common Areas of the Project; and (iv) memberships in the Association and the Community Association. These rights are subject to the provisions of the Vacation Plan Documents.
- 1.44 Vacation Period means a Use Period reserved by an Owner, the Developer, or someone else.
- 1.45 Villa means a Unit in the Project that has been submitted to the Vacation Ownership Plan.
- 1.46 Villa Designation Right means a either a Specific Villa Right or a Villa Type Right
- 1.47 Villa List means the list of the Villa numbers, types and designations attached as an exhibit to the Villa Declaration.

1.48 Villa Type means a One Bedroom Villa, a Three Bedroom Villa, or a Two Bedroom Villa. Each Villa is further designated as either Ocean Front or Resort View as identified on the Villa List and further described in these Reservation Rules.

1.49 Villa Type Right means the right appurtenant to some VOIs to have a Villa that is a specific Villa Type automatically reserved for use by the VOI Owner. Only VOIs having a Specific Week Right or an Event Period Right may have a Villa Type Right. The Villa Type will be designated on the Owner's VOI Deed.

2. Reservation System Operation

An Owner may use the Points assigned to the Owner's VOI to reserve one or more Use Periods for the occupancy of Villas and related facilities and amenities. Participation in the Reservation System is appurtenant to the ownership of a VOI and will automatically terminate for a particular Owner if the Owner no longer owns the VOI. These Reservation Rules shall be binding on all Owners, and such Owners' guests, invitees, lessees, licensees, and designees.

2.1 Management. Pursuant to the Vacation Plan Documents, the Association has the responsibility for the management of the reservation and use of the Villas. Pursuant to the SVN Affiliation Agreement, the Association has delegated its responsibilities in this regard to the Reservation System Operator, including the implementation of all Exchange Program and reservation duties as outlined in these Reservation Rules.

2.2 Primary Contact. Owners must designate a Primary Contact by notifying Reservation Services by written authorization signed by all individuals holding the VOI or by an authorized representative of the business entity. The Primary Contact will be the only designated individual, other than a Designated Representative, with whom Reservation Services will deal with respect to making reservations, sending confirmations, and providing other services. Reservation Services may charge an administrative fee, as Reservation System Operator may determine from time to time, to change a Primary Contact designation.

2.3 Designated Representative. An Owner who is the sole owner of a VOI or the Primary Contact for a VOI owned by more than one person or a business entity may designate one person as a Designated Representative for the VOI by completing a Designated Representative form. A Designated Representative may make reservations on behalf of the Primary Contact, but may not make reservations in their own name. In addition, a Designated Representative will be allowed to access information about the VOI, such as prior year's reservation history. Only the Primary Contact can designate or change a Designated Representative for a VOI owned by more than one person or a business entity.

2.4 Restrictions on Reservations. Reservation Rights may be restricted or confirmed reservations cancelled by Reservation System Operator if the Owner is not in compliance with the Vacation Plan Documents, current in the payment of the Owner's Assessments, Personal Charges, and taxes or VOI purchase money obligations or there are other outstanding sums due the Association or the Community Association.

2.5 Transaction Fees. Reservation System Operator has the right to charge transaction fees as it deems appropriate in its sole discretion from time to time, including for additional reservation requests, cancellations, rental requests, exchanges, daily use, additional housekeeping, and other transactions. Any such charges shall be listed on a fees chart and provided to Owners. Currently, the only transaction fees for the Vacation Ownership Plan are listed on the SVN Fees Chart provided to the Owners.

Reservation System Operator has the right to charge transaction fees as it deems appropriate in its discretion from time to time. Currently, the only transaction fees charged are listed on the SVN Fees Chart.

3. Reservations

3.1 Making a Reservation. As an Owner of a VOI, each Owner receives an assigned number of Points. In addition, each VOI will be designated as having either Ocean Front Points or Resort View Points.

a. First-Come, First-Served. Each Owner's request for a particular Vacation Period will be taken on a first-come, first-served basis, subject to the Ocean Front Use Right and Resort View Use Right, the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period. Owners with an Event Period Right or a

Specific Week Right will have the designated Event Period or Specific Week Period automatically reserved and confirmed by the Reservation System Operator on their behalf, using their Points. In addition, if an Owner also has a Specific Villa Right, the Owner's designated Event Period or Specific Week Period shall be reserved in the particular Villa listed on the Owner's Deed. Owners who own an Event Period or Specific Week Period who do not own a Specific Villa Right, will have a Villa that is the Villa Type designated on their Deed reserved from them automatically.

b. Submitting a Reservation Request. The Owner must submit a reservation request to Reservation System Operator in writing, by telephone, e-mail, or such other electronic means acceptable to Reservation System Operator. Owners may not make a reservation request that is received by Reservation System Operator earlier than the beginning of the Reservation Window for a particular Use Period. Reservation System Operator, on receipt of a valid reservation request, will assign the Owner the use of the requested Use Period if it is available, the Owner has sufficient Points and the Use Period occurs in a Villa for which the Owner has the appropriate type of Points (i.e. Ocean Front or Resort View). An Owner has no right to make a reservation unless the Owner is in compliance with the Vacation Plan Documents, current in the payment of the Owner's Assessments, Personal Charges, and taxes and VOI purchase money obligations and there are other no outstanding sums due the Association or the Community Association. An Owner may request a reservation in the name of a guest.

c. Biennial Restrictions Each Owner owning a Biennial VOI may request and be granted a confirmed reservation only for a Vacation Period occurring during such Owner's designated Even Use Year or Odd Use Year. Each Biennial VOI will have such designation noted on the Owner's VOI Deed, including whether the Biennial VOI has an Even Use Year or an Odd Use Year.

Ownership Points may be referred to as "Home Options" during the term of the SVN Affiliation Agreement.

3.2 Reservation Window Priorities.

Reservation requests will be taken on a first-come, first-served basis, subject to the reservation priorities, automatic reservations and seasonal limitations listed below. As a result, the availability of highly desired Use Periods is limited and availability of any Use Period will vary. Consequently, Reservation System Operator cannot guarantee confirmation of a reservation for any specific Use Period in any specific Villa at any time, except for Owners having an Event Period Right or a Specific Week Right, and a Specific Villa Right. The earlier a reservation request is submitted, the better the chance that a reservation confirmation can be secured.

Reservation requests are subject to the following priorities:

a. Event Period Right.

(1) Owners of a VOI having an Event Period Right will receive confirmed reservations of the Event Period designated on their Deed. The Event Period of a VOI having an Event Period Right will be automatically reserved one (1) year prior to the Check-In Day for the designated Event Period in either the Villa Type or Specific Villa designated on the Owner's Deed. Owners owning an Event Period Right may voluntarily give up their right to use the Event Period and the Specific Villa or Villa Type designated on their Deed and may request a reservation for an unreserved Use Period in any available Villa for which they have sufficient Points, subject to the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period and Villas. If an Owner owning a VOI with an Event Period Right voluntarily gives up the Owner's right to use the Event Period in a given Use Year, then Use Periods that occur during that Event Period may be reserved by other Owners, subject to the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period.

(2) An Event Period Right will only be designated for seven (7) day Use Periods. Owners who own a VOI with an Event Period Right must have enough Resort View Points or Ocean Front Points assigned to their VOI to secure a 7 day reservation in the applicable Villa Type or Specific Villa listed on their Deed. Currently, the Developer only intends to offer an Event Period Right during the Christmas Event Period and the New Year's Event Period.

(3) Developer will not convey a Specific Week Right in Specific Week Periods 51 and 52 since the Developer will be conveying Christmas Event Periods and New Year's Event Period.

(4) The Developer intends to limit the reservation of Use Weeks which include the Christmas and New Year's holidays to Owners of the respective Event Period Rights. Other than Owners with Event Period Right(s), Owners should not purchase a VOI with the expectation of being able to reserve a Villa at the Project during either the Christmas Week holiday or the New Year's week holiday.

(5) Each Owner that purchases a VOI with an Event Period Right will have such Event Period Right noted on their Deed.

b. Specific Week Right.

(1) Owners of a VOI having a Specific Week Right will receive confirmed reservations of the Specific Week Period designated in the Owner's Deed. The Owner's Specific Week will be automatically reserved one (1) year prior to the Check-In Day for such Owner's Specific Week in either the Villa Type or Specific Villa designated on the Owner's Deed. Owners owning a Specific Week Right may voluntarily give up the right to use the Owner's Specific Week, and the Specific Villa or Villa Type listed on their Deed, and may request a reservation for an unreserved Use Period in any available Villa for which they have sufficient Points, subject to the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period and Villas. If an Owner owning a VOI with Specific Week Right voluntarily gives up the Owner's right to use the Owner's Specific Week Period in a given Use Year, then Use Periods that occur during that Specific Week Period may be reserved by other Owners, subject to the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period.

(2) Specific Week Right will only be designated for seven (7) day Use Periods. Owners who own a VOI with Specific Week Right must have enough Resort View Points or Ocean Front Points assigned to their VOI to secure a 7 day reservation in the applicable Villa Type or Specific Villa.

(3) Developer will not convey a Specific Week Right in Use Periods which correspond with an Event Period Right. For example, a Specific Week Right will not be sold in Specific Week Periods 51 or 52 since the Developer will be conveying Event Period Rights which include the Christmas Event Period and the New Year's Event Period.

(4) The Developer may not assign more than fifty percent (50%) of any particular Specific Week Period to VOIs as Specific Week Rights. For example, no more than fifty percent (50%) of the total number of Specific Week Periods comprising week 10 in the Ocean Front Villas or the Resort View Villas may be assigned to VOIs as Specific Week Rights. In addition, the Developer shall not designate more than fifty percent (50%) of the Use Periods occurring in each Villa with an Specific Villa Right or a Villa Type Right. The intent of this section is to permit all Owners the opportunity to request reservations of Use Periods in all Villas designated with the applicable Ocean Front Use Right or Resort View Use Right.

(5) Each Owner that purchases a VOI with Specific Week Right will have such Specific Week Right noted on their Deed.

c. Home Resort Reservation Period. The Home Resort Reservation Period begins twelve (12) months and ends eight (8) months prior to the Check-in Day of a given Vacation Period. During the Home Resort Reservation Period Owners may request nightly reservations of any available Use Periods provided that they have enough Points to reserve the Use Periods requested, as set forth in the Points Chart, and they have the right kind of Points (Ocean Front or Resort View) to reserve the Villa Type requested. Owners cannot reserve a Use Period or Villa that is already reserved by someone else, or that is permanently reserved, or that someone else has the exclusive right to reserve.

Owners with a Resort View Points or Ocean Front Points will have the right to request an available Use Period in a Villa with a corresponding designation. For example, during the Home Resort Reservation Period, only Owners with Ocean Front Points may reserve Ocean Front Villas and only Owners with Resort View Points may reserve Resort View Villas, as such Villas are designated on the Villas List.

The Reservation System Operator reserves the right to impose minimum length of stay rules which may require Owners to reserve a minimum number of days for each Vacation Period reservation. Owners may make multiple reservations using their Points, subject to the Reservation Window priorities; however, the Reservation System Operator also reserves the right to limit the number and length of reservations which a single Owner may reserve during the Home Resort Reservation Period. Currently, Owners are limited to three (3) pending reservations for each VOI owned during the Home Resort Reservation Period. In addition, Owners may not reserve a Vacation Period which lasts more than fourteen (14) consecutive Use Nights in the Home Resort Reservation Period for each VOI owned.

(1) On receiving a reservation confirmation for a Vacation Period during the Home Resort Reservation Period, an Owner may use the Vacation Period for personal use or for use by a guest.

(2) An Owner relinquishes the Owner's Home Resort Reservation Period right whenever the Owner voluntarily enters the Exchange Float Period without obtaining a confirmed reservation during the Home Resort Reservation Period or when an Owner owning a VOI with an Event Period Right or a Specific Week Use Right elects to reserve a Use Period other than the Owner's Event Period or Specific Week Period. Once the Home Resort Reservation Period has expired for a given Use Period, Owners who have not secured a reservation will have the right to use StarOptions to make a reservation for an available Use Period at the Project or through SVN. Any Home Options which remain unused at the end of the Home Resort Reservation Period shall be automatically converted to StarOptions at no cost to the Owner.

(3) An Owner also relinquishes the Owner's Home Resort Reservation Period right when the Owner voluntarily seeks access to an Exchange Program and the requested external exchange is confirmed.

(4) If an Owner desires to cancel a reservation, the Owner may request a reservation for an unreserved Use Period, subject to the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period and Villa Type requested.

d. Bulk Banking for Anticipated External Exchanges. Reservation System Operator has the right, but not the obligation, to reserve a number of unreserved Use Periods from time to time at any time thirty (30) days after the beginning of the Home Resort Reservation Period, for the purpose of depositing the reserved Use Periods with an Exchange Program on behalf of Owners based on Reservation System Operator's determination, in its sole discretion, of anticipated Owner demand to access one or more Exchange Programs.

The Reservation System Operator shall have the right to forecast anticipated reservation and use of the Use Periods and is authorized to reasonably reserve, deposit, or rent the Use Periods for the purpose of facilitating the use or future use of the Use Periods.

e. Exchange Float Period. During the Exchange Float Period, reservations will be accepted from Owners and other SVN Members for reservations on a first-come, first-served basis using StarOptions for a reservation for any available Use Period or for a reservation at any SVN affiliated resort. During the Exchange Float Period, Owners may use their StarOptions to reserve Resort View or Ocean Front Villas. Although the Villas Declaration provides that Ocean Front Points may be used to reserve Ocean Front Villas, and Resort View Points may be used to reserve Resort View Villas, this limitation does not apply to reservations made after the expiration of the Home Resort Reservation Period.

Owners may make multiple reservations using StarOptions, however, Reservation System Operator also reserves the right to limit the number and length of reservations which a single Owner may reserve during the Exchange System Float Period and the Exchange System Priority Period.

f. Exchange Priority Period. If a reservation request for a given Use Period has not been received by Reservation Services by the beginning of the Exchange Priority Period, Reservation Services' ability to confirm a subsequent reservation request for the Use Period will be limited by and subject to the following:

(1) Any reservations made available by Reservation System Operator to the Association Manager for maintenance purposes;

(2) Any reservations used by Reservation System Operator for rental to Owners; and

(3) Any reservations used by Reservation System Operator for its own purposes including exchange, promotional use, rental to third parties, or any other purpose as Reservation System Operator determines in its sole absolute and unfettered discretion as such right has been assigned to Reservation System Operator from the Association in the SVN Affiliation Agreement.

g. Exchange Affiliation or Membership Termination. If the Vacation Ownership Plan is no longer affiliated with SVN or an Exchange Program in which all Use Periods become available for reservation during the Exchange Float Period and the Exchange Priority Period at other affiliated vacation properties, the Exchange Float Period and the Exchange Priority Period will terminate and all Owners may make reservations for available Use Periods using their Points beginning eight months (8) prior to the Check-in Day of a given Use Period, regardless of the type of Ownership Points (Ocean Front or Resort View). Owners may reserve available Use Periods, but will not be able to reserve accommodations at any other Exchange Program affiliated resort. Owners with Event Period Right or Specific Week Right will continue to have their designated Event Period or Specific Week Period reserved for them as described in these Reservation Rules regardless of whether or not the Vacation Ownership Plan is affiliated with an Exchange Program.

3.3 Vacation Periods Less than Seven (7) Days. Owners will be permitted to reserve Use Periods of less than seven (7) days. Reservation System Operator may impose minimum length of stay requirements of up to seven (7) days for certain Use Periods. In addition, Owners who own a VOI with an Event Period Right or a Specific Week Right must reserve all seven (7) days comprising their designated Event Period or Specific Week Period and may not split such Event Period or Specific Week Period.

3.4 Housekeeping Expenses. Housekeeping expenses will be paid by Owners based on the manner in which they choose to reserve Use Periods. Owner assessments include a housekeeping fee for the Owner's first reserved Vacation Period for each VOI owned by such Owner. Owners will be charged a separate housekeeping fee for each additional Vacation Period reservation, whether such reservation occurs during the Home Resort Reservation Period, Exchange Float Period or Exchange Priority Period. The amount of housekeeping fees and the manner of allocating such expenses will change from time to time as determined by the Association and Reservation System Operator. The current housekeeping fees are listed on the SVN Fees Chart.

3.5 Failure to Make a Timely Reservation. With the exception of Owners with an Event Period Right, or a Specific Week Right, if an Owner fails to make a reservation for a Vacation Period that occurs during a given Use Year, the Owner's right to make a reservation (including the Owner's assigned Points or StarOptions) for that Use Year will automatically expire. On the first day of each new Use Year, the Owner will again receive the Points associated with the Owner's VOI and have the right to use those Points to reserve a Use Period for use during that new Use Year in accordance with these Reservation Rules and the other Vacation Plan Documents. An Owner who is unable to secure a Vacation Period is not relieved of the obligation to be in compliance with the Vacation Plan Documents, remain current in the payment of the Owner's Assessments, Personal Charges, and taxes and VOI purchase money obligations or pay any other outstanding sums due the Association or the Community Association. Reservation System Operator shall have the right to rent for its own benefit or otherwise use all such unreserved Use Periods during the Exchange Priority Period.

3.6 Confirmations: Villa Preferences. Confirmations of a reservation will be provided to the Primary Contact or Designated Representative by Reservation Services. Reservation Services will not assign a particular Villa until the time of check-in. Special Villa assignments, such as ground level Villas, cannot be guaranteed, but may be noted as a preference in the reservation confirmation. Notwithstanding this section, during the Home Resort Reservation Period, only Owners with a Resort View Use Right may reserve Resort View Villas and only Owners with an Ocean Front Use Right may reserve Ocean Front Villas.

3.7 Cancellations, Additional Reservation Requests, and No-Shows.

An Owner may cancel a confirmed reservation by notifying Reservation System Operator by telephone or using the reservation online system before the Check-in Day of the assigned Vacation Period. Currently, charges for cancellations are set forth on the SVN Fees Chart and

may be amended by Reservation System Operator from time to time in its sole discretion. Reservations may be cancelled within twenty-four (24) hours of making the reservation request without payment of a cancellation fee unless the reservation was made less than thirty (30) days prior to the Check-in Day.

a. Cancellations or changes in reservations made more than sixty (60) days prior to the Check-in Day for a reserved Vacation Period will result in the restoration of the associated Points or StarOptions used to reserve the Vacation Period. However, an Owner must use the restored Points or StarOptions before the end of the Use Year.

b. Cancellations or changes made less than sixty (60) days prior to the Check-in Day for a reserved Vacation Period will result in the restoration of the associated Points or StarOptions used to reserve the Vacation Period. However, the Owner will incur a financial penalty as currently listed in the SVN Fees Chart. The restored Points or StarOptions must be used before the end of the Use Year and may only be used to reserve available Use Periods with Check-In Dates occurring within sixty (60) days from the date the reservation is made. The restored Points or StarOptions may not be exchanged or converted to any other program, including any Exchange Program (other than SVN) or for hotel points/currency.

c. Owners who fail to arrive on the Check-in Day of the reserved Vacation Period must notify Reservation System Operator that they will be arriving subsequent to such Check-in Day or risk losing the reservation. An Owner must cancel a reservation confirmation by notifying Reservation System Operator by telephone prior to the Check-in Day of the reserved Vacation Period. If an Owner fails to cancel a reservation prior to the Check-in Day for a reserved Vacation Period, the Owner will lose the right to reserve another Vacation Period in lieu of the reserved Vacation Period.

d. Owners with an Event Period Right or a Specific Week Right who cancel their confirmed reservation will lose the reserved Event Period or Specific Week Period which had been automatically reserved and confirmed and will lose their Specific Villa Right or Villa Type Right for the cancelled Event Period or Specific Week Period for that Use Year.

3.8 Multiple VOIs. Owners who own multiple VOIs may combine the Points assigned to such VOIs and request the reservation of multiple Use Periods during the Home Resort Reservation Period, Owners may not combine Ocean Front Points and Resort View Points into a single reservation. Owners may not exchange Ocean Front Points and Resort View Points during the Home Resort Reservation Period. However, when an Owner's Ocean Front Points and Resort View Points are replaced with StarOptions in the Exchange Float Period and Exchange Priority Period, such points may be combined and used to secure one or more Use Period reservations, subject to the applicable Reservation Window priorities and the availability of the Use Period and Villa Type requested.

4. Exchange Programs

In order to increase the range of options available to Owners, Reservation System Operator has made arrangements for each Owner to have access to Exchange Programs. All external exchange requests will be handled by Reservation System Operator. An Owner who is interested in an external exchange must contact Reservation Services and indicate the Owner's preference for an exchange. An Owner may make an external exchange request at any time prior to the end of the Owner's Use Year, subject to the limitations in these Reservation Rules. Following verification of the identity of the Owner and verification that the Owner is in good standing, a Reservation Services representative and Owner will discuss the Owner's specific time, destination, and type of room requests along with any special requests, and these requests will be noted by the Reservation Services representative. The Owner may also be asked to designate more than one alternative set of exchange requests in order to increase the Owner's chances of obtaining a desired exchange. Owner participation in any Exchange Program will be governed by the terms and conditions of such Exchange Program.

5. Delinquency

Reservation System Operator reserves the right not to accept a reservation request from an Owner if the Owner is not in compliance with the Vacation Plan Documents, current in the payment of the Owner's Assessments, Personal Charges, and taxes or VOI purchase money obligations or there are other outstanding sums due the Association or the Community Association. Further, such Owner shall have no right to reserve a Use Period through Reservation System Operator or any Exchange Company, and any previously confirmed Vacation Period reservation may be cancelled, until the non-compliance is corrected or the delinquency is satisfied in full. In addition, such Owners will lose their Event Period Right or Specific Period Right if they have them. Reservation System Operator may collect any delinquent Assessments, Personal Charges or VOI purchase money payments by credit card.

6. Miscellaneous Provisions

6.1 Personal Use; Commercial Purposes. Use of the Villas and facilities of the Vacation Ownership Plan is limited solely to the personal use of Owners, their guests, invitees, and exchangers and for recreational use by corporations or other similar business entities owning VOIs. Purchase of a VOI or use of Villas and facilities of the Vacation Ownership Plan for commercial purposes, for contribution to or use in a different vacation ownership plan or vacation club or any other vacation or travel product (except as expressly permitted in the Vacation Plan Documents), or for any purpose other than the personal use described above is prohibited. This paragraph shall not apply to Points, Villas or Vacation Periods owned or reserved by the Developer. The Developer is an intended third-party beneficiary of this paragraph. This means, among other things, that the Developer can enforce it.

6.2 Owner Rentals. An Owner may reserve a Vacation Period and rent it on the Owner's own account. An Owner must provide the Reservation Systems Operator with notification of the Owner's intention to rent the reserved Vacation Period and the name and address of each renter. The Reservation System Operator may deny the rental of any Vacation Period by anyone on the SDN List or with a criminal background or for any other reasonable basis. All renters must comply with the rules and regulations of the Vacation Plan Documents affecting occupancy, and the renting Owner will be responsible for the acts or omissions of the Owner's renters or any other person or persons permitted by the Owner to use the Villa. Owners may not operate a rental program or use Owner's VOI for commercial purposes. Reservation Systems Operator may deny the rental of a Vacation Period if the Reservation Systems Operator reasonably believes Owner is engaging in commercial activity or operating a rental program or in violation of the Vacation Plan Documents. In addition, Owners who reserve more than one Vacation Period for rental each Use Year, will be charged a rental administrative fee in the amount listed on the SVN Fees Chart.

6.3 Amendment of Reservation Rules. Except as provided in the Vacation Plan Documents, Reservation System Operator expressly reserves the right to amend these Reservation Rules in all respects, in its sole, absolute and unfettered discretion, from time to time, without the consent of Owners, for any purpose, including permitting banking and borrowing of Ownership Points or exchange points; provided, however, that all such amendments are subject to the prior written consent of Developer for as long as Developer owns a VOI. Reservation System Operator shall deliver notice of any amendment to each Primary Contact, and may do so by direct mail, newsletter, annual mailings, facsimile, or e-mail at the last known address of the Primary Contact

6.4 Conflict. These Reservation Rules are subordinate to and designed to supplement the Villas Declaration, and in the event of a conflict with the Villas Declaration, the Villas Declaration shall control.

6.5 Include. The term "include" and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., including but not limited to and for example), when used as part of a phrase including one or more specific items, are not words of limitation and are not to be construed as being limited to only the listed items. Any references to the use, exercise or grant of the right of the Developer's, Reservation System Operator's, Association's or Association Manager's discretion as set forth in these Reservation Rules shall mean the sole discretion to the exclusion of any other person or entity unless specifically provided otherwise.

End of Exhibit G

Exhibit H

SPECIAL RIGHTS OF THE DEVELOPER

The Developer owns all unsold Vacation Ownership Interests and all unsold Project Ownership Interests and generally has the same rights as other Owners with respect to those Vacation Ownership Interests and Project Ownership Interests. In addition, the Developer (whether as the developer of the Plan, the developer of the Project, the developer under the Notice of Time Share Plan, or otherwise) has various “Reserved Rights” that other Owners do not have. Some of the Developer’s Reserved Rights are or may be necessary or helpful to developing the Project. Even so, the exercise of the Developer’s Reserved Rights is not limited to the development of the Project except to the extent that the Project Declaration expressly says otherwise. The Developer’s Reserved Rights include, among others, the following rights:

SECTION I SPECIAL RIGHTS OF THE DEVELOPER UNDER THE VACATION PLAN DOCUMENTS

Capitalized terms used in Section I of this Exhibit H which are not otherwise defined shall have the definitions provided for such terms in the Vacation Plan Documents. Except where specifically noted, all section references in Section I of this Exhibit H are references to the Vacation Plan Declaration. Section references are intended to guide you to some but not necessarily all applicable provisions of the Vacation Plan Documents.

The Developer has the following rights and easements under the Vacation Plan Documents:

1. The Developer has the authority to adopt the initial Reservation Rules. (§3.2D; 7.7A) The Reservation Rules cannot be amended without the prior written consent of Developer for as long as Developer owns a Vacation Ownership Interest. (§7.7J)
2. The Developer may create new Villa Types when it adds Units to the Plan or with respect to Villas that the Developer could remove from the Plan. (§3.3B.2)
3. The Developer can assign Points to Units that it includes in the Plan. (§4.4)
4. The Developer can change the Villa Type of a Unit, or the number of Points assigned to the Villa, to correct an error. (§4.6A)
5. The Developer can change the Villa Type of a Villa, or the number of Points assigned to the Villa: (i) if required by a governmental agency or a court order, or (ii) to comply with the law of Hawai‘i, or (iii) to comply with the laws of any other place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of the Project or the Plan to permit the sale of Vacation Ownership Interests there. (§4.4B)
6. The Developer has the exclusive right to issue First Deeds and may include in them such covenants, conditions, easements, restrictions, limitations, appointments, approvals, consents, agreements and other provisions as the Developer determines in its sole, absolute and unfettered discretion (§5.10). The Developer can correct any errors in a First Deed and each Owner gives the Developer a power of attorney to do so. (§5.10C)
7. The Developer has the exclusive right to determine the characteristics of a Vacation Ownership Interest. This includes but is not limited to the number of Points, whether it is an Annual or Biennial Vacation Ownership Interest, whether it is a Floating Vacation Ownership Interest or a Specific Vacation Ownership Interest (including the right to decide whether it will have Specific Week Rights or Event Period Rights, and the Specific Week/Event Period), and whether it will have a Floating Villa Right, a Specific Villa Right or a Villa Type Right. (§5.10 A&B)
8. The Developer can change the features of a Vacation Ownership Interests by issuing a new First Deed for it or convert it into two or more different Vacation Ownership Interests. It may also assign a new Identification Number to it (§5.10A.2; §9.3C.2)
9. The Developer will prepare the first Points Chart. (§6.4)
10. The Developer may make any changes in the Point Values required by law or by any governmental agency. This includes, but is not limited to, any change required in connection with the registration of the Plan. (§6.4A.2)
11. An Owner is not allowed to reserve, use or exchange a Villa if the Owner has not paid any amounts due under any note or mortgage made by the Owner in favor of the Developer. (§7.7A)
12. The Developer may create new Reservation Periods. (§7.7E.3)

13. No business or profession may be conducted in any Villa or on the Common Areas. This does not apply, however, to the Developer. (§8.4A.1)

14. Without first getting the Developer's written consent, Owners cannot sell, lease, rent or otherwise contribute their Vacation Ownership Interest, reservation rights, use rights, Points, or Vacation Period to (i) any other vacation ownership or time share plan or program, (ii) any fractional ownership plan or program, or (iii) a Competitor of the Developer. The Developer may withhold its consent in its sole discretion. (§8.4A.2; §9.3B.)

15. Only the Developer can enforce the restriction that prohibits Owners from joining a "rental pool" or similar arrangement where the Owner's Vacation Period is placed together in a pool with other Owners' Vacation Periods and rented, or where rental income and/or expenses are shared in some other way. (§8.4D)

16. The Developer may use its Vacation Periods for any purpose, no matter what else the Vacation Plan Documents provide. This includes, among other things, use for rental, sales and other commercial purposes permitted by law. (§8.8B)

17. The Developer may: (i) use one or more Villas as model Units; (ii) use one or more of the Villas for customer relations, sales, marketing, and/or administrative offices, and (iii) show the Villas to potential buyers. (§8.8C)

18. The Developer has the exclusive right and an easement to solicit Owners and Occupants staying in the Villas. The Developer may exercise its right and easement in any manner that does not violate any laws that may apply and that does not prevent or unreasonably interfere with the occupancy of the Villas. The Association and the Plan Manager will facilitate the Developer's exercise of its exclusive right and easement. (§8.8D) For example:

- The Developer may require that the Plan Manager place marketing materials in the Villas. This might include pamphlets in the guest directory, tent cards, brochures, and/or door hangers on the interior or exterior door knobs.
- The Developer may also require that the Association or Plan Manager give out informational brochures, flyers, and other things at the front desk.
- The Developer may place signs and other marketing materials at the front desk or in other parts of the Project under the control of the Association or the Plan Manager.
- The Developer will have the exclusive right to use one channel of any cable television or similar system for distributing television signals to the Villas for the purpose of running television commercials and advertising programs on a periodic or continuous basis.

- The Developer may leave messages on the voice mail for the Villas.
- The Association and Plan Manager will provide to the Developer access to reservation systems and to other databases, subject to any restrictions imposed by law.

19. So long as the Developer owns any Vacation Ownership Interest or Project Ownership Interest, it may use the Common Areas of the Project for any purpose permitted by law and by the Project Documents, free from the restrictions imposed by the Vacation Plan Documents. (§8.8E.)

20. The Developer has an easement to use the Developer's Reserved Rights. (§8.8F)

21. If the Developer is late in paying any Personal Charge, Assessment or Subsidy Contract payments, the Association may use the Developer's rights to reserve and then rent Use Periods, but the Developer is treated differently from other Owners. (§8.9B.)

22. If a Competitor acquires any interest in a Vacation Ownership Interest without the Developer's consent, or if anyone who has any rights or interest in a Vacation Ownership Interest becomes a Competitor without the Developer's written consent, title to that Vacation Ownership Interest will return to the Developer automatically. (§9.3B)

23. When title to a Vacation Ownership Interest is transferred, the Plan Manager must provide a notice to the Developer. (§9.3E)

24. The Developer has a Right of First Refusal on the Vacation Ownership Interests as discussed in Section 7 of this Disclosure Statement. (§9.8)

25. The Developer has the right to appoint and remove the officers and Directors of the Association during the Developer Control Period. (§11.4B)

26. The Developer established the initial Association Rules and has certain rights to change them. At any time when the Developer holds mortgages on or owns Vacation Ownership Interests representing at least five million (5,000,000) Points, no change to the Association Rules will be effective without the Developer's written consent (§12.3H)

27. The Board may not pay or incur, or commit the Association to pay or incur legal fees and costs totaling more than \$50,000 in any lawsuit, arbitration or other legal proceeding in a dispute with the Developer or any company related to the Developer unless:

- a. The Board obtains legal opinions from at least two Hawaii law firms and provides to the Owners: (1) A list of all claims, (2) An estimate of the likelihood of prevailing on each claim based on information then known to the Association, (3) An estimate of the total amount of legal fees, court costs and other expenses that

the Association is likely to incur through the completion of the trial, arbitration or other proceeding (assuming that the Association will prevail on only those claims where the law firms give the Association more than a 50% chance of prevailing), (4) An estimate of the likely award of damages to or against the Association, including legal fees and costs, court costs, and other expenses, for claims of the Association and for claims against the Association; and (4) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board may have to charge to the Owners to pay for legal fees and costs, court costs, and other expenses while the lawsuit or other legal proceeding is going on.

- b. The Board must call a special meeting and include in the notice copies of the legal opinions, a chart breaking out the information, and a description of any pending settlement offers.
- c. At the special meeting of the Association, a Majority of the Owners must vote to authorize the Board to start and prosecute the lawsuit or any other arbitration or other legal proceeding. This may be difficult to do. The Project Ownership Interests and votes of the Developer, however, will not be counted.

This rule does not apply to suits against the Developer or any company related to it if the suit is filed solely to collect Assessments, Personal Charges, or Subsidy Contract payments that are past due or for breach of any contract to provide goods or services to the Association (for example, the Management Agreement) or to enforce the Vacation Plan Documents.

(§12.3I)

28. The Association must furnish a copy of the list of Owners to the Developer upon request. It may not furnish the list (or information from which a list may be compiled) to anyone else without first notifying the Developer and giving the Developer an opportunity to object to release of the list. (§12.3K)

29. The Developer may transfer property to the Association and the Association must accept it. (§12.3L)

30. The Developer gets to choose the initial Plan Manager and it is a company related to the Developer. (§12.4)

31. The Vacation Plan Declaration requires that Owners and other Interested Persons waive release and indemnify the Developer and related companies from claims relating to the Pool, Beach and Ocean Activities and the Pool, Beach and Ocean Risks, risks relating to the prior use of the Land of the Project, the risks of vog, security risks, the Developer's disclaimer of warranties, various environmental factors that may affect the Project, and various other things described in §§ 4.10 to 4.17 of this Disclosure Statement.

32. The Developer has the right to determine whether Assessments will be prorated for Vacation Ownership Interests not covered by the Budget. (§14.4B)

33. The Developer must pay the Assessments and Personal Charges for each Vacation Ownership Interest it owns. Instead of doing so, however, the Developer may enter into a "Subsidy Contract" as discussed in Section 12.2.F of this Disclosure Statement.

34. The Developer has the right to enforce any rights it has under the Vacation Plan Documents in any manner permitted by law or by the Vacation Plan Documents and may recover all of its court costs and all reasonable attorneys' fees, costs, and expenses. (§15.1)

35. The Developer has the right to pay the amounts due from a defaulting Owner to the Association. In such event, the Developer shall hold the Association Lien on the Owner's Vacation Ownership Interest, and will have the right to exercise all rights and remedies of the Association, including the right to foreclose the Association Lien. (§15.6D)

36. The Developer is not liable for any decision it makes on insurance for the Association except to the extent of its gross negligence or intentional misconduct. (§16.1G)

37. The Developer will be named as an insured under various insurance policies. (For examples, see §§16.2A; 16.4; 16.5).

38. The Developer may add Units to the Plan. (§18.1) The Developer may create new Villa Types or new kinds of Vacation Ownership Interests, and, in some cases, may change the Vacation Plan Documents with respect to existing Villa Types. (§18.2B)

39. It may also remove one or more Units, subject to certain limits. (§18.4A.1)

40. Certain Association actions require both the approval of the Owners and the approval of the Developer. For example, certain amendments of the Declaration require this. (§19.1A)

41. Without the consent or approval of anyone else, the Developer may change the Vacation Plan Documents under certain circumstances, including the following among others:

- ❖ It may make changes for any purpose before any First Deed or Agreement of Sale is recorded.
- ❖ It may make changes to comply with the laws and regulations of the State of Hawaii or the requirements of any government agency in Hawai'i (for example, the Hawai'i Department of Commerce and Consumer Affairs).
- ❖ It may change them to comply with the laws or regulations of any other place (for example, the State of New York) or the requirements of any government agency (such as the California Department of Real Estate)

in connection with the registration of the (i) Project, (ii) the Plan, or (iii) SVN.

- ❖ It may change them to satisfy requests for changes made by any title insurance company issuing a title insurance policy on the Project or any Vacation Ownership Interest.
- ❖ It may change them to satisfy requests for changes made by or requirements for making or purchasing mortgage loans on Vacation Ownership Interests or other Project Ownership Interests by (i) any institutional lender lending funds on the security of the Project or any Vacation Ownership Interest, (ii) any investor in mortgages initially made in favor of the Developer, or (iii) any governmental or quasi-governmental agency.
- ❖ It may change them in any Declaration of Annexation adding new Villa Types or creating new kinds of Vacation Ownership Interests.
- ❖ It may change them to facilitate the operation and management of the Project or the Plan; or
- ❖ It may change them to correct any errors or mistakes reflected in any of the Vacation Plan Documents.

(§19.1B; Bylaws §10.3B.)

42. The Developer may change the name of the Project, the Plan and/or the Association at any time. (§19.1C)

43. No amendment can change the rights and privileges of the Developer unless the Developer gives its written consent and signs the amendment. (§19.1D.2)

44. The Developer can restate the Vacation Plan Documents. (§19.1E)

45. If the Developer signs and records a document that expressly transfers to someone else some or all of the Developer's Reserved Rights, or any of the Developer's other rights or duties as the "Developer" under the Vacation Plan Documents, then that person will become the "Developer" to the extent of the rights and duties transferred. After a transfer

(i) the new "Developer" has the rights and duties transferred to it, and (ii) the old Developer is automatically relieved of any and all liability arising after the transfer takes effect with respect to the rights and duties transferred; and (iii) the new "Developer" will not be liable for any violation of the Vacation Plan Documents or other acts of the prior Developer(s). (§20.1A.)

46. If the Vacation Plan Documents requires the consent or approval of the Developer, then the Developer can give or not give its consent or approval, and impose conditions to giving its consent or approval, in the Developer's sole, absolute and unfettered discretion and whether or not it is reasonable to do so. (§20.2G.)

47. The Developer may set the date and time for the first annual meeting of the Association. (Bylaws §5.2)

48. The Developer may call a special meeting of the Association. (Bylaws §5.3)

49. At any times when the Developer holds mortgages on or owns at least five million (5,000,000) Points, the Association cannot adjourn a meeting for more than an aggregate of ten (10) days without the written consent of the Developer. (Bylaws §5.10)

50. All Directors, except for Directors appointed by the Developer, must be Owners, co-Owners, purchasers under an Agreement of Sale, or an officer of any corporate Owner, or in the case of fiduciary Owners, the fiduciary or officers of corporate fiduciaries. (Bylaws §6.3A)

51. Except for the Developer, if a Vacation Ownership Interest is owned by more than one person, only one of the co-Owners of that Vacation Ownership Interest may serve on the Board. (Bylaws §6.3C)

52. The Bylaws may be "amended" (changed) from time to time if (1) the amendment is approved by the vote of a Majority of the Owners Voting, and (2) if the Developer owns, or holds a mortgage on, any Vacation Ownership Interest, the Developer gives its written consent and it signs the amendment. (Bylaws §10.3A)

SECTION II: SPECIAL RIGHTS OF THE DEVELOPER UNDER THE PROJECT DOCUMENTS

Capitalized terms used in Section II of this Exhibit H which are not otherwise defined shall have the definitions provided for such terms in the Project Documents. Except where specifically noted, all section references in Section II of this Exhibit H are references to the Project Declaration. Section references are intended to guide you to some but not necessarily all applicable provisions of the Project Documents.

1. The Developer reserved to itself all of the Developer's Reserved Rights and easements in the Property under the Project Documents. (§2.3)

2. The Developer has the right to change its development plans in any way for any reason or no reason as the Developer

determines in its sole, absolute and unfettered discretion, without the consent or approval of anyone else. (§3.2.A; §8.6B)

3. The Developer can construct the Buildings and other Improvements of the Project phases and may do so in any order that it chooses. (§3.2; §3.3C)

4. The Developer has the right to designate, delete, combine, or divide any Units, and to amend or supplement the Project Declaration to reflect the change. (§4.2)

5. The Developer has the right to designate any additional Limited Common Areas that may be added to the Project and the Project Ownership Interests or Units to which they are appurtenant, and to convert all or any part of any General Common Area or any Unit(s) to Limited Common Area and to designate the Project Ownership Interests or Units to which they are appurtenant. (§4.3)

6. The Developer has the right to convert all or any part of any existing Unit or Limited Common Area to General Common Area. (§4.4)

7. The Developer has the right designate as a Shared Area all or any part of any existing Unit or Limited Common Area appurtenant to a Project Ownership Interest owned by the Developer, and to terminate the designation of all or any part of any existing Unit or Limited Common Area as a Shared Area if the Developer owns the Project Ownership Interest to which the Unit or Limited Common Area is appurtenant. (§4.5)

8. The right to change or supplement the Project Plan from time to time as the Developer deems appropriate in its sole, absolute and unfettered discretion to show any additional buildings, and/or any additions to or changes in the buildings, Units, General Common Areas, any Limited Common Areas and/or any Shared Areas or to reflect any changes in the Project or in the Developer's plans to develop the Project. (§4.6)

9. The Developer has the exclusive right to issue First Deeds and may include in them such covenants, conditions, easements, restrictions, limitations, appointments, approvals, consents, agreements and other provisions as the Developer determines in its sole, absolute and unfettered discretion (§5.6). The Developer can correct any errors in a First Deed and each Owner gives the Developer a power of attorney to do so. (§5.6C)

10. The Developer has the exclusive right to determine the features of a Project Ownership Interest. (§5.6A.)

11. No Units may be used in a Vacation Plan or Fractional Plan without the Developer's written consent. (§6.1E; §6.2D; §6.3A.)

12. Nobody except the Developer can bring clients, customers or other business invitees onto the premises on a regular basis for business purposes. This does not limit rental of the Units solely for use as vacation lodgings. (§6.3D.2)

13. The Community Association must obtain the written consent of the Developer to change the use of the Common Areas. (§6.5A.3)

14. The Developer has the right to change the use or otherwise deal with the General Common Areas and Limited Common Areas in the exercise of the Developer's Reserved Rights. (§6.5A.4)

15. Without the Developer's written consent, no Owner, lessee, tenant, Occupant, or other Interested Person, or any licensee or invitee of any such person, can use the Project or any part of it: (i) For the promotion or sale of any Vacation Interest or Fractional Interest, whether directly or indirectly; or (ii) For the operation of a tour or activity desk or any other business or activity that directly or indirectly promotes the sale of Vacation Interests or Fractional Interests. (§6.6A)

16. No timeshare plans, fractional plans, exchange programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Project or the Units; (b) shall acquire or accommodate Units or Project Ownership Interests; or (c) shall be permitted to incorporate a Unit or Project Ownership Interests into such entity, program, structure, scheme, device or plan, except by the Developer or except with the prior written authorization from the Developer in a recorded document, which authorization may be given or withheld in the Developer's sole, absolute and unfettered discretion. (6.6B)

17. Owners are not allowed to change or cause a change to the exterior appearance of the Project unless they have the prior written consent of either the Board or the Managing Agent. This rule does not apply to the Developer when using the Developer's Reserved Rights. (§6.8A)

18. The Developer has the right to use any Unit appurtenant to any Interest that it owns, its Project Ownership Interests, the corresponding Units, and the Developer's Reserved Rights for promotional purposes or in connection with the initial sale and/or any resale or other conveyance of Project Ownership Interests, Vacation Interests, Fractional Interests, and/or condominium units developed, marketed, offered or sold by the Developer or a related company.. (§6.6A, §6.10.A)

19. The Developer has the right to operate or permit the operation of a nightly rental program or hotel with respect to Units appurtenant to Interests owned or otherwise possessed or controlled by the Developer. (§6.10.B)

20. The Developer has the right to define or change certain easements for public use of the Project. (§7.1D)

21. The Developer has the right and an easement under which the Developer and its Representatives, licensees and invitees may use the grounds and facilities of the Project for the

purpose of conducting educational, cultural, entertainment or sporting events, other activities of general community interest, private weddings and wedding receptions, and other public or private events, and to keep all sums generated from such events and activities. (§7.1.F)

22. The *exclusive* right and an *exclusive* easement to conduct marketing and sales activities (which may be extensive) on the Common Areas (including but not limited to the Resort Limited Common Areas) and from any Developer Unit. (Section 7.1.G.1) This right includes but it is not limited to the right:

- To permit purchasers and prospective purchasers and their family members and guests, to come onto the Project through the Common Areas intended for access to and from any nearby roads, streets or highways.
- To permit purchasers and prospective purchasers to park motor vehicles in the Parking Units (subject to the obligation to pay reasonable parking fees established by the Parking Unit Owner and to the right of the Developer to validate such parking) or in any parking stalls not assigned in this Declaration to a particular Owner or Project Ownership Interest.
- To show the Project (including but not limited to model Units and the amenities, grounds, and other features of the Project) to purchasers and prospective purchasers (who will have a right of access for these purposes).
- To use any Developer Units and their Limited Common Areas as model Units, customer relations, sales, marketing, management, and/or administrative offices.
- To establish and operate tour or activity desks or other businesses or activities intended to promote sales from any Developer Units or their Limited Common Areas, or from any booths or concession stands that the Developer has the right to use pursuant to the Project Documents.
- To authorize the Developer's Representatives, licensees, and invitees, to use these easements. This includes, for example, the right to permit sales and administrative staff to come onto the Project and to park in the Parking Units.
- To use banners, signs or other extensive sales displays and activities in the Project.
- To use any tables and chairs placed on the Common Areas by the Owner of the Unit 102 Interest (for example, as a place for salespersons to sit and chat with purchasers and prospective purchasers, or to review paperwork, etc., with them).

This right and easement applies to activities conducted in connection with the initial sale and/or any resale of Project Ownership Interests, Vacation Interests, Fractional Interests, and/or condominium units developed, marketed, offered or sold by the Developer or a related company.

23. The Developer has the right and an easement over, under and upon the Project, including the General Common Areas, all Limited Common Areas, and all Units, as may be reasonably necessary or convenient to complete the installation, construction or renovation of any Improvements and to correct any defects and other punchlist items in the Common Areas or any Unit or to use any of the other Developer's Reserved Rights. (§7.1.H)

24. The Developer has the right to approve the extension to other Vacation Plans of an easement in favor of the Vacation Owners Association for use of the General Common Areas and any Resort Limited Common Areas of the Project in connection with the administration, operation, etc., of the Vacation Ownership Plan. (§7.1J.3)

25. The Developer has the right and an easement to use the service closets and housekeeping rooms, and any linen and storage rooms that are General Common Areas or Resort Limited Common Areas. (§7.1L.1) It will use this in part to support any hotel and transient vacation rental operations that it may conduct in the Project.

26. The Developer has the right to approve the number of parking stalls set aside for valet parking service, in excess of 200 stalls. (§7.1P)

27. The Owner of the Unit 102 Interest must indemnify the Developer in connection with the use of its food and beverage easement. (§7.1R.2.c)

28. The Developer has an easement over, under, across and through the Project and all of its parts, pursuant to which the Developer and its Representatives, licensees, and invitees have the right to create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with (a) the use of the easements it has under Section 7 of the Project Declaration, (b) the development of any Adjacent Parcels, and/or (c) the use of the Developer's Reserved Rights or any other rights of the Developer described elsewhere in the Declaration. (§7.2)

29. The Association must have the written consent of the Developer to deal with certain easements. (§7.3)

30. The Developer has the right to designate, grant, accept, lease, convey, transfer, cancel, relocate and otherwise deal with any easements and/or licenses over, under, across or through the Common Areas, in favor of the Land or the Project as necessary or convenient to the use of any of the Developer's Reserved Rights, or for any reasonable purpose. This includes but is not limited to any easements needed by the Developer and its Representatives, licensees and invitees, to establish, operate and maintain in the General and/or Limited Common Areas no more than ten (10) booths or concession stands. The booths or concession stands may be used for any purposes not prohibited by law. (§7.4.A)

31. The Developer has the right to accept, transfer, cancel, relocate and otherwise deal with any easement or license in favor of the Land or the Project. (§7.4.B)

32. Without first getting the Developer's written consent, an Owner may not sell, transfer, lease, rent, or otherwise contribute his or her Project Ownership Interest or its use rights to (i) a Vacation Plan or a Fractional Plan unless, in either case, the Developer creates the plan or the Developer authorizes or otherwise consents to that use in a recorded document, or (ii) a Competitor of the Developer. The Developer may withhold its consent in its sole discretion. (§8.2B.)

33. If a Competitor acquires any right or interest in a Project Ownership Interest without the Developer's consent, or if anyone who has any right or interest in a Project Ownership Interest becomes a Competitor without the Developer's written consent, that Project Ownership Interest will return to the Developer automatically. (§8.2B)

34. The Developer has the right may reset the features of a Project Ownership Interest, or convert it into two or more different Project Ownership Interests. (§8.2C.2)

35. When title to a Project Ownership Interest is transferred, the Managing Agent must provide a notice to the Developer. (§8.2E)

36. Only the Developer can divide, merge, or combine Project Ownership Interest. (§8.6B.2)

37. The Developer has the right to appoint and remove the officers and Directors of the Community Association during the Developer Control Period. (§9.4B)

38. The Community Association cannot erect or place anything on the Common Areas without the Developer's written consent. (§10.3H)

39. The Developer established the initial Community Association Rules and has certain rights to change them. At any time when the Developer holds mortgages on or owns any Project Ownership Interest, no change to the Association Rules will be effective without the Developer's written consent (§10.3O)

40. The Board may not pay or incur, or commit the Community Association to pay or incur legal fees and costs totaling more than \$50,000 in any lawsuit, arbitration or other legal proceeding in a dispute with the Developer or any company related to the Developer unless:

- a. The Board obtains legal opinions from at least two Hawaii law firms and provides to the Owners: (1) A list of all claims, (2) An estimate of the likelihood of prevailing on each claim based on information then known to the Community Association, (3) An estimate of the total amount of legal fees, court costs and other expenses that the Community Association is likely to

incur through the completion of the trial, arbitration or other proceeding (assuming that the Community Association will prevail on only those claims where the law firms give the Community Association more than a 50% chance of prevailing), (4) An estimate of the likely award of damages to or against the Community Association, including legal fees and costs, court costs, and other expenses, for claims of the Community Association and for claims against the Community Association; and (4) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board may have to charge to the Owners to pay for legal fees and costs, court costs, and other expenses while the lawsuit or other legal proceeding is going on.

- b. The Board must call a special meeting and include in the notice copies of the legal opinions, a chart breaking out the information, and a description of any pending settlement offers.
- c. At the special meeting of the Community Association, a Majority of the Owners must vote to authorize the Board to start and prosecute the lawsuit or any other arbitration or other legal proceeding. This may be difficult to do. The Project Ownership Interests and votes of the Developer, however, will not be counted.

This rule does not apply to suits against the Developer or any company related to it if the suit is filed solely to collect Assessments, Personal Charges, or Subsidy Contract payments that are past due or for breach of any contract to provide goods or services to the Community Association (for example, the Management Agreement) or to enforce the Project Plan Documents.

(§10.3P)

41. The Community Association must furnish a copy of the list of Owners to the Developer upon request. It may not furnish the list (or information from which a list may be compiled) to anyone else without first notifying the Developer and giving the Developer an opportunity to object to release of the list. (§12.3K)

42. The Developer gets to choose the initial Managing Agent and it is a company related to the Developer. (§10.4)

43. The Developer has the right to determine whether Assessments will be prorated for Project Ownership Interests not covered by the Budget. (§11.4B)

44. The Developer must pay the Assessments and Personal Charges for each Vacation Ownership Interest it owns. Instead of doing so, however, the Developer may enter into a "Subsidy Contract." (§11.7B)

45. The Developer has the right to enforce any rights it has under the Project Documents in any manner permitted by law or by the Project Documents and may recover all of its court

costs and all reasonable attorneys' fees, costs, and expenses. (§12.2)

46. The Developer is treated differently from other Owners as to collection of rents from tenants in the event of nonpayment of Assessments or Personal Charges. (§12.6.)

47. The Developer has the right to pay the amounts due from a defaulting Owner to the Community Association. In such event, the Developer shall hold the Community Association Lien on the Owner's Project Ownership Interest, and will have the right to exercise all rights and remedies of the Community Association, including the right to foreclose the Community Association Lien. (§15.6D)

48. The Developer is not liable for any decision it makes on insurance for the Association except to the extent of its gross negligence or intentional misconduct. (§13.1G)

49. The Developer will be named as an insured under various insurance policies. (For examples, see §§13.2A; 13.4; 13.5).

50. The Developer will represent itself in any condemnation proceedings and is entitled to receive all proceeds payable for or on account of the loss of the Developer's Reserved Rights. (§15.5)

51. The Developer has the right to convert Lodging Units to Vacation Units, and to convert Vacation Units to Lodging Units, at any time. (§17)

52. The right to make changes or additions to any Developer Unit(s) and/or their Limited Common Areas. (§18.1.A.)

53. The Developer has the right to do anything necessary or convenient to annex any Adjacent Parcel and any Improvements on it. (§19.3)

54. The Developer has the right to subdivide the Land of the Project, and/or to consolidate the Land of the Project with any Adjacent Parcel, for or in connection with the use of certain of the Developer's Reserved Rights. (§20; §20.2)

55. The Developer has the right to withdraw and delete from the Project all or any part of the Possible Deletion Areas. (§21)

56. The Developer has the right to change the Project and/or to amend the Project Documents as required to comply with law. (§22).

57. The Developer has the right to do all things necessary or convenient to satisfy the requirements of the Project's Land Use Permits, and any zoning or other land use requirements that apply to the Project from time to time. (§23)

58. The Developer has the right to do anything necessary or convenient to establish a condominium with respect to all or any portion of the Project. (§24)

59. If the Developer signs and records a document that expressly transfers to someone else some or all of the Developer's Reserved Rights, or any of the Developer's other rights or duties as the "Developer" under the Project Documents, then that person will become the "Developer" to the extent of the rights and duties transferred. After a transfer (i) the new "Developer" has and may use the rights transferred to it, and (ii) the old Developer is automatically relieved of any and all liability arising after the transfer takes effect with respect to the rights and duties transferred; and (iii) the new "Developer" will not be liable for any violation of the Project Documents or other acts of the prior Developer(s). (§25.5)

60. The Developer's current plans call for construction of additional phases of the Project consisting of buildings identified as Buildings 5 - 8 as shown on the Project Plan. The Developer has the right to determine, in its sole, absolute and unfettered discretion, the Relative Valuation for the Interest(s) corresponding to each Unit in each later phase of the Project. (§26.1)

61. The Project Declaration requires that Owners and other Interested Persons waive release and indemnify the Developer and related companies from claims relating to the Pool, Beach and Ocean Activities and the Pool, Beach and Ocean Risks, risks relating to the prior use of the Land of the Project, the risks of vog, security risks, the Developer's disclaimer of warranties, various environmental factors that may affect the Project, and various other things described in §§ 4.10 to 4.17 of this Disclosure Statement.

62. Certain Association actions require both the approval of the Owners and the approval of the Developer. For example, certain amendments of the Declaration require this. (§29.1A)

63. The Developer has the right to change the Project Documents as follows (§29.1.C):

- ❖ In any way and for any purpose before the date when the Developer first records a First Deed, other conveyance document or Agreement of Sale transferring a Project Ownership Interest to someone other than (i) the Developer, (ii) any company related to the Developer, (iii) a bulk transferee, or (iv) any Lender.
- ❖ To comply with the laws and regulations in effect in the State of Hawai'i, or the requirements of any government agency in Hawai'i (for example, the Hawai'i Department of Commerce and Consumer Affairs).
- ❖ It may change them to comply with the laws or regulations of any other place or the requirements of any government in connection with the registration of the (i) Project, (ii) any Vacation Plan that includes one or more Units, (iii) any Fractional Plan that includes one or more Units, to permit the sale of Units, Vacation Interests, or Fractional Interests, or (iv) SVN.

- ❖ To satisfy requests for changes made by any title insurance company issuing a title insurance policy on the Project or any Project Ownership Interest.
- ❖ To satisfy requests for changes made by or requirements for making or purchasing mortgage loans by (i) any institutional lender lending funds on the security of the Project or any Project Ownership Interest, (ii) any investor in mortgages initially made in favor of the Developer, or (iii) any governmental or quasi-governmental agency.
- ❖ To facilitate the operation and management of the Project, or any Vacation Plan or Fractional Plan that includes one or more Project Ownership Interests.
- ❖ To correct any errors or mistakes reflected in any of the Project Documents.

64. The Developer may change the name of the Project, the Plan and/or the Community Association at any time. (§29.1D)

65. No amendment can change the rights and privileges of the Developer unless the Developer gives its written consent and signs the amendment. (§29.1E.2)

66. The Developer can restate the Project Documents. (§29.1F)

67. The Declaration cannot be terminated without the consent of the Developer if it still holds a mortgage on or owns a Project Ownership Interest. (§29.2A.3)

68. If the Project Documents requires the consent or approval of the Developer, then the Developer can give or not give its consent or approval, and impose conditions to giving its consent or approval, in the Developer's sole, absolute and unfettered discretion and whether or not it is reasonable to do so. (§30.2)

69. The Developer may use the Developer's Reserved Rights in most cases without being required to obtain the approval, consent, or joinder of anyone else, and without having to give notice to anyone else. This includes, but is not limited to, the Association, any Owner, or any lender.

70. When an Owner or anyone else acquires a Project Ownership Interest or any other interest in the Project, he or she automatically does each of these things:

- a. He or she takes his or her interest in the Project subject to the Developer's Reserved Rights, and each and every exercise and/or assignment of them.
- b. He or she acknowledges, approves, consents to, agrees to and accepts:
 - The Developer's Reserved Rights and its use of them from time to time;

- That this may change the Project;
- That this may result in the recalculation of the Ownership Shares in some cases; and
- That the Developer can file and/or record any and all documents that the Developer deems necessary or convenient to the use of its rights. This includes, but it is not limited to, amendments to some or all of the Project Documents.

c. He or she agrees, promptly after being asked to do so, to join in, consent to, sign (and have notarized if asked), deliver, and record all documents and do all other things that the Developer in its sole discretion determines to be necessary or convenient to the use of the Developer's Reserved Rights or to accomplish the purposes for which those rights were reserved (as determined by the Developer in its sole discretion). This promise includes the duty to sign, have notarized, deliver, and record a special power of attorney in the form attached to the Project Declaration.

d. He or she appoints the Developer as his or her attorney-in-fact to join in, consent to, sign, have notarized, deliver and record all documents and to do all things on his, her or its behalf. This means that the Developer can act in the place of the Owner or other Interested Person. The Developer can do anything that they could do, and they ratify, accept and confirm anything that the Developer does using this power of attorney.

- This power of attorney appointment is permanent. It cannot be revoked and will not be affected by any disability of the Owner or any other Interested Person who gives it.

- The Developer can let someone else act in its place as a substitute attorney-in-fact.

- Each Owner and every other Interested Person gives the Developer this power of attorney whether or not it expressly says so in any deed, mortgage, or other document by which he or she obtained an interest in the Project.

- The Developer has the power to do only the things stated or intended by the Project Documents (as determined by the Developer in its sole discretion). This includes, however, the power to do anything else that the Developer deems necessary or convenient to accomplish the stated or intended goal and anything incidental to it. Ambiguities must be resolved in favor of giving, not denying, the Developer the power to act.

71. When an Owner or anyone else acquires a Project Ownership Interest or any other interest in the Project, he or she automatically does each of these things:

72. The Developer may set the date and time for the first annual meeting of the Community Association. (Bylaws §5.2)

73. The Developer may call a special meeting of the Association. (Bylaws §5.3)

74. At any times when the Developer holds mortgages on or owns any Project Ownership Interest, the Community Association cannot adjourn a meeting for more than an aggregate of ten (10) days without the written consent of the Developer. (Bylaws §5.10)

75. All Directors, except for Directors appointed by the Developer, must be Owners, co-Owners, purchasers under an Agreement of Sale, or an officer of any corporate Owner, or in

the case of fiduciary Owners, the fiduciary or officers of corporate fiduciaries. (Bylaws §6.3A)

76. Except for the Developer, if a Project Ownership Interest is owned by more than one person, only one of the co-Owners of that Vacation Ownership Interest may serve on the Board. (Bylaws §6.3C)

77. The Bylaws may be “amended” (changed) from time to time if (1) the amendment is approved by the vote of a Majority of the Owners Voting, and (2) if the Developer owns, or holds a mortgage on, any Vacation Ownership Interest, the Developer gives its written consent and it signs the amendment. (Bylaws §10.3A)

SECTION III: RESERVED RIGHTS OF THE DEVELOPER UNDER THE VACATION OWNERSHIP DEED

Capitalized terms used in Section III of this Exhibit H which are not otherwise defined shall have the definitions provided for such terms in the Vacation Ownership Deed (the “Deed”).

The Developer, as the “Seller” under the Deed, has the following special or reserved rights under the Deed which transfers your Vacation Ownership Interest to you:

1. The Developer has reserved (a) all of the Developer’s Reserved Rights under the Vacation Plan Documents and the Project Documents, (b) all rights of the “Developer” under the Notice of Time Share Plan, and (c) all rights and easements that the Developer has reserved to itself in the Deed. (§3 and §7.A.)

2. The Developer has reserved a Right of First Refusal to buy your Vacation Ownership Interest on the terms and conditions stated in the Vacation Plan Declaration. (§5 of Page 2 of Exhibit A)

3. The Developer may act as attorney-in-fact on your behalf under the power of attorney granted under the Deed. The power of attorney is coupled with an interest, it is irrevocable, it is a durable power of attorney, will not be affected by your disability, and includes full power of substitution (§7.B of the Deed)

4. If the Developer asks, you will promptly sign, have notarized, and deliver to the Developer a special power of attorney in the form attached to the Project Declaration. If you deed, mortgage, or otherwise transfer any interest in the Vacation Ownership Interest to anyone other than the Developer, you or the person receiving the transfer (the “Transferee”) will promptly deliver to the Developer a special power of attorney in the form attached as an Exhibit to the Project Declaration and signed by the Transferee and notarized. (§7.C of the Deed)

5. The Developer has various possibilities of reverter in your Vacation Ownership Interest. These deal with (i) adjustments of the undivided interests of the Owners, (ii) changes to or removal of any Common Areas (e.g., if buildings are built on the Common Areas or dealing with easements or if withdrawal of Land from the Project, (iii) the return of title if a Competitor acquires your Vacation Ownership Interest, and (iv) enforcement of the obligation to provide a power of attorney to the Developer upon request. (Exhibit A to the Deed)

THIS IS ONLY A SUMMARY OF CERTAIN OF THE DEVELOPER’S RESERVED RIGHTS AND SPECIAL RIGHTS UNDER THE VACATION PLAN DOCUMENTS, THE PROJECT DOCUMENTS AND THE VACATION OWNERSHIP DEED. THE NATURE AND EXTENT OF THE RIGHTS OF THE DEVELOPER AND SUCH OWNERS IS DESCRIBED IN AND GOVERNED BY THESE DOCUMENTS. YOU SHOULD READ THEM.

End of Exhibit H

Exhibit I

PHASES OF THE PROJECT

3.2 PHASED DEVELOPMENT. The Developer plans to develop the Project in stages, called “Phases,” as follows:

A. PHASE 1. Phase 1 consists of Buildings 1 to 4, the Pool Bar Building, Parking Structure 1, and the Keka`a Park Comfort Station, all as shown on the Project Plan, together with various related Improvements.

1) **BUILDING 1.** Building 1 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 1 contains the fifty-one (51) Resort Units listed in Exhibit B and shown on the Project Plan.

2) **BUILDINGS 2.** Building 2 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 2 contains the fifty-one (51) Resort Units listed in Exhibit B and shown on the Project Plan.

3) **BUILDING 3.** Building 3 is a six-story building. It has a basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 3 contains part of Commercial Unit 101, the Shared Areas, and forty-three (43) Resort Units, as listed in Exhibit B and shown on the Project Plan.

4) **BUILDING 4.** Building 4 is a six-story building. It has a basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 4 contains part of Commercial Units 101, 102 and 103, and the forty-five (45) Resort Units listed in Exhibit B and shown on the Project Plan.

5) **POOL BAR BUILDING.** The Pool Bar Building is a one-story building. It has no basement. It is constructed principally of concrete block, wood, aluminum, and gypsum board with a concrete slab floor. It is part of one (1) Commercial Unit (Unit 102).

6) **PARKING STRUCTURE 1.** Parking Structure 1 is four-story structure. It has no basement. It is constructed principally of steel-reinforced concrete. It contains one (1) Parking Unit (Parking Unit 1).

7) **KEKA`A PARK RESTROOM.** The Keka`a Park comfort station (restroom building) is a one-story building and has no basement. It is constructed principally of concrete block, wood, and aluminum with a concrete slab floor. It contains no Units.

8) **OTHER IMPROVEMENTS.** Phase 1 also includes the remainder of Unit 102 (including the lanai linking the Pool Bar Building to the portion of Unit 102 located within Building 4), and the remainder of Unit 103 to the extent that any portion of Unit 103 is located outside of Building 4. It also includes various other Improvements such as driveways and the public parking area in Keka`a Park.

B. PHASE 2. Phase 2, if it is constructed, is planned to consist of Parking Structure 2, Building 5, together with various related Improvements.

1) **BUILDING 5.** Building 5 is a six-story building. It has no basement. It is presently planned to be constructed principally of steel-reinforced concrete, gypsum board and glass. Building 5, if it is constructed as presently planned, will contain the thirty-eight (38) Resort Units listed in Exhibit B and shown on the Project Plan.

2) **PARKING STRUCTURE 2.** Parking Structure 2 is three-story structure. It is presently planned to be constructed principally of steel-reinforced concrete. Parking Structure 2, if it is constructed as presently planned, will contain one (1) Parking Unit (Parking Unit 2).

C. PHASE 3. Phase 3, if it is constructed, is planned to consist of Building 6, together with various related Improvements. Building 6 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 6, if it is constructed as presently planned, will contain the fifty-six (56) Resort Units listed in Exhibit B and shown on the Project Plan.

D. PHASE 4. Phase 4, if it is constructed, is planned to consist of Building 7, together with various related Improvements. Building 7 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 7, if it is constructed as presently planned, will contain the fifty-two (52) Resort Units listed in Exhibit B and shown on the Project Plan.

E. PHASE 5. Phase 5, if it is constructed, is planned to consist of Building 8, together with various related Improvements. Building 8 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 8, if it is constructed as presently planned, will contain the fifty-four (54) Resort Units listed in Exhibit B and shown on the Project Plan.

3.3 DEVELOPER'S RESERVED RIGHTS TO DEVELOP THE PROJECT.

A. DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights with respect to the development of the Project include but are not limited to the rights described in Exhibit H to the Project Declaration. Subject to the limitations in Subsection B, below, and except as may be limited by any zoning requirements, ordinances, or regulations, and/or by the Land Use Permits, the Developer may change its development plans in any way for any reason or no reason as the Developer determines in its sole, absolute and unfettered discretion, and may do so without the consent or approval of anyone else. This includes the right to change the design or layout of the buildings or the Units, to relocate the buildings on the Land, to change the number of buildings or Units, to add amenities or other Improvements, to choose not to build some of the buildings, Units, amenities or other Improvements, to increase the density of the buildings, and so on.

B. LIMITATIONS ON DEVELOPER'S RESERVED RIGHTS.

1) CHANGES TO AN INDIVIDUAL UNIT. The Developer cannot make a material adverse change to a Unit that is appurtenant to a Project Ownership Interest not owned by the Developer without the written consent of (i) the Owner of that Interest in the case of a Commercial Unit, Parking Unit, or Lodging Unit, (ii) the Vacation Plan Developer as to any Developer Units, and (iii) the Vacation Owners Association in the case of all other Vacation Units. The Developer cannot use its power of attorney under the Project Declaration to give this consent on behalf of the Owner, Vacation Owners Association or Vacation Plan Developer. Neither an Owner nor the Vacation Owners Association nor the Vacation Plan Developer can unreasonably withhold or delay its consent, nor require or request any kind of compensation for it.

2) CHANGES TO A LIMITED COMMON AREA. The Developer cannot make a material adverse change to the Limited Common Areas (other than Resort Limited Common Areas) appurtenant to a Commercial Ownership Interest, Parking Ownership Interest, or Lodging Ownership Interest without the written consent of the Owner of that Interest. The Developer cannot use its power of attorney under the Project Declaration to give this consent on behalf of the Owner. A Commercial Owner, Parking Owner or Lodging Owner cannot unreasonably withhold or delay its consent, nor require or request any kind of compensation for it.

3) MAXIMUM NUMBER OF UNITS. The Project will have at least one (1) Commercial Unit, at least one (1) Parking Unit and at least fifty-one (51) Resort Units. In no event will the Project have more than the maximum number of Resort Units (i) allowed by law or by the Land Use Permits, or (ii) allowed by any recorded restrictions. For an example of the latter, that certain Declaration of Restrictions (Lot 3 Unit Count) recorded as Document No. 2005-122335, prohibits the construction of more than 550 Units without the consent of NB Lot3, LLC, a Delaware limited liability company. The Project is not currently planned to have any "lock-off" units. If this changes, however, then when determining the maximum allowable number of Units, a Resort Unit that may be used on a "lock-off" basis will be considered as one Unit. In other words, both sides together will be treated as a single Unit instead of being treated as two separate Units. Likewise, if the Developer decides to divide a single Unit into two Units, both Units together will be treated as a single "Unit".

C. ORDER OF DEVELOPMENT. The Developer has no obligation to build any Phase beyond Phase 1. The Developer can develop the Phases in any order that it wishes. It can also develop more than one Phase at a time. The Developer can also divide a Phase into separate smaller Phases.

End of Exhibit I

Exhibit J

INSTALLMENT PURCHASE TERMS

[NOTE: All amounts are in U.S. Dollars]

1. **PURCHASE PRICE:** You must pay the initial Purchase Price stated in your Purchase Agreement. You may pay it at once in cash or over time on credit from the Developer.
2. **INSTALLMENT PURCHASE TERMS:** If you buy on credit from the Developer then you must sign a note and mortgage on your Vacation Ownership Interest, and you must make monthly loan payments both before and after Closing. Notwithstanding anything stated to the contrary, you will not pay an interest rate in excess of 12% prior to Closing. Until the Closing, you must pay interest at the lesser of 12% per annum or the rate of one percent per month on the difference between the Purchase Price and the Initial Deposit as those figures are shown on your Sales Contract. See your Truth-in-Lending Statement or Closing Disclosure Statement for the annual percentage rate and other important disclosures, including late charges. There are no points, prepayment penalties or balloon payments.

If the Developer finances your purchase, the Developer will designate an agent to collect your loan payments and it may be an affiliate of the Developer or the Developer itself. You must pay all costs of the collection agent to whom your payments are made. The collection agent will impose its standard charges due to any failure of a Buyer to pay, to pay on time, or dishonored checks and so on.

3. **TITLE INSURANCE:** A policy of title insurance will be issued to protect the Buyer. If the Developer provides a mortgage loan to the Buyer, a separate policy must be issued to the mortgage lender. You are free to choose any title insurance company authorized to do business in Hawaii.

Hawaii Vacation Title Services, Inc. ("Vacation Title") has agreed to issue title insurance policies to buyers of Vacation Ownership Interests for a flat fee of \$100. The charge will be the same whether Vacation Title issues only an owner's policy or an owner's and a lender's policy, and regardless of how many Vacation Ownership Interests are covered by the policy or policies. If you choose to buy title insurance from someone else, you must pay any charges in excess of One Hundred Dollars (\$100.00). To choose a title company other than Vacation Title, you must give a written notice to the Escrow Agent stating the name of the title insurance company you have chosen. If you do not choose a title company, then Vacation Title will issue the policy or policies.

4. **CLOSING COSTS; ADMINISTRATIVE FEE:** "Closing Costs" means all costs and expenses of Closing a sale. It includes, for example: (i) the Escrow Agent's fee, (ii) conveyance taxes, (iii) notary fees, (iv) recording costs, (v) charges for credit reports on the Buyer obtained by the Developer, (vi) costs of preparing your Vacation Ownership Deed and any loan or financing documents, (vii) costs of title insurance, (viii) all loan fees and costs, (ix) postage and handling fees and (x) any administrative and processing fees charged by the Developer. Your Settlement Statement or Closing Disclosure Statement lists the Closing Costs. Closing Costs are charged per transaction, not per Vacation Ownership Interest. One transaction may include more than one Vacation Ownership Interest.

You must pay the "Administrative Fee" listed in your Purchase Agreement. The Administrative Fee is applied to payment of the Closing Costs. If Buyer is a corporation, an additional corporate name search fee (currently \$25.00) also will be charged to the Buyer. The Developer will pay all other Closing Costs except as expressly provided otherwise in paragraph 3 above or in your Sales Contract, and except for costs related to a loan made by someone other than the Developer. The Administrative Fee is not a finance charge and must be paid whether Buyer pays in cash or finances the purchase. Any portion of the Administrative Fee not needed to pay Closing Costs will be retained by the Developer for its expenses in selling the property.

End of Exhibit J

Exhibit K

LISTING OF OWNERS AND COMMUNITY INTEREST ASSESSMENTS

**(Ownership Package Examples)
JANUARY 1, 2017 through DECEMBER 31, 2017**

NOTE: The chart below is intended to provide examples of the amounts that the Owner of an Every-Year Vacation Ownership Interest would pay for Annual Assessments based on the number of Points purchased and the budget that appears as Exhibit L. For other Owner situations, please refer to the footnotes to the budgets.

Owners & Community Maintenance, Reserve & Property Taxes	Assessment (per Point) (1)			Assessment (per Year) (1)		
	Owners Association	Community Association	Total	Owners Association	Community Association	Total
Total Ownership Points:						
257,700	\$0.0082039	\$0.0095746	\$0.0177785	\$2,114.15	\$2,467.38	\$4,581.53
176,700	\$0.0082039	\$0.0095746	\$0.0177785	\$1,449.63	\$1,691.84	\$3,141.47
148,100	\$0.0082039	\$0.0095746	\$0.0177785	\$1,215.00	\$1,418.00	\$2,633.00
95,700	\$0.0082039	\$0.0095746	\$0.0177785	\$785.11	\$916.29	\$1,701.41
88,350	\$0.0082039	\$0.0095746	\$0.0177785	\$724.82	\$845.92	\$1,570.73
81,000	\$0.0082039	\$0.0095746	\$0.0177785	\$664.52	\$775.55	\$1,440.06
74,050	\$0.0082039	\$0.0095746	\$0.0177785	\$607.50	\$709.00	\$1,316.50
67,100	\$0.0082039	\$0.0095746	\$0.0177785	\$550.48	\$642.46	\$1,192.94
47,850	\$0.0082039	\$0.0095746	\$0.0177785	\$392.56	\$458.15	\$850.70
44,000	\$0.0082039	\$0.0095746	\$0.0177785	\$360.97	\$421.28	\$782.26
40,500	\$0.0082039	\$0.0095746	\$0.0177785	\$332.26	\$387.77	\$720.03
33,550	\$0.0082039	\$0.0095746	\$0.0177785	\$275.24	\$321.23	\$596.47
22,000	\$0.0082039	\$0.0095746	\$0.0177785	\$180.49	\$210.64	\$391.13

NOTES:

- a. All amounts are stated in U.S. dollars.
- b. Biennial Owners will be billed every year for ½ of the Annual Assessment shown on the budget plus a \$20 bookkeeping fee
- c. Owners who elect to join the Starwood Vacation Network will have to pay annual dues and fees as established by the SVN Operator from time to time. The figures shown above do not include amounts charged by the SVN Operator.

End of Exhibit K

Exhibit L

BUDGET OF PLAN EXPENSES

NANEA OCEAN VILLAS OWNERS ASSOCIATION, INC PROPOSED BUDGET OF OPERATING EXPENSES JANUARY 1, 2017 through DECEMBER 31, 2017		
Budget is based on 390 resort and lodging units and 3,007,054,200 points	Total Plan Annual	Ownership Points Assessment (per Point)
Revenue		
Late Fee Revenue	4,143	0.0000014
Interest Income Delinquent	488	0.0000002
Miscellaneous Income	265,525	0.0000883
Total Operating Revenue	\$ 270,156	\$ 0.0000898
Expenses		
Payroll and Related		
Maintenance	2,210,400	0.0007351
Housekeeping	4,844,851	0.0016112
Activities	253,917	0.0000844
Total Payroll and Related Expenses	\$ 7,309,168	\$ 0.0024307
Operating Expenses		
Transportation	243,452	0.0000810
Administration	906,283	0.0003014
Audit/Legal	9,559	0.0000032
Maintenance	1,487,436	0.0004946
Utilities	3,349,933	0.0011140
Housekeeping	2,113,139	0.0007027
Activities	(138,857)	(0.0000462)
Subtotal Operating Expenses	\$ 7,970,944	\$ 0.0026507
Other Expenses		
Allowance for Bad Debt	298,732	0.0000993
Management Fees	2,242,692	0.0007458
Replacement Reserves	5,735,439	0.0019073
Parking Garage Reserves	41,083	0.0000137
Parking Garage Operational Expense (1)	276,621	0.0000920
Excise Tax	1,065,087	0.0003542
Subtotal Other Expenses	\$ 9,659,654	\$ 0.0032123
Total Expenses	\$ 24,939,766	\$ 0.0082938
GRAND TOTAL OWNERS ASSOCIATION MAINTENANCE FEE (2) (3)	\$ 24,669,610	\$ 0.0082039

(1) Parking Garage Operational Expense reflects income and expense amounts allocated pursuant to a Parking Agreement between the Villas Association and the Owner of Parking Units 1 and 2, such expense includes a portion of the Community Association's operating expenses which is allocated to the Parking Units 1 and 2.

(2) SVO Pacific Inc., as the Developer of the Nanea Ocean Villas Vacation Ownership Plan hereby guarantees until December 31, 2017, that the operating and reserve budget combined shall not exceed the grand total maintenance fee of \$0.0082039 per point. The seller reserves the right, but not the obligation, to extend and increase the amount of the guaranty for one or more periods of one year each after the expiration of the guaranty period on December 31, 2017.

(3) Biennial Owners will be billed every year for ½ of the Annual Owners Assessment shown on the budget plus a \$20 bookkeeping fee.

End of Exhibit L

Exhibit M

MANNER OF DETERMINING FAIR SHARE OF PROJECT EXPENSES

The Fair Share of the Project Expenses for each Project Ownership Interest will be equal to the sum of each of the amounts to be charged that particular Project Ownership Interest as follows:

A. All Project Ownership Interests for which Assessments have begun must pay a share of the General Common Expenses. The share for each Project Ownership Interest is equal to the total amount of the General Common Expenses multiplied by the following fraction:

$$\frac{\text{The Ownership Share of that Project Ownership Interest}}{\text{The Sum of the Ownership Shares}} \\ \text{For All Project Ownership Interests for Which} \\ \text{Assessments Have Begun}$$

B. All Resort Ownership Interests for which Assessments have begun must pay a share of the Resort Limited Common Expenses and the Shared Area Expenses. The share for each Resort Ownership Interest is equal to the total amount of the Resort Limited Common Expenses and Shared Area Expenses multiplied by the following fraction:

$$\frac{\text{The Ownership Share of that Resort Ownership Interest}}{\text{The Sum of the Ownership Shares}} \\ \text{For All Resort Ownership Interests for Which} \\ \text{Assessments Have Begun}$$

C. All Commercial Ownership Interests for which Assessments have begun and whose Assigned Unit is located in Building 4 must pay a share of the Commercial Limited Common Expenses. The share for each such Commercial Ownership Interest is equal to the total amount of the Commercial Limited Common Expenses multiplied by the following fraction:

$$\frac{\text{The Ownership Share of that Commercial Ownership Interest}}{\text{The Sum of the Ownership Shares}} \\ \text{For All Commercial Ownership Interests} \\ \text{Whose Assigned Unit is in Building 4 and} \\ \text{For Which Assessments Have Begun}$$

D. If any Limited Common Area (other than the Resort Limited Common Areas or the Commercial Limited Common Areas) is appurtenant to an individual Project Ownership Interest for which Assessments have begun, then the Owner of the Project Ownership Interest to which that Limited Common Area is appurtenant must pay the Limited Common Expenses of that Limited Common Area. If a Limited Common Area (other than the Resort Limited Common Areas or the Commercial Limited Common Areas) is appurtenant to more than one Project Ownership Interest for which Assessments have begun, then each such Project Ownership Interest must pay a share of the Limited Common Expenses. The share for each such Project Ownership Interest is equal to the total amount of the Limited Common Expenses of that Limited Common Area multiplied by the following fraction:

$$\frac{\text{The Ownership Share of that Project Ownership Interest}}{\text{The Sum of the Ownership Shares}} \\ \text{For All Project Ownership Interests to Which} \\ \text{That Limited Common Area is Appurtenant and} \\ \text{For Which Assessments Have Begun}$$

E. All Vacation Ownership Interests for which Assessments have begun must pay a share of the Vacation Unit Expenses. The share for each Vacation Ownership Interest is equal to the total amount of the Vacation Unit Expenses multiplied by the following fraction:

$$\frac{\text{The Ownership Share of that Vacation Ownership Interest}}{\text{The Sum of the Ownership Shares}} \\ \text{For All Vacation Ownership Interests for Which} \\ \text{Assessments Have Begun}$$

F. All Commercial Ownership Interests for which Assessments have begun must pay the Commercial Unit Expenses for the Owner's Assigned Unit.

G. All Parking Ownership Interests for which Assessments have begun must pay the Parking Unit Expenses for the Owner's Assigned Unit.

H. All Lodging Ownership Interests for which Assessments have begun must pay the Lodging Unit Expenses for the Owner's Assigned Unit.

I. In addition to the foregoing amounts, the Fair Share for a Biennial Vacation Ownership Interest may include a yearly service or bookkeeping fee in an amount set by the Board from time to time.

J. Special Rules for Utilities.

(1) The cost of utilities to the Commercial Units and/or the Limited Common Areas of the corresponding Commercial Ownership Interests may be separately metered and/or the Board may authorize the installation of sub-meters or check meters to determine the actual use of utilities by certain or each of the Commercial Units and/or the corresponding Limited Common Areas. In either such event, (i) the cost of such utility service will be added to the Assessment for Project Expenses for the corresponding Commercial Ownership Interests, and (ii) the Assessments charged to each such Commercial Ownership Interest will be adjusted as necessary to avoid any duplication of charges for such utilities. If the cost of a utility service is to be allocated to more than one Commercial Ownership Interest and the use by each such Commercial Unit or its Limited Common Areas is not individually and separately metered or check metered, then the Board will fairly and equitably allocate the cost among the affected Commercial Ownership Interests based upon estimated consumption and cost of utilities.

(2) The cost of utilities to the Parking Units and/or the Limited Common Areas of the corresponding Parking Ownership Interests may be separately metered and/or the Board may authorize the installation of sub-meters or check meters to determine the actual use of utilities by certain or each of the Parking Units and/or the corresponding Limited Common Areas. In either such event, (i) the cost of such utility service will be added to the Assessment for Project Expenses for the corresponding Parking Ownership Interests, and (ii) the Assessments charged to each such Parking Ownership Interest will be adjusted as necessary to avoid any duplication of charges for such utilities. If the cost of a utility service is to be allocated to more than one Parking Ownership Interest and the use by each such Parking Unit or the corresponding Limited Common Areas is not individually and separately metered or check metered, then the Board will fairly and equitably allocate the cost among the affected Parking Ownership Interests based upon estimated consumption and cost of utilities.

K. Special Rule for Parking Units. With the exception of the retention basin located beneath Parking Unit 2, most structural components of the parking structures fall within the boundaries of the Parking Units. These include things like the floors, ceilings, exterior and interior walls of the parking structures, the stairways, elevators and elevator machine rooms of the parking structures, the roofs of the parking structures, various load-bearing walls and columns, the foundation of the parking structure containing Parking Unit 1, and various other structural components of the parking structures. Upon request by the Owner of a Parking Unit, and if the Developer provides its written consent, the Board will adjust the Budget as necessary to fairly and equitably allocate the costs and expenses (including reserves) of any structural components of Buildings 1 – 8 solely to the Interests having Units located within such Buildings. In such event, the Parking Owners will have no obligation to pay the costs and expenses of the structural components of Buildings 1 – 8 as part of their Assessments, but will continue to have the obligation to pay the costs and expenses of the structural components of the parking structures located within the boundaries of their respective Parking Units as part of the Assessments for their respective Parking Units.

End of Exhibit M

Exhibit N

BUDGET OF PROJECT EXPENSES

NANEA OCEAN RESORT COMMUNITY ASSOCIATION, INC PROPOSED BUDGET OF OPERATING EXPENSES JANUARY 1, 2017 through DECEMBER 31, 2017								
Budget is based on a Total Project percentage Interest of 3.098,581.502 points. (1)	All Units Annual	Resort Units		Commercial 1	Commercial 2	Commercial 3	Parking 1	Parking 2
		Vacation	Lodging					
General Common								
Revenue								
Interest Revenue	3,563	0.000011	0.000011	0.000011	0.000011	0.000011	0.000011	0.000011
Total Operating Revenue	\$ 3,563	\$ 0.000011	\$ 0.000011	\$ 0.000011	\$ 0.000011	\$ 0.000011	\$ 0.000011	\$ 0.000011
Expenses (2)								
Payroll and Related								
Administration	2,627,437	0.0008479	0.0008479	0.0008479	0.0008479	0.0008479	0.0008479	0.0008479
Maintenance	826,160	0.0002666	0.0002666	0.0002666	0.0002666	0.0002666	0.0002666	0.0002666
Housekeeping - Common Area	639,907	0.0002065	0.0002065	0.0002065	0.0002065	0.0002065	0.0002065	0.0002065
Security	1,042,557	0.0003365	0.0003365	0.0003365	0.0003365	0.0003365	0.0003365	0.0003365
Total Payroll and Related Expenses	\$ 5,136,060	\$ 0.0016576	\$ 0.0016576	\$ 0.0016576	\$ 0.0016576	\$ 0.0016576	\$ 0.0016576	\$ 0.0016576
Operating Expenses								
Administration	487,391	0.0001573	0.0001573	0.0001573	0.0001573	0.0001573	0.0001573	0.0001573
Audit/Legal	9,518	0.0000031	0.0000031	0.0000031	0.0000031	0.0000031	0.0000031	0.0000031
Maintenance	1,051,135	0.0003392	0.0003392	0.0003392	0.0003392	0.0003392	0.0003392	0.0003392
Utilities	1,756,083	0.0005667	0.0005667	0.0005667	0.0005667	0.0005667	0.0005667	0.0005667
Security	118,781	0.0000383	0.0000383	0.0000383	0.0000383	0.0000383	0.0000383	0.0000383
Insurance	1,895,411	0.0006117	0.0006117	0.0006117	0.0006117	0.0006117	0.0006117	0.0006117
Subtotal Operating Expenses	\$ 5,318,318	\$ 0.0017164	\$ 0.0017164	\$ 0.0017164	\$ 0.0017164	\$ 0.0017164	\$ 0.0017164	\$ 0.0017164
Other Expenses								
Management Fees	2,681,837	0.0008655	0.0008655	0.0008655	0.0008655	0.0008655	0.0008655	0.0008655
Replacement Reserves	3,348,600	0.0010807	0.0010807	0.0010807	0.0010807	0.0010807	0.0010807	0.0010807
North Beach Master Association	100,000	0.0000323	0.0000323	0.0000323	0.0000323	0.0000323	0.0000323	0.0000323
Ad Valorem Tax	7,412,950	0.0023924	0.0023924	0.0023924	0.0023924	0.0023924	0.0023924	0.0023924
Subtotal Other Expenses	\$ 13,543,387	\$ 0.0043708	\$ 0.0043708	\$ 0.0043708	\$ 0.0043708	\$ 0.0043708	\$ 0.0043708	\$ 0.0043708
Total Expenses	\$ 23,997,765	\$ 0.0077448	\$ 0.0077448	\$ 0.0077448	\$ 0.0077448	\$ 0.0077448	\$ 0.0077448	\$ 0.0077448
Resort Limited Common								
Expenses								
Operating Expenses								
Maintenance	108,632	0.0000361	0.0000361	-	-	-	-	-
Subtotal Operating Expenses	\$ 108,632	\$ 0.0000361	\$ 0.0000361	-	-	-	-	-
Other Expenses								
Postage & Printing	85,042	0.0000283	0.0000283	-	-	-	-	-
Replacement Reserves	853,630	0.0002839	0.0002839	-	-	-	-	-
Credit Cards Fees	1,023,209	0.0003403	0.0003403	-	-	-	-	-
Subtotal Other Expenses	\$ 1,961,881	\$ 0.0006524	\$ 0.0006524	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 2,070,514	\$ 0.0006886	\$ 0.0006886	\$ -	\$ -	\$ -	\$ -	\$ -
Shared Area								
Expenses								
Payroll and Related								
Front Office	2,970,881	0.0009880	0.0009880	-	-	-	-	-
Total Payroll and Related Expenses	\$ 2,970,881	\$ 0.0009880	\$ 0.0009880	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses								
Front Office	464,608	0.0001545	0.0001545	-	-	-	-	-
Subtotal Operating Expenses	\$ 464,608	\$ 0.0001545	\$ 0.0001545	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 3,435,489	\$ 0.0011425	\$ 0.0011425	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL COMMUNITY ASSOCIATION								
MAINTENANCE FEE (3) (4)	\$ 29,500,204	\$ 0.0095746	\$ 0.0095746	\$ 0.0077436	\$ 0.0077436	\$ 0.0077436	\$ 0.0077436	\$ 0.0077436

(1) The Total Project percentage interest is allocated between Owners of Resort Units, Lodging Units, Commercial Units and Parking Units.

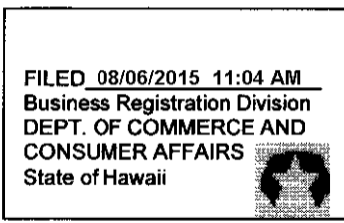
(2) In estimating the expenses associated with the 2017 Annual Operating Budget, certain common expenses of the Community Association have been determined through allocations of costs related to services that are shared between the units of the Community Association.

(3) SVO Pacific Inc., as the Developer of the Nanea Ocean Resort Community Association, hereby guarantees until December 31, 2017, that the operating and reserve budget combined shall not exceed the grand total community maintenance fee of \$0.0095746 per point for Resort Units and \$0.0077436 per point for Parking Units. The seller reserves the right, but not the obligation, to extend and increase the amount of the guaranty for one or more periods of one year each after the expiration of the guaranty period on December 31, 2017.

(4) Biennial Owners will be billed every year for 1/2 of the Annual Community Assessment shown on the budget plus a \$20 bookkeeping fee.

(5) The Commercial Limited Common Expenses consist solely of the cost to maintain the restrooms serving Commercial Units 101, 102 and 103 which are located at the makai end of Building 4. These expenses consist of things such as utility services (e.g., electricity for lighting these restrooms), and janitorial service for cleaning them. The Owners of Commercial Units 101, 102 and 103 have elected to assume the administration and maintenance of these restrooms and to pay directly any sums required to maintain them. As a result, there is no separate line item for Commercial Limited Common Expenses in this budget.

End of Exhibit N



Nanea Ocean Villas Owners Association, Inc.

ARTICLES OF INCORPORATION

Section 414D-32, Hawaii Revised Statutes

The person who signed this document desires to form a nonprofit corporation under the laws of the State of Hawai'i and certifies the following:

**ARTICLE 1
DEFINITIONS**

In this document, the following terms have the following meanings:

Section 1.1 The term "*Act*" means Chapter 514E, Hawaii Revised Statutes, as it may be amended from time to time, or any successor or replacement law.

Section 1.2 The term "*Association*" means the corporation.

Section 1.3 The term "*Board*" means the board of directors of the Association.

Section 1.4 The term "*Bylaws*" means the "Bylaws of Nanea Ocean Villas Owners Association, Inc." recorded in the Bureau of Conveyances of the State of Hawai'i with the Declaration, and any changes made to them from time to time.

Section 1.5 The term "*Declaration*" means that certain document named "Nanea Ocean Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership" recorded in the Bureau of Conveyances of the State of Hawai'i, and any changes made to it from time to time.

Section 1.6 The term "*Hawaii Nonprofit Corporations Act*" means Chapter 414D, Hawaii Revised Statutes, as it may be amended from time to time, or any successor or replacement law.

Section 1.7 The term "*Rules*" means Chapter 16-106, Hawaii Administrative Rules, as it may be amended from time to time, or any successor or replacement rules.

Section 1.8 Certain other terms used in these Articles are defined in the Declaration or in the Bylaws of the Association. Those terms will have the same meaning here as in the Declaration or Bylaws unless the context clearly indicates otherwise.

**ARTICLE 2
NAME**

The name of the corporation is "Nanea Ocean Villas Owners Association, Inc."

**ARTICLE 3
INITIAL MAILING ADDRESS**

The mailing address of the corporation's initial principal office is 6 Kai Ala Drive, Lahaina, Hawai'i 96761.

**ARTICLE 4
DURATION**

The corporation will exist forever unless it is dissolved as provided in the Hawaii Nonprofit Corporations Act.

**ARTICLE 5
PURPOSES AND POWERS**

Section 5.1 Purposes. The corporation is organized for the following purposes:

A. To be the association of Owners required by the Declaration and the Act, and to have the rights and duties of the Association as provided in the Vacation Plan Documents or by law;

B. To provide an entity to further the interests of the Members and the Developer; and

C. To engage in any lawful activity for which nonprofit corporations may be incorporated under the Hawaii Nonprofit Corporations Act or in which an owners association may engage as provided in the Act and the Rules.

Section 5.2 Powers and Duties. The corporation has and may exercise any or all of these powers and has each of these duties and obligations:

A. It has the powers, duties and obligations granted to or imposed on the Association in the Declaration, these Articles, or the Bylaws.

B. It has the powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawai'i.

C. It has the powers, duties and obligations of an association of time share owners under the Act and the Rules.

D. It has any other powers, duties and obligations imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Association under these Articles, the Declaration, or the Bylaws, or that otherwise promote the general benefit of the Members.

Section 5.3 Specific Powers. Without limiting the powers and duties of the Association as stated in Section 5.2 or in the Hawaii Nonprofit Corporations Act, the Association has the following specific powers:

A. To manage, control, and operate the Plan as provided in the Vacation Plan Documents;

B. To manage, control, operate, maintain, repair, replace, and improve the Villas and Common Furnishings, and any other property for which the Association has a right or duty to provide such services;

C. To pay the expenses and costs described in the Vacation Plan Documents, except that the Association need not do anything required of it until it has the necessary funds;

D. To charge and collect the Assessments, Personal Charges and other amounts described in the Vacation Plan Documents;

E. To enforce the Vacation Plan Documents;

F. To participate in SVN on the terms and conditions stated in the Affiliation Agreement with the SVN Operator and any replacement affiliation agreement allowed by the Declaration and the Bylaws.

G. To join and participate in any Exchange Program (to the extent permitted by the Vacation Plan Documents), in any trade organizations, or in any other travel-related activities or programs that may benefit the Members;

H. To pay all taxes and assessments on the Vacation Property to the extent that the same are not paid by the Community Association of the Project;

I. To engage in activities that will foster, promote, or advance the common interests of the Members or encourage and promote vacation ownership in the State of Hawai'i.

J. To make contracts and guarantees and incur liabilities, borrow money, issue notes and other obligations, and to secure any of its obligations by mortgage or pledge of all or any part of its property, assets, franchises, or income;

K. To act as principal, agent, joint venturer, partner, or in any capacity that may be authorized or approved by the Board; and

L. To exercise all other rights and powers and to perform all other duties of the Association under the Vacation Plan Documents.

Section 5.4 Purposes and Powers. The provisions of Sections 5.1, 5.2, and 5.3 will each be construed as purposes and powers.

Section 5.5 Limits on Association Powers. The purposes, powers and duties of the Association are subject to any limits set by law or by these Articles, the Declaration, or the Bylaws. The Developer is expressly declared to be intended third-party beneficiaries of this limitation. This means, among other things, that this limitation is intended to protect the Developer and that the Developer may enforce it.

**ARTICLE 6
BOARD OF DIRECTORS**

Section 6.1 Authority of Board. Subject to any limits imposed by law:

A. The business and affairs of the Association are controlled by its Board. Except as limited by law or by the Declaration, these Articles, the Bylaws, or the Act, the Board may exercise all powers of the Association and must perform all of its duties, including the management of the Association's affairs. The Board may not, however, take any action that, by law, or under the Declaration, these Articles, or the Bylaws, must be taken, authorized or approved by the Members of the Association, or by some part or percentage of them.

B. The Developer shall appoint and may remove the officers and Directors of the Association during the Developer Control Period. The Developer may voluntarily surrender the right to appoint and remove the officers and Directors before the termination of the Developer Control Period, but in that event the Developer may require, for the duration of the Developer Control Period, that specified actions of the Association or Board, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective. Not later than the termination of the Developer Control Period, the Unit Owners will elect a new Board at an annual or special meeting of the Association called for such purpose. Subject to the foregoing, the Declaration and the Bylaws govern the method of electing, removing and filling vacancies in the Board, and the term of office of Directors and officers.

C. Subject to any limitations in the Hawaii Nonprofit Corporations Act, the Board may delegate its powers to the officers of the Association or to one or more professional managers hired by the Association, including but not limited to the Plan Manager or the Reservation System Operator. This authority is subject to any limits contained in these Articles, the Declaration or the Bylaws.

Section 6.2 Number of Directors. The Board will have not less than three (3) Directors or more than five (5). Subject to these limits, the number of Directors may be changed by an amendment to these Articles or to the Bylaws.

Section 6.3 Initial Directors. The initial Board will consist of five (5) Directors. The Developer shall appoint the initial Directors. Those persons will hold

office until replacement Directors are elected or appointed in the manner provided in the Declaration and/or in the Bylaws unless they are removed by the Developer.

Section 6.4 Limitation of Liability of Directors. A Director shall have no personal liability to the Association or its Members for money damages for breach of the Director's duties to the Association and its Members; provided, that this does not eliminate the liability of a Director for those things for which, under the Hawaii Nonprofit Corporations Act, a Director's liability cannot be eliminated.

**ARTICLE 7
MEMBERS AND VOTING**

Section 7.1 Members.

A. The Association has Members. Memberships will be issued only in the manner and on the conditions described in the Declaration and Bylaws.

B. The Association may have different kinds or classes of Members as described in these Articles or in the Declaration or Bylaws.

1. **Class A Members.** The Class A Members shall consist of all Owners of Vacation Ownership Interests other than the Developer.

2. **Class B Member.** The Class B Member shall consist of the Developer to the extent that it is an Owner or, under the Declaration, is deemed to be an Owner.

Section 7.2 Voting. The Members are entitled to vote as provided in these Articles, the Declaration, and the Bylaws.

A. Each Vacation Ownership Interest is entitled to cast that number of votes in the Association as shall be equal to the numerator (top number) of its Ownership Share. To make voting more manageable, the Board may conduct voting on a percentage basis. In such case, each Vacation Ownership Interest shall have a vote equivalent to the percentage that the number of votes assigned to the Vacation Ownership Interest bears to the total number of votes assigned to all Vacation Ownership Interests except those whose voting rights have been suspended.

B. If a Vacation Ownership Interest is owned by more than one person, its co-Owners do not each

receive a separate allotment of votes. Votes are allocated to a Vacation Ownership Interest, not the Owners of it. The number of votes allocated to a Vacation Ownership Interest remains the same regardless of the number of co-Owners of that Vacation Ownership Interest. The co-Owners of a Vacation Ownership Interest must share the votes for that Vacation Ownership Interest and will have to agree among themselves on how to cast the vote of their Vacation Ownership Interest. The Association need not settle disputes among co-Owners as to voting. If the co-Owners cannot agree, they lose their right to vote on the matter in question. Fractional (split) votes are not allowed. For example, if a Vacation Ownership Interest has 257,700 votes, all 257,700 votes must be cast together as a block. The Owner cannot cast, say, 100,000 of the votes. And co-Owners could not each cast half of the 257,700 votes. All votes of the Vacation Ownership Interest must be voted together.

C. When a Vacation Ownership Interest is owned by more than one person, the vote or votes for that Vacation Ownership Interest may be cast by any of its co-Owners, unless (i) another co-Owner files a written objection with the Secretary or the Chairperson during or before the meeting, or (ii) another co-Owner casts an inconsistent vote.

D. Voting will not be done by class except where the Vacation Plan Documents expressly provide otherwise. For example:

(1) In cases where the Vacation Plan Documents provide for action by a "Majority of the Owners", or by a "Majority of the Members", or by a "Majority of the Owners Voting", or similar provisions, the votes of all Members, including the Developer if it is then a Member, will be counted without regard to the existence of separate classes. For example, if the Developer has 1,000 votes and the other Members have 1,000 votes, then 1,001 votes would constitute a Majority of the Owners.

(2) Certain provisions of these Articles or the other Vacation Plan Documents may require (i) the vote of the Members, plus (ii) the consent or approval of the Developer. In those cases, the votes of all Members, including the Developer if it is then a Member, will be counted without regard to the existence of separate classes. In addition, however, the separate consent or approval of the Developer will be required.

(3) Section 10.3 of these Articles, and certain provisions of the other Vacation Plan Documents,

permit the amendment of these Articles or other Vacation Plan Documents by vote or written consent of the Developer alone. In such cases, (i) only the Developer, in its capacity as the Class B Member, can vote on such issues (or take action by written consent), and (ii) no Class A Members will be entitled to vote or to give or withhold their consent, nor shall any vote or written consent of the Class A Members be required to amend these Articles or the other Vacation Plan Documents in such circumstances.

(4) In some cases, the Vacation Plan Documents provide for action by vote of a "Majority of the Owners (not counting the votes of the Developer)", or by a "Majority of the Members (not counting the votes of the Developer)", or by a "Majority of the Owners Voting (not counting the votes of the Developer)", and so on. In such cases, (i) only the Class A Members can vote on such issues (or take action by written consent), and (ii) the Developer, as the Class B Member, will not be entitled to vote or to give or withhold its consent on such issues. This does not, however, limit the Developer's rights of approval or consent in circumstances like those described in Subsection 7.2D.(2).

E. If any Member or the Member's Guest violates the Vacation Plan Documents, the Association may, among other things, suspend the Member's rights under the Vacation Plan Documents, including the Member's rights to vote or participate in any matter before the Association. The nature of this right and the procedures for suspension are stated in the Declaration and Bylaws.

F. In all other respects, voting rights are governed by and may be limited, enlarged or denied as provided in the Vacation Plan Documents.

ARTICLE 8 ASSESSMENTS AND PERSONAL CHARGES

The Association may charge Assessments, Personal Charges, and other sums to and collect them from the Members from time to time in accordance with the provisions of the Vacation Plan Documents. The Members must pay the Assessments, Personal Charges, and other sums, and will be personally liable to do so. The Members are not individually or personally liable for the debts of the Association, but this does not relieve them from liability to pay the amounts charged to them pursuant to the Vacation Plan Documents. The Association may foreclose on a

Vacation Ownership Interest for non-payment of Assessments, Personal Charges, or other sums due.

**ARTICLE 9
NON-PROFIT NATURE**

The corporation is nonprofit in nature. It cannot authorize or issue shares of stock. No dividends may be paid and no part of the income or profit of the corporation may be distributed to its Members, Directors, or officers. Subject to any limits contained in the Declaration or Bylaws: (a) the Association may pay reasonable compensation to its Members, officers or Directors for services actually provided to or for the benefit of the Association, and (b) the Association may reimburse any expenses incurred for the Association by any officer, Director, Member, agent or employee, or any other person or entity authorized by the Board. Upon dissolution or final liquidation, the Association may make distributions to its Members in accordance with the requirements of the Bylaws and the Hawaii Nonprofit Corporations Act, and no such distribution will be deemed to be a dividend or a distribution of income or profit (as now provided by the Hawaii Nonprofit Corporations Act).

**ARTICLE 10
AMENDMENTS**

Section 10.1 Amendment by Vote of Members. Except as provided in Sections 10.2 and 10.3, these Articles may be amended if each of these requirements are met:

A. The Board must adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at an annual or special meeting of the Association.

B. Notice setting forth the proposed amendment or a summary of the changes to be effected by the proposed amendments shall be given to each Member entitled to vote at the meeting within the time and in the manner provided in the Hawaii Nonprofit Corporations Act for the giving of notice of meetings to Members.

C. The proposed amendment must receive at least two-thirds of the votes held by Members present at the meeting, in person or by proxy, or any higher percentage required by law.

D. If the Developer (i) owns a Vacation Ownership Interest, (ii) holds a mortgage on a Vacation Ownership Interest, or (iii) is otherwise deemed to be a

Member, the amendment will not be effective unless the Developer approves it in writing.

Section 10.2 Amendment By The Board. These Articles may be amended by the vote of a majority of the Directors in office to conform these Articles to any change to the Declaration or Bylaws made by the Developer when using the Developer's Reserved Rights to amend the Declaration or Bylaws, or to conform these Articles to any change in the Hawaii Nonprofit Corporations Act. No Members are entitled to vote on any amendment proposed for these purposes. Unless otherwise required by law, no notice or meeting is required for the purpose of making an amendment pursuant to this Section 10.2.

Section 10.3 Amendment By Developer. These Articles may be amended by the vote or written consent of the Developer when using the Developer's Reserved Rights to amend the Vacation Plan Documents as described in the Declaration or Bylaws. No other Members are entitled to vote on any amendment to be made in this manner. Unless otherwise required by law, no notice is required for any meeting called for the purpose of making an amendment in this manner. The Developer also may use the special power of attorney granted to it in the Declaration or Bylaws to consent to the amendment on behalf of the Members and/or to take action on behalf of the Association by unanimous written consent.

Section 10.4 Amendment of Developer's Rights. No amendment may change the rights and privileges of the Developer under these Articles or the other Vacation Plan Documents unless the Developer approves the amendment in writing.

**ARTICLE 11
REGISTERED AGENT FOR SERVICE OF PROCESS**

The name of the Company's initial registered agent for service of process and the street address of the place of business of the person in the State of Hawaii to which service of process and other notice and documents being served on or sent to the Company represented by it may be delivered to are: Angela Nolan, 6 Kai Ala Drive, Lahaina, Hawaii 96761.

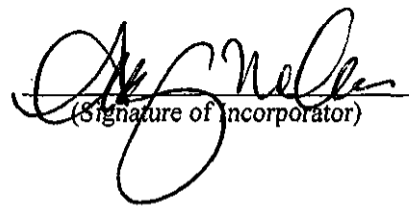
**ARTICLE 12
INCORPORATOR**

Angela Nolan is the incorporator. Her address is 6 Kai Ala Drive, Lahaina, Hawaii 96761.

I CERTIFY under the penalties of Section 414D-12, Hawaii Revised Statutes, that I have read the statements contained in this document and that the statements are true and correct.

DATED this 3rd day of August, 2015.

ANGELA NOLAN
(Type/Print Name of Incorporator)


(Signature of Incorporator)

July 30, 2015

THE ORIGINAL OF THE DOCUMENT
RECORDED AS FOLLOWS:
STATE OF HAWAII

BUREAU OF CONVEYANCES

DOCUMENT NO. - Doc A - 57081023

DATE - TIME - August 18, 2015 3:29 PM

RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawai'i 96813
Phone No. (808) 529-7300

This document contains 118 pages

Tax Map Key: 2nd Div., 4-4-14-5

Nanea Ocean Villas Vacation Ownership Plan

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR VACATION OWNERSHIP

THIS DECLARATION is made on the 12th day of August, 2015, by SVO PACIFIC, INC., a Florida corporation (the "Developer").

The Developer owns the property described in Exhibit A which is attached to and part of this Declaration. It is part of Nanea Ocean Resort, a planned community consisting of retail, restaurant, vacation ownership, and hotel components, and which may someday include fractional and whole ownership condominium components. This Declaration establishes a plan for sharing the ownership and use of the property described in Exhibit A and any other property submitted to this Declaration in the future. This plan is called the "Vacation Ownership Plan" or just the "Plan." The name of the Plan is *Nanea Ocean Villas Vacation Ownership Plan*.

To help you read this Declaration, we included a table of contents. Key terms are defined in Chapter 1 and in the glossary of legal terms in Section 20.5. Other terms are defined elsewhere in this Declaration. To help you find them, we also included an index of all defined terms.

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1. DEFINITIONS.

This Section 1 defines certain words or phrases having special meanings in this Declaration, in the Articles, or in the Bylaws. Other Sections include definitions of key words or phrases that are introduced or explained in those Sections. Section 20.5 contains a glossary of key legal terms. Finally, some terms are defined elsewhere in this document in order to put them in context. In this Declaration, the Articles and the Bylaws, capitalized terms will have the special meanings given to them except where the context clearly requires otherwise.

The following definitions are not listed alphabetically. Instead, they are presented in groups of related concepts. This should help make it easier to read and understand this Section. For future reference, key words and phrases are listed alphabetically in the Index of Definitions.

1.1 THE PROJECT. The property in the Plan is part of the Nanea Ocean Resort, a beachfront real estate development on the Island of Maui. These definitions are used to describe Nanea Ocean Resort and the legal documents that govern it:

A. "PROJECT" means Nanea Ocean Resort. It consists of the Land and the Improvements.

1) **"LAND"** means the real property described in Exhibit A to the Project Declaration. The description of the Land may change from time to time in accordance with the Project Declaration.

2) **"IMPROVEMENTS"** means all improvements located on the Land, now or in the future.

B. "UNIT" means any part of the Project designated as a Unit in the Project Declaration. When used to refer to legal title, it also includes the Ownership Share to which the Unit is appurtenant.

1) **"OWNERSHIP SHARE"** means an undivided interest in the Project in fee simple, as tenants in common with the other owners of undivided interests in the Project from time to time. See Section 5.4A.

C. "COMMON AREA" means all parts of the Project except for the Units.

1) **"GENERAL COMMON AREA"** means all Common Area other than the Limited Common Areas.

2) **"LIMITED COMMON AREA"** means any part of any Common Area designated as a Limited Common Area in the Project Declaration.

D. "PROJECT DEVELOPER" means the person designated as the "Developer" under or pursuant to the Project Declaration. If the Project Developer transfers some or all of its rights or duties as the "Developer" under the Project Documents to someone else, then that person will become the "Project Developer" to the extent of the rights and/or duties transferred.

E. "PROJECT DOCUMENTS" means the following documents:

1) **"PROJECT DECLARATION"** means the Nanea Ocean Resort Declaration of Covenants, Conditions, Easements and Restrictions recorded concurrently with or prior to this document, including any exhibits to it, and all changes and additions properly made to it from time to time.

2) **"PROJECT ARTICLES"** means the "Articles of Incorporation of the Nanea Ocean Resort Community Association, Inc." filed with the Department of Commerce and Consumer Affairs of the State of Hawai'i, and all changes and additions properly made to them from time to time.

3) **"PROJECT BYLAWS"** means the Bylaws of the Community Association, and all changes and additions properly made to them from time to time.

4) **"COMMUNITY ASSOCIATION RULES"** means the rules adopted from time to time pursuant to the Project Declaration, and all changes and additions properly made to them from time to time.

5) **"PROJECT PLAN"** means the plans attached to the Project Declaration, and all changes and additions properly made to them from time to time. The Project Plan shows, among other things, the floor plans and elevations of the buildings in the Project.

F. "COMMUNITY ASSOCIATION" means Nanea Ocean Resort Community Association, Inc., a Hawai'i nonprofit corporation. The Community Association manages the Project. Do not confuse it with the Vacation Owners Association or the Ka'anapali North Beach Association. Those associations are described later in this Declaration.

G. "PROJECT OWNERSHIP INTEREST" or just **"INTEREST"** means an Ownership Share in the Project together with appurtenant rights to use the Units and Common Areas of the Project, and membership in the Community Association, all as more specifically provided in and subject to the terms and conditions of the Project Documents and, in the case of the Vacation Ownership Interests, the Vacation Plan Documents.

1.2 "INTEREST OWNER" means the person or persons who own a Project Ownership Interest. The following persons are "Interest Owners":

A. The grantee named in the First Deed of a Project Ownership Interest (but only while he or she owns it), and any person to whom that Project Ownership Interest is later transferred (but only while he or she owns it).

B. The buyer of a Project Ownership Interest under an Agreement of Sale. While an Agreement of Sale is in effect, only the buyer (and not the seller) will be considered the Interest Owner. Even so, the seller may keep the right to vote on "matters substantially affecting his security interest" as that phrase is used in the Condominium Property Act (even though the Project is not a condominium). If the Agreement of Sale is canceled, the seller will become the Interest Owner again. "Agreement of Sale" is defined in Section 20.5.

C. The Project Developer with respect to any Project Ownership Interest not transferred by a First Deed or an Agreement of Sale.

Note: In this Subsection 1.2, the term "First Deed" means a deed that is a "First Deed" under the Project Declaration.

1.3 THE VACATION PLAN. The Nanea Ocean Villas Vacation Ownership Plan is a plan for sharing the use and expenses of portions of the Nanea Ocean Resort real estate development. The nature of the Plan and the rights and duties of the Developer and anyone else who participates in the Plan are described in various legal documents. These definitions are used to describe the Plan and the documents that govern it:

A. "VACATION OWNERSHIP PLAN" or "PLAN" means the plan created by and existing under the Vacation Plan Documents.

B. "VACATION PLAN DOCUMENTS" means these documents:

1) "DECLARATION" means this document and any changes and additions properly made to it from time to time.

2) "ARTICLES" means the "Articles of Incorporation of Nanea Ocean Villas Owners Association, Inc." filed with the Department of Commerce and Consumer Affairs of the State of Hawai'i, and any changes and additions properly made to them from time to time. The Articles established and govern the Association as a corporation.

3) "BYLAWS" means the Bylaws of the Association and any changes and additions properly made to them from time to time. The Bylaws are attached as Exhibit B to this Declaration.

4) "ASSOCIATION RULES" means the rules adopted pursuant to Section 12.3H of this Declaration, and any changes and additions properly made to them from time to time.

5) "RESERVATION RULES" means the rules adopted pursuant to Section 7.7A, and any changes and additions properly made to them from time to time.

C. "DEVELOPER" means SVO Pacific, Inc., a Florida corporation. The Developer created the Plan.

D. "DEVELOPER'S RESERVED RIGHTS" means all rights reserved to the Developer in the Vacation Plan Documents. For example, see the Developer's rights described in Sections 3.3B.2), 4.4, 4.5, 4.6, 5.10A, 5.10C, 8.8, 8.9, 9.8, 12.3I, 12.3K, 14.7B, 18.1, 18.4A, 19.1B, 19.1C, 19.1E, 20.1 and 20.3 of this Declaration. This is not intended to be a list of all of the Developer's Reserved Rights.

1.4 THE ASSOCIATION. The Association serves as the association of persons who own Vacation Ownership Interests in the Plan. These definitions are used to describe the Association and its members:

A. "ASSOCIATION" OR "VACATION OWNERS ASSOCIATION" means the Nanea Ocean Villas Owners Association, Inc. It is a Hawai'i nonprofit corporation. Do not confuse it with the "Community Association" or the "Ka'anapali North Beach Association."

1) "BOARD" means the Board of Directors of the Association.

2) "PLAN MANAGER" means the agent hired from time to time pursuant to Section 12.4 to manage the Vacation Property and the Plan.

B. "VACATION OWNER" or "OWNER" means the owner of a Vacation Ownership Interest. The following persons are "Owners":

1) The Owner named in the First Deed of a Vacation Ownership Interest (but only while he or she owns it) and any person to whom that Vacation Ownership Interest is later transferred (but only while he or she owns it).

2) The buyer under an Agreement of Sale. While an Agreement of Sale is in effect, only the buyer (and not the seller) will be considered the Owner. Even

so, the seller may keep the right to vote on "matters substantially affecting his security interest" as that phrase is used in the Condominium Property Act (even though the Project is not a condominium). If the Agreement of Sale is canceled, the seller will become the Owner again. "Agreement of Sale" is defined in the glossary (Section 20.5).

3) The Developer with respect to any Vacation Ownership Interest not transferred by a First Deed or an Agreement of Sale.

1.5 VACATION PROPERTY. The Association operates and maintains the Units included in the Plan and any other property owned or leased by the Association. These terms are used to describe that property:

A. "VILLA" means a Unit included in the Vacation Ownership Plan. Each Unit described in Exhibit A is a "Villa." Each Unit added to the Plan by the Developer acting under Section 18.2 is also a "Villa."

B. "COMMON FURNISHINGS" means all things owned or leased by the Association for use by the Owners or for operating or maintaining the Vacation Property or the Plan. It includes, for example, furniture, appliances, and furnishings (like linens and kitchenware) in the Villas, as well as equipment (like computers, tools and ladders) and motor vehicles owned or leased by the Association for the benefit of the Plan. The Association may also buy or lease things like bicycles, surfboards, and other recreational property for use by or to rent to Owners and other Occupants. These are also Common Furnishings.

C. "VACATION PROPERTY" means the Villas and the Common Furnishings. When used to refer to legal title, it also includes the Ownership Share(s) to which the Villas are appurtenant.

1.6 EXCHANGE PROGRAM. In some circumstances, Owners can exchange their reservation and use rights in this Plan for the right to reserve and use other property that is not part of this Plan. This is called an "exchange." This is discussed in greater detail later. These definitions are used to describe Exchange Programs.

A. "EXCHANGE PROGRAM" means a service that permits owners of Vacation Interests or Fractional Interests to trade their reservation and use rights in their Vacation Plan or Fractional Plan for the right to use other property. For purposes of the Vacation Plan Documents, SVN is an Exchange Program.

B. "EXCHANGE COMPANY" means the operator of an Exchange Program. For example, the SVN Operator is an Exchange Company.

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C. "EXCHANGE CONTRACT" means an agreement between the Association and an Exchange Company to make the Exchange Company's Exchange Program available to Owners. The Developer also may be a party to the Exchange Contract.

D. "EXCHANGE USER" means a person, other than an Owner in this Plan or the Developer, whose use of a Villa is arranged through an Exchange Program.

E. "VACATION PLAN" means any time share plan or program or vacation ownership plan or program, whether or not the plan or program includes any Interest or Unit in the Project. For example, the Nanea Ocean Villas Vacation Ownership Plan is a Vacation Plan.

1) "VACATION INTEREST" means any interest in a Vacation Plan, or in a unit or other property included in a Vacation Plan, that entitles the owner or holder of that interest to use, occupy, or possess, on a periodically recurring basis, property included in the Vacation Plan. For example, a Vacation Ownership Interest in the Nanea Ocean Villas Vacation Ownership Plan is a Vacation Interest.

F. "FRACTIONAL PLAN" means any plan or program, other than a Vacation Plan, in which various persons are entitled to the use, occupancy, or possession, on a periodically recurring basis, of one or more units, whether or not the plan or program includes any Interest or Unit in the Project. This includes, but is not limited to "private residence clubs", "non-equity clubs", and similar programs. For examples, see the "Signature Destinations Club", "The Leading Residence of the World", "Exclusive Resorts", "Abercrombie & Kent Registry", and similar programs.

1) "FRACTIONAL INTEREST" means any interest in a Fractional Plan, or in a unit or other property included in a Fractional Plan, that entitles the owner or holder of that interest to use, occupy, or possess, on a periodically recurring basis, property included in or available through the Fractional Plan.

G. "STARWOOD VACATION NETWORK" or "SVN" is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services offered from time to time to SVN members by the SVN Operator from time to time. SVN is not a legal entity or association of any kind. It is a business owned and operated by the SVN Operator, and it is subject to change from time to time as the SVN Operator determines in its sole discretion.

H. "SVN OPERATOR" means Starwood Vacation Exchange Company, a Delaware corporation, its successors and assigns.

I. "AFFILIATION AGREEMENT" means an Exchange Contract between the SVN Operator and the Association. There may be other parties to the Affiliation Agreement.

1.7 GUESTS AND OCCUPANTS. Owners may allow someone else to use their reserved time and they may also bring guests. The nature of these rights, and the related responsibilities, are discussed later. These definitions are used to describe occupants of the Villas and their guests:

A. "OCCUPANT" means a Primary Occupant and his or her Guests.

B. "PRIMARY OCCUPANT" means an Owner, Exchange User, the Developer, or another person who is authorized to occupy a Villa for a particular Use Period and who (i) has checked in with the Plan Manager, or (ii) has rented it to someone who has checked in with the Plan Manager. It may be an Owner (including the Developer to the extent that it is an Owner). It may also be the Developer (using its special rights as the Developer), an Exchange User, or someone else who has the right to occupy a Villa at that time.

C. "GUEST" means a Primary Occupant's family, visitors, renters, employees, servants, tenants, "licensees" (persons permitted in the Villa) and "invitees" (persons invited in). An Exchange User is a Primary Occupant and is not considered a "Guest" of (i) any Owner, (ii) the Developer, (iii) the Exchange Company that arranged the exchange, or (iv) anyone else.

1.8 KA'ANAPALI NORTH BEACH. Ka'anapali North Beach is a planned community that includes the Project and certain other parcels of land. It has its own separate association and its own board of directors. It is governed by its own declaration, and bylaws, and various other documents. Because the Project is part of Ka'anapali North Beach, it is governed by the Ka'anapali North Beach Documents. These definitions are used to describe Ka'anapali North Beach and the legal documents that govern it:

A. "KA'ANAPALI NORTH BEACH" means all of the property that is subject to the Ka'anapali North Beach Declaration.

B. "KA'ANAPALI NORTH BEACH DECLARATION" means the "Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach" described in Exhibit A and all changes and additions properly made to it from time to time.

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C. "KA'ANAPALI NORTH BEACH DOCUMENTS" means the Ka'anapali North Beach Declaration, the Articles of Incorporation of the Ka'anapali North Beach Master Association, Inc., the Bylaws of Ka'anapali North Beach Master Association, Inc., and the other "Governing Documents" as that term is defined in the Ka'anapali North Beach Declaration. It also includes any changes and additions properly made to any of those documents from time to time.

D. "KA'ANAPALI NORTH BEACH ASSOCIATION" means the Ka'anapali North Beach Master Association, Inc., a Hawai'i nonprofit corporation. If the rights or duties of the Ka'anapali North Beach Association are transferred to someone else, then that person will become the "Ka'anapali North Beach Association" to the extent of the rights or duties transferred. The Ka'anapali North Beach Association serves as the association of all of the owners of real property in Ka'anapali North Beach. Note that the Ka'anapali North Beach Association is completely separate from the Association and the Community Association.

E. "KA'ANAPALI NORTH BEACH AMENITIES" means any amenities or other common areas in Ka'anapali North Beach that are available for use by Owners and Occupants during their Vacation Periods. The Developer cannot promise that there will be any Ka'anapali North Beach Amenities, or that they will be available for use by Owners or other Occupants.

2. CREATION OF THE PLAN.

2.1 PURPOSE AND EFFECT OF THIS DOCUMENT. By signing and recording this Declaration, the Developer intends to:

- ❖ Create a plan for the Vacation Owners to share the ownership, use, enjoyment, management, upkeep and repair of the Vacation Property and the operation of the Vacation Ownership Plan.
- ❖ Comply with the legal requirements necessary to impose the Vacation Plan Documents on the Association, the Vacation Property, and anyone who has any rights or interests in it.
- ❖ Create or reserve easements in favor of the Developer or other persons.
- ❖ Reserve to the Developer certain rights to make changes to the Plan and to develop it further.
- ❖ Increase the value, desirability and enjoyment of the Vacation Property and any interest in it for the benefit of the Developer and each Owner.

2.2 ADOPTION OF THE VACATION PLAN DOCUMENTS.
The Developer declares that:

A. The Vacation Property is subject to the Vacation Plan Documents. In legal terms, the Developer submits all of its estate, right, title and interest in the Vacation Property to the Vacation Plan Documents.

B. The Vacation Plan Documents will govern the Plan and the Vacation Property. This includes, for example, the ownership, use, enjoyment, management, operation, upkeep, repair, and improvement of the Vacation Property. In legal terms, the Vacation Property will be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Vacation Plan Documents. Anyone who occupies or uses any Villa or any other part of the Vacation Property must obey them.

C. The Vacation Plan Documents are binding on the Vacation Property. They also are binding on, and are intended to benefit these persons:

- 1) The Developer.
- 2) The Association.
- 3) Anyone else who owns all or any part of the Vacation Property, or any Vacation Ownership Interest or other interest in it, now or in the future. This includes, for example, all present and future Owners and their Lenders.
- 4) Anyone who, by law or by agreement, stands in the place of the persons listed in items 1) to 3). Such people are called, in technical legal terms, "heirs," "devises," "personal representatives," "successors," "successors in trust," and "assigns."

All of these people must abide by and comply with the Vacation Plan Documents regardless of how or when they obtain any interest in the Vacation Property or whether they ever signed the Vacation Plan Documents or expressly agreed to abide by or comply with them. They still must abide by and comply with them just as if they personally had signed them.

All of these people also have the right to enforce the Vacation Plan Documents in any way permitted by the Act or the Vacation Plan Documents.

In legal terms, the Vacation Plan Documents "constitute equitable servitudes, liens and covenants running with

the land" that are binding on and for the benefit of all of the persons described in this Subsection 2.2C.

2.3 EASEMENTS AND DEVELOPER'S RESERVED RIGHTS. The Developer grants and reserves the easements described in this Declaration. Regardless of what Section 2.2 says, the Developer reserves to itself all of the Developer's Reserved Rights and any and all easements that it has in the Vacation Property under the Vacation Plan Documents. The Developer declares that the Vacation Property and all interests in it are subject to the Developer's Reserved Rights and to the easements granted or reserved in or pursuant to the Vacation Plan Documents.

2.4 PROJECT DEVELOPER'S RESERVED RIGHTS.

A. **UNDER THE PROJECT DOCUMENTS.** Regardless of what Section 2.2 says, the Developer reserves to itself any and all rights it has under the Project Documents as the Project Developer. These rights are called the "Developer's Reserved Rights" in the Project Documents, and are called the "*Project Developer's Reserved Rights*" in this document. The Developer declares that the Vacation Property and all interests in it are subject to the Project Developer's Reserved Rights and to the easements granted or reserved in or pursuant to the Project Documents.

B. **NATURE OF THE PROJECT DEVELOPER'S RESERVED RIGHTS.** The Project Developer alone may exercise the Project Developer's Reserved Rights under the Project Documents. Those rights will not be subject to the Vacation Plan Documents. And those rights will not be transferred to the Association or any Owner unless the Project Developer signs and records a document that clearly says so. The Developer makes no promise and has no duty to exercise any of the Project Developer's Reserved Rights under the Project Documents. Neither the Owners nor the Association will have any legal right to insist that it do so.

3. DESIGNATIONS FOR USE PURPOSES.

3.1 INTRODUCTION. The Vacation Ownership Plan provides a system for sharing the use of the Vacation Property by the Owners and the Developer. The essential concept is that the Owners will each have the right to reserve and then use a Villa every year or every two years. This Section introduces the concept of a "*Use Period*" and explains how the use of each Villa is divided into nightly and weekly Use Periods. It also sets up rules governing when an Owner's rights to use a Villa begin and end. It also divides the Villas into different "Villa Types."

3.2 DEFINITIONS.

A. "CHECK-IN TIME" means the time after which the Primary Occupant of a Villa may check in with the Plan Manager and then occupy his or her Assigned Villa. The Reservation Rules set the Check-In Time. They may set different Check-In Times for different Villas.

B. "CHECK-OUT TIME" means the time by which the Occupants of a Villa must move out of their Assigned Villa and check out with the Plan Manager. The Reservation Rules set the Check-Out Time. They may set different Check-Out Times for different Villas.

C. "USE PERIOD" means a Use Night, a Use Week, or any other period of consecutive Use Nights in a given Villa.

1) "USE NIGHT" means a period beginning at Check-In Time on one day and ending at Check-Out Time the next day. In each calendar year, there will be three hundred and sixty-five (365) Use Nights in each Villa. In leap years, however, there will be three hundred and sixty-six (366) Use Nights in each Villa.

2) "USE WEEK" means a period beginning at Check-In Time on one day and ending at Check-Out Time on the same day of the following week.

3) "USE YEAR" means a period beginning at noon on the first Friday of the first full week in each calendar year and ending at noon on the first Friday of the first full week of the next calendar year. For example, in 2016, the Use Year will begin on January 8 because that is the first Friday of the first full week of 2016. It will end at noon on Friday, January 6, 2017, because that is the first Friday of the first full week of 2017.

(a) "ODD YEAR" means a Use Year that starts in an odd-numbered calendar year, like 2017, 2019, and so on.

(b) "EVEN YEAR" means a Use Year that starts in an even-numbered calendar year, like 2018, 2020, and so on.

4) "SPECIFIC WEEK PERIOD" means a Use Week beginning at Check-In Time on one Friday and ending at Check-In Time the following Friday.

(a) Each Specific Week Period of the Use Year is numbered from 1 through 52. Specific Week Period No. 1 is the Use Week commencing on the first Friday of the first full week of the calendar year, and Specific Week Period No. 2 is the Use Week immediately following. Additional weeks up to and including Specific Week Period No. 52 are computed in a like manner.

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(b) Excess days, if any, between the end of Specific Week Period No. 52 and the beginning of Specific Week Period No. 1 of the following year, regardless of the month, year or number of days, are not included in any Specific Week Period except to the extent necessary to establish the Owner's Specific Week for an Owner having New Years Event Period.

D. "RESERVATION RULES" means the reservation rules adopted by the Developer, and any changes made to them from time to time by the Reservation System Operator in the manner permitted in Section 7.7J.

E. "RESERVATION SYSTEM OPERATOR" means the SVN Operator at all times when an Affiliation Agreement is in effect. If an Affiliation Agreement is no longer in effect, then the Vacation Owners Association will perform the obligations of the "Reservation System Operator" or appoint someone else to do so. Note that at any time when an Affiliation Agreement is in effect, the SVN Operator may assign some or all of its rights and duties, including its rights and duties as the Reservation System Operator, to someone else. It may also subcontract with someone else to perform some or all of the duties of the Reservation System Operator.

F. "VACATION PERIOD" means a Use Period reserved by an Owner, the Developer, or someone else. A Vacation Period begins at Check-In Time on the first day of the Use Period reserved by that person and ends at Check-Out Time on the last day of the Use Period reserved. For example, if an Owner reserves a Use Week, then the Owner's Vacation Period would begin at Check-In Time on the first day of the Use Week and would end at Check-Out Time on the same day of the following week.

1) "CHECK-IN DAY" means the first day of a Vacation Period.

2) "CHECK-OUT DAY" means the last day of a Vacation Period.

G. "SERVICE PERIOD" means a Major Service Period or a Minor Service Period.

1) "MINOR SERVICE PERIOD" means the time between Check-Out Time of one person's Vacation Period and Check-In Time later that day.

2) "MAJOR SERVICE PERIOD" means a Use Period set aside for annual maintenance and repairs. Each year, the Association may choose up to three Use Nights in each Villa to be the Major Service Period for that Villa. If needed to maintain or upgrade the Villas and if the

Plan's vacancy rate is high enough to permit it, the Association may set aside additional Use Periods as Major Service Periods. When choosing Major Service Periods, the Association may not select a Use Period that would prevent use of a Villa during the Owner's Specific Week of an Owner having a Specific Vacation Period.

3.3 DESIGNATION OF VILLAS AND VILLA TYPES.

A. **IDENTIFICATION OF VILLAS.** Each Unit described in Exhibit A is a separate Villa. If more Units are added to the Plan in the manner described in Section 18, then each added Unit will be a separate Villa.

B. VILLA TYPES.

1) **INITIAL VILLA TYPES.** Although the Project Declaration or Project Plan may divide the Units differently, for purposes of the Vacation Ownership Plan, all Villas initially will be considered to be a "One Bedroom Villa," a "Two Bedroom Villa," or a "Three Bedroom Villa." Each Villa is further designated as either "Ocean Front" or "Resort View." A list of the Villas showing Villa Type of each is attached as Schedule 1 to Exhibit A (the "Villa List").

Note that the designation of a Villas as an Ocean Front or Resort View Villa has nothing to do with the actual orientation or view from the Villa. For example, a "Resort View" Villa may have a view of the pool and courtyard area of the Project, the mountains, parking structures and/or Honoapiilani Highway on the mauka side of the Project, the Honua Kai condominium on the North side of the Project (or fences, walls, or other barriers separating the Project from Honua Kai), or Keka`a Park on the South side (or fences, walls, or other barriers separating the buildings from Keka`a Park). Likewise, some of the Ocean Front Villas may actually be recessed from the ocean. Instead of having an unobstructed view of the Pacific Ocean, some Ocean Front Villas may overlook pools, roofs and other Improvements of the Project. The views from Villas located on lower floors may be partially or mostly obscured. Some Villas may face walls or other Improvements of the Project. **The Developer makes no representations or warranties as to the view from any Villa or any Villa Type.**

2) **ADDITIONAL VILLA TYPES.** The Developer may create new Villa Types as follows:

(a) It may do so when it adds Units to the Vacation Ownership Plan. The Developer may do this by identifying the new Villa Type in the Declaration of

Annexation for the Project Ownership Interests being added to the Vacation Ownership Plan.

(b) It may do so with respect to Villas that the Developer could remove from the Plan as described in Section 18.4. The Developer may do this by amending this Declaration to identify the new Villa Type.

4. VACATION POINTS

4.1 **INTRODUCTION TO POINTS.** Points represent an Owner's reservation and use rights in the Plan. Each Owner has the right to receive an allotment of "Points" every year or every other year. He or she can use them to reserve a Villa for one or more Use Periods in accordance with and subject to the priorities, restrictions and limitations established in or pursuant to the Vacation Plan Documents from time to time.

Each time the Developer includes a Project Ownership Interest in the Plan, it also assigns a certain number of Points to each appurtenant Unit. This Section 4 explains the rules that the Developer must follow when assigning Points to Units. The next Section explains how Points are allocated to Vacation Ownership Interests in the Plan.

4.2 DEFINITIONS.

A. "POINTS" means the unit of measurement used to establish the Ownership Share of a Vacation Ownership Interest and to reflect the Owner's rights to enjoy the benefits of the Vacation Ownership Interest in comparison to all other Vacation Ownership Interests, including the relative ability to reserve a Use Period and Villa in accordance with the Vacation Plan Documents.

B. "RESORT VIEW POINTS" are Points allocated to a Resort View Villa in accordance with Section 4.5A.

C. "OCEAN FRONT POINTS" are Points allocated to an Ocean Front Villa in accordance with Section 4.5B.

4.3 **CREATION OF POINTS.** Points may only be created when Units are included in the Plan. A Unit is "included" in the Plan only if the Project Ownership Interest to which the Unit is appurtenant is submitted to this Declaration. The Units described in Exhibit A are included in the Plan. Additional Units may be included in the Plan in the manner described in Section 18. There are no other ways to include Units in the Plan.

4.4 **NUMBER OF POINTS.** Each time that the Developer includes a Unit in the Plan, the Developer automatically assigns Points to the Unit being included. The number of

Points assigned to each Villa will be equal to the numerator of the "Ownership Share" established with respect to that Unit in the Project Documents. For example, suppose that the Ownership Share of the Unit 3212 Interest is:

$$\frac{4,163,400}{3,098,581,502}$$

When the Developer includes the Unit 3212 Interest in the Plan, the Developer will also create 4,163,400 Points.

4.5 KIND OF POINTS. Each time that the Developer includes a Unit in the Plan, the Developer must state whether the Unit is a Resort View Villa or an Ocean Front Villa. The Villa Type of the Villas described in Exhibit A is listed in Schedule 1 to Exhibit A. The Villa Type of the Units included in the Plan in the future will be listed in a "Declaration of Annexation" as explained in Section 18.2.

A. All Points allocated to a Resort View Villa are Resort View Points.

B. All Points allocated to an Ocean Front Villa are Ocean Front Points.

4.6 CHANGES. The Villa Type of a Unit, and the number of Points assigned to a Unit cannot be changed with these exceptions:

A. The Developer can change the Villa Type of a Unit, or the number of Points assigned to the Villa, to correct an error in this Declaration or in a Declaration of Annexation. The Developer must record a document showing the change.

B. The Developer can change the Villa Type of a Villa, or the number of Points assigned to the Villa: (i) if it is required to do so by a governmental agency or a court order, or (ii) in order to comply with the law of Hawai'i, or (iii) to comply with the laws of any other place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of the Project or the Plan to permit the sale of Vacation Ownership Interests there. The Developer must record a document showing the change.

5. VACATION OWNERSHIP INTERESTS

5.1 INTRODUCTION. The previous Section explained how Points are created when a Unit is included in the Plan and the kind of Points created with respect to each Villa. The Developer can then use these Points to create and sell

Vacation Ownership Interests. The purchasers of the Vacation Ownership Interests will have the right to use their Points to reserve the Villas included in the Plan on the terms and conditions stated in the Vacation Plan Documents.

Different kinds of Vacation Ownership Interests have different reservation and use rights. For example, the Owners of some Vacation Ownership Interests have the right to reserve a Villa every year. The Owners of other Vacation Ownership Interests have the right to reserve a Villa only every other year. Also, some Owners may have the right to use a particular Villa or Villa Type, or a particular Specific Week Period. This Section explains what kinds of features a Vacation Ownership Interest may have.

This Section also explains the rules that apply to the Developer when creating new Vacation Ownership Interests and establishing their features.

5.2 NATURE OF A VACATION OWNERSHIP INTEREST. A Vacation Ownership Interest consists of an Ownership Share in the Project (see Section 5.4 for details) together with the following rights, each of which is appurtenant to the Ownership Share and is subject to the terms and conditions of the Vacation Plan Documents and the Project Documents:

A. The right to receive an allotment of Points either every year or every other year.

B. The right to use those Points to reserve the use of a Villa either every year or every other year. For some kinds of Vacation Ownership Interests, the Points are automatically used to reserve a particular Specific Week Period. For all others, the Owner must request a reservation.

C. During the Use Period reserved:

1) The exclusive right and an exclusive easement to use and occupy a Villa in accordance and subject to the Vacation Plan Documents and the Project Documents;

2) The exclusive right and an exclusive easement to use any Limited Common Areas available to the Villa being occupied (which right and easement is shared with anyone else having the right to use those Limited Common Areas at that time); and

3) The non-exclusive right to use the General Common Areas.

D. Membership in (i) the Association, (ii) the Community Association, and (iii) the Ka'anapali North Beach Association.

These rights are defined, limited and governed by the Vacation Plan Documents, including but not limited to the priorities, restrictions and limitations provided in this Declaration, the Project Documents, and the Ka'anapali North Beach Documents.

5.3 ANNUAL AND BIENNIAL VACATION OWNERSHIP INTERESTS. Vacation Ownership Interests are divided into different kinds depending on whether the Owner may reserve a Villa every year or every other year. These terms are used to describe the different kinds of Vacation Ownership Interests:

A. "ANNUAL VACATION OWNERSHIP INTEREST" OR "EVERY-YEAR VACATION OWNERSHIP INTEREST" means a Vacation Ownership Interest that provides the Owner the right to receive an allotment of Points every year. The Owner may use those Points to reserve a Villa in each Use Year.

B. "BIENNIAL VACATION OWNERSHIP INTEREST" OR "EVERY-OTHER-YEAR VACATION OWNERSHIP INTEREST" means an Even-Year Vacation Ownership Interest or an Odd-Year Vacation Ownership Interest.

1) EVEN-YEAR VACATION OWNERSHIP INTERESTS. The Owner of an Even-Year Vacation Ownership Interest has the right to receive an allotment of Points every other year. The Owner may use those Points to reserve the use of a Villa in Use Years that start in an even-numbered calendar year (for example, 2016, 2018, and so on). To be clear, the Use Period reserved must fall within an Even Year, but the reservation may be requested at any time permitted by the Reservation Rules. This kind of Vacation Ownership Interest is called an "*Even-Year Vacation Ownership Interest*."

2) ODD-YEAR VACATION OWNERSHIP INTERESTS. The Owner of an Odd-Year Vacation Ownership Interest has the right to receive an allotment of Points every other year. The Owner may use those Points to reserve the use of a Villa in Use Years that start in an odd-numbered calendar year (for example, 2017, 2019, and so on). To be clear, the Use Period reserved must fall within an Odd Year, but the reservation may be requested at any time permitted by the Reservation Rules. This kind of Vacation Ownership Interest is called an "*Odd-Year Vacation Ownership Interest*."

5.4 OWNERSHIP SHARE.

A. NATURE OF AN OWNERSHIP SHARE. An "Ownership Share" is an "undivided interest" in the Project. The term "undivided interest" is defined in the glossary. It refers to the idea that a person will be one of the co-owners of the Project. The other co-owners will be the Owners of other Project Ownership Interests in the Project.

B. RELATIONSHIP BETWEEN OWNERSHIP SHARE AND POINTS. The Ownership Share of a Vacation Ownership Interest is directly related to the number of Points that will be allotted to the Vacation Ownership Interest and whether Points will be allotted every year or every other year. It works like this:

First, the Developer creates the Points as explained in Section 4.4.

Then the Developer assigns the right to receive an allotment of those Points to a Vacation Ownership Interest. The First Deed for a Vacation Ownership Interest will state the number of Points that the Owner has the right to receive and whether the Owner has the right to receive them every year or every other year. This determines the Ownership Share of the Vacation Ownership Interest.

The Ownership Share is a fraction and established as follows:

- ❖ For an Every-Year Vacation Ownership Interest, the numerator (top number) of that fraction will be equal to the number of Points that will be allotted to the Vacation Ownership Interest every year.
- ❖ For an Every-Other-Year Vacation Ownership Interest, the numerator (top number) of that fraction will be equal to one half of the number of Points that will be allotted to the Vacation Ownership Interest every other year.
- ❖ The bottom number (denominator) is the same as the denominator used to determine the undivided interest of all Project Ownership Interests in the Project (initially, 3,098,581,502).

For example, suppose that a Vacation Ownership Interest includes the right to receive an allotment of 80,000 Points.

If the Owner has the right to receive an allotment of 80,000 Points every year (i.e., an Every-Year Vacation

Ownership Interest), then his or her Ownership Share will be:

$$\frac{80,000}{3,098,581,502}$$

In this example, the bottom number (3,098,581,502) is the denominator used to set the undivided interest of all of the Project Ownership Interests in the Project.

The top number (80,000) represents the number of Points that will be allotted to this particular Vacation Ownership Interest for use in each Use Year.

However, if the Owner has the right to receive an allotment of 80,000 Points only every other year (i.e., an Every-Other-Year Vacation Ownership Interest), then his or her Ownership Share will be:

$$\frac{40,000}{3,098,581,502}$$

As in the prior example, the bottom number (3,098,581,502) still is the denominator used to set the undivided interest of all of the Project Ownership Interests in the Project.

The top number (40,000) represents one-half of the number of Points that will be allotted to this particular Vacation Ownership Interest for use in every other Use Year.

1) OWNERSHIP SHARE FOR AN EVERY-YEAR VACATION OWNERSHIP INTEREST. If an Owner has the right to receive an allotment of Points for every Use Year, then his or her Ownership Share will be a fraction, as follows:

$$\frac{\text{The number of Points to be allotted each year to the Owner's Vacation Ownership Interest}}{3,098,581,502}$$

This assumes that the denominator (bottom number) used in the Project Documents to determine the undivided interest of each Project Ownership Interest is 3,098,581,502. However, if that changes, then the denominator used to establish the Ownership Share of each Vacation Ownership Interest will also change accordingly.

2) OWNERSHIP SHARE FOR AN EVERY-OTHER-YEAR VACATION OWNERSHIP INTEREST. If an Owner has the right to receive an allotment of Points only every other Use Year, then his or her Ownership Share will be a fraction, as follows:

$$\frac{\text{One half of the number of Points to be allotted every other year to the Owner's Vacation Ownership Interest}}{3,098,581,502}$$

This assumes that the denominator (bottom number) used in the Project Documents to determine the undivided interest of each Project Ownership Interest is 3,098,581,502. However, if that changes, then the denominator used to establish the Ownership Share of each Vacation Ownership Interest will also change accordingly.

5.5 SPECIFIC AND FLOATING VACATION PERIODS. A Vacation Ownership Interest can have a Specific Vacation Period or Floating Vacation Period. Except as provided in Section 5.7, the kind of Vacation Period for a particular Vacation Ownership Interest cannot be changed. Note that the Developer may create Vacation Ownership Interests having new kinds of reservation and use rights. See Section 18.2B for details.

A. FLOATING VACATION PERIOD. If a Vacation Ownership Interest has a "*Floating Vacation Period*," then the Owner must reserve a Use Period using his or her Points. To do so, the Owner must follow the procedures in the current Reservation Rules. An Owner cannot reserve a Use Period chosen by the Association to be a Major Service Period or any Use Period that is already reserved, or subject to a permanent reservation, or that any other person has the exclusive right to reserve. A Vacation Ownership Interest that has a Floating Vacation Period is called a "*Floating Vacation Ownership Interest*." Unless a Vacation Ownership Interest has a Specific Vacation Period, it is a Floating Vacation Ownership Interest.

B. SPECIFIC VACATION PERIOD. If a Vacation Ownership Interest has a "*Specific Vacation Period*," then a Specific Week Period in each Use Year (for an Annual Vacation Ownership Interest) or every other Use Year (for a Biennial Vacation Ownership Interest) will automatically be reserved for the Owner of the Vacation Ownership Interest. In effect, the Owner has a permanent reservation for that Specific Week Period. A Vacation Ownership Interest that has a Specific Vacation Period is called a "*Specific Vacation Ownership Interest*." It has these features:

1) OWNER'S SPECIFIC WEEK. The Specific Week Period that the Owner has the right to use is called the "*Owner's Specific Week*." The Owner's First Deed will fix the Owner's Specific Week by the Specific Week Period number or by an event name, as follows:

(a) **SPECIFIC WEEK RIGHT.** The Owner's Specific Week may be fixed by the Specific Week Period Number (for example, Specific Week Period No. 12). In such a case, Specific Week Period No. 12 automatically would be reserved for use by the Owner. If the Owner's Specific Week is fixed in this way then the Vacation Ownership Interest has a "Specific Week Right."

(b) **EVENT PERIOD RIGHT.** The Owner's Specific Week may be fixed by an event. If this happens, then the Specific Week Period that includes that event will be the Owner's Use Week. If the Owner's Specific Week is fixed by reference to an event, then the Vacation Ownership Interest has an "Event Period Right." There are two (2) Event Periods, as follows:

- ❖ "NEW YEARS EVENT PERIOD" means the Specific Week Period that includes January 1.
- ❖ "CHRISTMAS EVENT PERIOD" means the Specific Week Period that includes December 25.

(c) **DETERMINATION OF SPECIFIC WEEK PERIOD FOR VACATION OWNERSHIP INTERESTS HAVING EVENT PERIOD RIGHTS.** From time to time, December 25 and/or January 1 will occur on Friday. In such a case, the check-in date for the Specific Week Period constituting the Christmas Event Period or the New Years Event Period will be set in the manner provided in the Reservation Rules. If the Reservation Rules do not provide for this, then the Reservation System Operator will determine the check-in date for the Event Period for that year.

2) **TEMPORARY FLOATING USE.** The Reservation Rules may permit the Owner of a Specific Vacation Ownership Interest to give up his or her Specific Vacation Period for a particular Use Year and instead be treated as if the Owner had a Floating Vacation Period for that Use Year. In that case, (i) the Owner will have the same reservation and use rights as an Owner of a Floating Vacation Ownership Interest for that particular Use Year, and (ii) the Owner's Specific Week surrendered will become available for reservation by other Owners. The Reservation Rules may impose conditions or limitations on the ability of an Owner to give up his or her Specific Vacation Period in this manner.

5.6 VILLA USE RIGHTS. During the Home Resort Reservation Period, Ocean Front Points may be used to reserve Ocean Front Villas, and Resort View Points may be used to reserve Resort View Villas. In addition, a Vacation Ownership Interest can have a "Floating Villa Use Right", a "Villa Type Right", or a "Specific Villa Right." Note that the Developer may create Vacation

Ownership Interests having new kinds of unit use rights. See Section 18.2B.

A. RESORT VIEW AND OCEAN FRONT VILLAS.

1) During the Home Resort Reservation Period, a Resort View Villa may only be reserved using Resort View Points. However, the Reservation Rules may permit the Owner of Ocean Front Points to give up his or her right to use them to reserve an Ocean Front Villa for a particular Use Year and instead be treated as if the Owner had Resort View Points for that Use Year. In that case, (i) the Owner will have the same reservation and use rights as an Owner having Resort View Points for that particular Use Year, and (ii) one or more Owners having Resort View Points may use their Resort View Points to reserve an Ocean Front Villa, up to the total number of Ocean Front Points surrendered by the Owner choosing to use Resort View Points instead of Ocean Front Points. The Reservation Rules may impose conditions or limitations on the ability of an Owner to do this and must in any event comply with the one-to-one use-right to use-night requirements of the Act.

2) Except as otherwise provided in Subsection 5.6A.1), during the Home Resort Reservation Period, an Ocean Front Villa may only be reserved using Ocean Front Points.

B. FLOATING VILLA USE RIGHT. If a Vacation Ownership Interest has a "Floating Villa Use Right," then the Owner may use his or her Points to reserve any available Villa, subject to these rules and to Subsection 5.6A:

1) The Owner cannot reserve a Villa that is already reserved by someone else, or that is permanently reserved, or that someone else has the exclusive right to reserve.

2) The Owner does not have the right to reserve any specific Villa.

3) The Villa that an Owner will use may not be determined at the time when the Owner makes or confirms his or her reservation. Instead, at the time of check-in, the Plan Manager may assign to the Owner the use of any Villa that is the Villa Type reserved by the Owner.

C. VILLAS FOR VACATION OWNERSHIP INTERESTS HAVING SPECIFIC VACATION PERIODS. If a Vacation Ownership Interest has a Specific Vacation Period, then it may have either a Specific Villa Right or a Villa Type Right.

1) **SPECIFIC VILLA RIGHT.** If a Vacation Ownership Interest has a "*Specific Villa Right*" then the Owner will have the right to use the specific Villa during the Owner's Specific Week. The specific Villa will be designated in the First Deed.

(a) An Owner automatically gives up the Specific Villa Right for the Use Year if the Owner gives up his or her Specific Vacation Period for that Use Year and chooses instead to be treated as if the Owner had a Floating Vacation Period for that Use Year as provided in Section 5.5B.2).

2) **VILLA TYPE RIGHT.** If a Vacation Ownership Interest has a "*Villa Type Right*," then in each Use Year (for an Annual Vacation Ownership Interest) or every other Use Year (for a Biennial Vacation Ownership Interest) a Villa that is the Villa Type (for example, a Two-Bedroom Ocean Front Villa) stated in the Owner's First Deed will automatically be reserved for use by the Owner during the Owner's Specific Week subject to these rules:

(a) If the Vacation Ownership Interest has Ocean Front Points, then an Ocean Front Villa will be reserved. If it has Resort View Points, then a Resort View Villa will be reserved.

(b) An Owner automatically gives up the Villa Type Right for the Use Year if the Owner gives up his or her Specific Vacation Period for that Use Year and chooses instead to be treated as if the Owner had a Floating Vacation Period for that Use Year as provided in section 5.5B.2).

(c) The Owner does not have the right to have any specific Villa reserved for the Owner's use.

(d) The Villa that an Owner will use may not be determined prior to check-in. At check-in, the Plan Manager may assign to the Owner the use of any Villa that is the Villa Type that the Owner is entitled to use.

5.7 CHANGING USE RIGHTS. An Owner may only change the use rights for his or her Vacation Ownership Interest in these ways:

A. SPECIFIC VILLA RIGHTS. If the Board consents in writing, an Owner can permanently change his or her Specific Villa Right to a Villa Type Right. To do so, the Owner must sign and record a "*Declaration of Use Right Change*." It must include:

1) A legal description of the Vacation Ownership Interest;

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2) The Identification Number of the Vacation Ownership Interest;

3) A statement that the Specific Villa Right is being changed to a Villa Type Right; and

4) The Board's written consent.

After the Declaration of Use Right Change is recorded, the Owner of the Vacation Ownership Interest will have the right to reserve a Villa that is the same Villa Type as the Owner's Specific Villa, subject to the requirements of Section 5.6C.2).

B. SPECIFIC VACATION PERIOD. If the Board consents in writing, an Owner can permanently change his or her Specific Vacation Period to a Floating Vacation Period. To do so, the Owner must sign and record a "*Declaration of Use Right Change*." It must include:

1) A legal description of the Vacation Ownership Interest;

2) The Identification Number of the Vacation Ownership Interest;

3) A statement that the Specific Vacation Period is being changed to a Floating Vacation Period; and

4) The Board's written consent.

After the Declaration of Use Right Change is recorded, the Owner of the Vacation Ownership Interest will have a Floating Vacation Period and a Floating Villa Use Right.

C. NOTICE OF CHANGE. The Association and the Plan Manager do not have to recognize any change made under this Section 5.7 until they receive a copy of the recorded Declaration of Use Right Change.

5.8 LIMITATIONS ON CREATION OF VACATION OWNERSHIP INTERESTS.

A. MAXIMUM NUMBER OF POINTS. The sum of the Points issued with respect to the Vacation Ownership Interests cannot exceed the total number of Points assigned to the Villas pursuant to Section 4.4.

B. OWNERSHIP SHARE. The sum of the Ownership Shares for all Vacation Ownership Interests issued for all of the Vacation Ownership Interests cannot exceed the sum of the Ownership Shares for all of the Villas.

C. VILLA TYPE. The sum of the Ocean Front Points issued for all Vacation Ownership Interests cannot exceed the sum of the Ocean Front Points allocated to the Ocean Front Villas pursuant to Section 4.5. Likewise, the sum of the Resort View Points issued for all Vacation Ownership Interests cannot exceed the sum of the Resort View Points allocated to the Resort View Villas pursuant to Section 4.5.

D. EVEN-YEAR VACATION OWNERSHIP INTERESTS. The sum of the Ownership Shares for all Even-Year Vacation Ownership Interests cannot exceed one-half of a fraction equal to 1 minus the sum of the Ownership Shares for all Every-Year Vacation Ownership Interests issued with respect to the Villas.

For example, if there is only one Villa and if Vacation Ownership Interests representing 6/10ths of the Ownership Share of the Villa are sold as Every-Year Vacation Ownership Interests, then the rule would be applied like this:

- In this example, the sum of the Ownership Shares for the Every-Year Vacation Ownership Interests is equal to 6/10ths.
- The maximum of Even-Year Ownership Shares is equal to 1/2 of a fraction.
- The fraction is equal to 1 minus the sum of the Ownership Shares for the Every-Year Vacation Ownership Interests. In this example:

Fraction = 1 - (sum of Ownership Shares for Every-Year Vacation Ownership Interests)

$$\text{Fraction} = 1 - 6/10$$

$$\text{Fraction} = 4/10$$

- The maximum of Even-Year Ownership Shares is equal to:

$$\text{Maximum} = 1/2 \text{ of the fraction}$$

$$\text{Maximum} = 1/2 \text{ of } 4/10\text{ths}$$

$$\text{Maximum} = 2/10\text{ths}$$

E. ODD-YEAR VACATION OWNERSHIP INTERESTS. The sum of the Ownership Shares for all Odd-Year Vacation Ownership Interests issued with respect to the Villas cannot exceed one-half of a fraction equal to 1 minus the sum of the Ownership Shares for all

Every-Year Vacation Ownership Interests issued with respect to the Villas.

F. OVERLAPPING USE WEEKS.

1) If a First Deed transfers a Specific Vacation Period (whether as an Event Period or by Specific Week Period Number) having a Specific Villa Right, then no later First Deed may transfer a Specific Vacation Period for use of the same Villa if it overlaps with the Specific Week Period already transferred.

2) No First Deed may transfer a Vacation Ownership Interest having a Villa Type Right for use during a Specific Vacation Period that overlaps with the Specific Vacation Period of another Vacation Ownership Interest for use of a Villa that is the same Villa Type unless there are enough Villas of that Villa Type to allow the Owner of each such Vacation Ownership Interest to occupy such a Villa during his or her Specific Vacation Period.

3) No First Deed may transfer a Specific Week Right for the use of Use Periods that correspond with an Event Period Right. For example, a First Deed will not transfer a Specific Week Right for the use of Specific Week Periods 51 or 52 since the Developer will be conveying Event Period Rights that include the Christmas Event Period and the New Year's Event Period.

4) For the purposes of this section 5.8F, the Christmas Event Period never overlaps with the New Years Event Period, and vice versa.

G. NUMBER OF SPECIFIC VACATION PERIODS. The Developer intends to convey Vacation Ownership Interests having Specific Vacation Periods covering all of the Christmas Event Periods and New Years Event Periods. As a result, it is unlikely that an Owner will be able to reserve a Christmas Event Period or New Years Event Period unless the Owner's Vacation Ownership Interest has an Event Period Right for that specific Event Period.

5.9 IDENTIFICATION NUMBER. The Developer will assign a unique "Identification Number" to each Vacation Ownership Interest. The Identification Number will consist of numbers, letters and symbols, as determined by the Developer.

5.10 FIRST DEED.

A. NATURE OF A FIRST DEED. The term "First Deed" means the recorded deed by which the Developer

first transfers a Vacation Ownership Interest. The First Deed for each Vacation Ownership Interest establishes the features of the Vacation Ownership Interest and reserves certain special rights in favor of the Developer.

1) A document is not a First Deed (i) if it says that it is not a First Deed, (ii) if it transfers some or all of the Developer's Reserved Rights with the Interest, or (iii) if it transfers a Project Ownership Interest for a Unit that has been removed from the Plan pursuant to Section 18.4A.

2) If a Vacation Ownership Interest is transferred back to the Developer, then the Developer may change the features of that Vacation Ownership Interest by issuing a new First Deed for it. To be clear, the new First Deed may have a larger or smaller Ownership Share and may include more or fewer Points. It may have the same Identification Number or it may have a new one. If the Developer believes that it will be helpful to do so, the Developer can record a document reflecting any change or cancellation of Identification Numbers for Vacation Ownership Interests deeded back to the Developer.

B. CONTENT OF FIRST DEED. The First Deed for each Vacation Ownership Interest must do these things:

1) It must assign an Identification Number to the Vacation Ownership Interest.

2) It must state the Ownership Share of the Vacation Ownership Interest. The Ownership Share must be set according to the rules in Section 5.4.

3) It must state the number of Points that the Owner of the Vacation Ownership Interest has the right to receive. This must comply with the rules in Sections 7.5B.1(a) and 7.5B.1(b).

4) It must state whether the Points are Ocean Front Points or Resort View Points.

5) It must state whether the Owner has the right to receive that number of Points every year or in every other year. If the Owner will receive Points every other year, then the First Deed must state whether the Owner may use his or her Points to reserve the use of a Villa in even-numbered Use Years or in odd-numbered Use Years.

6) If the Vacation Ownership Interest has a Specific Vacation Period, then the First Deed must identify the Use Week by Specific Week Period Number or by Event Name, and state whether the Vacation

Ownership Interest has Specific Villa Rights or Villa Type Rights.

(a) If it has a Specific Villa Right, then it must identify the Specific Villa to be used during the Owner's Specific Week.

(b) If it has a Specific Vacation Period but does not have a Specific Villa Right, then it must identify the Villa Type that the Owner has the right to use during the Owner's Specific Week.

7) If the Developer creates other kinds of reservation or use rights, the First Deed must identify any of those rights that apply to that Vacation Ownership Interest.

8) It may describe any other features of the Vacation Ownership Interest and/or may include covenants, conditions, easements, restrictions, limitations, appointments, approvals, consents, agreements and other provisions as the Developer determines in its sole, absolute and unfettered discretion.

C. CORRECTION OF FIRST DEED. Nothing in the Vacation Plan Documents prohibits the Developer from correcting a mistake in a First Deed by recording a new First Deed for that Vacation Ownership Interest. The Developer may correct any error in a First Deed by re-recording it with the correction or by recording a replacement deed. Neither the Owner nor anyone else must sign the re-recorded First Deed or the replacement First Deed; it will be binding on the Owner and everyone else just as if the Owner and such other persons had signed it. Each Owner gives the Developer a special power of attorney to act for the Owner as necessary or helpful to correct the mistake, including but not limited to signing a replacement deed that corrects the mistake.

5.11 UNISSUED POINTS. The Developer is considered to be the Owner of a Vacation Ownership Interest consisting of all Points not transferred by a First Deed to someone else, or that are transferred back to the Developer. These Points are called "*Developer Points*." The Developer will be an "Owner" at any time when it owns any Points in the Project. This Vacation Ownership Interest will be treated as having a Floating Vacation Period and Floating Villa Use Rights.

6. POINT VALUES AND POINTS CHARTS

6.1 INTRODUCTION. Owners use their Points to reserve the right to use the Vacation Property. To make this system work, the Reservation System Operator decides how many Points an Owner must "spend" to use a Villa for one Use Night. The Reservation System

Operator then makes a menu of the Villa Types and the price or "Point Value" for each Use Week or Use Night in each type of Villa.

The demand for different Villa Types may change from time to time. Likewise, the demand to use the Villas at certain times of the year may change. When this happens, the Reservation System Operator can adjust the Point Values. This helps keep the system in balance so that all Owners can enjoy the Vacation Property more fully.

This Section explains how the Reservation System Operator sets Point Values and the rules for making adjustments to the Point Values.

6.2 DEFINITIONS.

A. "POINT VALUE" means the number of Points required to reserve a Villa for one Use Night.

B. "POINTS CHART" means a list or chart showing the Point Value for each Use Night or Use Week in every Villa. It may also show Point Values for other Use Periods.

6.3 SETTING POINTS VALUES. Before the sale of the first Vacation Ownership Interest, the Reservation System Operator will assign a Point Value to each Use Night in each Villa.

A. NUMBER OF POINTS. In setting the Point Values, the Reservation System Operator may consider all factors that it considers to be relevant in its sole, absolute and unfettered discretion. This may include, for example: (i) the location, size, capacity, furnishings and other features of a Villa or kind of Villa, (ii) the location (geographic, topographic, and scenic), recreational and other features of the Project as compared to other resorts of the Developer or its affiliates, or that are available through the SVN program or another Exchange Program, (iii) demand and availability for Owner use, (iv) the cost to buy, build, furnish, operate, or maintain a particular Villa, and (v) anything else determined to be relevant in the sole, absolute and unfettered discretion of the Reservation System Operator. The decision of the Reservation System Operator on the Point Value of a Use Night is final.

B. NEW VILLAS. When Units are added to the Plan, the Reservation System Operator will set the Point Values for the Use Nights in the new Villas. The Reservation System Operator will revise the Points Chart as necessary to show the Point Values for the Use Nights in the new Vacation Property.

6.4 POINTS CHART. Before the start of the first Reservation Window for a Use Year, the Reservation System Operator will prepare a Points Chart listing the Point Value of each Use Night in each Villa for that Use Year. If the Reservation System Operator does not adopt a new Points Chart, then the current Points Chart will stay in effect for the new Use Year. The Reservation System Operator may revise the Points Chart during the Use Year. For example, it might do so to reflect things like the addition or deletion of Units, the creation of new Villa Types or new kinds of Vacation Ownership Interests, changes required by governmental agencies, and so on. The Developer will prepare the first Points Chart.

A. CHANGES IN POINT VALUES.

1) From time to time, the Reservation System Operator may change the Point Value of a Use Period in accordance with the following rules and the one-to-one use-right to use-night requirement of the Act. These changes will not take effect until after they appear in the Points Chart.

(a) If the Reservation System Operator decides that the reservation value of a Use Period has risen, then it may raise the Point Value to use it. No change in Point Values will affect the right of an Owner of a Specific Vacation Period to use the Specific Villa or Specific Villa Type stated in the Owner's First Deed during the Owner's Specific Week.

(b) If the Reservation System Operator decides that the reservation value of a Use Period has fallen, then it may lower the Point Value to use it. A decrease in the Point Value of an Owner's Specific Week will not decrease the number of Points charged to the Owner except to the extent otherwise expressly provided in the Reservation Rules.

2) The Developer may make any changes in the Point Values required by law or by any governmental agency. This includes, but is not limited to, any change required in connection with the registration of the Plan. These changes will take effect when required by law or by the governmental agency. The Reservation System Operator will revise the Points Chart as necessary to reflect any such changes.

3) The Affiliation Agreement may require that Point Values assigned by the Reservation System Operator conform to the Point Values assigned to the Vacation Property by the SVN Operator for exchange purposes.

4) No change to the Point Values made under this Section 6.4A will change the total number of Points assigned to the Vacation Property by the Developer under Section 4.4. Changes made under this Section 6.4A simply change the number of Points required to reserve the use of a Villa during a certain Use Night. But the total number of Points created, and the number of Points assigned to the Vacation Ownership Interests, will remain the same.

B. EFFECT OF A CHANGE. A change made after an Owner has a confirmed reservation will not affect the Point Value charged to that Owner for the use of the Use Period reserved.

6.5 RULES GOVERNING POINT VALUES. When preparing the Points Chart, the following rules will apply:

A. POINT VALUES MAY DIFFER. Each Use Night may have a different Point Value. This does not mean that the Reservation System Operator must assign different Point Values to different Use Nights, but only that it is not necessary for the Point Value to be the same for all Use Nights. For example, Point Values for weekend Use Nights may be higher than for other Use Nights. Also, the Point Value for a particular Use Night may change from one Use Year to the next.

1) POINT VALUES FOR LATE RESERVATIONS. The Reservation System Operator may, in the Points Chart, reduce the Point Value of Use Periods that have not been reserved as of sixty or fewer days before the Check-In Day. This is intended to reduce the likelihood that a Villa will not be used.

B. VILLA TYPES. It is not necessary to compare each separate Villa in the Plan. Instead, the Reservation System Operator may assign Points based on a comparison of the different Villa Types rather than on a comparison of specific Villas. This does not mean that the Reservation System Operator must assign different Point Values to different Villa Types. Instead, the Reservation System Operator may assign the same or similar Point Values to Villas designated as different Villa Types under Section 3.3B if the Reservation System Operator decides that the reservation value of those Villas is similar or the same. Conversely, the Reservation System Operator may assign different Point Values to Villas designated as the same Villa Types under Section 3.3B if the Reservation System Operator decides that differences in the reservation value of those Villas should be reflected in the Points Chart.

1) CHANGES IN VILLA TYPES. From time to time, the Reservation System Operator may change the

Villa Types, combine Villa Types, or even create new Villa Types based on things like changes to the laws or the Project Documents limiting the number of occupants, differences in the estimated reservation value of Villas that are considered to be the same Villa Type, or any other factors that are relevant, or that are intended to increase the opportunity of the Owners as a whole to use and enjoy the Vacation Property, as determined in the Reservation System Operator's sole, absolute and unfettered discretion.

(a) A change in Villa Types for the purpose of setting Point Values, however, will not change the Villa Types used to determine what kind of Villa that an Owner has the right to reserve if the Owner has a Specific Vacation Period and a Villa Type Right.

C. SEASONS. The Reservation System Operator does not have to compare each Use Night to every other Use Night when assigning Point Values. Instead, the Reservation System Operator may divide the calendar year into different periods, called "Seasons." For example, it might divide the year into peak, high, medium and low Seasons. It may then divide the Use Nights among the Seasons. It may then set Point Values based on a comparison of the different Seasons rather than a comparison of each specific Use Night or Use Week.

1) DAYS OF WEEK. It is not necessary for any Season to begin or end on a specific day of the week. For example, a Season might begin on a Friday and end on a Sunday.

2) CHANGES IN SEASONS. From time to time, the Reservation System Operator may change the starting and ending dates of the Seasons or even create new Seasons or delete existing Seasons based on things like changes in vacation patterns, changes in the Reservation System Operator's estimate of the reservation value of different Use Periods, or any other factors that are relevant, or that are intended to increase the opportunity of the Owners as a whole to use and enjoy the Vacation Property, as determined in the Reservation System Operator's sole, absolute and unfettered discretion.

D. SPECIAL USE PERIODS. The Reservation System Operator may set different Point Values for Use Periods having special characteristics. For example, the Reservation System Operator may set higher Point Values for holidays like Easter, Thanksgiving, Golden Week, or Obon. It might also do the same for periods before, during or after the occurrence of a special event, for example, Aloha Week or the Iron-Man Triathlon. These

higher Point Values would apply even if the Use Period otherwise falls within a specific Season.

E. POINT VALUES FOR USE WEEKS. The sum of the Point Values for each Use Night in a Use Week may be higher than the Point Value for the full Use Week. This is because breaking up a Use Week into smaller Use Periods may mean that some of the Use Nights may go unused. As a result, the Reservation System Operator may choose whether to reflect this in setting the Point Values for use of the individual Use Nights making up a Use Week, in its sole, absolute and unfettered discretion.

F. OTHER DISTINCTIONS. The Reservation System Operator may draw other distinctions when preparing the Points Chart. It may do so in order to recognize new kinds of Vacation Ownership Interests or reservation and use rights created from time to time, or to enhance the administration and operation of the Plan or the reservation system, or for any other purpose that is relevant, as determined by the Reservation System Operator in its sole, absolute and unfettered discretion.

G. TOTAL POINT VALUES.

1) GENERAL RULE. A Point Value must be assigned to each Use Night available in each Villa included in the Vacation Property. The assignment of Point Values must comply or be administered in accordance with any applicable requirements of the one-to-one use-right to use-night requirement of the Act.

2) CALCULATION. In making this determination, the following rules will apply:

(a) USE WEEKS. If the sum of the Point Values for the Use Nights in a Specific Use Week is higher than the Point Value charged to reserve the full Use Week as discussed in Section 6.5E, then the Point Value of the full Use Week will be used in making this determination.

(b) LATE RESERVATIONS. If the Points Chart reduces Point Values for late reservations as discussed in Section 6.5A.1), then the regular Point Values will be used in making this calculation instead of the reduced Point Values permitted for late reservations.

(c) UNAVAILABLE VACATION PROPERTY. The Developer has the right to use the Villas for sales activities and other purposes as described in Section 8.8C. When applying the rule in Section 6.5G.1), the Reservation System Operator must not include Points assigned to a Villa being used by the Developer under

Section 8.8C unless the Developer owns enough Points, and the right kind of Points, to reserve that Villa.

3) ROUNDING, APPROXIMATIONS, AND YEARLY VARIANCES. Subject to any limits imposed by the Act, the total of all the Point Values for all Use Nights in all of the Vacation Property in a given Use Year does not have to be exactly equal to the total number of Points assigned to all of the Vacation Property by the Developer as provided in Section 4.4. Like a calendar year, the Use Year does not have exactly 52 weeks in it. There are always a few extra days, and sometimes an extra week. Some calendar years have more weekend days and so do some Use Years. The sum of the Points assigned to all of the Use Periods in a Use Year may differ from one year to the next depending on whether the extra days fall on week days or on the weekend, or whether there are more weekends or even an extra week in the Use Year. (Point Values may be higher for weekend nights than for week nights.) Subject to any limitations contained in the Act, the Reservation System Operator may set Point Values without regard to these kinds of differences. For example, instead of using the actual Point Values of all Use Nights in a particular Use Year, the Reservation System Operator's calculations may be based on the Point Values of the Use Nights in an average Use Year. Or perhaps the Reservation System Operator may choose a particular Use Year (e.g., 2004) to use for the purpose of setting Point Values in compliance with this Section 6.5G. The Reservation System Operator may also round up or round down the number of Points assigned to a Villa, and make other reasonable allowances, in determining whether the requirements of this Section 6.5G are being met for any particular year so long as it does not violate the one-to-one use-right to use-night requirement of the Act.

H. APPLICATION TO DEVELOPER. When the Developer is preparing the initial Points Chart, it may do anything that the Reservation System Operator may do under this Section 6.5.

6.6 AMENDMENT OF THIS SECTION. So long as the Affiliation Agreement remains in effect, this Section 6 (and the definitions of any terms used in it) cannot be changed without the written consent of the SVN Operator.

7. RESERVATION RIGHTS AND RULES.

7.1 INTRODUCTION. To use the Vacation Property, Owners who do not have a Specific Vacation Period must request a reservation. To do this, the Owners must first check the Points Chart to find the Point Value of the Use Nights and kind of Villa that they want to reserve. They

must then check to be sure that they have enough Points to reserve it.

Each year (or every other year, for an Every-Other-Year Vacation Ownership Interest), Points are allotted to each Owner's Points Account. When an Owner uses his or her Points, they are removed from the Owner's Points Account. If the Owner does not use his or her Points, then he or she will lose them.

All of this is explained in the Reservation Rules. The Developer adopted the initial Reservation Rules and the Reservation System Operator may change them from time to time. Owners must follow these rules when making a reservation.

Although the Reservation Rules are a separate document, this Section contains rules about how the Reservation Rules must work. The Reservation System Operator must follow the requirements of this Section when preparing or changing the Reservation Rules.

7.2 DEFINITIONS.

A. "ASSIGNED VILLA" means the Villa assigned to an Owner or other Occupant for use during his or her Vacation Period. If an Owner has the exclusive right or a permanent reservation to use a particular Villa (for example, an Owner having a Specific Villa Right), that Villa will be his or her Assigned Villa.

B. "POINTS ACCOUNT" means a record of the number of unused Points held by an Owner at any particular time. The Points Account is used to track the number of Points an Owner has used and the number that are still available for use in any Use Year.

7.3 USE OF POINTS. Among other things, Points represent an Owner's reservation and use rights. An Owner may use his or her Points to reserve a Villa or to reserve property available through an Exchange Program. These rights are defined, limited and governed by the Reservation Rules and other Vacation Plan Documents.

7.4 RESERVATIONS.

A. FLOATING VACATION OWNERSHIP INTERESTS. To use a Villa, the Owner of a Floating Vacation Ownership Interest must reserve a Use Period in the manner provided in the Reservation Rules. The Owner may reserve from one Use Night to as many Use Nights as the Owner's Points will support, subject to the requirements of the Vacation Plan Documents.

1) MAJOR SERVICE PERIODS. An Owner cannot reserve Use Periods chosen by the Association to be Major Service Periods.

2) EVEN-YEAR VACATION OWNERSHIP INTERESTS. The Owner of an Even-Year Vacation Ownership Interest may only reserve Use Periods that fall within even-numbered Use Years.

3) ODD-YEAR VACATION OWNERSHIP INTERESTS. The Owner of an Odd-Year Vacation Ownership Interest may only reserve Use Periods that fall within odd-numbered Use Years.

B. SPECIFIC VACATION OWNERSHIP INTERESTS. If an Owner has a Specific Vacation Ownership Interest, the Owner's Specific Week will be reserved automatically.

1) EVEN-YEAR VACATION OWNERSHIP INTERESTS. If the Owner has an Even-Year Vacation Ownership Interest, then the Owner's Specific Week will be reserved for use by the Owner only in even-numbered Use Years.

2) ODD-YEAR VACATION OWNERSHIP INTERESTS. If the Owner has an Odd-Year Vacation Ownership Interest, then the Owner's Specific Week will be reserved for use by the Owner only in odd-numbered Use Years.

7.5 POINTS ALLOTMENT. Each year (or every other year, in the case of an Every-Other-Year Vacation Ownership Interest) an Owner has the right to receive the number of Points assigned to his or her Vacation Ownership Interest. Each allotment of Points relates to a specific Use Year and may be used to reserve Use Periods in that Use Year.

A. POINTS ACCOUNT. The Reservation System Operator will record in an Owner's Points Account the number of Points held by the Owner and the number spent.

B. DEPOSIT OF POINTS. Before the start of the first Reservation Window for a particular Use Year, the Reservation System Operator will deposit into an Owner's Points Account the number of Points that the Owner has the right to use for that Use Year.

1) NUMBER OF POINTS. The number of Points that an Owner has the right to receive is based on the Ownership Share of his or her Vacation Ownership Interest.

(a) **EVERY-YEAR VACATION OWNERSHIP INTEREST.** The Owner of an Every-Year Vacation Ownership Interest has the right to receive Points equal to the numerator (top number) of the Ownership Share for that Vacation Ownership Interest. See Section 5.4B for an explanation of how this works.

(b) **EVERY-OTHER-YEAR VACATION OWNERSHIP INTEREST.** The Owner of an Every-Other-Year Vacation Ownership Interest has the right to receive Points equal to two times the numerator (top number) of the Ownership Share for that Vacation Ownership Interest, but only receives an allotment of Points every other year.

(c) **DEED.** An Owner's deed should recite the number of Points that the Owner has the right to receive (see Section 5.10B.3)). If there is a difference, however, between the number shown in the deed and the number calculated in the manner provided in Sections 7.5B.1(a), and 7.5B.1(b), then Sections 7.5B.1(a) and 7.5B.1(b) will control.

2) **MULTIPLE OWNERS.** If more than one person owns a Vacation Ownership Interest, they still will receive only the number of Points assigned to their Vacation Ownership Interest as described in Section 7.5B.1). They will not each receive a separate allotment of Points.

3) **FREQUENCY OF DEPOSIT.** The Reservation System Operator will deposit Points at these times:

(a) Each Use Year, the Reservation System Operator will deposit Points into the Points Account of each Every-Year Vacation Ownership Interest.

(b) The Reservation System Operator will deposit Points into the Points Account of an Even-Year Vacation Ownership Interest only for use during even-numbered Use Years.

(c) The Reservation System Operator will deposit Points into the Points Account of an Odd-Year Vacation Ownership Interest only for use during odd-numbered Use Years.

C. WHEN ARE POINTS REMOVED FROM AN OWNER'S POINTS ACCOUNT?

1) If an Owner has a Floating Vacation Ownership Interest, Points will be removed from the Owner's Points Account:

(a) When the Owner makes a reservation;
or

(b) If the Owner does not use them to make a reservation before the end of the Use Year to which they relate except to the extent that the Reservation Rules provide otherwise. For example, the Reservation Rules may permit Owners to "bank" (i.e., save) Points in certain circumstances.

2) If an Owner owns a Specific Vacation Ownership Interest, the Points required to reserve the Owner's Specific Week will be removed from the Owner's Points Account when the Owner's Specific Week is reserved. Since the Owner's Specific Week is reserved automatically, the Points also will be removed automatically.

3) Points may be removed from an Owner's Points Account if the Owner uses them in some other way as described in the Reservation Rules.

4) Points may be restored to an Owner's Points Account if and to the extent provided in the Reservation Rules, and subject to any conditions, limitations and restrictions imposed by the Reservation Rules. For example, the Reservation Rules provide that an Owner's Points will be restored if the reservation is cancelled more than sixty (60) days prior to the Check-In Day of the Vacation Period.

7.6 CONFIRMATION. A reservation is not valid until the Reservation System Operator confirms it. The Reservation Rules may establish procedures governing how and when a reservation is confirmed. The Reservation Rules may provide that a reservation is tentatively confirmed but will not be finally confirmed unless the Owner meets certain conditions. For example, the Reservation Rules may require that an Owner pay a Transaction Fee before his or her reservation will be finally confirmed.

7.7 RESERVATION RULES. The Reservation System Operator must establish a reservation system for the Plan. The reservation system is subject to the following requirements and may include other requirements, priorities, restrictions and limitations as the Reservation System Operator deems appropriate in its sole, absolute and unfettered discretion:

A. INITIAL RESERVATION RULES. The Developer adopted the first set of Reservation Rules.

B. DELINQUENT OWNERS. An Owner is not allowed to reserve, use or exchange a Villa if (i) the

Owner has not paid any Regular Assessment, Special Assessment, or Personal Charge due or past due, or (ii) the Reservation System Operator learns that the Owner has not paid any amounts due under any note or mortgage made by the Owner in favor of the Developer. The Reservation System Operator may cancel a reservation held by an Owner if that Owner does not pay any Regular Assessment, Special Assessment, or Personal Charge due or past due. The Reservation System Operator does not have to pay the amounts due or past due from an Owner even if the Reservation System Operator does not enforce the provisions of this Subsection 7.7B.

C. ADVANCE PAYMENTS. The Reservation System Operator may require that an Owner pay in advance the estimated Regular Assessment for a future year as a condition to accepting reservation requests for that year. The Reservation System Operator will forward any such payments to the Association. Any interest earned on the amount paid will belong to the Association. It will not be paid or credited to the account of the Owner. If it turns out that the amount paid is more than the amount due, then the Association will either refund the difference or apply it to the following year's Assessments, as the Association chooses. If the amount paid is less than the amount due, the Owner must pay the shortfall when the Reservation System Operator asks for it.

D. RESERVATION WINDOWS. The Reservation Rules must set the Reservation Window for each Use Period. A "*Reservation Window*" is a period of time when an Owner or other person may request a reservation. A person can only reserve a Use Period during that Use Period's Reservation Window. For example, the Reservation Rules might provide that the Reservation Window for a Use Period begins thirteen months before the Check-In Day of a Use Period. This means that on February 1, 2017, the Reservation System Operator would begin taking reservations for a Use Period starting on March 1, 2018. A person who waits to make a reservation will be less likely to obtain confirmation of such person's choices of available occupancy periods. Except as otherwise provided in the Reservation Rules, Owners may request a reservation for a particular Use Period at any time from the start of its Reservation Window until the Check-In Day of that Use Period. The Reservation Window for a Use Night cannot start more than thirty months in advance.

E. RESERVATION PERIODS. The Reservation Rules may divide the Reservation Window for each Use Period into Reservation Periods as provided in this Subsection 7.7E. A "*Reservation Period*" is a part of a Reservation Window. The dates when Reservation Periods start or end may be set in the Reservation Rules. The initial Reservation Rules establish the following

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Reservation Periods, but the Reservation System Operator may also create new kinds of Reservation Periods from time to time, in its sole, absolute and unfettered discretion.

1) HOME RESORT RESERVATION PERIODS. "*Home Resort Reservation Period*" means a Reservation Period when only Owners in this Plan may reserve a Use Period in a Villa included in this Plan. There must be at least one Home Resort Reservation Period and there may be more. It cannot begin more than thirty months before the Check-In Day for any Use Night available for reservation. It must last at least one (1) month; provided that if it begins more than eighteen months before the Check-In Day, then it must last at least two (2) months, and if it begins more than two years before the Check-In Day, then it must last at least three (3) months. The Reservation Rules may give different names to the Home Resort Reservation Periods.

2) OTHER RESERVATION PERIODS. The Reservation Rules may create other Reservation Periods that are Home Resort Reservation Periods.

3) NEW RESERVATION PERIODS. The Developer may create new Reservation Periods. This may happen, for example, when the Developer creates a new Villa Type or a new kind of Vacation Ownership Interest as discussed in Section 18.2B. For example, suppose the Developer decides to add a group of Units and to create a new kind of Vacation Ownership Interest that gives certain Owners the first chance to reserve those Villas for certain times such as for Aloha Week. If so, the Developer might create a new Reservation Period when only those Owners can reserve one of those Villas for Aloha Week. This Reservation Period might begin and end before the start of any other Reservation Periods, but it would not have to do so. This is called a "*Special Reservation Period*" because it is a time when only Owners having certain special reservation rights may make a reservation.

4) RESTRICTION ON RESERVATION RULES. Except as provided in Subsection 7.7E.3) and Section 15.5, the Reservation Rules must not allow any Owner, the Developer, or anyone else to reserve the Owner's Specific Week or Specific Villa of anyone having a Specific Vacation Period or Specific Villa Right.

F. EXCHANGE INTEGRATION. The Association may enter into an Affiliation Agreement that requires that the Plan's Reservation Windows and Reservation Periods conform to those established for exchange purposes and/or that the Reservation Rules, procedures, and

policies not be inconsistent with those established for exchange purposes.

G. TRANSACTION FEES. The Reservation Rules may require that the Owners pay Transaction Fees. "Transaction Fees" are reasonable fees charged to an Owner that relate to the manner in which an Owner uses his or her reservation or use rights. For example, Transaction Fees may be charged (i) for making multiple reservations, (ii) for canceling or changing reservations, or (iii) to cover the added housekeeping and reservation costs of permitting an Owner to use a Villa for a Use Period lasting less than a full week.

H. RESERVATION PRIORITIES. The Reservation Rules may create reservation priorities. For example, the Reservation Rules: (1) may give priority to the reservation requests of Owners on a first come-first served basis, or (2) may establish a way to fairly allocate among the Owners reservations for holidays or other high-demand Use Periods.

I. OTHER RULES. The Reservation Rules may establish other priorities, restrictions and limitations as determined by the Reservation System Operator in its sole, absolute and unfettered discretion. For example, the Reservation Rules may do some or all of these things:

1) They may designate Villas as smoking or non-smoking Villas. Unless otherwise provided in the Reservation Rules, all Villas are non-smoking Villas.

2) They may limit the number of weekend Use Nights that an Owner may reserve or the times when an Owner may reserve them.

3) They may set up a "rotating priority list," a "waiting list," and other systems for dealing with holidays or other in-demand Use Periods.

4) They may limit how far in advance an Owner may reserve a weekend Use Period or a Use Period having a duration of less than a week.

5) They may require that reservations be for a minimum or maximum number of Use Nights and may also require that the stay begin and end on a certain date or day of the week.

6) They may limit an Owner's reservation rights if the Owner had a confirmed reservation in that Use Year but changed or canceled it.

7) They may limit the time period within which an Owner may cancel a reservation without losing some or all of his or her Points.

8) They may permit the Reservation System Operator to cancel a reservation if an Owner's reservation or use rights have been suspended or have ended.

9) They may provide that a Use Period will be assigned to those Owners who do not submit a reservation request by a certain deadline.

J. CHANGES TO THE RESERVATION RULES. The Reservation Rules may include any conditions, restrictions and limitations that the Reservation System Operator chooses. Except as otherwise provided in this Declaration, the Reservation System Operator has the right to change the Reservation Rules from time to time in all respects and for any purpose, in its sole, absolute and unfettered discretion, without the consent of Owners. However, all amendments are subject to the prior written consent of Developer for as long as Developer owns a Vacation Ownership Interest. The Reservation System Operator must give notice of any change to the Owners. The Reservation System Operator may give this notice by mailing it to the Owners or by including it in a newsletter, by email, or by posting a notice or revised Reservation Rules on its Internet web site. It may also give this notice in any other way that is likely to be effective to give notice to the Owners.

K. RESTRICTION ON RESERVATION RULES. The Reservation Rules must comply or be administered in accordance with the one-to-one use-right to use-night requirement of the Act.

7.8 RESERVATION ERRORS. If anyone entitled to occupy a Villa cannot do so due to an error by the Reservation System Operator, then the Association must make a reasonable effort to find and pay for (as liquidated damages) other lodgings on Maui for the injured person and his or her Guests to stay in during his or her Vacation Period. The lodgings should sleep as many people as the Primary Occupant's Assigned Villa. The person will be entitled to no other compensation for the error. If the Reservation System Operator made the error, then it must repay the Association for the cost of the substitute lodgings.

7.9 PRIMARY CONTACT. If a Vacation Ownership Interest is owned by more than one person or if it is owned by a corporation or other legal entity, the Reservation Rules may require that the Owner choose one person to be the Primary Contact. The "Primary Contact" will act on behalf of all of the co-Owners of a given

Vacation Ownership Interest in case there is any disagreement among them regarding the use of their Vacation Ownership Interest, and will serve any other functions assigned to the Primary Contact in the Reservation Rules. The Reservation Rules may require that the Owner pay an administrative fee to the Reservation System Operator to change the Primary Contact. If a Vacation Ownership Interest is owned by a single individual, that person will be the Primary Contact.

7.10 DESIGNATED REPRESENTATIVE. If a Vacation Ownership Interest is owned by more than one person or if it is owned by a corporation or other legal entity, the Reservation Rules may require or permit the Primary Contact to designate one individual as a Designated Representative. The "*Designated Representative*" will be authorized to make reservations on behalf of the Owner or Owners of the Vacation Ownership Interest and to receive information about the Vacation Ownership Interest. The Reservation Rules may require that the Owner pay an administrative fee to the Reservation System Operator to change the Designated Representative.

7.11 AMENDMENT OF THIS SECTION. So long as the Plan is part of SVN, this Section 7 cannot be changed without the written consent of the SVN Operator.

8. USE RIGHTS AND RULES.

8.1 INTRODUCTION. This Section explains the rights and duties of anyone who is using a Villa or any Common Areas of the Project.

8.2 RIGHTS DURING YOUR VACATION PERIOD. During an Owner's Vacation Period, the Owner has the exclusive right to occupy and use his or her Assigned Villa and the Common Furnishings in it. During the same Vacation Period, the Owner has the right to use: (a) the General Common Areas of the Project and any Limited Common Areas available to the Assigned Villa, (b) the Shared Areas of the Project to the extent permitted under the Project Declaration, and (c) any Ka'anapali North Beach Amenities to the extent permitted under the Ka'anapali North Beach Documents. The Developer has the same use rights during all Vacation Periods it owns or reserves. These rights are defined, limited and governed by the Vacation Plan Documents, the Project Documents, and the Ka'anapali North Beach Documents.

A. GUEST USE. An Owner may allow someone else to use his or her Assigned Villa during the Owner's Vacation Period for the purposes permitted by this Declaration. The Owner, however, must first notify the Association that a Guest will use his or her Assigned Villa. The Owner will be fully responsible for his or her Guests. See Section 10 for more details.

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B. CONSECUTIVE USE PERIODS. Anyone who has the right to use a Villa for two or more Use Periods in a row also will have the right to remain in it during the Minor Service Period between those Use Periods. This does not mean, however, that the Association cannot enter it to perform housekeeping, maintenance and repairs, and so on, during the Minor Service Periods.

C. EXCHANGE USERS. An Exchange User having a confirmed reservation to use a Villa in this Plan will have the same use rights and responsibilities during his or her reserved Use Period as an Owner has.

8.3 AT OTHER TIMES.

A. VILLAS. Except for the Assigned Villa during his or her Vacation Period, no Owner or Exchange User may use or occupy a Villa, its Common Furnishings, or the Common Areas unless he or she is expressly authorized by (a) the person entitled to use the Villa at that time, (b) the Reservation System Operator, (c) the Plan Manager, or (d) the Association. For the purposes of 11 U.S.C. §365(h) and (i), however, each Owner is deemed to be in constructive possession of the Vacation Property.

B. KA'ANAPALI NORTH BEACH AMENITIES. No Owner or Exchange User may use any of the Ka'anapali North Beach Amenities that are not open to the general public except during his or her Vacation Period or as otherwise provided by the Ka'anapali North Beach Documents.

8.4 GENERAL USE RESTRICTIONS AND DUTIES.

A. LIMITS ON OCCUPANTS AND COMMERCIAL USE.

1) The number of people allowed in any Villa is limited to the maximum number permitted by law, the Project Documents and the Association Rules, whichever is lower. No business or profession may be conducted in any Villa or on the Common Areas. This does not apply, however, to the Developer's rights under Sections 8.8 and 8.9.

2) Owners and Exchange Users may only use Villas to provide vacation lodgings for themselves and their Guests. They cannot use a Villa for any commercial purpose or as a primary residence. Also, without first getting the Developer's written consent, they cannot lease, rent or otherwise contribute their Vacation Ownership Interest, reservation rights, use rights, Points, or Vacation Period to (i) any other vacation ownership or time share plan or program, (ii) any fractional ownership plan or program, or (iii) a Competitor of the Developer (but this does not prohibit an Owner from participating in

the SVN program, in any Exchange Program offered by the Developer or an affiliate of the Developer, or in a "Traditional Exchange Program", meaning an Exchange Program in which Use Periods are not automatically deposited into the exchange system, but are only deposited after (x) the Owner reserves a Use Period, and (y) the Owner deposits his or her Vacation Period with the Exchange Company at the time that the Owner requests an exchange to use property not included in the Plan. The Developer may withhold its consent in its sole discretion. "Competitor" is defined in Section 12.3K.10). The Rules in this Subsection 2) do not apply to the Developer's rights under Sections 8.8 and 8.9.

B. ANIMALS. Persons with handicaps or disabilities may keep specially trained animals in their Assigned Villa or elsewhere on the Project as provided in the Project Documents or in the Americans With Disabilities Act or any similar state or federal law. No other pets or other animals of any kind may be allowed or kept in any Villa or elsewhere on the Project except as explicitly provided in the Association Rules.

C. USE OF KA'ANAPALI NORTH BEACH AMENITIES. This Declaration gives the Owners and Occupants no greater rights than they otherwise have under the Ka'anapali North Beach Documents. For example, Owners and Occupants have no right to use any private areas of other Ka'anapali North Beach properties just because they are members of the Ka'anapali North Beach Association or own a Vacation Ownership Interest or have the right to occupy a Villa.

D. RENTALS. Owners may rent their Vacation Periods in this Plan. Each Owner promises not to enter into a "rental pool" or similar arrangement where the Owner's Vacation Period is placed together in a pool with other Owners' Vacation Periods and rented, or where rental income and/or expenses are shared in some other way. Only the Developer can enforce this restriction. The Developer can enforce this restriction until the earlier of (1) December 31, 2035, or (2) the date the Developer sells all Vacation Ownership Interests and any other Project Ownership Interests that it owns in the Project. The Developer makes no representation or warranty that any rental pool arrangement will become available, or as to the potential rental value of a Vacation Ownership Interest, or that an Owner may expect to make a profit by buying, selling, or renting a Vacation Ownership Interest.

E. CHANGES TO THE VACATION PROPERTY. No Owner or Occupant may make or authorize anyone else to make any changes, additions, or repairs to any Villa or its Common Furnishings except when needed to prevent damage or injury to persons or property in an emergency. Nobody may paint, refinish or redecorate any Villa or

remove, change or replace any part of the Common Furnishings without first having the written consent of the Association. The Association alone has the right to do those things. However, these restrictions do not reduce or change the duty of every Occupant described in the next paragraph.

F. DUTY OF CARE; MAINTENANCE AND REPAIR. All Occupants must keep their Assigned Villa and its Common Furnishings neat and in good condition during their Vacation Period and must take good care of all property available for their use. This includes, among other things, the Common Areas of the Project. The Owners, acting through the Association, will conduct and pay for the costs of normal maintenance and repair of the Villas, their Limited Common Areas, if any, and the Common Furnishings. The Community Association maintains the General Common Areas.

G. DUTY TO OBEY THE GOVERNING DOCUMENTS. Each Owner and every other Primary Occupant must obey the Project Documents, the Ka'anapali North Beach Documents, and the Vacation Plan Documents and see that all of his or her Guests also do so. Primary Occupants who are not Owners may be required at check-in (or later) to sign a contract in which they promise to do the things required by the Vacation Plan Documents including, for example, an agreement to pay any Personal Charges. Primary Occupants and their Guests are jointly and severally liable to keep all promises and pay all charges required by the Vacation Plan Documents. This means that each of them may have to pay the whole amount, not just part of it or their share of it. Each person is responsible separately and together with the others.

H. DUTY TO PAY PERSONAL CHARGES. Primary Occupants must pay all Personal Charges incurred by them or their Guests during their Vacation Period. This includes, for example, things like charges for extra housekeeping service or telephone calls, recreational equipment rental, and so on. It would also include things like Collection Costs (see Section 14.1E) incurred to collect Personal Charges. These must be paid as required by Section 14.8C.

8.5 DUTIES AT CHECK-OUT TIME.

A. CHECK-OUT. Except as provided in Section 8.2B, Occupants must leave their Assigned Villa by Check-Out Time on the last day of their Vacation Period.

B. PERSONAL BELONGINGS. At the end of their Vacation Period, Occupants must remove from their Assigned Villa all clothing, food, liquor, luggage and other personal effects brought into the Villa. Nobody

(including the Association, the Plan Manager or any later Occupants of the Villa) will be liable or responsible in any way at all for any personal effects left in a Villa at the end of a Vacation Period. Personal effects left in a Villa at the end of a Vacation Period will be considered abandoned. The Plan Manager may throw away, sell, or give them away except as otherwise provided by law or by the Association Rules.

C. VILLA CONDITION. Occupants must leave their Assigned Villa and its Common Furnishings neat and in good and sanitary condition (except for reasonable and ordinary wear and tear, or destruction by an unavoidable casualty or accident).

8.6 INTERFERENCE WITH ANOTHER'S USE.

A. SPECIAL DEFINITIONS. The following definitions apply to this Section 8.6:

1) **"INJURED PERSON"** means anyone who has the right to occupy a Villa but who cannot do so because of the acts (or failure to act) of an Offender. There may be several Injured Persons. For instance, a Villa may be damaged so that it cannot be used for many Use Periods. If so, each person who has the right to use the Villa during those Use Periods is an "Injured Person."

2) **"OFFENDER"** means anyone who:

(a) Uses or occupies a Villa during another's Vacation Period without permission or during a Service Period (such as by failing to leave by Check-Out Time), or

(b) Purposely or negligently prevents an Injured Person from using or occupying a Villa. This can happen, for example, if someone damages a Villa or its Common Furnishings so that as a practical matter it cannot be occupied during the following Use Period(s).

3) **"LIQUIDATED DAMAGES"** are damages agreed to in advance when actual damages would be difficult to measure. Actual damages caused by an Offender may be uncertain in nature or amount, or difficult, expensive and time-consuming to determine. To avoid these problems, each Occupant agrees that the amount of Liquidated Damages in this Section 8.6 will compensate an Injured Person fairly.

4) **"FAIR RENTAL VALUE"** means the value of a Villa based on the cost of renting one like it in the Project or elsewhere in the area on a daily basis plus a fee of fifteen percent (15%) to be paid to the Association for administrative costs. The Association determines Fair Rental Value; its decision is final.

B. WHAT HAPPENS TO AN OFFENDER. An Offender:

1) May be evicted from the Villa immediately; and

2) *"Waives"* (gives up his or her right to) any notice required in a lawsuit to evict him or her (to the extent Hawai'i law allows this); and

3) Must pay all costs and expenses to the Injured Person, the Association and the Reservation System Operator resulting from the Offender's conduct. This includes, for example, the Injured Person's added travel costs and the costs of renting another place for the Injured Person to stay. This amount will be charged to the Offender as a Personal Charge; and

4) Must pay the Injured Person Liquidated Damages equal to twice the daily Fair Rental Value of the Injured Person's Assigned Villa for each full or partial day the Injured Person cannot occupy the Assigned Villa. This amount also will be charged to the Offender as a Personal Charge.

If there is more than one Injured Person for a single Use Period, they must share the Liquidated Damages; the Offender does not have to pay each one twice the daily Fair Rental Value. This does not limit, however, the Offender's obligation to compensate the Injured Persons for each Use Period when more than one Use Period is affected.

C. THE ASSOCIATION'S DUTIES. The Association must take reasonable steps to evict the Offender. It also must take reasonable steps to find, and must pay for, other lodgings for the Injured Person. These should be as near in value to the Injured Person's Assigned Villa as possible. In addition to the amounts described in 8.6B, the cost of these lodgings will be charged to the Offender as a Personal Charge. The Association may decide that it has to rent these lodgings for longer than use of the Villa is prevented. If so, the Offender must pay the rental cost of the entire period as a Personal Charge. The Association's decision on this will be final.

D. APPLICATION TO EXCHANGE USERS. Sections 8.6A through C also apply to Exchange Users.

8.7 PARTICIPATION IN EXCHANGE PROGRAM. At his or her own option and risk, an Owner may exchange his or her use rights through an Exchange Program. Rules and regulations of an Exchange Program do not reduce, suspend, or otherwise change the duties of an Owner under the Vacation Plan Documents. Any amounts

charged to the Owner by the Exchange Company or relating to the Exchange Program do not reduce, suspend, or otherwise change the Owner's personal duty to pay all amounts charged to the Owner or his or her Vacation Ownership Interest as Assessments or Personal Charges under the Vacation Plan Documents.

8.8 SPECIAL RIGHTS OF THE DEVELOPER. No matter what else the Vacation Plan Documents provide, the Developer has and will have the following special rights and privileges:

A. DEVELOPER'S VACATION OWNERSHIP INTERESTS. The Developer has the right to use its Points to reserve Use Periods on the same basis as any other Owner.

B. DEVELOPER'S USE. The Developer may use its Vacation Periods for any purpose, no matter what else the Vacation Plan Documents provide. This includes, among other things, use for rental, sales and other commercial purposes permitted by law. The Developer and its Guests will have the right to use the Assigned Villa, its Limited Common Areas, the Ka'anapali North Beach Amenities, and the Common Areas of the Project during the Use Period reserved. If the Developer rents these Use Periods, it has the right to keep the rent.

C. USE OF VILLAS. The Developer may: (i) use one or more Villas as model units; (ii) use one or more of the Villas for customer relations, sales, marketing, and/or administrative offices, and (iii) show the Villas to potential buyers. However the Developer cannot do this in a way that violates the one-to-one use-right to use-night requirement of the Act.

D. MARKETING IN VILLAS. The Developer has the exclusive right and an easement to solicit Owners and Occupants staying in the Villas. The Developer may exercise its right and easement in any manner that does not violate any laws that may apply and that does not prevent or unreasonably interfere with the occupancy of the Villas. The Association and the Plan Manager will facilitate the Developer's exercise of its exclusive right and easement. For example:

- ❖ The Developer may require that the Plan Manager place marketing materials in the Villas provided that the Developer pays all costs of doing so. This might include pamphlets in the guest directory, tent cards, brochures, and/or door hangers on the interior or exterior door knobs.
- ❖ The Developer may also require that the Association or Plan Manager give out informational brochures,

flyers, and other things at the front desk provided that the Developer pays all costs of doing so.

- ❖ The Developer may place signs and other marketing materials at the front desk or in any parts of the Project under the control of the Association or the Plan Manager.
- ❖ The Developer will have the exclusive right to use one channel of any cable television or similar system for distributing television signals to the Villas for the purpose of running television commercials and advertising programs on a periodic or continuous basis provided that the Developer pays all costs of doing so.
- ❖ The Developer may leave messages on the voice mail for the Villas. The Developer will not be charged for this.
- ❖ The Association and Plan Manager will provide to the Developer access to reservation systems and to other databases, subject to any restrictions imposed by law.

E. USE OF COMMON AREAS AND AMENITIES. So long as the Developer owns any Vacation Ownership Interest or Project Ownership Interest, it may use the Common Areas of the Project for any purpose permitted by law and by the Project Documents, free from the restrictions imposed by the Vacation Plan Documents. This does not relieve the Developer of any restrictions on the use of the Developer's Reserved Rights contained in the Project Documents.

F. DEVELOPER'S EASEMENT. The Developer has an easement to use the rights reserved by the Developer in this Section 8.8. The Developer's rights under Subsections C and D must be used so as to minimize, when reasonably possible, any material interference with the rights of Owners or others to use and occupy the Villas (but this does not change the Project Developer's Reserved Rights in the Project Documents) and must not violate any law that applies. In no case may these rights be used in a way that prevents an Owner or other person having a confirmed reservation from using their Assigned Villa during their Vacation Period. The term "easement" is defined in the Glossary (Section 20.5). The Developer's agents, employees, contractors, and other authorized persons may use the Developer's easement rights to the extent authorized by the Developer.

8.9 SPECIAL RULES ABOUT DEVELOPER RENTALS.

A. DEVELOPER RENTALS. The Developer's right to rent Use Periods reserved by the Developer in its capacity as an Owner of a Vacation Ownership Interest pursuant to Section 8.8A is unrestricted. No matter what the Vacation Plan Documents say, the Developer, and the Developer alone, gets to keep the rent from these kinds of rentals.

B. ASSOCIATION'S RENTAL RIGHTS.

1) If the Developer is more than sixty (60) days late in paying any Personal Charge, Assessment or Subsidy Contract payment, and does not pay it within sixty (60) days after receiving from the Association a written demand for payment, then the Association may use the Developer's rights to reserve one or more Use Periods. The Association may then rent those Vacation Periods to the public. The renter and his or her Guests will have the right to use the Assigned Villa, its Limited Common Areas, the Ka'anapali North Beach Amenities, and the Common Areas of the Project during the Vacation Period reserved. The Association may not reserve or rent more Use Periods than necessary to pay all sums due in full (plus the reasonable costs of renting the Vacation Period). The Association will apply the rent money first to pay the cost of arranging the rental and then to pay all overdue amounts owed.

2) The Association may not reserve or rent a Use Period that has already been reserved by:

(a) Another Owner whose reservation has been confirmed; or

(b) An Exchange User whose exchange reservation has been confirmed by the Reservation System Operator or by an Exchange Company.

3) If the Developer has already rented a Vacation Period, the renter will be permitted to use that Vacation Period. The Association will have the right to collect any unpaid rent from the renter until all amounts due are paid in full.

4) The Association has an easement for the purpose of conducting rental activities under this Section B. The Association's agent, employees, independent contractors, and other authorized persons may use the Association's easement rights to the extent authorized by the Association

8.10 RENTALS GOVERNED BY HAWAII LAW. Chapter 486K, Hawaii Revised Statutes, or any replacement law, will govern any rentals of Villas to members of the general public on a transient basis.

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9. OWNERSHIP RIGHTS AND RULES.

9.1 INTRODUCTION. One of the many benefits of owning a Vacation Ownership Interest is that the Owner can transfer it to his or her children, a friend, or just about anyone else. Because it is a real estate interest, an Owner may also mortgage his or her Vacation Ownership Interest. This Section explains how to transfer or mortgage a Vacation Ownership Interest and discusses the restrictions that apply. It also explains when a transfer will take effect and creates rules about making a transfer. It concludes with a discussion of certain other real estate rights of the Owners and the Developer's right to repurchase the Vacation Ownership Interest if an Owner decides to sell it.

9.2 DEFINITIONS.

A. "PRIOR OWNER" means an Owner who is transferring a Vacation Ownership Interest to someone else.

B. "NEW OWNER" means the person to whom a Prior Owner is transferring his or her Vacation Ownership Interest.

9.3 TRANSFERS OF VACATION OWNERSHIP INTERESTS.

A. PERMITTED TRANSFERS. An Owner may transfer his or her Vacation Ownership Interest or Vacation Ownership Interests. A person who owns more than one Vacation Ownership Interest may treat each one separately. The Owner is not required to do with all the Owner's Vacation Ownership Interests what he or she does with any one.

B. LIMITS ON TRANSFERS. Without the Developer's written consent, an Owner may not transfer, sell, lease, rent, or otherwise contribute his or her Vacation Ownership Interest or its reservation or use rights to (i) another vacation ownership or time share plan or program, (ii) a fractional ownership plan, or (iii) a Competitor of the Developer (as defined in Section 12.3K.10). Any attempt to do so will not be effective; it will be void. Also, Competitors are not allowed to own any interest in any Vacation Ownership Interest. If a Competitor acquires any interest in a Vacation Ownership Interest without the Developer's consent, or if anyone who has any rights or interest in a Vacation Ownership Interest becomes a Competitor without the Developer's written consent, that interest will return to the Developer automatically. In legal terms, the Developer has a "*possibility of reverter.*" The Developer will transfer the Vacation Ownership Interest back to the Prior Owner (the person who transferred it to a Competitor) if the Prior

Owner pays all of the Developer's costs and expenses arising out of the Owner's violation of this Subsection. This includes, among other things, the cost of taking title back, including any court costs and legal fees and costs, and the cost to transfer it back to the Prior Owner. The Developer does not have to transfer title back to a Prior Owner who is a Competitor. However, the Developer is willing to transfer it to someone else who is not a Competitor if the Prior Owner pays all of the Developer's costs and expenses arising out of the Owner's violation of this Subsection. This Section does not prohibit an Owner from participating in the SVN program, in any Exchange Program offered by the Developer or an affiliate of the Developer, or in a Traditional Exchange Program as described in Section 8.4A.2).

C. OWNERS MAY NOT TRANSFER LESS THAN AN ENTIRE VACATION OWNERSHIP INTEREST. No Owner may transfer less than an Entire Vacation Ownership Interest. "Entire Vacation Ownership Interest" means everything transferred in the First Deed for the Vacation Ownership Interest. Any attempt to transfer anything less than an Entire Vacation Ownership Interest will be void. These are the only exceptions:

1) If a First Deed transfers more than one Vacation Ownership Interest, the Owner may transfer each of them separately.

2) The Developer may reset the features of a Vacation Ownership Interest, or convert it into two or more different Vacation Ownership Interests, as provided in Subsection 5.10A.2);

3) An Owner may pledge or transfer voting rights to a Lender having a first mortgage on his or her Vacation Ownership Interest (including but not limited to a Lender who has a nominee – such as Mortgage Electronic Registration Systems, Inc. – hold a mortgage for it); and

4) The seller under an Agreement of Sale may retain legal title to a Vacation Ownership Interest and the right to vote on certain matters. The buyer may transfer his or her entire interest under the Agreement of Sale, but nothing less.

This Section does not prohibit an Owner from depositing some or all of his or her rights with the SVN program or any other Exchange Program operated by the Developer or an affiliate of the Developer.

D. REQUIREMENTS FOR TRANSFER DOCUMENTS. Every deed and every Agreement of Sale must meet these requirements:

- ❖ It must be recorded.
- ❖ It must state the Ownership Share of the Vacation Ownership Interest.
- ❖ It must state the Identification Number of the Vacation Ownership Interest.

E. NOTICE OF TRANSFERS. Written notice must be given to the Plan Manager within fifteen (15) days after any Vacation Ownership Interest is transferred. The notice may be given by either the Prior Owner or the New Owner. The notice must include each of these things:

- ❖ The name and address of both the Prior Owner and the New Owner;
- ❖ The date of the transfer;
- ❖ The Identification Number of the Vacation Ownership Interest;
- ❖ The Ownership Share of the Vacation Ownership Interest;
- ❖ The number of Points that the Owner of the Vacation Ownership Interest has the right to receive.
- ❖ Whether the Points are Ocean Front Points or Resort View Points.
- ❖ Whether the Vacation Ownership Interest is an Every-Year Vacation Ownership Interest, an Even-Year Vacation Ownership Interest, or an Odd-Year Vacation Ownership Interest.
- ❖ Whether the Vacation Ownership Interest has a Specific or Floating Vacation Period. If it has a Specific Vacation Period, then it must identify the Owner's Specific Week by Specific Week Period Number or by Event Name.
- ❖ Whether the Vacation Ownership Interest has Specific Villa Rights, Villa Type Rights, or Floating Villa Use Rights. If it has a Specific Villa Right, then it must identify the Specific Villa to be used for each Specific Vacation Period. If it has a Specific Vacation Period but does not have a Specific Villa Right, then it must identify the Villa Type that the Owner has the right to use during the Owner's Specific Week.
- ❖ If the Vacation Ownership Interest has any other special reservation or use rights, it must identify

those rights or identify the First Deed for the Vacation Ownership Interest.

- ❖ Except in the case of a First Deed, a copy of the recorded document used to make the transfer. It must include the recording information for the document.

The Plan Manager must provide a copy of the notice of transfer to the Developer within ten (10) days after receiving it.

F. REGISTRATION OF TRANSFER. The Plan Manager may collect a reasonable service charge for changing the Association's records to reflect the transfer. The amount of the service charge will be set from time to time by the Plan Manager, subject to any restrictions contained in the Management Contract. When the Plan Manager receives a proper notice of a transfer, payment of all unpaid Assessments and Personal Charges due, and the service charge, then the Plan Manager will register the change on the Association's Membership List and notify the Reservation System Operator.

G. EFFECT OF NOTICE OF TRANSFER. Unless and until the notice is given:

1) The Association, the Plan Manager, and the Reservation System Operator do not have to recognize the New Owner for any purpose.

2) The Association, the Plan Manager, and the Reservation System Operator may continue to treat the Prior Owner, the New Owner, or both, as the "Owner."

3) The Prior Owner will remain fully liable as an Owner of the Vacation Ownership Interest, and the New Owner also will be fully liable as an Owner of the Vacation Ownership Interest.

4) The Association, the Plan Manager, and the Reservation System Operator may deal exclusively with the Prior Owner, the New Owner, or both. All notices from the Association, the Plan Manager, or the Reservation System Operator to the "Owner" may be sent to the New Owner, the Prior Owner or both, as the Association, the Plan Manager, or the Reservation System Operator chooses.

H. RIGHTS AUTOMATICALLY TRANSFERRED. The transfer of a Vacation Ownership Interest automatically transfers these things to the New Owner whether or not the deed or Agreement of Sale expressly says so:

- ❖ The interest of the Prior Owner in all funds held by the Association.
- ❖ The membership of the Prior Owner in the Association.
- ❖ Any special reservation or use rights that go with the Vacation Ownership Interest.

This happens whether or not the document transferring the Vacation Ownership Interest expressly says so.

I. FUNDS HELD BY THE ASSOCIATION, THE PLAN MANAGER, THE RESERVATION SYSTEM OPERATOR, OR AN EXCHANGE COMPANY. No share of any Owner in funds held by the Association, the Plan Manager, the Reservation System Operator, or an Exchange Company can be withdrawn or separately transferred. An Owner who wants this money must get it from the New Owner. The Association, the Plan Manager, the Reservation System Operator, and any Exchange Company are not required to refund it.

J. EXISTING RESERVATIONS. If the Prior Owner made a reservation before the transfer took effect, the Association, Plan Manager, and Reservation System Operator can assume that the Prior Owner, and not the New Owner, will use the reserved Use Period unless the Prior Owner tells it otherwise in the notice of the transfer. The New Owner cannot cancel the Prior Owner's reservation.

9.4 RELEASE OF AN OWNER'S DUTIES UNDER THIS DECLARATION.

A person's liability as the Owner of a particular Vacation Ownership Interest ends when:

- ❖ He or she no longer owns that Vacation Ownership Interest, and
- ❖ He or she or the New Owner notifies the Association of the transfer as required by Section 9.3E, and
- ❖ He or she has paid all Assessments, Personal Charges, and other sums due, and performed all his or her other duties under, the Vacation Plan Documents up to the time when his or her ownership ends, the notice of the transfer is received by the Plan Manager, and the Plan Manager registers the transfer pursuant to Section 9.3F.

9.5 MORTGAGES.

A. PERMITTED MORTGAGES. An Owner may mortgage his or her Vacation Ownership Interest or Vacation Ownership Interests. The Owner must, however, mortgage all his or her rights in the Vacation Ownership Interest; any attempt to mortgage anything less will be void. Anyone who owns more than one Vacation Ownership Interest may mortgage each one separately.

B. PROHIBITED ACTS. No Owner can mortgage or otherwise encumber all or any part of:

- ❖ Another Owner's Vacation Ownership Interest;
- ❖ The whole Project; or
- ❖ The Common Furnishings.

Any attempt to do so will not be effective. It will be void. NOTE: "Encumber" is defined in the glossary (Section 20.5).

C. ENFORCEMENT OF MORTGAGES. Any mortgage on a Vacation Ownership Interest will be subordinate to (which means that it will be governed by and will not affect) this Declaration and the other Vacation Plan Documents. If a mortgage is properly recorded and given in good faith and for value, then no violation of the Vacation Plan Documents or enforcement of the Association Lien will defeat or make the lien of the mortgage invalid. This does not guarantee, however, that the Lender will be paid fully or paid first.

9.6 DUTY TO OTHERS.

A. PROTECTING OTHER'S VACATION OWNERSHIP INTERESTS. No Owner may cause or permit his or her Vacation Ownership Interest or the Vacation Property to be subject to any claim or lien which (1) could result in the sale of the Vacation Ownership Interest of any other Owner, the Vacation Property, or anything other than his or her own Vacation Ownership Interest, or (2) could interfere with another Owner's use or enjoyment of his or her Vacation Ownership Interest.

If any such sale or interference is threatened, or if legal proceedings that could result in such a sale or interference are begun, because of any lien or claim against another Owner (the "Violator") or the Violator's Vacation Ownership Interest, then any other Owner or the Association may (but need not) pay or compromise the lien or claim without checking the proper amount or validity of it. In that case, the Violator must immediately repay the other Owner, or the Association,

the total expenses incurred, including all reasonable attorneys' fees and related costs. These amounts will be a Personal Charge to the Violator.

B. ASSOCIATION'S FUNDS. No Owner may permit his or her interest in any funds held by the Association to become subject to any attachment, lien or claim or other legal process. Each Owner must promptly restore any funds held by the Association with respect to the Owner's Vacation Ownership Interest if they are taken because of any such attachment, lien, claim or other legal process. The Owner must also repay the Association for all reasonable court costs, and attorneys' fees and costs incurred to have the funds restored. Amounts incurred by the Association may be charged to the Owner as a Personal Charge.

9.7 WAIVER OF RIGHTS.

A. TENANTS IN COMMON. Each Owner owns a share of the Project as tenants in common with the other Project Owners. Under the law, each Owner, as a tenant in common, has certain rights, privileges and duties. These rights, privileges and duties as a tenant in common are and will remain subordinate to (which means that they are subject to and restricted by) the Vacation Plan Documents. In case of any conflict, the Vacation Plan Documents will control for so long as this Declaration stays in effect. "Tenants in common" is explained in the glossary (Section 20.5).

B. PARTITION. "Partition" is the right of co-owners to ask a court to divide commonly owned property into separate parts for each co-owner. If the property cannot legally be divided, a court may order the property sold and divide the money from the sale among the co-owners. While this Declaration is in effect, nobody may ask for or obtain partition of a Vacation Ownership Interest, the Vacation Property or the Project. If, however, any Vacation Ownership Interest is owned by two or more persons together, any of them may ask a court to sell their Vacation Ownership Interest and divide the money between them. If this Declaration ends for any reason, any Owner may ask a court to sell the Vacation Property and divide the money between the Owners.

9.8 RIGHT OF FIRST REFUSAL.

A. If an Owner receives an offer to buy the Owner's Vacation Ownership Interest (the "Offer to Buy"), and if the Owner wishes to accept the Offer to Buy, the Owner must first notify the Developer before accepting the offer.

B. If an Owner makes an offer to sell the Owner's Vacation Ownership Interest (the "Offer to Sell"), then (i)

the Offer to Sell must state that it is subject to the Developer's Right of First Refusal under this Declaration, and (ii) the Owner must notify the Developer within five (5) business days after the buyer's acceptance of the Offer to Sell.

C. The Owner must provide to the Developer a complete copy of the Offer to Buy or Offer to Sell (the "Offer Document"). The Developer will then have the right and an option to buy the Owner's Vacation Ownership Interest at the same price and on the same terms contained in the Offer Document. If the Developer decides to buy the Vacation Ownership Interest, then the Developer will send the Owner written notice of that decision within ten (10) business days after the Developer receives both (1) the Owner's notice of the Offer to Buy or Offer to Sell, and (2) a copy of the Offer Document. The Developer's notice will create a binding contract between the Owner and the Developer to buy the Owner's Vacation Ownership Interest on the terms stated in the Offer Document (subject, however, to a reasonable extension of the closing date). If the Developer does not send notice of its decision to buy the Vacation Ownership Interest within the ten (10) business day period, then the Owner may sell the Vacation Ownership Interest to the buyer under the Offer Document. If the Offer Document is changed in any way (for example, a reduction in the price, a change in the buyer or an assignment of the buyer's rights to someone else), or if the sale does not close within ninety (90) days, then the Offer to Buy or Offer to Sell will be considered a new Offer to Buy/Offer to Sell and the Owner must re-submit it to the Developer and the requirements of this Section will apply again. If the Developer chooses not to buy the Vacation Ownership Interest, this will not constitute consent by the Developer of a sale or other transfer of the Interest to a Competitor in violation of Section 9.3B, or a waiver of the Developer's rights under that Section.

10. OWNER'S RESPONSIBILITY FOR OTHERS.

10.1 INTRODUCTION. An Owner may wish to reserve a Villa so that his or her children, parents, relatives, a friend, or just about anyone else can use it. The Plan allows an Owner to do this. But each Owner has certain responsibilities for his or her Guests. This Section explains those responsibilities. It also explains the responsibilities as between two Owners of a single Vacation Ownership Interest.

10.2 CO-OWNERS OF A SINGLE VACATION OWNERSHIP INTEREST.

If there is more than one Owner of a single Vacation Ownership Interest, each co-Owner is jointly and severally liable to pay all Assessments, Personal

Charges, and other sums charged to the Vacation Ownership Interest or to the Owner of it. This means that each person may be held responsible to pay the whole amount of the Personal Charge, Assessment, or other sum due, not just part of it or his or her share of it. It does not matter that only one co-Owner uses the Vacation Property during the Vacation Period or that Personal Charges were caused by only one of the co-Owners and not the others. For example, when one co-Owner damages the furniture or makes a long distance call, each of the co-Owners are fully responsible to pay for it, not just the one who did it. "Joint and several liability" is described in the glossary. See Section 20.5.

10.3 OWNER'S RESPONSIBILITY FOR GUESTS.

An Owner is personally responsible to see that his or her Guests:

1) Obey the Project Documents, the Ka'anapali North Beach Documents, and the Vacation Plan Documents.

2) Promptly pay all Personal Charges incurred during the Owner's Vacation Period (for example, charges for extra housekeeping service or telephone calls).

3) Promptly pay all other Personal Charges arising from or related to use by the Owner's Guests of the Vacation Property, the Project, or the Ka'anapali North Beach Amenities.

10.4 OWNER'S LIABILITY FOR GUESTS.

By permitting his or her Guest to come onto the Project (whether or not the Guest is expressly invited), the Owner agrees to be fully responsible for:

- ❖ Any loss, damage or destruction caused by the Guest's act or failure to act;
- ❖ Any violation by the Guest of the Ka'anapali North Beach Documents, the Project Documents, or the Vacation Plan Documents; and
- ❖ Any Personal Charges or other charges incurred by the Guest.

The Owner will be responsible for the Guest's acts or failure to act just as if they were the Owner's own acts or failure to act. If the Owner's Guests do not pay all amounts charged to them, the Owner must pay those amounts. The Owner must also pay all costs of trying to collect any amounts charged to the Guest, including Collection Costs. And, the Owner must pay all other

amounts charged to the Owner as a result of his or her Guests. All these amounts will be charged to the Owner as a Personal Charge.

10.5 AN OWNER AND HIS OR HER GUESTS ARE LIABLE SEPARATELY AND TOGETHER. Each Owner and his or her Guests are jointly and severally liable to pay all Personal Charges and all other charges arising from or related to the Guest's use of the Assigned Villa, the Common Furnishings, the Project, or the Ka'anapali North Beach Amenities. This means that the Owner, the Owner's Guest, or both may be required to pay the whole amount, not just part of it or some share of it.

10.6 LIABILITY FOR OWNERS AND GUESTS. The Association, the Developer, companies related to the Developer, the Plan Manager, and the Reservation System Operator (and each of their directors, officers, employees and agents) cannot be held responsible or liable for the acts, failure to act or conduct of any Owner or Occupant, or any Guest of an Owner or Occupant.

10.7 EXCHANGE PROGRAMS.

A. APPLICATION TO EXCHANGE USERS. An Exchange User will have the same responsibilities and liabilities for his or her Guests as an Owner has under Sections 10.3 and 10.4. An Exchange User and his or her Guests will have the same liabilities as an Owner and the Owner's Guest under Section 10.5.

B. FOR AN EXCHANGE COMPANY. The Association, the Plan Manager, the Reservation System Operator, and the Developer (and each of their directors, officers, employees and agents) are not responsible for the acts, failure to act or conduct of an Exchange Company or for an Exchange Company's breach of the Exchange Contract or any other agreement.

C. FOR EXCHANGE USERS. The Association, the Plan Manager, the Reservation System Operator, the Developer, and the Exchange Company (and each of their directors, officers, employees and agents) are not responsible for any act, failure to act, or conduct of Exchange Users or their Guests. An Owner is not responsible for any act, failure to act, or conduct of Exchange Users or their Guests whose use of a Villa is arranged through an Exchange Program in exchange for that Owner's reservation or use rights.

11. THE ASSOCIATION.

11.1 THE ASSOCIATION.

A. The name of the Association is "Nanea Ocean Villas Owners Association, Inc." It is a Hawai'i nonprofit corporation.

B. The Association is intended to continue as a corporation for the life of the Plan. But the State can terminate or "dissolve" a corporation in certain circumstances such as if the officers fail to file yearly reports required by law. If the corporation is ever dissolved, whether on purpose or not, then it will be replaced automatically by an unincorporated association having the same name and same Members, officers and Directors. In that event, all property, powers and obligations of the incorporated Association just before it dissolved automatically will be held by the unincorporated Association. To the greatest extent possible, any replacement unincorporated Association will be governed by the Vacation Plan Documents as if they were the governing documents of the unincorporated Association. The Act requires that the Association of Owners be a nonprofit corporation. Any officers or Directors of the unincorporated Association may either revive the old corporation or create a new one to be the Association. The name of the new corporation should be the same as or similar to the old name if possible.

11.2 ASSOCIATION MEMBERSHIP. Each Owner is a Member of the Association and only Owners can be Members. By acquiring a Vacation Ownership Interest, the Owner automatically consents to being a Member of the Association[CP1]. If more than one person is the "Owner" of a Vacation Ownership Interest, each of them is a Member. A person's Membership ends automatically when he or she is no longer the "Owner" of a Vacation Ownership Interest, such as when an Owner deeds it to someone else. An Owner cannot separate his or her Association Membership from his or her Vacation Ownership Interest. He or she cannot sell, transfer, mortgage or otherwise deal with it separately from the Vacation Ownership Interest. Any attempt to do so is void. Anyone who transfers a Vacation Ownership Interest also automatically transfers the Membership for that Vacation Ownership Interest to its New Owner. See the Bylaws for permitted exceptions.

11.3 VOTING RIGHTS OF OWNERS.

A. Each Vacation Ownership Interest is entitled to cast that number of votes in the Association as shall be equal to the numerator (top number) of its Ownership Share. For example, suppose that the Ownership Share assigned to a Vacation Ownership Interest is this:

257,700
3,098,581,502

In this case, the Vacation Ownership Interest would have 257,700 votes.

B. To make voting more manageable, the Board may conduct voting on a percentage basis. Under this approach, each Vacation Ownership Interest will have a vote equivalent to the percentage that the number of votes assigned to that Vacation Ownership Interest bears to the total number of votes assigned to all Vacation Ownership Interests except those whose voting rights have been suspended. Section 15.3 explains how an Owner's voting rights may be suspended.

C. If a Vacation Ownership Interest is owned by more than one person, its co-Owners do not each receive a separate allotment of votes. Votes are allocated to a Vacation Ownership Interest, not the Owners of it. The number of votes allocated to a Vacation Ownership Interest remains the same regardless of the number of co-Owners of that Vacation Ownership Interest. The co-Owners of a Vacation Ownership Interest must share the votes for that Vacation Ownership Interest and will have to agree among themselves on how to cast the vote of their Vacation Ownership Interest. The Association need not settle disputes among co-Owners as to voting. If the co-Owners cannot agree, they lose their right to vote on the matter in question. Fractional (split) votes are not allowed. For example, if a Vacation Ownership Interest has 257,700 votes, all 257,700 votes must be cast together as a block. The Owner cannot cast, say, 100,000 of the votes. And co-Owners could not each cast half of the 257,700 votes. All votes of the Vacation Ownership Interest must be voted together.

D. If a Vacation Ownership Interest is owned by more than one person, the vote or votes for that Vacation Ownership Interest may be cast by any of its co-Owners, unless (i) another co-Owner files a written objection with the Secretary or the Chairperson during or before the meeting, or (ii) another co-Owner casts an inconsistent vote.

E. The Articles establish classes of Members. Voting will not be done by class except where this Declaration, the Articles or the Bylaws expressly provide otherwise. The Articles contain some examples.

F. In all other respects, voting rights are governed by and may be limited, enlarged or denied as provided in this Declaration, the Articles and the Bylaws.

11.4 BOARD OF DIRECTORS.

A. RIGHTS AND OBLIGATIONS OF THE BOARD.

The business and affairs of the Association are controlled

by the Board. Except as limited by law or by this Declaration, the Articles, or the Bylaws, the Board may exercise all powers of the Association and must perform all of its duties. The Board may not, however, take any action that, by law or under this Declaration, the Articles, or the Bylaws, must be taken, authorized or approved by the Owners, or by some part or percentage of them. The Board may delegate its powers to the officers of the Association or to one or more professional managers hired by the Association, including but not limited to the Plan Manager and the Reservation System Operator. This authority is subject to any limits contained in this Declaration, the Articles, or the Bylaws. The first Board will consist of persons appointed by the Developer.

B. DEVELOPER CONTROL PERIOD. [The Developer reserves the right to appoint and remove the officers and members of the Board.[CP2] This right shall remain in effect for a period (the "*Developer Control Period*") commencing on the date when the Association is established and terminating no later than the earlier of

1) Sixty days after conveyance of seventy-five per cent of the Ownership Shares for all Villas that may be created (i.e., for all Units in the Project that may be submitted to this Declaration) to Owners other than a Developer or affiliate of the Developer;

2) Two years after the Developer has ceased to offer Vacation Ownership Interests for sale in the ordinary course of business;

3) Two years after any right to add new Villas was last exercised; or

4) The day the Developer, after giving written notice to the Association on behalf of the Owners, records an instrument voluntarily surrendering all rights to control activities of the Association.

[The Developer may voluntarily surrender the right to appoint and remove the officers and members of the Board before the termination of the Developer Control Period, but in that event the Developer may require, for the duration of the Developer Control Period, that specified actions of the Association or Board, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective[CP3].

C. ELECTION OF BOARD. Not later than the termination of the Developer Control Period, the Owners shall elect a new Board at an annual or special meeting of the Association called for such purpose.

12. MANAGING THE PLAN.

12.1 THE ASSOCIATION MANAGES THE PLAN.

Administration and management of the Vacation Property and all other aspects of the Vacation Ownership Plan is vested in the Association. Owners participate only through the Association.

12.2 ASSOCIATION DUTIES AND POWERS. Except as limited by law or by this Declaration, the Articles or the Bylaws, the Association has and may exercise any or all of these powers and has each of these duties and obligations:

A. The powers, duties and obligations granted to or imposed on the Association in this Declaration, the Articles, or the Bylaws;

B. The powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawaii;

C. The powers, duties and obligations of an association of time share owners as provided in the Act and the Rules; and

D. Any other powers, duties and obligations imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Association under this Declaration, the Articles, or the Bylaws, or that otherwise promote the general benefit of the Owners.

12.3 SPECIFIC POWERS AND DUTIES. The Association has the power and duty to do the following things, among others:

A. **PAYMENT OF EXPENSES.** The Association, acting as the agent of the Owners, must pay all expenses of the Plan. The Association may delegate this duty to the Plan Manager. The Association need not do anything it cannot pay for; it may just wait until it has the money.

B. **REPAIR AND MAINTENANCE.** The Association must repair and maintain the Villas and the Common Furnishings, and keep them in good condition. The Association may replace the Common Furnishings and may remodel or upgrade the Villas. The Association may buy any materials and furnishings, and obtain any labor or services, necessary to do so. For example, it may buy or lease replacements for the Common Furnishings.

C. **CLEANING AND HOUSEKEEPING SERVICE.** The Association must provide cleaning, housekeeping service, maintenance and repairs to each Villa at the end of each Vacation Period, during Service Periods and at any other times required by the Reservation Rules. In

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addition to the normal service, the Association may set up a program to provide, for an extra charge, additional cleaning and housekeeping service when asked by an Occupant.

D. **RIGHT OF ENTRY.** Except as provided in Section 8.2B, the Association has an easement and the right to exclusive possession of each Villa during the Service Periods in order to perform its duties under this Declaration. It also has the right and an easement to enter any Villa at any reasonable time, after giving reasonable notice to anyone in it, to provide cleaning, housekeeping service, maintenance, and repairs or as otherwise may be necessary to manage or operate the Plan. The Association has the right and power, and an easement, to enter any Villa:

1) At any time to make emergency repairs or for any other emergency purpose, whether or not the Occupant is present; and

2) At reasonable times to do maintenance and repair work that the Association or Plan Manager decides should not be delayed until the Major Service Periods.

The Association must use this right in a way that avoids unreasonable or unnecessary interference with an Occupant's possession, use and enjoyment of a Villa. If the circumstances permit it, the Association must give an Occupant reasonable notice before entering.

E. **TAXES AND ASSESSMENTS.** The Association must pay all taxes and assessments on the Vacation Property to the extent that they are not paid by the Community Association. This includes, for example, assessments by the Community Association or the Ka'anapali North Beach Association. It also includes all governmental assessments. The Association may decide whether it should collect and pay amounts that are separately assessed to each Owner or whether it should permit the Owners to pay those sums directly. The Association will pay these taxes and assessments as the agent of the Owners, and only if it has the money to do so.

F. **LIENS OR CLAIMS.** The Association may, but need not, pay, compromise or contest liens or claims affecting the Vacation Property.

G. **UTILITIES.** Unless the Community Association already provides these services: (1) the Association must obtain and pay for water, electricity, sewage, garbage disposal, and any other necessary utility services for each Villa; and (2) the Association will decide whether to obtain or cancel telephone, cable television, and similar services.

H. ASSOCIATION RULES. The Association may adopt, publish and enforce fair and reasonable rules and regulations relating to the Villas, the Common Furnishings, and use by Occupants of the Common Areas and any Limited Common Areas of the Villas. The Association Rules may be incorporated into a single set of joint rules adopted by the Association and the Community Association for the sake of convenience so that Owners and Occupants can consult a single document rather than two different sets of rules. The Developer established the initial Association Rules. The Board may change the Association Rules from time to time. The Developer also has certain rights to change the Association Rules. The Association Rules must be consistent with this Declaration, the Articles and the Bylaws. The Board must give notice to the Owners of any change in the Association Rules. The Board may give this notice by mailing it to the Owners or by including it in a newsletter, by posting a notice on its internet web site, or by email. It may also give this notice in any other way that is likely to be effective to give notice to the Owners and that complies with any laws that apply. At any meeting of the Association, a Majority of the Owners may change the Association Rules so long as the notice of meeting stated that the change would be considered at the meeting and includes a fair and accurate description of the proposed change. At any time when the Developer holds mortgages on or owns Vacation Ownership Interests representing at least five million (5,000,000) Points, no change to the Association Rules will be effective without the Developer's written consent. At any time when the Plan is part of the SVN program, no change to the Association Rules will be effective without the written consent of the SVN Operator.

I. LEGAL AND ACCOUNTING SERVICES. The Association may obtain and pay for any legal and accounting services necessary or helpful to manage the Plan or the Vacation Property or to enforce the Ka'anapali North Beach Documents, the Project Documents or the Vacation Plan Documents.

1) CONDITIONS TO LITIGATION, ARBITRATION, OR OTHER PROCEEDINGS. The Board must not pay or incur, or commit the Association to pay or incur legal fees and costs of more than \$50,000 in any lawsuit, arbitration or other legal proceeding in a dispute with the Developer, or any company related to the Developer unless it first meets each of these requirements:

(a) The Board must obtain from at least two Hawai'i law firms legal opinions written in clear and plain language, and containing:

(1) A list of all of the Association's claims and all claims against the Association.

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(2) An estimate of the likelihood of prevailing on each claim, stated on a percentage basis. The estimate must be based on information then known to the Association. It cannot be based on assumptions or speculation.

(3) An estimate of the total amount of legal fees and costs, court costs and other expenses that the Association is likely to incur through the completion of the trial, arbitration or other proceeding (assuming that the Association will prevail on only those claims where the law firms give the Association more than a 50% chance of prevailing).

(4) An estimate of the likely award of damages to or against the Association, including legal fees and costs, court costs, and other expenses, for claims of the Association and for claims against the Association.

(5) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board may have to charge to the Owners to pay for legal fees and costs, court costs, and other expenses while the lawsuit or other legal proceeding is going on.

The estimates required by Subsections 12.3I.1(a)(3) - 12.3I.1(a)(5) may be stated as a range (for example, \$50,000 to \$60,000) provided that the range is not so broad as to impair the ability of the Owners to make an informed decision, and in no case may the higher amount be more than twenty percent (20%) greater than the lesser amount.

(b) The Board must call a special meeting of the Association. The notice of the special meeting must include each of the following:

(1) A copy of every legal opinion obtained by the Board in connection with each claim, whether favorable or unfavorable;

(2) A document containing a table listing:

i. The Association's claims and all claims against the Association. Each claim must be listed on a separate row;

ii. For each claim:

a) The estimate of each law firm of the likelihood of prevailing on that claim;

b) The estimated amount of damages that may be awarded for claims of the

Association, including legal fees and costs, court costs, and other expenses;

c) The estimated amount of damages that may be awarded for claims against the Association, including legal fees and costs, court costs, and other expenses; and

d) In the case of claims asserted or that may be asserted against the Association, a statement of whether the Association's insurance covers the claim, the amount of the policy limits, and whether the estimated amount of the damages, legal fees and costs, court costs, and other expenses, exceeds the policy limits.

(3) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Association may have to charge to pay for legal fees, court costs, and expenses while the lawsuit, arbitration or other legal proceeding is going on.

(4) A description, written in clear and plain language, of any pending settlement offer by the other party or parties.

(c) At the special meeting, a Majority of the Owners (not counting the Vacation Ownership Interests and votes of the Developer) must authorize the Board to start, prosecute, and/or defend the lawsuit, arbitration or other legal proceeding.

2) LIMITATIONS.

(a) The rule in Section 1) does not apply to suits against the Developer or any company related to it if the suit is filed solely to collect Assessments, Personal Charges, or Subsidy Contract payments that are past due or for breach of any contract to provide goods or services to the Association (for example, the Management Contract or the Affiliation Agreement) or to enforce the Vacation Plan Documents.

(b) Prior to the completion of the special meeting required by Subsection 12.3I.1)(b), the Association may pay or incur legal fees, not to exceed the \$50,000 ceiling established in Subsection 12.3I.1), as necessary to:

(1) Obtain the legal opinions required by Subsection 12.3I.1)(a);

(2) File an answer to any complaint or other legal proceeding filed against the Association; or

(3) File a complaint or initiate any other legal proceeding necessary to prevent the loss of the

Association's claim by reason of the expiration of the statute of limitations.

3) **EVIDENCE.** In a trial, arbitration or other legal proceeding about the Association's claims, nobody can introduce into evidence the opinions of the law firms obtained pursuant to Subsection 12.3I.1)(a). This includes the Developer, the Association, the Owners, and everyone else. This paragraph does not preclude the presentation of the opinions in a hearing or proceeding to determine whether the requirements of Subsection 12.3I.1) have been satisfied.

4) **C.P.I. ADJUSTMENTS.** The \$50,000 ceiling contained in Section 1) will rise or fall each year with the rate of inflation in Honolulu, Hawai'i, as measured by the C.P.I. Index. The amount of the increase or decrease will be equal to the percentage change between (i) the C.P.I. Index published for the year ending on December 31, 2015, and (ii) the C.P.I. Index for the most recently ended calendar year. For example, if the C.P.I. Index on December 31, 2018, is ten percent (10%) higher than the C.P.I. Index on December 31, 2015, then the ceiling would be \$55,000, determined as follows:

Ceiling = \$50,000 + (% change in C.P.I. Index of \$50,000)

Ceiling = \$50,000 + (10% of \$50,000)

Ceiling = \$50,000 + \$5,000

Ceiling = \$55,000

(a) The "C.P.I. Index" is the U.S. Department of Labor Consumer Price Index for All Urban Consumers - Honolulu. If the government stops publishing that index, then the most similar index available will be used in its place. The Association will choose any replacement index.

(b) "C.P.I. Adjusted" means that the amount will increase or decrease as the C.P.I. Index changes. The amount of the increase or decrease will be equal to the percentage change between (i) the C.P.I. Index published for the year ending on December 31, 2015, and (ii) the C.P.I. Index for the most recently ended calendar year.

5) **THIRD-PARTY BENEFICIARIES.** The Developer and each of its affiliates are intended third-party beneficiaries of this Section 12.3I and may enforce it by injunction or in any other manner allowed by law or by the Vacation Plan Documents.

J. FINANCIAL STATEMENTS. The Association must prepare and make available to the Owners the financial reports required by Section 14.11 of this Declaration.

K. MEMBERSHIP LIST.

1) THE ASSOCIATION MUST KEEP A LIST.

The Association must at all times keep an accurate and current list of the names and mailing addresses of all Owners. It must update the list at least monthly. This list is called the "Membership List."

2) THE DEVELOPER'S RIGHTS.

The Developer has certain important reasons for wanting to protect the Membership List. For example, the Membership List is also the list of the Developer's customers. In addition, the Hawai'i Nonprofit Corporations Act contains certain provisions intended to protect the Membership List and, if any part of the Project is established as a condominium and units of the condominium are submitted to this Declaration, certain provisions of the Condominium Property Act also would apply. The Developer wants to ensure that these requirements are not circumvented, especially for commercial reasons by a Competitor of the Developer. For these and other reasons, the Developer is expressly declared to be an intended third-party beneficiary of this Section 12.3K. This means that this Section 12.3K is intended to protect the Developer and that the Developer can enforce it even if it no longer is an Owner.

3) USE OF THE LIST.

The Association, the Plan Manager, and the Reservation System Operator may use the Membership List as necessary to conduct the affairs of the Association. Without the written consent of the Board and the Developer, the Membership List shall not be:

(a) Obtained or used by any person for any purpose unrelated to the Owner's interest as a Member of the Association;

(b) Used to solicit money or property unless the money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;

(c) Used for any commercial purpose;

(d) Sold to or purchased by any person; or

(e) Published in whole or in part to the general public.

4) INSPECTION OF MEMBERSHIP LIST.

An Owner is entitled to obtain, inspect and/or copy the Membership List, or any other records from which a Membership List may be compiled, if and only if:

(a) The Owner's request is made in good faith and for a proper purpose, and

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(b) The records requested are directly related to that purpose, and

(c) The Owner complies with all applicable laws and the lawful requirements stated in this Section 12.3K, and

(d) Furnishing the Membership List or allowing the inspection will not violate any federal or state privacy laws or other laws that may apply.

5) PROCEDURE FOR REQUEST OF INFORMATION. An Owner who seeks to obtain, inspect or copy the Membership List, or any records from which a Membership List may be compiled, may only do so if each of these conditions is satisfied:

(a) The Owner must deliver to the Association or the Plan Manager a written request to obtain, inspect or copy the Membership List or records from which a Membership List may be compiled. The request must satisfy each of these requirements:

(1) The request must describe with reasonable particularity the purpose for such request.

(2) The request must explain how the information requested is directly related to that purpose.

(3) The request must include copies of all documents and materials that the Owner intends to distribute using the Membership List.

(4) The request must indicate the records that the Owner desires to inspect if either (i) less than the full Membership List is requested, or (ii) the Owner seeks to inspect or make copies of records from which a Membership List may be compiled.

(b) The Owner's request must be accompanied by an affidavit signed and acknowledged by the Owner before a notary public. The affidavit must state that:

(1) The Membership List or other information is being requested in good faith and for a proper purpose, and

(2) The Membership List or other information will be used by such Owner personally and only for the purpose of soliciting votes or proxies or providing information to other Owners with respect to Association matters, and

(3) The Membership List or other information will not be used by the Owner, or furnished to anyone else, for any other purpose.

6) RELEASE OF THE LIST. The Association will make the Membership List available, at cost, to any Owner who asks for it; provided that despite anything else stated in the Vacation Plan Documents, the Association will not furnish the Membership List or any copy of it, or any other documents from which a Membership List may be compiled, nor allow anyone to inspect or make copies or extracts of the Membership List or any other documents from which a Membership List may be compiled, until after each of these conditions is satisfied:

(a) The Board has determined, at a regular or special meeting of the Board, that the person requesting the list or inspection has fully satisfied:

(1) Each of the requirements of this Section 12.3K;

(2) All other lawful conditions adopted by the Board pursuant to Section 12.3K.11); and

(3) Any other conditions to obtaining the list contained in the Act, the Condominium Property Act (if any part of the Project becomes a condominium), the Hawai'i Nonprofit Corporations Act, or in any federal or state privacy laws

(b) The Board will make its determination based on its review of the written request and any documents, materials, and other information that the Owner submits or that is otherwise available to the Board.

(c) The Board gives written notice of the request to the Developer. The notice must include (i) the name and address of the person requesting the Membership List or inspection; and (ii) copies of the request for the Membership List, the written statement, documents and materials, and affidavit submitted pursuant to this Section 12.3K. The Board must give this notice to the Developer promptly after making its determination under Section 12.3K.6(a).

(d) At least ten (10) days have passed since the Developer received the Association's notice and the Developer has not given the Association a written notice objecting to the release or inspection because the affidavit is improper or the person is not requesting the Membership List or inspection for a proper purpose or that the requirements of law or this Section 12.3K have not been fully satisfied.

(1) If the Developer or any other Owner objects and if the Association or the Owner requesting the Membership List contests the Developer's or other Owner's objection, then the matter will be decided by appropriate legal proceedings. In such a case, the Association will not release the Membership List, or

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permit inspection of it or of any records from which a Membership List may be compiled, until the appropriate legal authorities order it to do so.

7) RELEASE TO OWNERS OTHER THAN COMPETITORS. If the person requesting the Membership List or inspection is not a Competitor then the Association will furnish the Membership List to the Owner, or permit the Owner to inspect and copy the records requested, after each of the requirements of this Declaration and the other Vacation Plan Documents are met.

8) RELEASE TO A COMPETITOR. If the person requesting the Membership List is a Competitor of the Developer and each of the requirements of this Declaration and the other Vacation Plan Documents are met, then unless the law requires something else, the Association will furnish the Membership List in this way (and only in this way): The Association will provide the Membership List in the form of mailing labels directly to a company providing mailing services chosen by the person requesting the Membership List. The company providing mailing services: (a) cannot be a Competitor; and (b) must provide to the Developer and to the Association the company's written promise to the Developer and to the Association that the company will not:

(a) Use the Membership List or any part of it for any purpose except for the mailing;

(b) Provide a copy of the Membership List or any part of it or any information from it to anyone else, including but not limited to the Competitor; and

(c) Allow anyone else to inspect or make copies of or extracts from the Membership List.

9) INSPECTION BY A COMPETITOR. If the person requesting the inspection is a Competitor and each of the requirements of this Declaration and the other Vacation Plan Documents are met, then unless the law requires something else, the Association will permit the Owner to inspect and copy photocopies of the records requested. However, the photocopies will first be modified so as to obliterate entirely the address and any other biographical information from which the Owner requesting the inspection could compile a list containing the addresses, email addresses, fax numbers, or phone numbers of the Owners, or any other means of soliciting the Owners.

10) WHO IS A COMPETITOR. A "Competitor" is a person who is:

(a) The developer of a Vacation Plan or Fractional Plan except a plan developed by the Developer or a related company;

(b) Any marketer or sales agent of such a Vacation Plan or Fractional Plan (including but not limited to any OPC);

(c) The manager of such a Vacation Plan or Fractional Plan;

(d) An Exchange Company other than an Exchange Company that controls, is controlled by, or is under common control with the Developer; or

(e) Any person who, for a commercial purpose or for any other improper purpose, is acting on behalf of or collaborating with any person identified in Subsections (a) through (d).

11) OTHER CONDITIONS. The Board may impose other reasonable conditions intended to assure the confidentiality of the list of Owners and that the list is not used (i) for commercial purposes by anyone other than the Developer or any company related to the Developer, (ii) in any way that violates state or federal law, or (iii) for any other improper purpose.

12) PRIVACY LAWS. Regardless of anything else stated in the Vacation Plan Documents, if Hawai'i law is amended so that Owners may no longer inspect or request the Membership List (or any information from which a Membership List may be compiled), or if the Board determines that federal or state privacy or other laws in any jurisdiction in which the Association has Members may prohibit inspection or release of the Membership List (or any information from which a Membership List may be compiled), or that any part of Subsections 12.3K.3) through 12.3K.10) is not valid, then the Association will not release or permit inspection of the Membership List or any other information from which a Membership List may be compiled. In that event, if the conditions of Subsections 12.3K.4) through 12.3K.6) are satisfied, then instead of releasing or permitting inspection of the Membership List (or any information from which a Membership List may be compiled) as provided in Subsections 12.3K.7), 12.3K.8), or 12.3K.9) the Association may offer to mail to the Owners any proper documents and materials furnished to the Board pursuant to Subsection 12.3K.5)(a)(3). The Owner requesting the Membership List must first deposit with the Association an amount sufficient to pay all costs of duplicating, stuffing, and mailing the documents and materials, including reasonable costs to the Association and the Plan Manager of responding to the request and arranging the mailing. The Association shall not,

however, mail or otherwise provide to the Owners any documents or information not directly and solely distributed for a proper purpose.

13) RELEASE TO THE DEVELOPER AND RESERVATION SYSTEM OPERATOR. The Association will furnish a copy of the list to the Reservation System Operator or to Developer promptly after either of them asks for it. Except as otherwise provided by law, the conditions stated in this Section 12.3K do not apply to the Developer or the Reservation System Operator, or to companies related to either of them.

L. ASSOCIATION REAL PROPERTY. The Association must accept title to any real or personal property transferred to it by the Developer. The Association may buy, lease, or otherwise acquire one or more Project Ownership Interests or other real property for use by the Association for Association purposes, including among other things, for use as a manager's apartment. The Board may mortgage, lease or rent the Association's real property from time to time as it deems necessary or appropriate, consistent with the purposes permitted above. All costs, expenses, and liabilities incurred in connection with the Association's real property will be Plan Expenses. The Association must buy and at all times have insurance on the Association's real property and any Common Furnishings in it; the requirements of Section 15 apply to the Association's real property. The Association's real property is considered to be part of the "Common Furnishings."

M. NORTH BEACH/WEST MAUI BENEFIT FUND.

1) NATURE OF THE BENEFIT FUND. The Developer in cooperation with The West Maui Preservation Association, a Hawai'i nonprofit corporation, has established or will establish a community fund to be called the "North Beach/West Maui Benefit Fund" (the "*Benefit Fund*") by means of a trust agreement or other appropriate entity or entities. The Benefit Fund will be controlled by a Board of Trustees or Board of Directors (the "*Benefit Fund Board*"). The Developer does not own the Benefit Fund or control the Benefit Fund Board. The Benefit Fund will be used for designated improvement projects, including land acquisition, improvement of coastal resources, roadway improvements and other appropriate benefits to the North Beach/West Maui area and community, as determined by the Benefit Fund Board in its sole discretion. The Benefit Fund Board may further define these purposes in its constituent documents. The Benefit Fund may also be used to pay for costs and expenses, including attorney's fees, incurred in connection with (i) the preparation and negotiation of any agreements, contracts, SMA/zoning approvals, or to obtain legal advice required for or in

connection with any of the projects approved by the Benefit Fund Board from time to time and undertaken by the Benefit Fund, or (ii) defending against any claims, actions, causes of action, proceedings or other litigation brought or asserted against The West Maui Preservation Association, or relating to the Benefit Fund or any projects approved by the Benefit Fund Board.

2) BENEFIT FUND CONTRIBUTION. The Association will make a contribution to the Benefit Fund each year.

(a) The first contribution will become due on December 31 of the first full calendar year after the year in which the County of Maui issues the final certificate of occupancy for the buildings of the Project. For example, if the certificate of occupancy is issued on September 15, 2017, then the initial contribution by the Association would be due on December 31, 2018. The amount of the initial contribution in this example would be based on the number of Vacation Ownership Interests sold and closed (i.e., deeded) as of January 1, 2018.

(b) The amount of the yearly contribution originally started at Ten Dollars (\$10) for each Every-Year Vacation Ownership Interest, and Five Dollars (\$5) for each Every-Other-Year Vacation Ownership Interest, sold and closed by the Developer as of January 1 of the year in which the contribution is due. The Association's contribution for each Every-Other-Year Vacation Ownership Interest must be paid in each year, even if the Owner of the Vacation Ownership Interest has no use rights in that year. The original Ten Dollar (\$10) per Every-Year Vacation Ownership Interest, and Five Dollar (\$5) per Every-Other-Year Vacation Ownership Interest, are no longer current because the amounts were subject to adjustments each year by an amount equal to the percentage increase in the Consumer Price Index All Urban Consumers for Hawai'i/City and County of Honolulu published by the Department of Labor, Bureau of Labor Statistics (the "*Benefit Fund CPI*") over the 12-month period from July 1 to June 30 of the preceding calendar years for which such contribution is due, but not more than five percent (5%) in any one year. For example, the amount of the contribution per Vacation Ownership Interest for calendar year 2019 (due on December 31, 2019) would be subject to adjustment based on the increase in the Benefit Fund CPI between July 1, 2017 and June 30, 2018. The amount of the contribution per Vacation Ownership Interest can continue to be adjusted upward as a result of an increase in the Benefit Fund CPI from year to year, but shall not be adjusted downward.

(c) The yearly contributions by the Association shall continue until the balance (principal

plus earnings) in the Benefit Fund has reached the amount of \$2.0 million. At that time further yearly contributions shall be suspended by the Association until such time as the Benefit Fund has been reduced to a remaining balance of \$1.5 million as a result of the approved expenditures of its funds at which time the yearly contributions shall begin again as of December 31 of the calendar year following the year in which the remaining balance in the Benefit Fund is reduced to \$1.5 million or less. Yearly contributions shall continue until the balance (principal plus earnings) is increased to \$2.0 million at which time the yearly contributions shall be suspended again. This process shall repeat itself as often as necessitated by the approved use of the funds of the Benefit Fund.

3) TERMINATION OF BENEFIT FUND. If the Benefit Fund Board determines by unanimous vote that the purposes of the Benefit Fund have been fully satisfied and there would be no further benefit to Ka'anapali North Beach for the continuation of the Benefit Fund, then, in such event, the obligation of the Association to make yearly contributions as provided above shall automatically cease and become null and void, the Benefit Fund will be dissolved, and the remaining funds disbursed in accordance with the constituent documents of the Benefit Fund, and the Benefit Fund Board will be disbanded, discharged, and released from any further obligations with regard to the Benefit Fund.

N. UNRESERVED AND UNUSED USE PERIODS. The Association has the right to reserve any Use Periods that, for any reason, are not reserved as of sixty (60) days before the Check-In Day. It may then rent those Use Periods and keep the rental income. The Association may assign these rights to the Plan Manager, and it has done so in the initial Management Contract. This means that the Owners may have to compete with the Association or the Plan Manager for a reservation during the last sixty (60) days before the Check-In Day of Use Periods. The Plan Manager must reimburse the Association for expenses incurred by or allocated to the Vacation Ownership Plan in connection with the Plan Manager's rental of a Villa pursuant to this Subsection 12.3N. This includes the cost of any maintenance, repair or replacement incurred by reason of damage or destruction to a Villa when rented under this Subsection 12.3N except to the extent that the loss is covered by insurance as discussed in Section 17.1C. The Association and the Plan Manager have an easement to use the Villas as permitted by this Subsection 12.3N.

O. OTHER POWERS. The Association may do anything else it deems necessary, desirable or useful to run the Vacation Ownership Plan or to maintain, repair, preserve or protect the Vacation Property.

P. DELEGATION OF ASSOCIATION POWER AND DUTIES. The Association may delegate its power and duties under this Declaration to one or more agents, including, among others, the Plan Manager and the Reservation System Operator. The Board must supervise the agents.

12.4 THE PLAN MANAGER. The Association must hire a Plan Manager. The first Plan Manager will be appointed by the Developer and may be the Developer or a company related to the Developer. If the first Plan Manager must be replaced for any reason, the Association must use its best efforts to hire and maintain a reputable firm as the Plan Manager for the Vacation Ownership Plan.

12.5 THE MANAGEMENT CONTRACT. The Plan Manager must sign a written contract (the "*Management Contract*") containing the following provisions:

A. PLAN MANAGER'S DUTIES. The Management Contract must require the Plan Manager to perform the duties and obligations of the Association except those that cannot be delegated by law or under this Declaration, the Articles, or the Bylaws. It may permit the Plan Manager to delegate its power and duties to one or more sub-agents or independent contractors for any period and upon any terms it deems proper.

B. TERM. The Management Contract:

1) May provide for an initial term of not more than five (5) years from the Starting Date. The "Starting Date" is the first date on which a First Deed is recorded.

2) May provide that after the first term and each later term ends, the contract automatically will be renewed for three more years unless either party sends a written notice that it is not renewing the contract (a "*Notice of Non-Renewal*") to the other party at least ninety (90) days before the next renewal date. The Management Contract also may provide that the Association cannot give a Notice of Non-Renewal without (i) the vote, at an annual or special meeting of the Association held within one year before the renewal date, of a Majority of the Owners, or (ii) the written assent of a Majority of the Owners, which written assent must be obtained within one year before the renewal date. If the Management Contract contains such a provision, then:

(a) If the Developer holds a majority of the votes in the Association, then (i) the Developer must abstain from the vote, and (ii) the Developer's votes will not be considered when determining whether a Majority

of the Owners have voted or given their written assent to the Association to give the Notice of Non-Renewal; and

(b) A decision to cancel or not to renew the Management Contract cannot be made by any officer of the Association or by the Board alone; neither the Association's officers nor its Board of Directors have the power or authority to do so; and

(c) Neither the Board nor any officer, director, employee or agent of the Association can give the Notice of Non-Renewal before the Association determines by vote or written assent of a Majority of the Owners as provided above, not to renew the Management Contract. Any Notice of Non-Renewal sent before then will not be effective. It will be void.

If the Association is controlled by Owners other than the Developer, then the Management Contract will not be subject to the term limitations set forth in sections 12.5B.1) and 12.5B.2).

C. TERMINATION BY THE ASSOCIATION. The Board must have the right to terminate the Management Contract at any time for cause whenever the Plan Manager violates a material part of it and fails to cure its violation within the time permitted by the Management Contract or any longer time permitted by the Board. If the Plan Manager disputes the termination, the matter will be decided by arbitration under the Commercial Arbitration Rules of the American Arbitration Association if arbitration is requested by or on behalf of the Plan Manager. The Board will represent the Association in the arbitration.

D. RESIGNATION. The Management Contract must provide that the Plan Manager can resign only if it gives written notice to the Board at least ninety (90) days in advance. If the Plan Manager resigns, then it must turn over to the Board all books and records of the Association held by the Plan Manager and relating to the management and operation of the Vacation Property and the Vacation Ownership Plan. This does not require that the Plan Manager turn over internal or confidential or other records of the Plan Manager.

E. POWERS AND DUTIES. The Management Contract must describe the powers and duties of the Plan Manager, including the powers and duties of the Plan Manager in:

1) The operation of the Plan and the maintenance of the Vacation Property.

2) The collection of Assessments and Personal Charges.

3) The maintenance of all books and records concerning the Plan.

4) Scheduling occupancy of the Villas.

5) Providing for the annual meeting of the Owners.

6) Performing any other functions and duties related to the maintenance of the Vacation Property or that are required by the Vacation Plan Documents.

F. FEES. The Management Contract must specifically state the fees to be paid to the Plan Manager by the Association. The fees do not have to be stated as a dollar amount. For example, the management fee may be set to a percentage of the Plan Expenses or to costs plus a percentage profit. The Management Contract must also state whether the Association has assigned its rights to reserve Use Periods pursuant to Subsection 12.3N to the Plan Manager.

G. PLAN MANAGER'S INSURANCE. The Management Contract must require that the Plan Manager obtain errors and omissions insurance. The Policy must name the Association, as agent for each of the Owners, as an insured. An "insured" is someone who is paid if there is a loss that is covered by insurance. The Association will pay for the insurance. The Board will decide what policy limits are appropriate. The Board will buy this insurance only if it is available at a reasonable price. The Board will decide what is reasonable, and its decision will be final. The Management Contract may also provide that the Association must obtain a fidelity bond or buy fidelity insurance that is payable to the Association and that covers the activities of the Plan Manager. The amount of the fidelity bond or fidelity insurance must meet the requirements of the Act and Rules. If the plan is registered in California, then it must also meet the requirements of the California time share law.

H. ENTRY INTO VILLAS. The Management Contract must state the authority of the Plan Manager or others authorized by the Plan Manager to enter into a Villa for the purposes of cleaning, housekeeping, maintenance and repairs, including emergency repairs, and for the purpose of stopping or fixing a nuisance or dangerous, unlawful or prohibited activity being conducted in a Villa.

I. EXCHANGE SERVICES. The Management Contract must state the authority of the Plan Manager with respect to the administration of any Exchange Programs.

J. RECORDS AND REPORTS. The Management Contract must identify the records to be kept by the Plan

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Manager and the periodic reports and other information to be communicated to the Association and the Owners.

12.6 LEGAL REPRESENTATION OF OWNERS.

A. REPRESENTING THE ASSOCIATION OR OWNERS. By acquiring a Vacation Ownership Interest, each Owner agrees that the president of the Association or, if authorized by the Board, the Plan Manager may represent the Association or any two or more Owners similarly situated as a class in any proceeding concerning the Association, the Ka'anapali North Beach Association, the Community Association, the Project, the Vacation Ownership Plan, or the Vacation Property. The president or the Plan Manager may begin, defend, intervene in, prosecute and settle any such proceedings. This does not, however, limit the rights of any Owner to appear, sue or be sued separately or to decide not to participate. The president or the Plan Manager will be supervised by the Board in any representation.

B. POWER OF ATTORNEY. By acquiring a Vacation Ownership Interest, each Owner gives a special power of attorney (see Section 20.4) to the president of the Association and the Plan Manager, with full power to do anything needed or helpful to represent the Owner as provided in Section A.

C. SERVICE OF PROCESS. Except as otherwise provided by law, process (such as papers for a lawsuit) for the Association may be served only on the registered agent of the Association or, if there is no registered agent, then on the Plan Manager.

D. LIMITATIONS. The authority of the president of the Association and Plan Manager under this Section is subject to the limitations contained in Section 12.3I.

13. DISCLOSURES AND LIMITATIONS ON LIABILITIES.

13.1 POOLS, BEACH AND OCEAN. The Project fronts on a beach and on the Pacific Ocean. The beach and the ocean are NOT part of the Project. The Project has two swimming pools, both of which are part of the Resort Limited Common Areas of the Project.

A. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that:

1) The pools and the proximity of the Project to the beach and the Pacific Ocean create inherent and potentially dangerous conditions and risks of personal injury and/or property damage to Owners and anyone else present on the Project or using the beach or ocean, and to the Project.

Hawai'i is known for its high surf, and the surf can be dangerous, especially to inexperienced swimmers or swimmers unfamiliar with strong currents. The ocean may also cause erosion of the beach, change the location of the shoreline and the seaward boundaries of the Project, and otherwise cause damage to the Improvements of the Project including but not limited to damage from salt spray, high humidity, high tides, high waves, and other forces of nature. In addition, the beach and ocean in front of the Project may contain rocks, rock formations and/or coral. The County of Maui may or may not choose to post lifeguards in or around the beach, or may choose to do so only at certain times (for example, weekends and holidays). Nothing requires that lifeguards be provided by the Association, the Community Association, the Developer, the Plan Manager, the Ka'anapali North Beach Association, or anyone else, and you should not assume or expect that they will provide them with respect to the beach or ocean or, for that matter, with respect to any pools or other water features of the Project. In addition to the risks normally associated with swimming and other water activities, the Project is located in a Tsunami inundation area.

2) Normal use of the beach and ocean may result in increased traffic, noise, gathering of crowds (especially on weekends and holidays), trespassers, and related inconveniences or nuisances.

B. The Developer, the Association, the Plan Manager, and each Owner here and now gives notice of the activities and effects described above (the "Pool, Beach and Ocean Activities") and of the risks of personal injury and/or property damage resulting from or incidental to the Pool, Beach and Ocean Activities (the "Pool, Beach and Ocean Risks"). Each Interested Person and anyone else who is present on the Project:

1) Assumes all risks of personal injury, death, or loss or damage to property resulting from or incidental to any of the Pool, Beach and Ocean Activities or the Pool, Beach and Ocean Risks; and

2) Gives up (in legal terms, "waives, releases and discharges") all rights, claims and actions that such person may have against the Protected Persons, now or in the future, for personal injury, death, or loss or damage to property arising from or related to the Pool, Beach and Ocean Activities or the Pool, Beach and Ocean Risks. The "Protected Persons" are (i) the Developer and all of its affiliates, the Owners, the Association and the Plan Manager; (ii) the Representatives of each person

listed in item (i); and (iii) the successors and assigns of each person listed in items (i) and (ii); and

3) Agrees to indemnify and hold the Protected Persons harmless from all rights, claims and actions that such person may have against the Protected Persons, now or in the future, for personal injury, death, or loss or damage to property arising from or related to the Pool, Beach and Ocean Activities or the Pool, Beach and Ocean Risks.

13.2 PRIOR USE OF THE LAND. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that the Project is located on a site previously used and operated as an airport and airstrip, and that the Land was also used for activities related to the operation, maintenance, and use of an airport, airstrip and aircraft. For example, fuels, chemicals, and other substances were stored and used on the Land.

13.3 SUGAR CANE AND OTHER AGRICULTURAL OPERATIONS. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that (i) before and after the Land was used as an airport, it was used for farming sugar cane and for other agricultural operations, and (ii) the Project is located near or next to other land used for the same purposes. These operations include, for example, open burning, percolating, evaporating, milling, generating power, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigating, and all other activities incidental to planting, cultivating, harvesting, and processing crops or incidental to ranching. This activity may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, and other substances and phenomena of every description (collectively, the "Agricultural Effects") to be discharged, emitted, or transmitted over and upon the Project. The Agricultural Effects may be a bother or a nuisance to an Owner or anyone else occupying or using the Project. Each Owner also hereby acknowledges that the Hawai'i Right to Farm Act (Chapter 165 of the Hawai'i Revised Statutes) and Hawai'i law limit the circumstances under which farming operations may be deemed to be a nuisance.

13.4 WAIVER OF RIGHTS. Each Owner and every other Interested Person gives up (in legal terms, "waives and releases") any rights, claims or

actions that he or she may have, now or in the future, against the Developer or the State of Hawai'i, and each of their Representatives, licensees, invitees, successors and assigns arising directly or indirectly out of or from the Agricultural Effects as to the Project or any surrounding areas, or from prior use of the Land as an airport and airstrip.

13.5 VOG. The long term volcanic activity/eruptions from Kilauea volcano on the Island of Hawai'i has resulted in emissions into the air which are commonly called "vog." Vog refers to a type of air pollution or volcanic smog created by the gases emitted into the air from the ongoing volcanic eruption mixing with water vapor and very small particles which are primarily sulfur compounds and sulfur dioxide. Vog is the haze visible in the air on the Island of Hawai'i and sometimes on other islands. Vog becomes thicker or lighter depending upon the amount of emissions from Kilauea volcano, the direction and amount of wind, and other weather conditions. People with pre-existing respiratory conditions are more prone to adverse effects from vog which may include: headaches, breathing difficulties, increased susceptibility to respiratory ailments, watery eyes, and sore throat, but the long-term health effects of vog are currently unknown, at least to the Developer. Since the weather, wind direction and amount of volcanic activity vary from day to day it is not possible to provide specific guidance regarding when the vog will be heavy or light. The presence of vog in the air surrounding the Project may be a nuisance or danger to an Owner or anyone else occupying or using the Project. Each Owner and every other Interested Person gives up (in legal terms, "waives and releases") any rights, claims or actions that he or she may have, now or in the future, against the Developer and all of its affiliates, and each of their respective Representatives, licensees, invitees, successors and assigns arising directly or indirectly out of or from the presence or effect of vog in the air surrounding the Project, and agrees to indemnify and hold the Developer and its affiliates and each of their respective Representatives harmless from any such rights, claims and causes of action.

13.6 SECURITY. The Association, the Developer, or the Plan Manager may, but need not, take steps designed to make the Project safer than it otherwise might be. The Association, the Developer, the SVN Operator, the Plan Manager, the Community Association, the Managing Agent, and each of their respective

Representatives, are not in any way to be considered insurers or guarantors of the safety or security of people or property within the Project, nor can any of them be held responsible or liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. The Association, the Developer, the Plan Manager, the Community Association, the Managing Agent, and the SVN Operator make no representation or warranty that any fire protection, burglar alarm, or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project or to any Unit; or (iv) will provide the detection or protection which it is designed or intended to provide. Each Owner and every other Interested Person (including but not limited to each Occupant) understands, acknowledges, agrees, and accepts that the Association, the Developer, the SVN Operator, the Plan Manager, the Community Association, the Managing Agent, and each of their Representatives, are not insurers and that each person present on the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.

13.7 WARRANTIES. The Developer is developing the Project but it is not the general contractor nor is it related to the general contractor building the Project. The Developer makes no warranties, express or implied, about the Project or any part of it, or about consumer products or anything else now or hereafter installed or contained in the Project or any part of it. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular purpose, or sufficiency of design. All rights and interests in the Project are sold by the Developer "AS IS" and "WHERE IS", with all defects, whether visible or hidden, and whether known or not known. This means, among other things, that neither the Developer nor any of its affiliates has to correct or fix any defect no matter what causes it or when it is discovered. Each Owner and every other Interested Person, and each of their respective Guests, (1) gives up (in legal terms, "waives and releases") any and all rights and claims such person may have, now or in the future, against the Developer, its affiliates, their respective Representatives, and

each of their respective successors and assigns for (i) any defects in the Project or any part of it, or in any consumer products or anything else installed or contained in the Project or any part of it, and (ii) for injury to persons or property arising from any such defects, and (2) agree to indemnify and hold the Developer and its affiliates and each of their respective Representatives and each of their respective successors and assigns harmless from all loss, damage and expense suffered or incurred as a result thereof. This means that neither the Developer nor any affiliate of the Developer will have to pay for any injury or damage to people or things as a result of any defect.

Finally, without limiting the other parts of this Section, nothing in the Project Plan is intended to be or is a representation or warranty by the Developer. For example, bathrooms may have more or fewer sinks than shown on the Project Plan, the bathroom tubs may be shaped differently than shown on the Project Plan, and Villas and lanais may be smaller or larger than shown on the Project Plan, or may be configured differently.

13.8 ENVIRONMENTAL FACTORS. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that the views from each Villa, height of the Villa above the ground level, exposure to morning, afternoon or evening sun, exposure to prevailing and non-prevailing winds and rain, exposure to other natural and human-made environmental factors (for example, exposure to noise or fumes from vehicular traffic emanating from within the Project or from neighboring driveways, streets or highways [including but not limited to parking in the Keka`a Park and traffic on Honoapiilani Highway], surface water runoff from neighboring properties, sounds of crashing surf, pedestrian traffic, child or adult play, related music and activities, noise, dust, smoke, odors, surface water runoff and other things emanating from the Units or their lanais, barbeque areas, the pools, pool decks, walkways and grounds, lobby areas, other Common Areas, the ocean, the beach, Keka`a Park, the County wastewater (sewage) treatment plant located on the other side of Honoapiilani Highway from the Project, the rock crushing facility and concrete batch plants located in the general vicinity of the Project, exercise of traditional native Hawai`ian ceremonies, construction, landscaping, operation and maintenance of neighboring homes, projects or properties, construction and maintenance of electrical transmission lines and facilities within or in the vicinity of the Project, irrigation of the Project or neighboring properties with reclaimed water, treated effluent, or other non-potable water sources, volcanic fog ["vog"] from the Island of

Hawai`i, salt spray from the ocean, and so on), proximity of the Villas to trash facilities and stairwells, proximity of the Villas to parking stalls intended to comply with the Americans With Disabilities Act, suitability of Villas for various kinds of disabilities, and so on, all differ depending on the orientation, nature, design and location of the Villa and the building in which it is located, as well as on other factors. All Villas may be subject to some or all of the factors listed above (the "Environmental Factors"). For the most part the Developer has no control over the Environmental Factors and, in any case, the Developer makes no representations or warranties with respect to the presence, absence, impact, lack of impact, intensity, timing, duration, affect, or anything else arising from or relating to any of the Environmental Factors. Neither the Developer's brokerage firm nor any other real estate brokerage firm has been authorized by the Developer to make any such representations or warranties on its behalf. Each Owner and every other Interested Person, and all of their respective licensees and invitees, gives up (in legal terms, "waives and releases") any and all rights, claims and causes of action such person (or such person's successors and assigns) may have, now or in the future, against the Developer and its affiliates, their respective Representatives, and each of their respective successors and assigns, arising directly or indirectly out of or from the Environmental Factors, and agrees to indemnify and hold the Developer and its affiliates and each of their respective Representatives harmless from any such rights, claims and causes of action.

13.9 DISCLOSURES AS TO STARWOOD BRAND. The Developer or its affiliates have entered into certain agreements with Starwood Hotels & Resorts Worldwide, Inc., a Maryland corporation, and/or its affiliates ("The Starwood Companies") that provide the Developer, among other things, with the rights to utilize the name "Westin" and certain logos or other trademarked symbols registered by one or more of The Starwood Companies (individually and collectively, the "Starwood Brand") in sales and marketing materials. Each Owner agrees that neither use by the Developer or the Project Developer of the Starwood Brand nor licensing of the Starwood Brand to the Project, the Plan, the Association or the Community Association, shall make any of The Starwood Companies (other than the Project Developer as to the Project, the Developer as to the Plan and the SVN Operator as to SVN): (1) a developer of, or seller of any interest

in, or marketing or sales agent for, the Project, the Plan, or SVN, or (2) the entity offering or promoting the Project, the Plan, SVN, or any other product offered by the Developer, the Project Developer, or SVN. Each Owner waives (gives up) any claims, whether specific or not, that The Starwood Companies (other than the Project Developer as to the Project, the Developer as to the Plan, and the SVN Operator as to SVN) is liable or responsible as such developer, seller, and marketing and sales agent with respect to the Project, the Plan or SVN. The terms “developer”, “seller”, “entity offering” and “marketing” and “sales agent” as used in this paragraph shall have expansive definitions and shall include as many activities, direct or tangential, as may be undertaken in each of these capacities. Neither the Association or the Community Association, nor any of the Owners are intended third-party beneficiaries of any contractual obligations between (i) The Starwood Companies, and (ii) the Developer, the Project Developer, and/or the SVN Operator. Among other things, this means that the Association, the Community Association, and the Owners have no right to enforce any such contractual obligations.

14. ASSESSMENTS AND PERSONAL CHARGES.

14.1 DEFINITIONS.

A. “PLAN EXPENSES” are the costs of operating the Vacation Ownership Plan, the costs of owning and maintaining the Vacation Property, and all other sums designated as Plan Expenses in this Declaration, the Articles or the Bylaws. The Plan Expenses are shared by the Owners. Plan Expenses may include among other things, any or all of the following:

- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television to the extent not paid by the Community Association.
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Vacation Property to the extent not paid by the Community Association.
- ❖ The cost of buying insurance required or permitted by the Vacation Plan Documents.
- ❖ Wages, accounting and legal fees, management fees, start-up fees, housekeeping and cleaning fees, security costs, and other expenses necessary to maintain, repair, manage and operate the Vacation Property.

- ❖ All costs and expenses of providing, operating, and managing the reservation system.
- ❖ All amounts charged to the Villas by the Community Association or the Ka'anapali North Beach Association (except amounts separately charged to individual Owners). This includes, for example, the expenses of operating and maintaining the Project.
- ❖ All Shared Area Expenses charged to the Villas pursuant to the Project Documents.
- ❖ Any amounts charged pursuant to any agreement between the Association and the Parking Unit Owner(s) to permit Owners to park in the Parking Units.
- ❖ Any amount charged by the Community Association or the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant of a Villa or the Occupant's Guest. The Association will pay the charge but will then pass on the charge, and any taxes on it, to the responsible person as a Personal Charge.
- ❖ Any taxes or other governmental charges upon or charged to the Vacation Property or the use of it or on any other interest of the Owners (except taxes separately charged to individual Owners) to the extent not paid by the Community Association. Examples of this type of expense include real property taxes, transient occupancy taxes, hotel or bed taxes, and any charges imposed in place of a hotel or bed tax.
- ❖ Any liability for loss or damage relating to the Vacation Property or the use of it.
- ❖ Any money owed to the Association by any Owner or other person to the extent the Board decides that it is uncollectible or too expensive to collect, as a practical matter.
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Plan Expenses for any prior year.
- ❖ Amounts needed for the Reserve Accounts. These are the savings accounts of the Association. The money is used to pay for Capital Improvements. “Capital Improvements” are things like replacing the carpeting or appliances, other major repairs and remodeling, or replacing the Villas or Common Furnishings. (Day to day maintenance and repairs are not Capital Improvements.)

- ❖ Any amounts due from the Association under the Affiliation Agreement.
- ❖ Any amounts needed by the Board to buy one or more Vacation Ownership Interests in a foreclosure sale.
- ❖ Any amounts needed by the Association to pay the yearly contributions to the Benefit Fund.

B. "FAIR SHARE" means, for a given Vacation Ownership Interest, a share determined by multiplying the amount in question by the following fraction:

$$\frac{\text{The Ownership Share of the Vacation Ownership Interest}}{\text{The Sum of the Ownership Shares For All Vacation Ownership Interests For Which Assessments Have Begun Under Section 14.3}}$$

In addition, the Fair Share for an Every-Other-Year Vacation Ownership Interest will include a yearly service or bookkeeping fee in an amount set by the Board from time to time.

C. "FISCAL YEAR" means tax year.

D. "ASSESSMENTS" means Regular Assessments, Special Assessments, or both.

E. "COLLECTION COSTS" means all costs incurred to collect any overdue Assessments or Personal Charges. It includes, but is not limited to foreclosure costs, court costs, and reasonable attorneys' fees, costs, and expenses.

14.2 THE BUDGET.

A. ANNUAL BUDGET. At least sixty (60) days before the end of each Fiscal Year, the Plan Manager will prepare and give to the Board an estimate of the Plan Expenses for the following year. The estimate will cover all Vacation Ownership Interests paying Assessments or expected to be paying Assessments by the start of the Fiscal Year. This estimate must include, among other things, the information required by the Act, the Rules and any other Hawai'i law that applies. If the plan is registered for sale in California, then the budget must also include any information required by the California time share law for out-of-state time share plans. Upon review and approval by the Board, this estimate (with any changes the Board makes) will become the "Budget" for that year. The Budget must specifically state which Vacation Ownership Interests it covers or attach a list of them.

B. BUDGETING FOR RESERVE ACCOUNTS.

When it reviews and approves the Budget, the Board must consider what specific Capital Improvements may be needed within any period of time up to twenty (20) years. The Board must then estimate: (i) the cost for each Capital Improvement; and (ii) the amount of money that should be saved each year to be able to pay for it when it is needed. In making these decisions, the Board may consider interest earned on any savings accounts and earnings on any other investments of the Association. The Board must include these amounts in the Budget. The Board must budget for as many Reserve Accounts as it deems necessary or useful. Its decision will be final. Each of these accounts must be earmarked for Capital Improvements.

1) LIMITATION ON LIABILITY. Neither the Association, nor any Owner, Director, officer, Plan Manager, agent, or employee of the Association who makes a good faith effort to calculate the estimated replacement reserves for the Association, or to review the calculations made by someone else, will be liable if the estimate later proves incorrect.

2) OTHER RESERVES. The Community Association may establish Reserve Accounts for working capital and any other Reserve Accounts that the Board determines to be necessary or prudent in the exercise of its reasonable business judgment.

14.3 WHEN ASSESSMENTS BEGIN. Assessments for Points assigned by the Developer to a given Villa pursuant to Section 4.4 begin on the later of (i) the first day of the month after the Unit is included in the Plan, or (ii) the date when the County of Maui issues a temporary or permanent certificate of occupancy for the Villa. From then on, the Owner of those Points, whether it is the Developer or someone else, must pay a Fair Share of the Plan Expenses.

14.4 REGULAR ASSESSMENTS. The Owner of each Vacation Ownership Interest will pay a share of the Plan Expenses, called the "Regular Assessment." The Regular Assessment for each Vacation Ownership Interest is set as follows:

A. For Vacation Ownership Interests covered by the Budget, the Regular Assessment will be a Fair Share of the Budget.

B. For a Vacation Ownership Interest not covered by the Budget, the Regular Assessment will equal the Fair Share for a Vacation Ownership Interest having the same Ownership Share. Unless the Developer determines otherwise, the amount of the Regular Assessment under this Section 14.4B will not be prorated.

14.5 SPECIAL ASSESSMENTS. The Owner of each Vacation Ownership Interest for which Assessments have begun will pay a Fair Share of any amounts (beyond the Regular Assessments) needed to pay Plan Expenses. This is called a "Special Assessment." The Board may charge a Special Assessment in these circumstances:

A. HANDLING SHORTFALLS. If for any reason the Regular Assessments for the Plan Expenses are, or will be, inadequate to pay all Plan Expenses on time, the Board must estimate the shortfall. The Board must then (i) increase the next year's Budget to make up the shortfall, (ii) charge a Special Assessment, and/or (iii) borrow the funds needed to pay the shortfall, whether from the Reserve Account pursuant to Section 14.10C.1) or from other sources.

B. SHORTFALL'S RELATING TO DAMAGE OR DESTRUCTION. If Vacation Property is damaged or destroyed and the costs to repair or replace it cannot be fully paid by using available insurance proceeds and the money from any appropriate Reserve Account, the Board has the same choices: It may charge a Special Assessment, add the amount needed to next year's Budget, or borrow the funds needed to pay the shortfall, whether from the Reserve Account pursuant to Section 14.10C.1) or from other sources. A Fair Share of the Special Assessment must be charged against all Vacation Ownership Interests regardless of where or how the damage occurred or whether the Association is entitled to be repaid by an Owner or Occupant.

C. OTHER SPECIAL ASSESSMENTS. The Board may also charge a Special Assessment in any other circumstances permitted by law or by the Vacation Plan Documents. For example, the Board may charge a Special Assessment for the purpose of making Capital Improvements authorized by the Association.

D. HOW SPECIAL ASSESSMENTS ARE CHARGED. To charge a Special Assessment, the Board must prepare and send to each Owner a Special Budget showing the amount needed. The Board will charge to each Vacation Ownership Interest a Fair Share of the total amount shown on the Special Budget.

14.6 PERSONAL CHARGES. A "Personal Charge" is an expense not covered by Assessments. This includes expenses that result from the act, failure to act, or other conduct of an Owner or Primary Occupant, or the Guest of an Owner or Primary Occupant. It also includes charges for extra services requested or used by the Owners or Primary Occupants or by their Guests. Personal Charges should not be confused with Regular and Special Assessments. The following expenses are examples of Personal Charges:

- ❖ The cost of food, beverages, telephone charges, optional housekeeping service and other special services or supplies resulting from or related to the occupancy of the Villa during a person's Vacation Period.
- ❖ Charges arising from or related to the use of the Common Furnishings, the Project, or amenities of Ka'anapali North Beach (for example, rentals of sports supplies or other recreational equipment, and so on).
- ❖ The cost to repair any Villa or to repair or replace any Common Furnishings in it because of loss or damage occurring during a person's Vacation Period (unless caused by ordinary wear and tear or by an unavoidable accident or other casualty).
- ❖ Expenses to any other Owner or the Association due to a person's intentional or negligent act or failure to act.
- ❖ Expenses resulting from any intentional or negligent violation of the Ka'anapali North Beach Documents, the Project Documents, or the Vacation Plan Documents.
- ❖ Collection Costs.
- ❖ Any late charges and interest on overdue payments.
- ❖ So long as the Plan is part of the SVN program, any sums charged to the Association or to an Owner in accordance with the Affiliation Agreement.

14.7 DUTY TO PAY ASSESSMENTS AND PERSONAL CHARGES.

A. PROMISE TO PAY. By acquiring a Vacation Ownership Interest, an Owner promises to pay all Assessments on the Owner's Vacation Ownership Interest and all Personal Charges charged to the Owner. Each Owner makes this promise whether or not he or she signs any document that expressly says so.

B. THE DEVELOPER'S DUTY TO PAY; SUBSIDY CONTRACT. The Developer also promises to pay the Assessments and Personal Charges for each Vacation Ownership Interest that it owns and for which Assessments have begun. Instead of doing so, however, the Developer may enter into a "Subsidy Contract" with the Association in which the Developer agrees to pay to the Association an amount calculated substantially as stated in the form of Subsidy Contract attached as Exhibit C.

C. PERSONAL OBLIGATION TO PAY. Each Owner is personally obligated to pay on time all Assessments charged to the Owner's Vacation Ownership Interest and all Personal Charges charged to the Owner. The amount of an Assessment or Personal Charge will become the personal debt of the Owner as of the date when it is assessed. An Owner cannot avoid liability for Assessments or Personal Charges by not using his or her Vacation Ownership Interest or by abandoning it. Even if the Owner transfers the Vacation Ownership Interest to someone else, the Owner is still personally obligated to pay all Assessments and Personal Charges due before the transfer takes effect.

D. INTEREST, LATE CHARGES AND COSTS. All sums not paid within ten (10) days of the due date will be subject to: (i) interest at a rate set by the Board or, if no rate is set, then at one percent (1%) per month from the due date; and (ii) a late charge in the amount set by the Board or, if no amount is set, then Fifty Dollars (\$50). The Plan Manager may also charge a fee for returned checks or other payments not honored due to insufficient funds or for other reasons. An Owner must also pay all Collection Costs.

E. HOW PAYMENTS WILL BE APPLIED. Payments will be applied as the Board provides in the Association Collection Policies. If the Association Collection Policies do not say how payments will be applied, then they will be applied (in equal shares for each Vacation Ownership Interest if the Owner owns more than one) first to Collection Costs, then to late charges, then to interest, then to the principal amount of the Assessment or Personal Charge.

14.8 COLLECTING ASSESSMENTS.

A. TIME AND METHOD OF PAYMENT. An Owner must pay his or her Assessments and Personal Charges to the Association. An Owner must pay his or her Regular Assessments yearly in advance unless the Board adopts a different payment schedule. The Board may not adopt a schedule in which payments are due more often than monthly. The Board may require Owners of Every-Other-Year Vacation Ownership Interests to pay Regular Assessments:

1) Every year, in which case the Owner must pay a Fair Share every year, or

2) Every other year. In that case, every other year, the Owner must pay an amount equal to two times their Fair Share for that year.

Owners of Every-Other-Year Vacation Ownership Interests must pay Special Assessments in the year in

which they are charged regardless of how the Board chooses to collect Regular Assessments.

B. BILLS FOR ASSESSMENTS. The Association or Plan Manager will mail to each Owner, at the address shown on the Membership List, a bill stating the due date and amount of the Assessment for the Owner's Vacation Ownership Interest. If a single Vacation Ownership Interest is owned by more than one person, the bill may be sent to any of its co-Owners. No matter when the bill is sent, however, for the purpose of fixing the amount of any Association Lien based on the Assessment, the Assessment will be considered due on the date stated in the bill.

1) JOINT BILLINGS. The Association or Plan Manager may join with the Community Association, the Ka'anapali North Beach Association, the SVN Operator, or any of them to send a single bill or a joint billing statement covering Assessments due under the Vacation Plan Documents, the Project Documents, the Ka'anapali North Beach Documents, the SVN Affiliation Agreement or the individual membership agreements for those Owners who elect to join SVN. The Association may permit the Community Association, the Ka'anapali North Beach Association, or the SVN Operator to collect the Assessments and turn them over to the Association or Plan Manager provided that they have adequate fidelity insurance or bonds. The Association may also agree with the Community Association, the Ka'anapali North Beach Association, or the SVN Operator to act as their agent in collecting amounts due under the Project Documents, the Ka'anapali North Beach Documents, the SVN Affiliation Agreement or the individual membership agreements for those Owners who elect to join SVN.

2) HOW PAYMENTS WILL BE APPLIED. In the event that joint billings are sent pursuant to Section 14.8B.1), and if the Owner fails to pay the full amount required, then payments will be applied as the Board agrees with the board of directors of the Community Association and the SVN Operator. If there is no such agreement, then payments will be applied in the following order:

- ❖ First to collection costs, late fees and interest of the Community Association, the Vacation Owners Association, and the SVN Operator, in that order;
- ❖ Next, to sums due to the Community Association;
- ❖ Next to sums due to the Vacation Owners Association;
- ❖ Then to sums due to the SVN Operator.

C. PAYMENT OF PERSONAL CHARGES.

1) TIME FOR PAYMENT. Personal Charges will be paid as follows:

(a) Each Primary Occupant must pick up and pay all bills for Personal Charges that are ready at Check-Out Time. Examples include food or beverage charges, optional housekeeping service, and telephone charges.

(b) Personal Charges not paid at Check-Out Time must be paid within thirty (30) days after a bill for the Personal Charge is mailed.

2) PERSONAL CHARGE DEPOSIT. At any time before or during a person's Vacation Period, the Association or the Plan Manager may require an advance payment or deposit, or a credit card imprint, from a Primary Occupant if they decide that it is appropriate. The Association or Plan Manager may (but are not required to) use these funds to pay any Personal Charges of that person. The Association may keep the money (or any unspent part of it) until all charges relating to that person's occupancy have been paid. Neither the Association nor the Plan Manager will be liable for not asking for or not keeping advance payments or deposits. The request or failure to request and keep them does not excuse an Occupant's duty to pay the Personal Charges.

D. COLLECTION POLICIES. The Board may establish collection policies and procedures and may delegate the authority to implement those policies and procedures to the Plan Manager. The Board may also compromise and settle disputed amounts and may delegate the authority to do so to the Plan Manager.

14.9 USE OF AMOUNTS COLLECTED. Assessments must be used exclusively for these purposes:

- ❖ To pay Plan Expenses,
- ❖ To promote the recreation, health, safety and welfare of the Owners,
- ❖ To improve, operate, maintain, repair and replace the Vacation Property,
- ❖ To pay amounts due under the Project Documents, the Ka'anapali North Beach Documents, or the Affiliation Agreement,
- ❖ To pay amounts due to the Benefit Fund, or

- ❖ To operate and manage the Vacation Ownership Plan and to pay any expenses incurred by the Association in performing its duties.

14.10 DEPOSIT AND USE OF FUNDS.

A. MANAGEMENT OF ACCOUNTS. The Association is not limited to but shall maintain two types of funds: (i) the General Account, which is used to pay Plan Expenses generally within a one year budget cycle, and (ii) the Reserve Account, which is the Association's long term capital expenditure plan.

1) All money received by the Association or Plan Manager will be deposited in the General Account promptly after the Association receives it. Money received for any Reserve Accounts will be transferred to those accounts promptly. All accounts must be established with a safe and responsible depository.

2) The investment of the money received by the Association in these funds or any other fund created or maintained by the Association is a decision that is made at the sole discretion of the Board.

3) The Board must establish an Investment Policy and this policy must be reviewed and acknowledged in the minutes annually at the time of approval of the annual Budget. The Investment Policy and investment decisions should be made and adopted in the reasonable business judgment of the Board and should exercise prudent financial management in investing the funds.

4) The Board will invest the funds only in assets that are liquid and available. Money in the General Account may be placed in bank savings or checking accounts. It also may be invested in treasury bills or certificates of deposit or other obligations of an agency of the United States of America (such as U.S. savings bonds) or obligations that are fully guaranteed as to principal by an agency of the United States of America. It may also be invested in any other investments authorized by any other law that applies to the Plan or the Association. Money in the General Account shall not be placed in investments that do not mature within a year.

5) Money placed in the Reserve Account shall be invested with the following recommended goals: first, the safety of the principal; second, liquidity or the ability of the Association to get to the money; third, yield; and fourth, growth of principal. The Association must not invest in individual stocks or any investment that is generally considered at the time of placement of the investment to not have liquidity such that the funds could be available within four (4) business days.

6) All interest, earnings or other investments gains earned on funds of the Association will belong to the Association.

7) All amounts collected or held by the Plan Manager on behalf of the Association will be kept in segregated accounts separate from amounts collected from the homeowner associations or owners of real estate in other real estate developments managed by the Plan Manager.

B. THE GENERAL ACCOUNT. The Board may spend the money in the General Account to pay Plan Expenses as permitted by the Vacation Plan Documents. Any extra money in the General Account at the end of any Fiscal Year may be carried forward into the following year to pay Plan Expenses, held in a surplus fund, or transferred to the Reserve Account at the discretion of the Board of Directors. At the time of adoption of the Budget, the Board must make a determination of how to use any year-end surplus.

C. THE RESERVE ACCOUNT.

1) Any part of the Regular Assessment that is intended for a Reserve Account must be placed in a separate account. The Board will authorize payments from the Reserve Accounts as needed. The money may be used only to pay for Capital Improvements.

2) Money in the Reserve Accounts will be considered conclusively to be savings of the Owners of the Vacation Ownership Interests held for their benefit to pay for Capital Improvements or other capital expenses. Any part of an Owner's Assessments used or to be used by the Association for Capital Improvements or any other capital expense will be treated as a capital contribution by the Owner. It will be credited by the Association on its books as paid in surplus. It will not be treated as income to the Association or to the Owners.

1) The Board may borrow money from a Reserve Account to meet short-term cash-flow requirements or other expenses. Before doing so, the Board must make a written finding that explains the reason that the loan is needed and describing when and how the money will be repaid to the Reserve Account. This finding must be recorded in the Board's minutes. The Board must see that the money is repaid to the Reserve Account within one year of the date of the initial borrowing. However, the Board may delay repayment temporarily if it makes a written finding that doing so is in the best interests of the Plan. The Board must exercise prudent fiscal management in maintaining the integrity of the Reserve Accounts. If necessary, it must charge a Special Assessment to repay the full amount borrowed

from the Reserve Account. The Board can extend the due date for a Special Assessment. Any extension will not prevent the Board from using any legal remedy it has to collect an unpaid Special Assessment.

14.11 FINANCIAL REPORTS. The Association must prepare and make the following documents available to each Owner:

A. THE BUDGET. At least fifteen (15) days before the Fiscal Year starts the Association must distribute or otherwise make available the [proposed [TLC4]Budget [CP5]for that year.

B. YEARLY AUDIT. Each year, the Plan Manager, or the Board if there is no Plan Manager, must arrange for an independent audit of the Association's financial accounts. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting principles. The Association must make the audit available to Owners upon request starting [one hundred and twenty (120) days [CP6]after the close of the fiscal year. The audit must include a report (the "Annual Report") that includes each of these things:

1) A balance sheet as of the end of the Fiscal Year;

2) An operating (income) statement for the Fiscal Year;

3) A statement of the net changes in the financial condition of the Plan for the Fiscal Year;

4) For any Fiscal Year in which the gross income to the Association exceeds Seventy-Five Thousand Dollars (\$75,000), a copy of the review of the Annual Report prepared in accordance with generally accepted accounting principles.

5) A list of the names and the method of contacting the Board members.

6) Any other information required by the law of any place (for example, another state) where the Vacation Ownership Plan is registered for public sale.

C. BUDGET AND AUDIT SUMMARY. Instead of providing a copy of the Budget and Annual Report as required by Sections 14.11A and 14.11B, the Board may elect to provide a summary of the Budget and Annual Report to the Owners along with a written notice that the Budget and Annual Report are available at the business office of the Association or at another suitable location within the boundaries of the Project, and that copies will be provided upon request and at the expense of the Association. If any Owner requests that a copy of the

Budget and Annual Report required by Sections 14.11A and 14.11B be provided to the Owner, the Association must provide the copy to the Owner by facsimile, electronic mail, or first-class United States mail at the expense of the Association and delivered within ten (10) days. The written notice that is distributed to each of the Owners must be in conspicuous 14-point type on the front page of the summary of the Budget and Annual Report.

15. **ENFORCEMENT.**

15.1 **ENFORCING THE VACATION PLAN DOCUMENTS.**

If anyone violates the Vacation Plan Documents, the Board or the Plan Manager (acting on behalf of the Association) has full power and the right to enforce compliance in any manner permitted in the Vacation Plan Documents and by law. The Developer and the Reservation System Operator each have the right to enforce any rights they have under the Vacation Plan Documents in any manner permitted by law or by the Vacation Plan Documents. The enforcement powers contained in the Vacation Plan Documents or provided by law are "cumulative." This means they may be used one at a time or all at once. By acquiring a Vacation Ownership Interest, each Owner promises and agrees that the Association, the Plan Manager, the Developer, and the Reservation System Operator, have all the rights, powers and remedies provided in the Vacation Plan Documents or by law.

A. PRIOR FAILURE TO ENFORCE. Failure to enforce any provision of the Vacation Plan Documents does not mean that the provision cannot be enforced later.

B. COLLECTION AND ATTORNEYS' FEES AND COSTS. The Association (and the Plan Manager if authorized by the Association) may employ an attorney to enforce the Vacation Plan Documents against any Owner or Occupant. In any such case, the Owner or Occupant must pay, in addition to any other amounts due, all court costs and all reasonable attorneys' fees and costs incurred by the Association and/or the Plan Manager. Likewise, the Developer and the Reservation System Operator may employ attorneys to enforce their rights under the Vacation Plan Documents and may recover all of their court costs and all reasonable attorneys' fees, costs, and expenses. In the case of unpaid Assessments or Personal Charges, and except to the extent prohibited by any law that applies to the Association or the Plan, the Association or Plan Manager may also employ one or more collection agents and the Owner or Occupant must pay all Collection Costs incurred by the Association or the Plan Manager.

15.2 RIGHT OF ENTRY. The Association and the Plan Manager have the right and power to enter any Villa,

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whether or not during a Service Period and whether or not the Occupant is present, to stop any activity or condition or to remove anything that:

A. Violates the law, the Project Documents, the Ka'anapali North Beach Documents, or the Vacation Plan Documents,

B. Is unauthorized, prohibited, harmful, offensive or potentially dangerous to others or their property, or

C. Threatens the property, rights or welfare of others.

15.3 **SUSPENSION OF PRIVILEGES; FINES.**

A. SUSPENSION AND FINES. If any Owner or the Owner's Guests violate the Vacation Plan Documents, the Association may charge the Owner a money penalty and/or suspend the Owner's rights and privileges under the Vacation Plan Documents. For example, the Association may do any of these things:

1) It may suspend the Owner's rights to reserve a Villa, to use a Villa during the Owner's Vacation Period, or to participate in any vote under the Vacation Plan Documents.

2) It may suspend utility and other services to the Owner's Assigned Villa during the Owner's Vacation Period.

3) It may cancel the Owner's existing reservation.

4) It may keep the Owner's existing reservation but rent the Vacation Period to someone else for the account of the Association.

B. HEARING. The Board must meet and permit the Owner to present his or her case before it fines the Owner or suspends the Owner's rights and privileges. The Board or Plan Manager must give the Owner written notice of the meeting at least fifteen (15) days in advance. If the notice is given by mail, it must be sent to the Owner's last known address, as shown in the Association's records.[cep7] The notice must state the purpose of the meeting and the reason for seeking the suspension or fine. The Owner has the right to be heard, orally or in writing, on why the penalty should not be imposed or the rights and privileges suspended. Unless otherwise required by law, the Board will decide whether the Owner's defense will be oral or written. The Board will decide whether to fine the Owner or to suspend the Owner's rights and privileges. The Board cannot act, however, unless a quorum is present and the meeting is held as provided in the Bylaws.

C. WHEN THE FINE OR SUSPENSION TAKES EFFECT. The Board or the Plan Manager must give the Owner written notice of any fine charged to the Owner and the reasons for it. The Board or the Plan Manager must give written notice of any decision to suspend an Owner's rights and privileges promptly after the decision is made. Any disciplinary action will take effect fifteen (15) days after the date that the notice is given.

D. EFFECT ON EXCHANGE RIGHTS. If an Owner's rights and privileges are suspended, the suspension also applies to any exchange rights the Owner may have. The Reservation System Operator will notify the Exchange Company of the suspension. A suspension will not affect the rights of an Exchange User (other than a defaulting Owner) whose reservation to use the suspended Owner's Use Period is confirmed by the Reservation System Operator or the Exchange Company before the suspension takes effect.

E. WHEN PRIVILEGES WILL BE RESTORED. If an Owner's rights and privileges are suspended for failing to pay amounts due under the Vacation Plan Documents, the suspended privileges and services will be restored automatically [TLC8] after the Association receives the Owner's payment, in cash or by cashier's or certified check, of all amounts due and any fine imposed. If an Owner's rights and privileges are suspended for any other reason, the suspended privileges and services will be restored automatically at the end of the period stated in the suspension notice and after the Association receives the Owner's payment of any fine.

F. THE RESERVATION SYSTEM OPERATOR'S AND THE PLAN MANAGER'S ROLE. The Board may delegate to the Reservation System Operator or to the Plan Manager the power to carry out any disciplinary actions imposed by the Board. The Board also may delegate to the Reservation System Operator or to the Plan Manager the authority (i) to suspend an Owner's rights and privileges under the Vacation Plan Documents in cases where the Owner has not paid all Assessments or Personal Charges due, and (ii) in all other cases, to conduct the hearing required by Section 15.3B and to decide whether to suspend the Owner's rights and privileges.

15.4 ENFORCEMENT BY FILING A LAWSUIT.

The Association, the Plan Manager, the Developer, the Reservation System Operator, or any Owner may ask a court to enforce the Vacation Plan Documents and ask for any appropriate relief. For example, the appropriate relief could be damages or an order specifically enforcing those documents, or a combination of those things. The Association or the Plan Manager may also

enforce the liens provided by this Declaration and any other lien provided by law and have the right to take the Vacation Ownership Interest of any defaulting Owner in any lawful manner.

A. A VIOLATION IS A NUISANCE. Each violation of the Vacation Plan Documents is declared to be a nuisance. The Association, the Plan Manager, the Developer, or the Reservation System Operator may seek an "injunction" (a court order requiring someone to do or stop doing something) or any other appropriate relief to stop the nuisance.

B. DISPUTES WITH THE DEVELOPER. No matter what else the Vacation Plan Documents say, any dispute between the Association and the Developer with respect to whether the Developer has satisfied any conditions to the exoneration or release of any bond, cash deposit, letter of credit or other financial assurance posted as security for the Developer's obligations (i) to pay any Assessments and Personal Charges due under the Vacation Plan Documents, or (ii) to pay the costs of operating the Plan and maintaining the Vacation Property under a Subsidy Contract, must, at the request of either party, be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

15.5 THE ASSOCIATION MAY RENT AN OWNER'S VACATION PERIOD.

A. THE ASSOCIATION'S RIGHT TO RENT. If an Owner (other than the Developer) is more than sixty (60) days late in paying any Personal Charge or Assessment charged to the Owner under the Vacation Plan Documents, and does not make that payment within ten (10) business days after the Association sends a written demand to pay, then the Association may use the Owner's use rights or Points to reserve a Villa. The Association may then rent that Vacation Period to the public. The renter and his or her Guests will have the right to use the Assigned Villa, its Limited Common Areas, the Ka'anapali North Beach Amenities, and the Common Areas of the Project during the Vacation Period reserved. The Association may not reserve or rent more Use Periods than necessary to pay all sums due in full (plus the reasonable costs of renting the Vacation Period).

B. USE OF THE RENT MONEY. The Association will apply the rent money first to pay the cost of arranging the rental and then to pay all overdue Assessments and Personal Charges owed by the Owner (including penalties, late fees and so on). Any excess money may be used by the Association to pay any Plan Expenses and will not be credited to or for the account of the defaulting Owner. (The intent here is to be sure the defaulting

Owner doesn't profit by his or her wrongdoing and to avoid violating any securities laws.)

C. LIMITS ON THE ASSOCIATION'S RIGHT. The Association may not reserve or rent a Use Period which is subject to an existing reservation held by:

- 1) Another Owner (including the Developer) whose reservation has been confirmed; or
- 2) An Exchange User whose exchange reservation has been confirmed by the Reservation System Operator or by an Exchange Company.

D. WHAT HAPPENS IF THE VACATION PERIOD IS ALREADY RENTED. If the Owner has already rented his or her Vacation Period, the renter will be permitted to use the Use Period. The Association will have the right to collect any unpaid rent from the renter until all amounts due are paid in full.

E. ASSOCIATION'S EASEMENT. The Association has an easement for the purpose of conducting rental activities under this Section 15.5. Its Representatives may use this easement to the extent authorized by the Association.

15.6 THE ASSOCIATION LIEN; FORECLOSURE.

A. LIEN. The Association has a lien, called the "Association Lien", on each Vacation Ownership Interest for all amounts charged to it or its Owner. This means that the Vacation Ownership Interest is collateral for the Owner's obligations to obey the Vacation Plan Documents and to pay all Assessments and Personal Charges. If the Owner fails to pay, the Association may "foreclose" the Association Lien. This means that the Vacation Ownership Interest will be sold and the money from the sale will be used to pay the amounts owed. The Association Lien will cover all interests in a Vacation Ownership Interest, including, for example, (i) the seller's and the buyer's interests under any Agreement of Sale, and (ii) all Condemnation and Insurance Proceeds relating to a Vacation Ownership Interest. The recording of this Declaration is notice of the Association Lien to each and every person who has or acquires any interest in or to any Vacation Ownership Interest or Villa, now or later.

B. EFFECT OF ASSOCIATION LIEN.

1) **EFFECT ON A NEW OWNER.** In this Section 1), "Prior Owner" means the Owner whose Vacation Ownership Interest is being transferred, and "New Owner" means the person to whom the Vacation Ownership Interest is transferred. If a Vacation Ownership Interest is transferred, the New Owner is not personally responsible to pay Assessments or Personal

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Charges charged to the Prior Owner and due before the date the transfer took place. However, the Vacation Ownership Interest still will be subject to the Association Lien for all the unpaid Assessments and Personal Charges of the Prior Owner. As a result, the Association still may foreclose the Association Lien on the Vacation Ownership Interest. If so, the Vacation Ownership Interest would be taken from the New Owner and sold to pay the amounts due. The New Owner would get only the money that is left, if any, after all unpaid Assessments and Personal Charges have been fully paid.

(a) **STATEMENT OF UNPAID AMOUNTS.** A New Owner can avoid this problem by asking the Association for a statement of unpaid amounts. Subject to any privacy laws, any Owner, Lender, potential Lender or potential buyer may ask the Association for a letter listing all amounts unpaid with respect to the Vacation Ownership Interest. Within twenty (20) days after receiving the request, the Association or the Plan Manager must provide the letter. The letter will bind the Association in favor of anyone who relies on it in good faith (except the Prior Owner). As a result, after the transfer or mortgage is made, the Association may not foreclose the Association Lien for any Assessments or Personal Charges due before the date of the letter in excess of the amount stated in the letter except for the amount of any check or other payment that is later dishonored and that is mentioned in the letter as having been received within the 30-day period immediately preceding the date of the letter. The Association and/or the Plan Manager may charge a reasonable fee for preparing the letter.

2) **EFFECT ON MORTGAGES AND OTHER ENCUMBRANCES.** No matter what else the Vacation Plan Documents say, the Association Lien is subordinate to (which means that it is subject to and will not affect) the rights or remedies of any Lender whose mortgage is recorded before a Notice of Lien is recorded. Unless the law says otherwise, this rule only applies if the Lender has a first mortgage on a Vacation Ownership Interest for a loan made in good faith and for value. In all other cases, the liens created by this Declaration will be prior to (superior to and controlling over) all mortgages made by an Owner and all liens or encumbrances imposed by law upon any Vacation Ownership Interest. This will be so whether the Notice of Lien is recorded before or after any such encumbrance. Of course, some liens (such as real property tax liens) may be superior to the liens in this Declaration if the law makes them so.

3) **EFFECT ON AGREEMENTS OF SALE.** Since the buyer is considered the Owner, only the buyer (and not the seller) under an Agreement of Sale will be personally liable. The Vacation Ownership Interest,

however, is still subject to the Association Lien for all unpaid Assessments and Personal Charges for which the buyer is personally liable. The Association Lien will remain on the Vacation Ownership Interest even if the Agreement of Sale is later canceled and the seller again becomes its "Owner." As a result, the Association may foreclose the Association Lien at any time, before or after the Agreement of Sale is canceled.

If this happens before the Agreement of Sale is canceled, the Vacation Ownership Interest will be taken from both the buyer and the seller and sold to someone else to pay the overdue amounts. The buyer and seller would get only the money that is left, if any, after all unpaid Assessments and Personal Charges have been fully paid. If this happens after the Agreement of Sale is canceled, the Vacation Ownership Interest will be taken from the seller and sold, and the seller still gets only the money left after all unpaid amounts have been paid.

4) EFFECT ON A BUYER AT A FORECLOSURE SALE. Anyone who buys a Vacation Ownership Interest at a foreclosure sale is not liable for any Assessment or Personal Charge due before the Vacation Ownership Interest is transferred to the buyer. In addition, the Vacation Ownership Interest will not be subject to the Association Lien for any Assessments or Personal Charges that became due before the Vacation Ownership Interest is transferred to the buyer. However, the Vacation Ownership Interest will be subject to the Association Lien for all Assessments and Personal Charges that become due after the Vacation Ownership Interest is transferred to the buyer at the foreclosure sale.

C. FORECLOSURE AND SALE. The Association Lien includes a private power of sale. The Association may foreclose it in any legal way and the defaulting Owner's Vacation Ownership Interest may be sold at a public auction with or without first obtaining a court order.

1) NOTICE OF DEFAULT. Before the sale, the Association must give a notice to the defaulting Owner explaining the violation. The Association must send a copy of the notice to any Lender of the defaulting Owner which has asked for a copy and furnished its name and address to the Association. The notice must state the date and nature of the violation. If the Owner's default is that he or she failed to pay money, the notice must state the total of any unpaid amounts and include a demand for payment.

2) NOTICE OF LIEN. If the violation is not cured within ten (10) days after the Association gives its notice to the Owner, then an officer of or attorney for the Association or the Plan Manager may sign and record a

Notice of Lien ("Notice of Lien"). The Notice of Lien must include each of these things:

(a) It must state the name of the defaulting Owner.

(b) It must state the Identification Number of the defaulting Owner's Vacation Ownership Interest.

(c) It must state the amount claimed to be due (after any proper offset).

(d) It must say that the Notice of Lien is made by the Association under the terms of the Vacation Plan Documents.

(e) It must say that the Association Lien is claimed against the Vacation Ownership Interest for the violation and in an amount equal to the net amount due plus interest, late charges, and Collection Costs.

(f) It must say that the Association intends to have the Vacation Ownership Interest sold in a foreclosure sale.

Each violation will be a separate basis for a Notice of Lien. But, a single Notice of Lien may cover more than one default, and may include defaults between the date of the Notice of Lien and the date of the sale.

3) CANCELLATION OF NOTICE OF LIEN. The Association may provide a document canceling a Notice of Lien. It will do so if both of these conditions are met:

(a) The Board must first receive payment in full of the amount claimed to be due and owing (including interest, late fees, and any Collection Costs).

(b) The Owner must ask for the cancellation document and pay a reasonable fee for it.

The document canceling the Notice of Lien must be signed by an officer or an attorney for the Association or the Plan Manager.

4) CONDUCTING THE SALE. The sale may be conducted in any lawful way. For example, the Association has a power of sale and may foreclose the Association Lien in the manner provided in H.R.S. Section 514E-29 and H.R.S. Section 667-5, or in any other laws that apply.

5) POWER OF ATTORNEY. When enforcing its rights, the Association (acting in its own name or in the name of the defaulting Owner) may sign and deliver any legal documents necessary to transfer title to that Owner's

Vacation Ownership Interest to a purchaser. For this purpose, the Association is appointed the attorney-in-fact for each Owner.

6) PERMITTED BUYERS. The Association or anyone else except a Competitor may bid on and buy the Vacation Ownership Interest at the foreclosure sale. The Association may offset the debt against the amount bid at the sale. The Association may buy the Vacation Ownership Interest of a defaulting Owner or accept a transfer of it to the Association from the Owner in place of foreclosure.

7) AMOUNTS OWED AFTER THE SALE. The foreclosure sale may not produce enough money to pay all amounts owed by the defaulting Owner. If this happens, the defaulting Owner remains personally liable for the difference, and the Association can sue him or her to collect the unpaid amount.

8) BUYER AT FORECLOSURE. Anyone who buys the Vacation Ownership Interest at the foreclosure sale will have to obey the Vacation Plan Documents just like any other Owner.

D. THE DEVELOPER'S RIGHTS. The Developer has the right, but not the obligation to pay the amounts due from a defaulting Owner to the Association. To exercise this right, the Developer must make such payment to the Plan Manager prior to the end of the then-current Fiscal Year. In such event, (i) the Developer shall hold the Association Lien on the Owner's Vacation Ownership Interest, (ii) the Developer will have the right to exercise all rights and remedies of the Association, including the right to foreclose the Association Lien in the name of the Association or in its own name, and (iii) the Developer will have the right to act as the attorney-in-fact for the Owner pursuant to the Association's power of attorney under Section 15.6C.5), and in the exercise of the Association's power of substitution pursuant to Section 20.4B.

16. INSURANCE.

16.1 INSURANCE GENERALLY.

A. INSURANCE REQUIRED. The Board must see that, as a minimum, the Association and all of the Owners together are covered by the insurance required by this Section. The cost of insurance will be a Plan Expense. Each Policy may be separate or the Board may buy one or more commercial package policies.

B. SOURCE OF INSURANCE. The Association may buy the insurance itself. Or it may join with the Community Association in order to buy insurance. If the

Plan Manager or any related company manages more than one owners association or real estate project, then the Plan Manager may buy one or more blanket policies that cover the Plan and any other associations or real estate projects. In that case, the covered projects and time share plans will split the costs of the policies. The amount charged to the Vacation Ownership Plan for its share of the costs is subject to approval by the Board. If any part of this Section conflicts with the Project Documents regarding insurance, the Project Documents will control.

C. QUALIFIED INSURANCE COMPANIES. Each insurance company must be permitted by law to write insurance policies in Hawai'i or on Hawai'i property. This does not apply to (i) federal flood insurance and other government insurance programs, and (ii) insurance not available, or not available at a reasonable price, from a company licensed in Hawai'i. Each insurance company must have a financial rating by Best's Insurance Reports of Class B:IV [TLC9] or better. If the insurance cannot be obtained from a company having that rating, or if the Board decides that the cost is too high, then the Association may buy the insurance from any financially sound company of recognized responsibility.

D. ADDED INSURANCE. The Board has the right and power to increase the insurance coverage or to obtain better terms than those stated in this Section whenever the Board deems it necessary or in the best interests of the Association. The Board may also buy other kinds of insurance even if they are not described in this Section. For example, the Board may buy business interruption insurance.

E. SUBSTITUTE COVERAGE; REDUCTION IN INSURANCE. Except for insurance required by law, the Board need not buy any insurance if it is advised that it cannot reasonably be obtained or if the Board decides that it is too expensive. In those cases, the Board must buy other insurance that it believes to be appropriate under the circumstances for units in real estate projects similar in construction, location and use. The Board may accept any deductibles, uninsured retentions, and co-insurance as it chooses in its business judgment. Any amount paid on account of any deductible, uninsured retention, or co-insurance will be a Plan Expense; provided that if a loss results from the negligence or willful misconduct of an Occupant, then the Association may charge the amount to the Occupant as a Personal Charge as provided in Section 17.1B.

F. YEARLY REVIEW OF COVERAGE. The Board must review the insurance program at least yearly. The Plan Manager must prepare or cause to be prepared an analysis of (a) the insurance needs of the Association and the Owners; and (b) the adequacy of the existing

insurance policies to meet those needs. The Board will review this analysis and then make any changes in the insurance program it deems necessary or appropriate. All Board decisions are final.

G. LIABILITY FOR INSURANCE DECISIONS. The Board will not be liable for any decision it makes on insurance except to the extent of its gross negligence or intentional misconduct. Likewise, neither the Developer nor the Plan Manager will be liable except to the extent of their gross negligence or intentional misconduct.

H. INSPECTION AND COPYING. Any Owner (and anyone having a contract to buy a Vacation Ownership Interest) may inspect copies of the Association's insurance policies at the office of the Plan Manager. If asked to do so, the Board will furnish a copy of any Policy, or a current certificate of insurance, to any Lender that has a first mortgage on a Vacation Ownership Interest. The Lender must pay a reasonable fee for the copy.

16.2 PROPERTY INSURANCE. The Board must buy a policy of property insurance. This is called the "Policy" in this Section 16.2.

A. WHO IS INSURED. The Policy must name the Association, by the Board, as trustee for the Owners in proportion to their respective Ownership Shares in the Project. The Developer also must be named as an insured.

B. REQUIRED COVERAGE. The Policy must cover the Villas and Common Furnishings.

1) The Policy must cover the full insurable replacement cost of the insured property (except for (i) exterior glass if the Board decides that this is too expensive, and (ii) excavations, foundations, footings, and other items normally excluded from such policies) at the time the insurance is purchased and at each renewal date, less deductibles and uninsured retentions, but including coverage for the increased costs of construction due to building code requirements. If renewals occur less than annually, then the Association must either (i) annually update the stipulated full replacement cost amount to reflect the then-current estimated full replacement cost of the insured property, or (ii) obtain a replacement cost endorsement that provides for full reimbursement for the actual cost (less deductibles and uninsured retentions) of repair or replacement of the insured property, without deduction for depreciation.

2) The Policy must have an agreed amount endorsement. This protects Owners from co-insurance clauses. A co-insurance clause reduces benefits if the Association fails to buy enough insurance.

C. FORM OF POLICY. The Policy must cover those risks generally covered by a special form policy. A "special form policy" commonly insures against these risks: fire, lightning, windstorm and hail, smoke, explosion, civil commotion, riot, and riot attending a strike, aircraft and vehicle damage, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, breakage of glass, falling objects, water damage, collapse of structure, and direct physical loss. If the Project is located in an area prone to earthquakes, the Association must also buy earthquake insurance if it is available at a reasonable cost.

16.3 FLOOD INSURANCE. The Project may be located in a special flood hazard area as delineated on flood maps issued by the Federal Emergency Management Agency or any successor agency. If so, the Association must buy a policy of flood insurance that complies with the requirements of the National Flood Insurance Program and the Federal Insurance Administration or any successor agency.

16.4 LIABILITY INSURANCE. The Board must buy and keep in effect commercial general liability insurance and, if necessary, commercial umbrella insurance. In this Section 16.4, the commercial general liability insurance and commercial umbrella insurance are together called the "Policy." The Policy must cover claims for personal injury, bodily injury, death and property damage against (i) the Association, the Board, the Developer, the Reservation System Operator, and the Plan Manager, and (ii) each of their directors, officers, employees, and agents, and (iii) all Owners as a group. The Policy limits for each accident or occurrence must not be less than Five Million Dollars (\$5,000,000) for personal injury, bodily injury, and death, and Three Million Dollars (\$3,000,000) for property damage. These amounts will rise or fall each year on a C.P.I. Adjusted basis.

16.5 MOTOR VEHICLES. The Board must buy and maintain a commercial automobile liability policy of insurance if the Association owns or leases any motor vehicles. This is called the "Policy" in this Section 16.5. It must insure the Board, the Association, the Developer, the Plan Manager, and each of their officers, directors, agents and employees. It must cover claims for bodily injury, death and property damage arising out of the condition, use, operation, ownership or lease of any motor vehicle owned or leased by the Association. The Policy limits may not be less than Three Million Dollars (\$3,000,000) for bodily injury or death or property damage arising out of a single accident or occurrence. This amount will rise or fall each year on a C.P.I. Adjusted basis. The Policy must contain a severability of interest provision and a cross-liability endorsement.

16.6 DIRECTORS AND OFFICERS INSURANCE. The Board must buy and maintain a policy insuring, to the extent allowed by law, each person who is or was a director, officer, agent or employee of the Association against liability in connection with any claim made against him or her as a result of his or her holding that position. This is called the "Policy" in this Section 16.6. The Policy must also cover anyone who serves, at the request of the Association, as a director, officer, member, employee or agent of another company or organization. The Board will choose the Policy limits.

If it can be obtained at a reasonable cost, the Policy must provide coverage to the extent permitted by law for any proceeding whether it is civil or criminal, administrative or investigative. The Policy must pay for any expense actually and reasonably incurred. This includes, but is not limited to, attorneys' fees and costs, court costs, and payment of any judgments, fines and settlements. The Board may decide to buy insurance to cover circumstances where direct reimbursement is not required by law.

16.7 FIDELITY BONDS. A "fidelity bond" covers the loss of money in the care or custody of the Association, the Plan Manager or the Reservation System Operator. The Association must buy a fidelity bond or fidelity insurance. It must cover the Association, the Plan Manager, and the Reservation System Operator. It must also cover each of their directors, officers, agents, and employees who handle funds belonging to or administered by the Association, Plan Manager, or Reservation System Operator. The fidelity bond or insurance must name the Association as the person protected and who gets paid in case of loss (the "obligee" or the "insured"). The amount of the coverage must not be less than the amount required by any law that applies. The bond or insurance must also do these things:

A. It must meet the requirements of the Act and Rules.

B. It must provide that it may not be canceled or substantially changed without at least thirty (30) days' advance written notice to the Association, the Plan Manager, and the Reservation System Operator.

C. It must cover anyone who serves without pay (for example, a volunteer). It must also waive (give up) any defense based on excluding such persons from the definition of the term "employee" or similar terms.

16.8 OTHER INSURANCE. The Association will buy all other insurance required by law. This may include, for example, temporary disability insurance and worker's compensation insurance. The Owners have the right to

buy extra insurance they want for their own benefit and at their own expense.

17. DAMAGE, DESTRUCTION, AND CONDEMNATION.

17.1 REPAIRING VACATION PROPERTY. The Project Documents govern all matters covered in them relating to damage or destruction to a Villa or the Common Areas. In all other cases, if a Villa or its Common Furnishings are damaged or destroyed (other than by ordinary wear and tear) the Association must immediately repair the damage and replace anything that cannot be repaired. Anything damaged by normal wear and tear, however, need not be repaired or replaced while it is still usable, reasonably attractive, safe, and in good condition. The Board will decide when such things will be repaired or replaced and its decision will be final. If the Board decides it is better to replace something instead of repairing it, the Board may do so.

A. **PAYING FOR THE REPAIRS.** The Association will use any available Insurance or Condemnation Proceeds to pay for the repair or replacement. The Association also may use any money set aside in a Reserve Account to repair or replace the damaged items. The damage may not be covered by insurance, or the available proceeds or applicable Reserve Account may not be enough to pay the total cost of repairing or replacing the damaged property. If so, the Association may charge a Special Assessment to raise the money.

1) "INSURANCE PROCEEDS" means any money paid by an insurance company for a loss.

2) "CONDEMNATION PROCEEDS" means any money paid if the Vacation Property or any part of it is "taken", meaning that it is condemned or is sold to a Condemning Agency that has threatened to condemn it. The government and certain other persons have the "power of eminent domain." This means that they can make someone sell their property to them. This process is called "condemnation." Anyone having the power of eminent domain is called a "Condemning Agency."

B. **LIABILITY OF OWNERS AND OCCUPANTS FOR DAMAGES.** If an Owner or an Owner's Guest intentionally or negligently damages or destroys any Vacation Property or any other part of the Project, that person must repay the Association for all expenses related to repairing or replacing it. That amount will be a Personal Charge. If an Exchange User or his or her Guest intentionally or negligently damages or destroys any Vacation Property or any other part of the Project, that person must repay the Association for all expenses related to repairing or replacing it; the Owner of the Vacation

Ownership Interest whose Vacation Period is used by the Exchange User, however, is not responsible to repay the Association. The Board will decide what should be repaired or replaced as a result of any damage or destruction. The Board's decision will be binding on any person responsible for repayment. This Section B does not apply to damage or destruction that the Board decides is the result of ordinary wear and tear.

C. NO CLAIM FOR LOSSES PAID FOR BY INSURANCE. Despite what Section B says, to the extent that the Association's insurance covers any loss, damage or destruction to any part of the Vacation Property or any other property, the Association and the Owners will have no claim or cause of action for that loss, damage or destruction against the Developer, any company related to the Developer, the Plan Manager, the Reservation System Operator, the Association, or any of their Representatives or against any Owner (except for any Special Assessment charged under Section 14.5) or any person under any of them. To the extent that any loss, damage or destruction to any part of the Vacation Property or to the property of any Owner or Occupant, or anyone under the Owner or Occupant, is covered by insurance purchased by that Owner or Occupant, the Owner or Occupant will have no claim or cause of action for that loss, damage or destruction against the Association, the Board, the Developer, any company related to the Developer, the Plan Manager, the Reservation System Operator, or any other Owner, or any of their Representatives, or any person under any of them.

17.2 EXCESS PROCEEDS.

A. "Excess Proceeds" are Insurance Proceeds or Condemnation Proceeds:

- ❖ from dissolving or terminating (winding up) the Project or the Vacation Ownership Plan for any reason;
- ❖ remaining after paying the cost of repairs and replacements;
- ❖ paid on account of a Villa that is destroyed and is not rebuilt. This could happen, for example, if the law is changed so it cannot be rebuilt or if a decision not to rebuild it is made under the Project Documents; or
- ❖ not required (i) to repair or replace any Villa or its Common Furnishings, or (ii) to pay any one or more Owners for personal injury or loss or damage to their property (in which case the proceeds will be distributed with due regard to the loss or damage).

B. Any Excess Proceeds will be paid to the Owners and their Lenders in proportion to their Ownership Shares. If a Vacation Ownership Interest is subject to an Agreement of Sale, then the share of Excess Proceeds for that Vacation Ownership Interest will be paid to the buyer and the seller under the Agreement of Sale.

18. ADDING AND REMOVING UNITS.

18.1 ADDING UNITS TO THE PLAN. The Developer may add more Units to the Vacation Ownership Plan at any time and without the consent of any Owner or anyone else. Only the Developer may add Units to the Vacation Ownership Plan. The Developer is not promising to add any more Units to the Vacation Ownership Plan. Owners who buy a Vacation Ownership Interest may enjoy certain advantages from having Units added but will have no legal right to insist that Units be added.

18.2 DECLARATION OF ANNEXATION.

A. REQUIRED CONTENT. The Developer may add Units to the Plan by recording a "*Declaration of Annexation.*" It must contain each of the following:

1) A legal description of the Project Ownership Interest, the Unit number of its appurtenant Unit, and the name of its record owner. If a Project Ownership Interest is owned by anyone other than the Developer, then the record owner must either sign the Declaration of Annexation or sign a document joining in and consenting to the Declaration of Annexation.

2) A statement submitting the Project Ownership Interest to this Declaration. This Declaration must be identified by title and recording data.

3) The Villa Type for the Unit. If a Unit is being added to an existing Villa Type, it must have at least as many bedrooms and bathrooms as other Villas in that Villa Type.

B. OTHER PROVISIONS: The Declaration of Annexation may establish new Villa Types or new kinds of Vacation Ownership Interests for any or all Units being added. It may also contain any other provisions that the Developer may consider appropriate. For example, it may contain provisions relieving the record owner of any responsibility for acts of the Developer or the Association, or for the operation of the Plan. If it creates a new Villa Type or new kinds of Vacation Ownership Interests, or if the Developer owns Points equal to all of the Points assigned to all of the Interests for a particular Villa Type, then the Declaration of Annexation may change the Vacation Plan Documents with respect to that

Villa Type. For example, the Developer could create new kinds of Vacation Ownership Interests that give the Owners of them:

- 1) The first chance to reserve certain Villas.
- 2) The exclusive right to reserve certain Villas.
- 3) The exclusive right or the first chance to reserve certain Villas during certain holidays, such as Christmas, New Years, Presidents Day, and so on, or before, during or after times when certain events occur such as Aloha Week.
- 4) Permanent reservations to use a certain Villa or kind of Villa for certain time periods.

C. LIMITATIONS ON DEVELOPER'S RIGHTS. Despite what Section B says:

- 1) The Declaration of Annexation cannot change the rights of existing Owners (other than the Developer) to reserve and use the existing Vacation Property (other than property that the Developer can remove from the Plan as described in Section 18.4A);
- 2) The Declaration of Annexation cannot create new kinds of Vacation Ownership Interests or reservation or use rights that do not comply with the one-to-one use-right to use-night requirement of the Act.
- 3) The number of votes given to new kinds of Vacation Ownership Interests must be equal to the numerator (the top number) of the fraction comprising the Ownership Share of the Vacation Ownership Interests. However, this does not mean that an amendment cannot change other voting rights. For example, if certain Owners have the exclusive right to use certain preferred property and that property is destroyed by a fire, then the Declaration of Annexation might say that only those Owners can vote on whether or how to repair or replace that property.

18.3 ADDED UNITS ARE GOVERNED BY THE VACATION PLAN DOCUMENTS. The Vacation Plan Documents will govern the ownership, use and transfer of any Project Ownership Interests and appurtenant Units added to the Vacation Ownership Plan. Any added Unit will become a Villa. Any money encumbrances or liens (for example, a mortgage) on the Interest or Unit on the date it is added must be subordinated to this Declaration and to the lien rights given to the Association by this Declaration. This rule will apply unless arrangements are made so that when the Developer transfers the Vacation Ownership Interests based on that Unit/Project Ownership Interest, the Vacation Ownership Interests are released

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from the money encumbrances and liens, or other reasonable arrangements are made to pay them off or to protect the Owners from them. This does not apply, however, to the lien for future assessments held by the Association, the Community Association or the Ka'anapali North Beach Association.

18.4 PROPERTY MAY BE REMOVED FROM THE PLAN.

A. THE DEVELOPER'S RIGHTS.

1) **WHEN THE DEVELOPER CAN REMOVE A UNIT.** If the Developer owns Vacation Ownership Interests having Points equal to all of the Points assigned to a Villa, it may remove that Villa from the Vacation Ownership Plan. However, the Developer cannot remove a Villa (i) if that Villa is subject to a Specific Villa Right held by an Owner other than the Developer, or (ii) if removing that Villa will cause the Plan to be in violation of the one-to-one use-right to use-night requirement of the Act.

2) **STEPS TO REMOVE A UNIT.** To remove a Villa, the Developer must sign and record a document named "Declaration of Removal." It must contain both of these things:

- ❖ A legal description of the Project Ownership Interest being removed from the Plan.
- ❖ A statement that the Project Ownership Interest is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

3) **EFFECT OF REMOVAL.** After the Declaration of Removal is recorded, the Project Ownership Interest will no longer be part of the Vacation Ownership Plan and its appurtenant Unit will no longer be a Villa.

B. DAMAGED OR CONDEMNED VILLAS.

1) **WHEN THE ASSOCIATION CAN REMOVE A UNIT.** The Association, through the Board, may remove a Villa from the Plan if that Villa is damaged or destroyed and a decision is made not to repair or rebuild it, or if a Villa is condemned or is to be transferred under threat of condemnation. The Board may remove a Villa even if all Assessments and Personal Charges with respect to that Villa have not been paid.

2) **STEPS TO REMOVE A UNIT.** To remove a Villa, the Association must record a document named "Declaration of Removal." It must contain each of these things:

(a) A legal description of the Project Ownership Interest being removed from the Plan.

(b) An affidavit signed by any two officers of the Association. It must say either (i) that the Villa was destroyed and is not being rebuilt, or (ii) that the Villa was condemned or is being transferred under threat of condemnation.

(c) A statement that the Project Ownership Interest is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

3) EFFECT OF REMOVAL. After the Declaration of Removal is recorded:

(a) The Project Ownership Interest will no longer be a Villa nor part of the Vacation Ownership Plan.

(b) The Association Lien and security interest will remain on the Project Ownership Interest and any money received from the sale of it, until all Assessments and Personal Charges (including interest, late fees, and Collection Costs) are paid in full. The Association may sign a document releasing its lien in connection with any sale of the Project Ownership Interest.

19. REVISING, TERMINATING, AND INTERPRETING THIS DECLARATION.

19.1 AMENDMENTS.

A. GENERAL.

1) GENERAL RULE. This Declaration may be "*amended*" (changed) from time to time if (1) the amendment is approved by the vote of a Majority of the Owners Voting, and (2) if the Developer holds a mortgage on or owns any Vacation Ownership Interest, the Developer gives its written consent and signs the amendment. The rules in this Section 19.1A.1) apply except where this Declaration or applicable law provide otherwise.

2) SUPER-MAJORITY VOTE. Despite what Section 19.1A.1) says, some parts of the Vacation Plan Documents require the approval of a Majority of the Owners or more than a Majority of the Owners (a "*Super-Majority*") before taking certain actions. Such a provision cannot be amended unless (1) the number of votes cast by Owners voting in favor of that amendment equals or exceeds the number of votes required to take action under that provision (i.e., a Majority of Owners or a Super-Majority), and (2) if the Developer holds a mortgage on

or owns any Vacation Ownership Interest, the Developer gives its written consent and signs the amendment.

3) EFFECTIVE DATE. An amendment made pursuant to this Section 19.1A will take effect only after it is signed by the proper officers of the Association and is recorded.

B. THE DEVELOPER'S RESERVED RIGHTS TO AMEND.

1) Despite what Section 19.1A says, the Developer's Reserved Rights include the right to change the Vacation Plan Documents as follows:

(a) It may change them in any way and for any purpose before the date when the Developer first records a First Deed, other conveyance document or Agreement of Sale transferring a Vacation Ownership Interest to someone other than (i) the Developer, (ii) any company related to the Developer, (iii) a bulk transferee, or (iv) any Lender.

(b) It may change them to comply with the laws and regulations in effect in the State of Hawai'i, or the requirements of any government agency in Hawai'i (for example, the Hawai'i Department of Commerce and Consumer Affairs).

(c) It may change them to comply with the laws or regulations of any other place (for example, the State of New York) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of the (i) Project, (ii) the Plan, or (iii) SVN.

(d) It may change them to satisfy requests for changes made by any title insurance company issuing a title insurance policy on the Project or any Vacation Ownership Interest.

(e) It may change them to satisfy requests for changes made by or requirements for making or purchasing mortgage loans on Vacation Ownership Interests or other Project Ownership Interests by (i) any institutional lender lending funds on the security of the Project or any Vacation Ownership Interest, (ii) any investor in mortgages initially made in favor of the Developer, or (iii) any governmental or quasi-governmental agency including, but not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration.

(f) It may change them in any Declaration of Annexation adding new Villa Types or

creating new kinds of Vacation Ownership Interests to the extent permitted by Sections 3.3B.2) or 18.2.

(g) It may change them to facilitate the operation and management of the Project or the Plan; or

(h) It may change them to correct any errors or mistakes reflected in any of the Vacation Plan Documents. For example, the Developer can amend this Declaration to correct a mistake in the legal description of the Vacation Property, to add any missing words, to delete words that should have been deleted, to state the correct Ownership Share, and so on.

2) The Developer may use these rights at any time and it may use them more than once. An amendment made by the Developer under this Subsection 19.1B will take effect when it is signed by the Developer and recorded. The amendment does not have to be signed or approved by anyone else. However, each Owner and every other Interested Person gives the Developer a special power of attorney to act for the Owner as necessary or helpful to the Developer's exercise of these Developer's Reserved Rights. The Developer may sign, record and deliver amendments in its own name and/or in the name of the Association, Owners or other Interested Persons using its power of attorney.

C. NAME CHANGE. The Developer's Reserved Rights include the right to change the name of the Plan and/or the Association at any time. The Developer may record or file any documents that it deems necessary or helpful to change the name(s). The Association and each Owner gives the Developer a special power of attorney to do this. Among other things, the Developer can use this power of attorney to amend any or all of the Vacation Plan Documents by unanimous written consent of all Owners. If the Developer changes the name of the Plan and/or the Association, then the Association and its agents, and the Owners, must stop all use of the discontinued name as of the date when the Developer instructs the Association to stop using that name (which the Developer may do at any time and for any reason or for no reason).

D. LIMITS ON AMENDMENTS.

1) Unless it is signed by the Owner and the Owner's Lender (if any), no amendment may:

(a) Change the numerator of the Owner's Ownership Share.

(b) Change the right of the Owner to receive an allotment of Points as provided in Section 5.4B.

(c) Take away the right of any Owner to use the Owner's Points to reserve the Vacation Property subject, of course, to the allocation of use rights among the Owners as provided in the Vacation Plan Documents.

(d) Take away the right of an Owner having a Specific Vacation Period to use a Villa during the Owner's Specific Week.

(e) Take away the right of an Owner having a Specific Villa Right to use that specific Villa during the Owner's Specific Week.

(f) Take away the right of an Owner having a Villa Type Right to reserve, for use during the Owner's Specific Week, a Villa that is the Villa Type stated in the Owner's First Deed.

(g) Change the right of the Owner to cast votes equal to the numerator (top number) of his or her Ownership Share. This does prevent the Developer from increasing or decreasing the total number of votes in the Association due to things like the addition of more Units and Project Ownership Interests, or a decision not to build certain Units.

2) Regardless of anything else stated in the Vacation Plan Documents, no amendment to any of the Vacation Plan Documents that changes, terminates, or otherwise affects any of the Developer's Reserved Rights, or any other rights or privileges of the Developer under the Vacation Plan Documents, will be effective unless the Developer gives its written consent and signs the amendment, and the amendment is recorded.

3) At any time when the Affiliation Agreement is in effect, no amendment to any of the Vacation Plan Documents may change the rights and privileges of the Reservation System Operator unless the Reservation System Operator gives it consent by signing it.

E. RESTATEMENT OF PROJECT DOCUMENTS. No matter what else the Vacation Plan Documents say, the Board and the Developer each have the right to restate this Declaration and all amendments to it, and any of the other Vacation Plan Documents, at any time and from time to time. Either may do so without the consent of the other and without the vote or other consent of any Owner, Lender, or anyone else. No restatement of this Declaration or the other Vacation Plan Documents will take effect until it is signed by the Developer or by two officers of the Association and recorded.

F. BINDING EFFECT. If an amendment complies with these provisions, it will be binding on every Vacation Ownership Interest and everyone, including

every Owner and every Lender, who has any interest in the Plan or the Vacation Ownership Interests.

19.2 TERMINATING THIS DECLARATION.

A. This Declaration will remain in effect for sixty (60) years from the day it is recorded. After that, it will continue in effect for additional ten (10) year periods until an amendment canceling it is recorded. This Declaration may be terminated earlier if any of these things happen:

- ❖ All of the Villas are removed from the Declaration as permitted by Section 18.4 above, or
- ❖ All of the Villas are destroyed and a decision is made under the Project Documents not to repair, rebuild, or restore them, or
- ❖ All the Villas are taken in condemnation proceedings or under threat of condemnation, or
- ❖ The Project Declaration terminates.

B. When this Declaration terminates, (a) the Owners of Vacation Ownership Interests will remain personally liable for all Assessments and Personal Charges owed by them, and (b) the Association Lien and security interest will remain on each Owner's interest in the Vacation Property and any proceeds (money received from the sale of it), until all Assessments and Personal Charges (including interest, late fees, and Collection Costs) are paid in full and the Association's affairs are finally settled. Each present and future Owner, and every other person who obtains any interest in a Vacation Ownership Interest (such as a Lender), gives the Association a special power of attorney to sell and transfer title to any and/or all of the Vacation Property when (and only when) this Declaration terminates. This power of attorney will stay in effect even after this Declaration terminates. All money received from the sale of any Vacation Property will be distributed to the Owners and their Lenders in proportion to the Ownership Share of their respective Vacation Ownership Interests.

19.3 THE RULE AGAINST PERPETUITIES.

A. **GENERAL NATURE OF THE RULE.** The "Rule Against Perpetuities" (the "RAP") is a legal rule. It limits the amount of time that may pass between (i) the date when an interest in real estate is created, and (ii) the date when the interest "vests" such as when the owner of that interest becomes entitled to possession of the property. The RAP creates a deadline for this to happen. This deadline is called the "RAP Deadline" in this Declaration. In legal terms, the interest becomes "vested" in the future.

For convenience, however, we will say that the transfer "takes effect in the future."

B. **APPLYING THE RULE.** No matter what else this Declaration says, if any part of this Declaration violates the RAP or any other limit imposed by law on the duration of the part, then that part will be effective only until the earlier of:

- ❖ the maximum period permitted by law, or
- ❖ 21 years after the death of the last survivor of the now living descendants of Joseph and Rose Kennedy of Massachusetts and George H. W. Bush of Texas.

19.4 EFFECT OF INVALID PROVISIONS. The provisions of each of the Vacation Plan Documents are "severable." This means that if any part of a Vacation Plan Document is not legal or valid, that part can be ignored. But the rest of that document and the other Vacation Plan Documents will remain in effect and everyone must obey them.

19.5 EFFECT OF FAILURE TO ENFORCE. A violation of any part of the Vacation Plan Documents by one person does not excuse that person or anyone else from his or her duty to obey that and all other parts of the Vacation Plan Documents. Any failure to enforce any provision of the Vacation Plan Documents does not limit or take away the right to enforce that provision later. This will be true no matter how many times a violation is overlooked or ignored.

19.6 INTERPRETING THIS DECLARATION. To make the Vacation Plan Documents easier to read and understand, some Sections may include an introduction. The introduction is intended to help you understand what the Section is about by giving you a general explanation. Likewise, captions have been added to all Sections and many Subsections. These are intended to help you find particular parts of this Declaration. The Developer has also included a table of contents. But it is important to realize that the captions, introductions, and table of contents have been included as a matter of convenience and for reference. They do not define, limit or describe the scope or intent of the provisions of the Vacation Plan Documents. You should read with care each and every part of the Vacation Plan Documents, not just the captions, the introductions, or the table of contents.

Where this Declaration or the other Vacation Plan Documents say things like "for example", it means that there may be other examples besides the examples described in the document. Likewise, when the Vacation Plan Documents use language such as "among other things", "including", and similar phrases, the

effect of those sections is not limited to the examples given unless it clearly says so.

19.7 PRONOUNS. Pronouns (for example, "his" or "her") used in the Vacation Plan Documents include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

20. MISCELLANEOUS PROVISIONS AND GLOSSARY OF LEGAL TERMS.

20.1 TRANSFER OF DEVELOPER'S RIGHTS.

A. If the Developer signs and records a document that expressly transfers to someone else some or all of the Developer's Reserved Rights, or any of the Developer's other rights or duties as the "Developer" under the Vacation Plan Documents, then that person will become the "Developer" to the extent of the rights and duties transferred. The new "Developer" can likewise transfer the rights and duties that it has. After a transfer (i) the new "Developer" has the rights and duties transferred to it, and (ii) the old Developer is automatically relieved of any and all liability arising after the transfer takes effect with respect to the rights and duties transferred; and (iii) the new "Developer" will not be liable for any violation of the Vacation Plan Documents or other acts of the prior Developer(s). Each Owner and other Interested Person, by acquiring a Vacation Ownership Interest or other interest in the Project, automatically agrees and consents to this, and also agrees to recognize the new Developer as the "Developer" under the Vacation Plan Documents to the extent of the rights and duties transferred.

B. The Developer may transfer some or all of its rights as collateral for a loan. If so, the lender will not have the rights or duties of the "Developer" until (i) it forecloses the loan, (ii) it holds the rights of the Developer outright, and (iii) it records a document that says so. The lender will also have the rights of the "Developer" if the Developer assigns its rights to the lender, pursuant to Section A, in place of foreclosure.

C. The Developer's Reserved Rights will not be transferred to the Association, any Owner, or anyone else unless the Developer signs and records a document that clearly and explicitly says so. No deed, lease, mortgage, or other conveyance of any Vacation Ownership Interest (or any interest in it) will transfer any of the Developer's Reserved Rights, or any of its other rights under the Vacation Plan Documents, unless the document expressly says so and unless it describes the rights transferred.

D. A transfer of all rights of the Developer will automatically transfer the Developer's easements under

this Declaration. This will happen even if the transfer document does not say so.

20.2 NOTICES. Except as otherwise expressly provided by law or in this Declaration, the Articles or the Bylaws, all notices must be given as follows:

A. NOTICE TO OWNERS. Notice to an Owner may be given by delivering it in person or by mail, fax, or messenger service. The notice must be mailed or delivered to his or her address as it is shown on the Membership List. If more than one person is the "Owner" of a Vacation Ownership Interest, notice to all Owners of that Vacation Ownership Interest may be given by providing notice to any one of them.

B. NOTICE TO THE ASSOCIATION. Notice to the Association must be given to the registered agent of the Association or, if there is no registered agent, then to the Plan Manager; provided that if the Plan Manager is giving a notice to the Association, then notice must be given as provided in the Management Contract. The notice may be given personally or by mail, fax, or messenger service. The notice must be mailed or delivered to the recipient's address as shown on the Membership List, or to any other address designated by notice to the Developer and to all Owners and Lenders.

C. NOTICE TO THE PLAN MANAGER. Notice to the Plan Manager must be mailed or delivered to the Plan Manager at its address as shown in the Management Contract, or to any other address that the Plan Manager designates by notice to the Association from time to time.

D. NOTICE TO THE DEVELOPER. Notice to the Developer must be given to the president of the Developer. The notice may be given personally or by mail, fax, or messenger service. The notice must be mailed or delivered to the president of the Developer at the address shown on the Membership List, or to any other address that the Developer designates by notice to the Association from time to time.

E. NOTICE TO A LENDER. Notice to a Lender or to an insurer or guarantor of a mortgage may be given delivering it in person or by mail, fax, or messenger service. The notice must be mailed or delivered to its address as it is shown on the Membership List, or to any other address that it designates by notice to the Board.

F. NATURE OF NOTICE. All notices must be in writing.

1) A notice from the Association to an Owner is effective when it is mailed, so long as the postage is paid and it is addressed to the Owner's address shown in the Association's current Membership List.[cep10]

However, if it is not prohibited by law, a notice from the Association to an Owner may be given by email and will be effective when it is sent so long as it is addressed to the Owner's email address as shown in the Association's current Membership List.

2) A notice to anyone else will be effective on the earliest of the following:[cep11]

(a) When it is received.

(b) Five (5) days after it is deposited in the US mail, as evidenced by the postmark, so long as the notice is mailed with the correct address and with first class postage affixed.

(c) On the date shown on the return receipt if the notice is sent by registered or certified mail, return receipt requested and the receipt is signed by or on behalf of the person to whom the notice is addressed.

(d) If the notice is faxed, except as otherwise required by law, upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Association's records.

3) Except as otherwise required by law, and regardless of what Section 20.2F.2) says, notices of addresses and changes of addresses will be deemed given only when they are actually received.

4) The addresses for purposes of this Section 20.2 may be changed by giving written notice of the change. Unless written notice of an address change is received, the last address will remain effective for all purposes.

G. CHANGES TO NOTICE REQUIREMENTS. Despite what Section 19.1A says, the Board may amend this Declaration to change the notice requirements of this Section 20.2 to comply with any law that governs giving notices and that applies to the Plan or to the Association.

20.3 DEVELOPER CONSENT. If this Declaration or any other Vacation Plan Document requires the consent or approval of the Developer, then the Developer can give or not give its consent or approval, and impose conditions to giving its consent or approval, in the Developer's sole, absolute and unfettered discretion and whether or not it is reasonable to do so.

20.4 SPECIAL POWER OF ATTORNEY. Whenever this Declaration provides that an Owner or other person gives a "power of attorney" or appoints someone other than the Developer as "attorney-in-fact", the following rules apply:

A. The power of attorney appointment is permanent. In legal terms, it is coupled with an interest, it is irrevocable, it is a durable power of attorney, and it will not be affected by any disability of the person who gives it.

B. It includes "full power of substitution." This means that the person given the power of attorney can let someone else act in his or her place as a substitute attorney-in-fact.

C. Each Owner (or other person) gives the power of attorney whether or not it expressly says so in the deed, mortgage or other document by which he or she obtained any interest in the Vacation Ownership Plan or the Vacation Property.

D. It is a "special power of attorney." This means that the attorney-in-fact has the power to do only the things stated or intended by the Vacation Plan Documents; this includes, however, the power to do anything else necessary or convenient to accomplish the stated or intended goal. Ambiguities must be resolved in favor of giving, not denying, the attorney-in-fact the power to act.

E. If asked by the attorney-in-fact, the person who is giving the special power of attorney must promptly deliver a signed and notarized special power of attorney in the form requested by the attorney-in-fact.

20.5 GLOSSARY OF LEGAL TERMS.

A. "ACT" means the Hawai'i Time Share Act, Chapter 514E, Hawai'i Revised Statutes, or any law that replaces that law.

B. "AGREEMENT OF SALE" means a recorded contract which binds the seller to sell and the buyer to buy a Vacation Ownership Interest and under which the seller keeps the title to the Vacation Ownership Interest as collateral for payment of the sales price. The buyer, however, is considered to be the "Owner" of the Vacation Ownership Interest and can use the Points assigned to it to reserve the use of a Villa so long as the buyer makes all payments and keeps his or her promises under the Agreement of Sale.

C. "ATTACHMENT" refers to the act or process of seizing property under a court order.

D. "CONDOMINIUM PROPERTY ACT" means (i) the Hawai'i Condominium Property Act, Chapter 514B, Hawai'i Revised Statutes, or any law that replaces that law, and (ii) any rules and regulations adopted by the Hawai'i Real Estate Commission pursuant to that law.

E. **"DEED"** means any document (except a recorded lease or Agreement of Sale) used to transfer ownership of a Vacation Ownership Interest.

F. **"EASEMENT"** means any right to use property possessed by someone else. To the extent that the Vacation Plan Documents purports to grant an easement that is not enforceable, that easement shall be treated as if, from the inception of the Plan, it was an irrevocable license in favor of the person or persons intended to benefit from the invalid easement. Any such irrevocable license will be fully assignable to later owners or holders of the interest intended to be benefited from the invalid easement.

G. **"ENCUMBER"** refers to putting a legal claim or "encumbrance" on property.

H. **"ENCUMBRANCE"** means a right or interest in property held by someone other than the owner of that property.

I. **"HAWAII NONPROFIT CORPORATIONS ACT"** means Chapter 414D, Hawaii Revised Statutes, or any law that replaces that law.

J. **"INCUR"** means to pay or to become obligated to pay, or both.

K. **"INTERESTED PERSON"** means any person who has any interest in the Vacation Property or who has the right to use the Vacation Property or any part of it. For example, it includes (i) each Owner, each Lender, and anyone who rents or leases a Villa, and (ii) anyone who has the right (in legal terms, an "easement") or who has permission to use the Vacation Property or any part of it.

L. **"JOINT AND SEVERAL LIABILITY"** means that two or more people are each fully responsible to keep a promise or pay a sum of money. This means that each person may be required to pay the whole amount due, not just part of it or his or her share of it.

M. **"LENDER"** means anyone who has a mortgage on a Vacation Ownership Interest.

N. **"LIEN"** means a claim against property. For example, a mortgage on a Vacation Ownership Interest is a claim on the Vacation Ownership Interest as collateral for the payment of money.

O. **"MAJORITY OF THE OWNERS"** means Owners of more than fifty percent (50%) of the total number of votes for all Vacation Ownership Interests in the Vacation Ownership Plan. Any reference to a specific percentage of Owners means Owners having that percentage of the total number of votes for all Vacation Ownership Interests

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in the Plan. When it refers to having a quorum or taking a vote, these terms mean Owners of a majority or other specific percentage of the votes for all Vacation Ownership Interests then entitled to vote. The Bylaws explain how and when an Owner's voting rights may be suspended.

P. **"MAJORITY OF THE OWNERS VOTING"** means Owners of more than fifty percent (50%) of the total number of votes for all Vacation Ownership Interests held by Owners present and casting votes on the matter at hand. Any reference to a specific percentage of "Owners Voting" means Owners having that percentage of the total number of votes held by Owners present and casting votes on the matter. When it refers to having a quorum or taking a vote, only the votes of Vacation Ownership Interests then entitled to vote will be considered. The Bylaws explain how and when an Owner's voting rights may be suspended.

Q. **"MORTGAGE"** when used as a noun means a recorded mortgage or deed of trust on an Owner's Vacation Ownership Interest as collateral for a loan. Usually, if the loan isn't repaid, the Vacation Ownership Interest will be sold and the money will be used to repay the loan. When used as a verb, "mortgage" refers to making a Vacation Ownership Interest subject to a mortgage or deed of trust. "Mortgage" has these meanings whether or not it is capitalized in the Vacation Plan Documents.

R. **"PERSON"** means any natural person or any corporation, partnership, limited partnership, limited liability partnership, joint venture, trust, limited liability company, or other legal entity. "Person" has this meaning whether or not it is capitalized in the Vacation Plan Documents. Terms like "somebody", "nobody", "someone", "anyone", and so on refer to a "person" and, depending on the context, may refer to a person who is an "Owner."

S. **"RECORD", "RECORDED", "RECORDING",** and similar terms mean to record or to be recorded in the Bureau of Conveyances of the State of Hawaii.

T. **"REPRESENTATIVES"** means a person's directors, officers, members or managers (in the case a limited liability company), agents, employees and independent contractors.

U. **"RULES"** means the Rules Relating to Time Sharing, Chapter 16-106, Hawaii Administrative Rules, and any other regulations adopted under the Act.

V. **"SUBORDINATE TO"** means governed by. For example, if a mortgage is "subordinate to" this

Declaration then the mortgage will be governed by and will not affect this Declaration. If something in the mortgage does not agree with the Declaration, then this Declaration will control and must be obeyed.

W. "TENANTS IN COMMON" refers to the relationship between co-owners of property. When the co-owners are tenants in common, then each person owns an undivided interest or ownership share in the property. A co-owner may mortgage or sell his or her undivided interest in property held as tenants in common. The owner may also leave it to someone else in his or her will.

X. "TRANSFER" means any way one person may receive a Vacation Ownership Interest from another,

including for example a voluntary sale, an involuntary sale (such as a foreclosure sale), a recorded lease, an inheritance or a gift.

Y. "UNDIVIDED INTEREST" refers to the ownership of property by two or more persons as tenants in common. Each person owns a share in the property, sometimes called an "ownership share." For example, if two people own a home as tenants in common, each person would own a one-half undivided interest in the home. If four people own it, each would own a one-fourth ownership share, also called a one-fourth undivided interest.

[Signatures on the following page.]

The Developer signed this Declaration on August 12, 2015.

SVO PACIFIC, INC.
a Florida corporation

By: *Robin Suarez*
Name: Robin Suarez
Its: Vice President

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 12TH day of August, 2015, before me personally appeared Robin Suarez, as Vice President of SVO Pacific, Inc., to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Sabrina Stone
Name: Sabrina Stone
Notary Public: State of Florida
My Commission expires: November 23, 2018

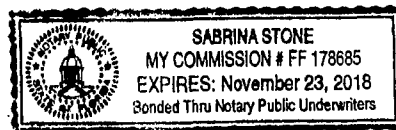


EXHIBIT "A"

Those certain one hundred and ninety (190) Resort Ownership Interests listed in the table shown on Schedule 1 which is attached hereto and hereby incorporated herein by this reference (each a "**Resort Ownership Interest**" and collectively, the "**Resort Ownership Interests**") in and to that certain planned community known as Nanea Ocean Resort ("**Project**") as established by that certain Nanea Ocean Resort Declaration of Covenants, Conditions, Easements and Restrictions ("**Project Declaration**") dated August 12, 2015, and recorded on _____, 2015, in the Bureau of Conveyances of the State of Hawai'i as Document No. **Doc A-57081022** (herein, with any amendments and supplements, called the "**Project Declaration**").

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- ❖ Each Resort Ownership Interest is identified by a separate 4-digit Unit Number in column 2 of the table attached as Schedule 1 to this Exhibit A, which Unit Number also serves as the Identification Number for the Resort Ownership Interest.
- ❖ Column 3 states the Ownership Share corresponding to each of the Resort Ownership Interests identified by Unit Number / Identification Number in column 2 of the table attached as Schedule 1 to this Exhibit A.
- ❖ Column 1 states the Unit Type corresponding to each of the Resort Ownership Interests identified by Unit Number / Identification Number in column 2 of the table attached as Schedule 1 to this Exhibit A.

Each of the Resort Ownership Interests on each line of the table shown on Schedule 1 to this Exhibit A is more particularly described as follows:

A fee simple undivided interest ("**Ownership Share**"), equal to the fractional interest listed in column 3 of the table shown on Schedule 1 to this Exhibit A, in and to the Project, or such other undivided interest in the Project as established for the Resort Ownership Interest by any amendment to the Project Declaration, as tenants in common with the other Owners from time to time of undivided interests in the Project.

TOGETHER WITH AND SUBJECT TO, all easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in the Project Declaration and the other "**Project Documents**" (as that term is defined in the Project Declaration), including but not limited to the following appurtenant rights and easements:

FIRST: The exclusive right and an exclusive easement to use and occupy the Resort Unit having the same Unit Number as the Identification Number for the Resort Ownership Interest as set forth in column 2 of Schedule 1;

SECOND: The exclusive right and an exclusive easement to use any Limited Common Areas appurtenant to the Ownership Share of such Resort Ownership Interest, as said Limited Common Areas are established in the Project Documents from time to time, which right and easement is shared with any other person having the right, as established in the Project Documents from time to time, to use those Limited Common Areas;

THIRD: The non-exclusive right to use the General Common Areas of the Project, as said General Common Areas are established in the Project Documents from time to time; and

FOURTH: Membership in (i) Nanea Ocean Resort Community Association, Inc., a Hawai'i nonprofit corporation (the "**Community Association**"); and (ii) the Ka'anapali North Beach Master Association, Inc., a Hawai'i nonprofit corporation (the "**Ka'anapali North Beach Association**").

The land of the Project is described in the Project Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

BEING A PORTION of the premises described in Transfer Certificate of Title No. 772,689, issued to SVO Pacific, Inc., a Florida corporation, as tenant in severalty, which Certificates of Title were recorded May 29, 2015 in the Bureau of Conveyances of the State of Hawai'i as Document No. A-56270903.

SUBJECT, HOWEVER, TO:

1. Any and all real property taxes assessed for current tax year but not yet due and payable.
2. Reservations of all mineral and metallic mines of every description to the Hawaiian Government; said reservation, however, being subject to that certain covenant that neither the State of Hawai'i nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 1, 1960, as contained in that certain instrument dated January 29, 1960, recorded in said Bureau in Book 3822, Page 37.
3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statutes, Chapter 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
4. All customary and traditional rights of native Hawaiians as provided for by law, for subsistence, cultural and religious purposes, which rights may involve access to the subject property.
5. All of the encumbrances described in **Exhibit A** to the Project Declaration, each of which is incorporated herein by this reference, and all other encumbrances of record.
6. The easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in (i) the Ka'anapali North Beach Documents, (ii) the Notice of Time Share Plan, and (iii) the Project Documents, all as more particularly described as follows:
 - a. The "**Ka'anapali North Beach Documents**" consisting of the following documents: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., (iv) any rules and regulations adopted thereunder, and (v) all changes, additions, and substitutions properly made to any of the documents listed above, including but not limited to the following:
 - ❖ Designation of Successor Declarant and Assignment of Declarant's Rights and Interests Under Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach, effective November 22, 2002, filed in said Office as Land Court Document No. 2885398, and also recorded in said Bureau as Document No. 2003-015949.
 - ❖ Supplemental Declaration to Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach dated August 5, 2003, filed in said Office as Land Court Document No. 2972191, and also recorded in said Bureau as Document No. 2003-162023.
 - ❖ Designation of Successor Declarant and Assignment of Declarant's Rights and Interests Under Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach dated August 26, 2003, filed in said Office as Land Court Document No. 2983238, and also recorded in said Bureau as Document No. 2003-180662.
 - ❖ First Amendment to By-Laws of Ka'anapali North Beach Master Association, Inc. dated September 17, 2003, filed in said Office as Land Court Document No. 3036052, and also recorded in said Bureau as Document No. 2003-267151.
 - b. **Notice of Time Share Plan**, dated June 29, 2015, recorded as Document No. August 18, 2015, and any amendments and supplements to it. **NOTE:** For purposes of said Notice of Time Share Plan, this instrument is

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one of the "Vacation Plan Documents" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

- c. The "**Project Documents**" consisting of the following documents: (i) the Project Declaration, (ii) the Articles of Incorporation of Nanea Ocean Resort Owners Association, Inc., a Hawai`i nonprofit corporation, (iii) the Bylaws of the Nanea Ocean Resort Owners Association, Inc., (iv) any rules and regulations adopted thereunder, (v) the Project Plan (a copy of which is attached to the Project Declaration), and (vi) all changes, additions, and substitutions properly made to any of the documents listed above.

END OF EXHIBIT "A"

SCHEDULE 1 TO EXHIBIT "A"

BUILDING 1

1. UNIT TYPE	2. RESORT UNIT NUMBERS	3. OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
One Bedroom Resort View Villa	NONE	0
Two Bedroom Resort View Villa	1106, 1107, 1108, 1109, 1110, 1111, 1206, 1207, 1208, 1209, 1210, 1211, 1306, 1307, 1308, 1309, 1310, 1311, 1406, 1407, 1408, 1409, 1410, 1411, 1506, 1507, 1508, 1509, 1510, 1511, 1606, 1607, 1608, 1609, 1610 and 1611	<u>7,612,340</u> 3,098,581,502
Two Bedroom Ocean Front Villa	NONE	0
Three Bedroom Ocean Front Villa	1112, 1114, 1115, 1212, 1214, 1215, 1312, 1314, 1315, 1412, 1414, 1415, 1512, 1514 and 1515	<u>13,245,780</u> 3,098,581,502

BUILDING 2

1. UNIT TYPE	2. RESORT UNIT NUMBERS	3. OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
One Bedroom Resort View Villa	NONE	0
Two Bedroom Resort View Villa	2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2603, 2604, 2605, 2606, 2607, 2608 and 2609	<u>7,612,340</u> 3,098,581,502
Two Bedroom Ocean Front Villa	NONE	0
Three Bedroom Ocean Front Villa	NONE	0

BUILDING 3

1. UNIT TYPE	2. RESORT UNIT NUMBERS	3. OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
One Bedroom Resort View Villa	3212, 3316, 3416, 3516 and 3612	<u>4,163,400</u> 3,098,581,502
Two Bedroom Resort View Villa	3206, 3207, 3208, 3209, 3210, 3211, 3304, 3307, 3308, 3309, 3310, 3311,	<u>7,612,340</u> 3,098,581,502

	3312, 3313, 3314, 3315, 3404, 3407, 3408, 3409, 3410, 3411, 3412, 3413, 3414, 3415, 3504, 3507, 3508, 3509, 3510, 3511, 3512, 3513, 3514, 3515, 3604 and 3609	
Two Bedroom Ocean Front Villa	NONE	0
Three Bedroom Ocean Front Villa	NONE	0

BUILDING 4

1. UNIT TYPE	2. RESORT UNIT NUMBERS	3. OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
One Bedroom Resort View Villa	NONE	0
Two Bedroom Resort View Villa	4203, 4204, 4205, 4206, 4207, 4208, 4303, 4304, 4305, 4306, 4307, 4308, 4403, 4404, 4405, 4406, 4407, 4408, 4503, 4504, 4505, 4506, 4507, 4508, 4603, 4604, 4605, 4606, 4607 and 4608	<u>7,612,340</u> 3,098,581,502
Two Bedroom Ocean Front Villa	4209, 4211, 4309, 4311, 4409, 4411, 4509, 4511, 4609 and 4611	<u>9,082,380</u> 3,098,581,502
Three Bedroom Ocean Front Villa	4210, 4310, 4410, 4510 and 4610	<u>13,245,780</u> 3,098,581,502

END OF SCHEDULE 1 TO EXHIBIT "A"

RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawai'i 96813
Phone No. (808) 529-7300

This document contains ___ pages

Tax Map Key: 2nd Div., 4-4-14-5

BYLAWS

OF

*Nanea Ocean Villas
Owners Association, Inc.*

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Starwood Vacation Ownership, Inc.

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1. **GENERAL PROVISIONS.**

1.1 **THE ASSOCIATION; ITS NAME AND ADDRESS.**

The "Association" is a Hawai'i nonprofit corporation. Its name is "Nanea Ocean Villas Owners Association, Inc." Its principal office is at the Nanea Ocean Resort located at 6 Kai Ala Drive, Lahaina, Hawai'i 96761. From time to time, the Board of Directors may choose a new principal office elsewhere in Hawai'i.

1.2 **DEFINITIONS.** This Section 1.2 defines certain words or phrases having special meanings in these Bylaws. Other terms are defined elsewhere in these Bylaws in order to put them in context. Defined terms will have these special meanings except where the context clearly requires otherwise. In addition to the terms defined in these Bylaws, the Declaration also defines a number of key words and phrases. Terms defined in the Declaration have the same meaning in these Bylaws unless the context clearly indicates otherwise.

A. "ARTICLES" means the "Nanea Ocean Villas Owners Association, Inc. Articles of Incorporation" filed with the Department of Commerce and Consumer Affairs of the State of Hawai'i, and all changes, additions, and substitutions properly made to them from time to time.

B. "BOARD" means the Board of Directors of the Association.

C. "DECLARATION" means the "Nanea Ocean Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership", and all changes and additions properly made to it from time to time. It was recorded with these Bylaws.

D. "HAWAII NONPROFIT CORPORATIONS ACT" means Chapter 414D, Hawaii Revised Statutes, or any law that replaces that law.

E. "MEMBER" AND "OWNER" mean the same thing.

1.3 **POWERS AND DUTIES OF THE ASSOCIATION.**

Except as limited by the Declaration, the Articles or these Bylaws, or by law, the Association has and may exercise any or all of these powers and has each of these duties and obligations:

- ❖ It has the powers, duties and obligations granted to or imposed on the Association in the Declaration, the Articles, or these Bylaws.

- ❖ It has the powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawai'i.

- ❖ It has the powers, duties and obligations of an association of time share owners as provided in the Act and the Rules.

- ❖ It has any other powers, duties and obligations imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Association under the Declaration, the Articles, or these Bylaws, or that otherwise promote the general benefit of the Owners.

1.4 **WHO MUST OBEY THESE BYLAWS.** These Bylaws apply to the Association and anyone who has any rights or interests in a Vacation Ownership Interest or the Vacation Property, or who uses a Villa. This includes, among others (i) all present and future Owners, Lenders, Exchange Users, Occupants, and Guests, and (ii) all of their officers, directors, employees and agents. Anyone who has or acquires any interest in a Vacation Ownership Interest or the Vacation Property, automatically accepts, approves and agrees to obey the Vacation Plan Documents.

1.5 **CONFLICTS AMONG THE DOCUMENTS.** The Declaration controls over any inconsistent provision in the Articles. The Declaration and the Articles control over any inconsistent Bylaw. If any part of the Vacation Plan Documents is inconsistent with the Act or any other law that applies, the law will control.

2. **MEMBERSHIP.**

2.1 **QUALIFICATIONS FOR MEMBERSHIP.** "Owner" is defined in the Declaration. Each Owner (including the Developer to the extent that it is an Owner) is a Member of the Association and only Owners can be Members. By acquiring a Vacation Ownership Interest, each Owner automatically consents to being a Member of the Association. If more than one person is the Owner of a Vacation Ownership Interest, each of them is a Member. An Owner will be a Member for so long as he or she is the Owner of a Vacation Ownership Interest. A person's Membership ends automatically when he or she is no longer the Owner of a Vacation Ownership Interest, such as when an Owner deeds it to someone else. Being the Owner of a Vacation Ownership Interest is the sole qualification for Membership.

2.2 **MEMBERSHIP GOES WITH THE VACATION OWNERSHIP INTEREST.** Anyone who transfers a

Vacation Ownership Interest also automatically transfers the Membership for that Vacation Ownership Interest to its New Owner. An Owner cannot separate his or her Association Membership from his or her Vacation Ownership Interest. He or she cannot sell, transfer, mortgage or otherwise deal with it separately from the Vacation Ownership Interest. Any attempt to do so will not be effective. It will be void. These are the only exceptions:

A. The Developer may reset the features of a Vacation Ownership Interest, or convert it into two or more different Vacation Ownership Interests, by issuing a new First Deed(s) as provided in the Declaration;

B. An Owner may pledge or transfer voting rights to a Lender having a mortgage on his or her Vacation Ownership Interest (including but not limited to a Lender who has a nominee – such as Mortgage Electronic Registration Systems, Inc. – hold a mortgage for it); and

C. The seller under an Agreement of Sale may retain legal title and the right to vote on certain matters. The buyer may transfer his or her entire interest under the Agreement of Sale, but nothing less.

This Section does not prohibit an Owner from depositing some or all of his or her rights with the SVN program or any other Exchange Program operated by the Developer or an affiliate of the Developer.

3. ASSESSMENTS AND PERSONAL CHARGES.

3.1 MEMBERSHIP ASSESSMENTS AND PERSONAL CHARGES. Each Member must pay Assessments and Personal Charges as provided in the Declaration. The Board will set, levy, collect and enforce the Assessments and Personal Charges as provided in the Declaration.

3.2 ENFORCEMENT; LIEN RIGHTS. The Association has the lien rights described in the Declaration and any further lien rights provided in the Act to enforce and collect Assessments, and Personal Charges. The Board can enforce those rights in the manner described in the Declaration. Both the Board and the Plan Manager have full power and the right to enforce compliance in any manner permitted in the Vacation Plan Documents and by law.

3.3 FISCAL YEAR. The Association's fiscal year ends on December 31st of each year unless the Board chooses a different date.

4. MEMBERSHIP RIGHTS AND PRIVILEGES.

4.1 MEMBERS' RIGHT AND DUTIES. Each Member has the rights, duties and obligations described in the Vacation Plan Documents.

4.2 AUTHORITY OF MEMBERS. Unless the Board approves it, no Member can exercise any powers or perform any acts delegated by the Vacation Plan Documents to the Association, the Board, the Reservation System Operator or the Plan Manager.

4.3 ASSOCIATION RULES. The Association may adopt, publish and enforce fair and reasonable rules and regulations relating to the Villas, the Common Furnishings, and use by Occupants of the Common Areas and any Limited Common Areas of the Villas. The Association Rules may be incorporated into a single set of joint rules adopted by the Association and the Community Association for the sake of convenience so that Owners and Occupants can consult a single document rather than two different sets of rules. The Developer established the initial Association Rules. The Board may change the Association Rules from time to time. The Developer also has certain rights to change the Association Rules. The Association Rules must be consistent with the Declaration, the Articles and these Bylaws. The Board must give notice to the Owners of any change in the Association Rules. The Board may give this notice by mailing it to the Owners or by including it in a newsletter, by posting a notice on its internet web site, or by email. It may also give this notice in any other way that is likely to be effective to give notice to the Owners and that complies with any laws that apply. At any meeting of the Association, a Majority of the Owners may change the Association Rules so long as the notice of meeting states that the change would be considered at the meeting and includes a fair and accurate description of the proposed change. At any time when the Developer holds mortgages on or owns Vacation Ownership Interests representing at least five million (5,000,000) Points, no change to the Association Rules will be effective without the Developer's written consent. At any time when the Plan is part of the SVN program, no change to the Association Rules will be effective without the written consent of the SVN Operator.

4.4 SUSPENSION OF PRIVILEGES; FINES. If any Member or the Member's Guest violates the Vacation Plan Documents (including but not limited to the failure of the Member to pay any Assessment or Personal Charge on time), the Association may charge him or her a money penalty and/or suspend his or her rights and privileges under the Vacation Plan Documents. For example, the Board may suspend a Member's right to participate in any vote under the Vacation Plan Documents. The Declaration contains detailed requirements that must be

satisfied in order for the Association to do these things. Each of those requirements is made a part of these Bylaws, just as if they were repeated here. The Board may delegate to the Reservation System Operator or the Plan Manager the power to carry out any disciplinary actions imposed by the Board. The Board also may delegate to the Reservation System Operator or the Plan Manager the authority to perform the Board's disciplinary duties. This includes the authority (i) to suspend an Owner's rights and privileges under the Vacation Plan Documents in cases where the Owner has not paid all Assessments or Personal Charges due, and (ii) in all other cases, to give notice of the proposed suspension with the notice of hearing and the right to conduct the hearing required by the Declaration and to decide whether to suspend the Owner's rights and privileges. The Board's enforcement powers contained in the Vacation Plan Documents or provided by law are "cumulative." This means that they may be used one at a time or all at once. The Board's failure to enforce any provision of the Vacation Plan Documents does not mean that the provision cannot be enforced later.

5. MEETINGS OF MEMBERS.

5.1 MEETING OF THE ASSOCIATION. Subject to Section 5.14, and unless otherwise expressly authorized by the Vacation Plan Documents:

A. All action required or permitted to be taken by the Members may only be taken at a meeting of the Association;

B. The Association must give proper notice of the meeting; and

C. Enough Members must attend to have a quorum.

5.2 ANNUAL MEETINGS. The Association must hold the first annual meeting of the Association within twelve (12) months from the Starting Date. In the years after that, the Association will hold an annual meeting each year on a day that the Board chooses. If the Board does not choose a meeting date by the fifteenth (15th) day of October of each year, then the meeting will be held at the Project or within the County of Maui, Hawai'i at 11:00 a.m. on the second Tuesday of December. The Developer may set the date and time for the first annual meeting. At each annual meeting the Members:

A. Will elect, by written ballot, Directors as provided in these Bylaws; and

B. May transact any other Association business that properly comes before them.

5.3 SPECIAL MEETINGS. A special meeting of the Association may be called at any time for any one or more purposes. It may be called by: (i) the Association President; (ii) a majority of the Directors; (iii) the Developer; or (iv) Members holding at least twenty-five percent (25%) of the total voting power of all Members if they sign, date, and deliver to any officer of the Association a demand for a special meeting. The demand must describe the purpose or purposes for which the meeting will be held. The Members may transact business on only those matters that are within the purpose or purposes described in the notice of the special meeting.

5.4 MEETING PLACE. The Association will hold its meetings at the Project or elsewhere in the County of Maui unless the Board chooses another place.

5.5 NOTICE OF MEETINGS AND OTHER NOTICES.

A. NOTICE REQUIRED. Notice must be given for each meeting of the Association, whether it is an annual or special meeting.

B. CONTENTS. The notice must meet each of these requirements:

- ❖ It must be in writing.
- ❖ It must state the authority for calling the meeting.
- ❖ It must state the place, date and time of the meeting.
- ❖ It must state whether it is an annual or special meeting. If it is a special meeting, it must state the matter or matters for which the meeting was called.
- ❖ It must list the items on the agenda. The agenda must include anything that the Board expects to present. It must also include anything that a Member intends to present if (i) the Association is asked to do so by a person entitled to call a special meeting, and (ii) the request is received by the President or Secretary of the Association at least ten days before the Association gives notice of the meeting. Note: a Member may still present any other proper business at any annual meeting unless notice of that business is specifically and expressly required by another part of the Vacation Plan Documents or by law.

❖ It must include anything else required by the Act, the Rules or by the Hawaii Nonprofit Corporations Act.

C. STANDARD PROXY FORM. The Board may include with the notice a standard proxy form authorized by the Association, if any. It may also include any other necessary or helpful information.

D. WHEN NOTICE MUST BE SENT. Notice of each annual and special meeting must be given at least fourteen (14) days but not more than sixty (60) days before the meeting date; provided that if the Hawaii Nonprofit Corporations Act permits it and if the Board adopts a resolution permitting it, the notice may be given up to ninety (90) days before the date of the meeting.

E. WHO MUST SEND THE NOTICE. The Secretary will give the notice except when these Bylaws provide otherwise. The Secretary may delegate this task to the Plan Manager. If neither the Secretary nor the Plan Manager sends the notice within thirty (30) days after an officer of the Association receives a proper demand for a special meeting, a person or persons signing the demand may set the time, date and place of the meeting and give notice in the manner required by law and these Bylaws.

F. WHO IS ENTITLED TO NOTICE. Notice must be sent to each person entitled to vote as of the Record Date. Notice must also be sent to each holder, insurer or guarantor of a mortgage on a Vacation Ownership Interest if, as of the Record Date, it has made a proper request for copies of such notices.

G. DELIVERY. The notice must be given: (a) by delivering it personally; (b) by mailing it by first-class mail, postage prepaid; or, (c) if the Act, the Rules, or the Hawaii Nonprofit Corporations Act explicitly permits it, by posting the entire meeting notice on a portion of the Association's website accessible to all Members or by sending it by electronic mail to the electronic mailing address designated in writing by the Member. Any notice given by mail or email must be sent to the address listed in the Association's record of ownership.

1) CHANGE IN ADDRESS. Each Member and anyone who holds, insures or guarantees a mortgage must inform the Association of any change in address at once.

2) MULTIPLE OWNERS. If more than one person is the Owner of a Vacation Ownership Interest, then (i) notice to all Owners of that Vacation Ownership Interest may be given by providing notice to any one of them, and (ii) the Association may require that the Owners agree on a single address for notices.

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H. NOTICE DOES NOT HAVE TO BE RECEIVED. If notice is given in the manner required by this Section 5.5, (i) nobody entitled to notice can object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, make the meeting or any proceedings at the meeting invalid.

I. WAIVER OF NOTICE.

1) ATTENDANCE.

(a) NOTICE OF MEETING. Anyone who attends a meeting, in person or by proxy, gives up (in legal terms, "waives") any right to claim that notice was not given properly unless, when the meeting begins, he or she objects to holding it because notice was not given properly.

(b) NOTICE OF MATTERS TO BE CONSIDERED. Except as otherwise provided by the Act, the Rules, or the Hawaii Nonprofit Corporations Act, anyone who attends a meeting, in person or by proxy, gives up (in legal terms, "waives") any right to object to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the notice of the meeting, unless the Member objects to considering the matter when it is presented.

2) WRITTEN WAIVER. A Member may waive notice of any Association meeting by signing a document (i) that waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. All such documents must be delivered to the Association for inclusion in the minutes of the meeting or filing with the corporate records.

3) WAIVER BY INACTION. Except as otherwise provided by law, a Member automatically waives notice of any Association meeting if he or she does not file a written objection with the Secretary or the Plan Manager within fifteen (15) days after he or she receives written notice of any action taken at an Association meeting. A copy of the minutes, among other things, will be treated as written notice.

4) EFFECT OF WAIVER. If a Member waives notice under this Section 5.5I, the fact that notice was not given to that Member will not, by itself, make the meeting or any proceedings at the meeting invalid.

J. WHO MAY OBJECT TO NOTICE. A person entitled to receive notice may object if notice was not sent

to him or her. A person cannot object that notice was not sent to someone else.

5.6 RECORD DATE FOR NOTICES AND VOTING.

A. PURPOSE OF THE RECORD DATE. The "Record Date" is the date used to determine who is entitled to receive notice and to vote at Association meetings or on any action to be taken without a meeting. The Record Date is also used to determine who may object to and waive lack of notice and exercise other such rights for or as a Member.

B. SETTING THE RECORD DATE. The Board may choose the Record Date. The Record Date for a meeting may not be more than seventy (70) days before the meeting date; provided that if the Board adopts a resolution permitting notice to be given up to ninety (90) days before the date of the meeting pursuant to Section 5.5D and if the Hawaii Nonprofit Corporations Act allows it, then the Record Date may be any time up to one-hundred (100) days before the meeting date. The Record Date for action without a meeting may not be more than thirty (30) days before the ballot or request for consent or approval is sent. Unless the Board chooses another date, the Record Date will be the date and time when the mailing list is prepared, or, if notice is waived, the last business day before the day of the meeting. If a meeting is adjourned and a new notice must be given, then a new Record Date must be set.

C. EFFECT OF SETTING RECORD DATE. When a Record Date is set, only the Members of Record on that date (or someone authorized to act for them) have the right to notice and to vote at a meeting or on a ballot or other request for consent or approval. This rule applies despite any issuance or transfer of a Vacation Ownership Interest in the records of the Association after the Record Date. A person who owns a Vacation Ownership Interest as of the Record Date is considered to be the "Member of Record". A person who becomes an Owner after the Record Date can, of course, act for the Member of Record by simply obtaining a proxy from the Member of Record. When the Declaration, the Articles or these Bylaws refer to the "Owner" or "Member" with respect to notice (including waivers of notice) and voting, it means the Member of Record or someone authorized to act for the Member of Record.

5.7 QUORUM. The term "quorum" refers to the number or percentage of Owners who must be present at a meeting to conduct business. For all meetings of the Association, fifteen percent (15%) of the Owners must be present to have a quorum unless a different number is

required by law, the Declaration or another part of these Bylaws.

A. WHEN A MEMBER IS "PRESENT". Members are "present" at a meeting if: (i) they attend it in person, or (ii) their Proxy Holder attends it for them, or (iii) someone else permitted by the Declaration, the Articles, or these Bylaws attends it for them.

B. MULTIPLE OWNERS. Unless otherwise required by law, all Owners of a Vacation Ownership Interest will be deemed to be present if any one or more of the co-Owners of the Vacation Ownership Interest is present.

5.8 ASSOCIATION ACTION. At any Association meeting at which a quorum is present, the acts and decisions of a Majority of the Owners Voting will be regarded as the acts and decisions of the Association, and will be binding on all Members for all purposes, unless a different percentage is provided by law or by the Declaration, the Articles, or these Bylaws. If less than a Majority of the Owners are present, however, the Association may vote on only those matters of business, the general nature of which was described in the notice of meeting.

5.9 RULES FOR CONDUCTING MEETINGS. All meetings must be conducted in accordance with the most current edition of Robert's Rules of Order.

5.10 ADJOURNING ASSOCIATION MEETINGS. Any meeting of the Association may be "adjourned" (temporarily ended, to resume later) to a date and time set by the vote of a Majority of the Owners Voting, whether or not a quorum is present. If no quorum is present, then the meeting must be adjourned sine die, which means that it cannot be resumed at a later date. If a meeting is adjourned for thirty (30) days or more, or if the law requires a new notice, then a new notice must be given in the manner required by Section 5.5. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an adjourned meeting is resumed, and if a quorum is present, the Association may do anything that it could have done at the meeting as originally called. At any times when the Developer holds mortgages on or owns at least five million (5,000,000) Points, the Association cannot adjourn a meeting for more than an aggregate of ten (10) days without the written consent of the Developer.

5.11 INSPECTORS FOR VOTING AND PROXIES.

A. APPOINTMENT. At least ten (10) days before any meeting of the Association or before any ballot is sent

to the Members pursuant to Section 5.14, the Board will appoint inspectors of the voting for the meeting or the voting by ballot, including voting for the election of Directors. The Board may appoint either one or three inspectors of voting. If the Board fails or chooses not to do so, then the Plan Manager will be the inspector of the voting.

B. DUTIES. The voting inspectors will have these duties:

1) They will determine the authenticity, validity and effect of proxies, Pledges, and other documents purporting to give any person the right to represent, act and vote for a Member.

2) They will receive votes, ballots and consents.

3) They will hear and determine all challenges, questions and conflicts relating in any way to the right to cast votes (but shall not reconsider a suspension of an Owner's voting rights made pursuant to Section 4.4).

4) They will count and tabulate all votes, ballots, and consents.

5) They will decide when the polls will close in the case of voting at a meeting.

6) They will determine the results of all votes, ballots, and elections.

7) They may do anything else appropriate to conduct the vote or election fairly as to all Members.

If there is more than one inspector, the decision, act or certificate of a majority of them will be effective. Any facts stated in any effective report or certificate of the inspector(s) of elections are presumed to be accurate.

5.12 VOTING.

A. NUMBER OF VOTES.

1) Each Vacation Ownership Interest is entitled to cast that number of votes in the Association as shall be equal to the numerator (top number) of its Ownership Share. For example, suppose that the Ownership Share assigned to a Vacation Ownership Interest is this:

$$\frac{257,700}{3,098,581,502}$$

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In this case, the Vacation Ownership Interest would have 257,700 votes.

2) To make voting more manageable, the Board may conduct voting on a percentage basis. In such case, each Vacation Ownership Interest will have a vote equivalent to the percentage that the number of votes assigned to that Vacation Ownership Interest bears to the total number of votes assigned to all Vacation Ownership Interests, except those whose voting rights have been suspended. The Plan Manager may round off the percentage vote for the Vacation Ownership Interests in increments of ten-thousandths of a percent (0.0001%). The percentage vote of one or more Vacation Ownership Interests also may be further rounded up or down if the Plan Manager decides that it is necessary to reach a total of one hundred percent (100%). The Plan Manager's decisions on rounding are final and cannot be appealed or revised by anyone. This is intended to prevent disharmony among the Owners over the manner in which the Plan Manager rounded the voting percentages.

3) If a Vacation Ownership Interest is owned by more than one person, its co-Owners do not each receive a separate allotment of votes. Votes are allocated to a Vacation Ownership Interest, not the Owners of it. The number of votes allocated to a Vacation Ownership Interest remains the same regardless of the number of co-Owners of that Vacation Ownership Interest. The co-Owners of a Vacation Ownership Interest must share the votes for that Vacation Ownership Interest and will have to agree among themselves on how to cast the vote of their Vacation Ownership Interest.

4) Where the Vacation Plan Documents refer to a certain number or percentage of Members entitled to vote, this Section 5.12 and Section 4.4 govern the total number of available votes, the number of votes an Owner is entitled to cast, and how to cast the vote of each Vacation Ownership Interest having more than one Owner.

B. WHO MAY VOTE.

1) **GENERALLY.** Votes may be cast in person or by proxy by an Owner listed in the Association's records of ownership or by anyone lawfully acting for or on behalf of the Owner.

2) **LEGAL REPRESENTATIVES.** Sometimes a Vacation Ownership Interest may be owned or controlled by a person acting as a personal representative, guardian, or trustee. At any meeting of the Association, that person may cast the vote of each Vacation Ownership Interest held by him or her in this capacity. He or she may vote in

person or by proxy. It does not matter whether the Association's record of ownership shows that the personal representative, guardian, or trustee owns or controls the Vacation Ownership Interest so long as that person presents evidence satisfactory to the Secretary that he or she owns or controls it in that capacity.

3) **AGREEMENT OF SALE.** A person buying a Vacation Ownership Interest under a recorded Agreement of Sale has the rights of an Owner. This includes the right to vote except on matters where, under the Agreement of Sale and as permitted by law, the Declaration, the Articles and these Bylaws, the seller expressly retains the right to vote.

4) **PLEDGES.** Except as otherwise limited by law, an Owner may transfer or pledge the Owner's voting rights to someone else in a mortgage. Or a court order may transfer an Owner's voting rights to someone else. For simplicity, these arrangements are called a "Pledge" in this paragraph, and the person to whom the voting rights are transferred is called the "Proxy Holder". If a true copy of a document containing a Pledge is filed as provided by Section 5.13C before the Record Date for an Association meeting or vote by ballot, only the Proxy Holder may vote in person or by proxy at that meeting or on that ballot. The Proxy Holder may, however, substitute someone else to vote for it as the Proxy Holder. The Proxy Holder will have the right to vote at all later meetings and on all later votes by ballot until someone files with the Secretary satisfactory evidence that the Pledge has ended or has been released.

C. CO-OWNER DISPUTES. The Association need not settle disputes among co-Owners as to voting. If they cannot agree, they lose their right to vote on the matter in question. Fractional (split) votes are not allowed. For example, if a Vacation Ownership Interest has 257,700 votes, all 257,700 votes must be cast together as a block. The Owner cannot cast, say, 100,000 of the votes. And, co-Owners cannot each cast half of the 257,700 votes. All votes of the Vacation Ownership Interest must be voted together. When one or more co-Owners of a Vacation Ownership Interest casts its vote, it is conclusively presumed for all purposes that he or she acted with the authority and consent of all its co-Owners unless (i) another co-Owner files a written objection with the Secretary or the chairperson during or before the meeting, or (ii) another co-Owner casts an inconsistent vote.

5.13 PROXIES. An Owner may appoint someone else to vote or otherwise act for the Owner at meetings of the Association or on other Association matters (for example, a ballot). The person appointed to represent the Owner is

called a "Proxy Holder". Except as otherwise provided in Subsection 5.12B.4):

A. PROXY REQUIREMENTS. An Owner may appoint someone to be his or her Proxy Holder in these ways:

1) The Owner may appoint a Proxy Holder by signing an appointment form (a "proxy") either personally or by the Member's attorney-in-fact. An authorized attorney-in-fact, officer, director, employee or agent of the Owner may sign for the Owner, or cause the Owner's name to be affixed to the proxy by any reasonable means. For example, the Owner's agent could stamp the Owner's name on the proxy.

2) The Owner may appoint a Proxy Holder in any other way permitted under the Act, and the Rules, or the Hawaii Nonprofit Corporations Act, whichever governs.

B. STANDARD PROXY. Any proxy distributed by the Association to the Members must be in the form and contain any information required by law. It must also meet these requirements:

- 1) It must state the name of the Association.
- 2) It must state the name of the Proxy Holder.
- 3) It must state the name of the Owner.
- 4) It must state the date that the proxy is given.

C. WHEN A PROXY TAKES EFFECT. A proxy is effective when it is received by the Secretary or the voting inspector(s); provided that unless otherwise required by law, the proxy must be received no later than 4:30 p.m. on the fifth business day before the date of the meeting.

D. USE OF DUPLICATES OF PROXIES. A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used instead of the original proxy for any and all purposes for which the original proxy could be used; provided that any copy, facsimile telecommunication, or other reproduction must be a complete reproduction of the entire original proxy.

E. DURATION.

- 1) A proxy will be valid for eleven months from the date it is signed unless the proxy says otherwise.

2) The limitations of Subsection 5.13E.1) do not apply to voting rights coupled with a financial interest or transferred by an Agreement of Sale under 5.12B.3) or a Pledge under Section 5.12B.4).

5.14 ACTION WITHOUT A MEETING. Except as otherwise limited by law, any action that may be taken at a meeting of the Members (such as, for example, electing Directors) also may be taken without a meeting and without advance notice if the action is taken in the manner permitted by Section 414D-104, Hawaii Revised Statutes, or if each of these requirements are met:

A. A ballot in written or electronic form must be sent to each Member entitled to vote. The ballot must be sent as though it were a notice of meeting and the rules of Section 5.5F through 5.5H will apply. In addition, the provisions of Subsections 5.5I.2) through 5.5I.4) and 5.5J will apply just as if a meeting was being held instead of a vote by ballot.

B. The ballot form must meet each of these requirements:

- ❖ It must state each proposed action and provide a way for the Member to vote for or against the proposal.
- ❖ It must state the number of votes needed to meet the quorum requirements.
- ❖ It must state the percentage of approvals necessary to approve each matter other than election of Directors.
- ❖ It must state the deadline by which the ballot must be returned in order to count.
- ❖ It must provide a reasonable time for the ballot to be returned.

C. To the extent permitted by law, the ballot may be signed electronically with an electronic signature.

D. The number of ballots received by the deadline for returning ballots must equal or exceed the quorum required to be present at a meeting authorizing the action.

E. The number of approvals must equal or exceed (i) the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot, or (ii) any higher number required by law.

F. An Owner may cancel or change his or her ballot by sending a letter or other document to the Association. It will take effect when the Secretary receives it, and only if it is received before the deadline for returning ballots.

6. BOARD OF DIRECTORS.

6.1 NUMBER OF DIRECTORS. Unless changed, the Board of Directors will consist of five (5) persons.

A. The Association may increase or decrease the number of Directors from time to time by amending these Bylaws.

B. In no case may the number of Director positions be less than three (3) nor more than five (5).

C. A decrease in the number of Directors, or a change in the term of office, does not shorten an existing Director's term.

6.2 POWERS AND DUTIES OF THE BOARD. Except as limited by law or by the Declaration, the Articles or these Bylaws, the Board may exercise all powers of the Association and must perform all of its duties. The Board may not, however, take any action that, by law or under the Declaration, the Articles or these Bylaws, must be taken, authorized or approved by the Members of the Association, or by some part or percentage of them. The Board may delegate its powers to the officers of the Association or to one or more professional managers hired by the Association, including but not limited to the Plan Manager or the Reservation System Operator. This authority is subject to any limits contained in the Declaration, the Articles, or these Bylaws. The Board may not act on behalf of the Association to amend the Declaration or these Bylaws, or to terminate the Vacation Ownership Plan. Until the first Board is elected or appointed, the Developer may, but is not obligated to, exercise some or all of the powers of the Board.

6.3 QUALIFICATIONS OF DIRECTORS.

A. All Directors, except for Directors appointed by the Developer, must be Owners, co-Owners, purchasers under an Agreement of Sale, or an officer of any corporate Owner, or in the case of fiduciary Owners, the fiduciary or officers of corporate fiduciaries. For purposes of this Section:

- ❖ The partners in a general partnership and the general partners of a limited partnership are considered to be the Owners of a Vacation Ownership Interest owned by their partnership.

- ❖ The general partners of a limited liability partnership are considered to be the Owners of a Vacation Ownership Interest owned by their partnership.
- ❖ The managers of a manager-managed limited liability company are considered to be the Owners of a Vacation Ownership Interest owned by such a company.
- ❖ The members of a member-managed limited liability company are considered to be the Owners of a Vacation Ownership Interest owned by such a company.

B. No person may serve as a Director for more than six (6) years in a row. This Subsection B does not apply during the Developer Control Period. In the event that any person appointed to serve as a Director during the Developer Control Period is elected as a Director at the Initial Election, the six-year limitation for such person shall commence upon and be measured from the date of the Initial Election, it being the intention that service as a Director during the Developer Control Period shall not be considered in applying the rule contained in this Subsection B.

C. Except for the Developer, if a Vacation Ownership Interest is owned by more than one person, only one of the co-Owners of that Vacation Ownership Interest may serve on the Board.

6.4 ELECTION OR APPOINTMENT OF DIRECTORS. The Developer shall appoint and may remove and replace the officers and Directors of the Association during the Developer Control Period. Not later than the termination of the Developer Control Period, the Owners (including the Developer to the extent that it is an Owner) will elect a new Board at an annual or special meeting of the Association called for such purpose. This election is called the "*Initial Election*" in these Bylaws. At each annual meeting of the Association after the meeting at which the Initial Election takes place, and at any special meeting called for that purpose, the Owners will elect a new Director to replace each Director whose term has expired or to fill any vacancy caused by any increase in the number of Directors.

6.5 NOMINATIONS.

A. BY THE BOARD. Each year, the Board will nominate people for election to the Board at the annual meeting. The Board must do so before the Secretary gives notice of the annual meeting. The Secretary will send to each Member, with the notice of meeting required by Section 5.4, a list of the people nominated.

B. FLOOR NOMINATIONS. Subject to the requirements of Subsection 6.3C, any Member may nominate one or more candidates during an Association meeting.

6.6 TERM OF OFFICE OF ELECTED DIRECTORS.

A. Five (5) Directors will be elected at the annual or special meeting of the Association called for the purpose of conducting the Initial Election. The term of office of the three (3) Directors receiving the most votes will end when the second annual meeting after their election ends. The term of office of the remaining two (2) Directors will end when the next annual meeting ends.

B. After the term of office of each of the initial elected Directors expires, each replacement Director will hold office until the end of the second annual meeting after his or her election. This should be a term of about two (2) years.

C. If the Association increases the number of Directors, the terms of the newly created positions will begin as of the date of the meeting at which the increase was approved. The term of office of the newly created positions will be staggered so that the term of about one-half of the total number of Director positions will expire each year.

D. Despite the expiration of a Director's term as stated in Sections 6.6A and 6.6B, a Director will continue to serve until a successor is elected or appointed, and qualifies, or until there is a decrease in the number of Director positions.

6.7 RESIGNATION OF DIRECTORS. A Director may resign at any time by giving written notice to the Board, the President, or the Secretary. Unless required by its terms, a resignation does not have to be accepted by the Board to be effective. Instead, it will take effect as of the time stated. If no time is stated, it will take effect when the Director gives notice of his or her resignation.

6.8 REMOVING DIRECTORS.

A. GENERAL. The Association may remove and replace Directors only in accordance with the Act, the Hawaii Nonprofit Corporations Act, and all applicable requirements and procedures in these Bylaws for removing and replacing Directors.

B. DURING THE DEVELOPER CONTROL PERIOD. During the Developer Control Period, (i) the Developer may remove any Director at any time simply by providing written notice to the Association of the Developer's election to do so; and (ii) only the Developer may remove a Director. The removal will take effect when the notice is effective unless the notice says that the removal will take effect on a later date.

C. AFTER THE DEVELOPER CONTROL PERIOD. After the Developer Control Period terminates:

1) BY VOTE OF THE OWNERS.

(a) The Association may remove any one or more Directors from office, with or without cause, at any annual meeting or at any special meeting called for that purpose. The notice of meeting must specifically state that the purpose, or one of the purposes, of the meeting is removal of the Director(s). Any Director whose removal is proposed must have an opportunity to be heard at the meeting. A Director will be removed if a Majority of the Owners Voting vote to remove him or her; provided that unless the entire Board is removed, no individual Director may be removed if the votes cast against removal, or not consenting in writing to the removal, would be sufficient to elect a Director at an election at which the same total number of votes were cast and the entire number of Directors authorized at the time of the most recent election of the Directors were then being elected.

(b) If a Director is removed, the Association must then and there elect a replacement Director. The replacement will hold office for the rest of the term of the person replaced.

2) BY VOTE OF THE DIRECTORS. If any Director misses three (3) regular Board meetings in a row, the Board, by a vote of a majority of the other Directors, may remove him or her. The Board may do this at the third or any later meeting.

3) PROCEDURES. Except as otherwise provided in the Act, the Rules, or the Hawaii Nonprofit Corporations Act, any meeting for the removal and replacement of Directors must be scheduled, noticed and conducted in accordance with these Bylaws.

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6.9 VACANCIES.

A. EXISTENCE OF VACANCIES. A vacancy exists when any authorized position of Director is not filled. For example, a vacancy exists when:

- ❖ A Director dies or resigns. If a resignation will take effect at a later date, a majority of the remaining Directors can elect a replacement to take office when the resignation takes effect.
- ❖ A Director is removed by the other Directors. See Section 6.8C.2).
- ❖ A Director is no longer qualified to serve as a Director. See Section 6.3.
- ❖ The Members increase the authorized number of Directors but the Members fail to fill the new positions at the same meeting.
- ❖ An authorized position is not filled for any other reason by a properly elected Director.

B. DURING THE DEVELOPER CONTROL PERIOD. During the Developer Control Period, (i) the Developer may fill any vacancy on the Board simply by providing written notice to the Association of the Developer's appointment of a replacement Director; and (ii) only the Developer may fill a vacancy. A Director appointed by the Developer during the Developer Control Period will hold office at the pleasure of the Developer.

C. AFTER THE DEVELOPER CONTROL PERIOD.

1) FILLING VACANCIES. After the Developer Control Period terminates, vacancies in the Board caused by any reason other than removal of a Director by the Association may be filled by the vote of a majority of the remaining Directors, even if there are not enough Directors remaining to have a quorum.

2) TERM OF OFFICE OF APPOINTED DIRECTORS. Except as otherwise required by law, a replacement Director will hold office for the rest of the term of the person replaced. A Director appointed because the Members fail to elect a Director will hold office for the term that he or she would have held it if he or she had been elected by the Members.

6.10 PLACE OF BOARD MEETINGS. Board meetings will be held at or near the Project.

6.11 ANNUAL MEETING OF THE BOARD. Immediately after each annual meeting of the Association,

the Board must hold a regular meeting at the same place. This meeting will be held to organize the Board. The Board must also elect any required officers; provided that during the Developer Control Period, the Developer shall have the exclusive right to appoint officers. The Board may transact any other business. Except as otherwise required by law, no call or notice of this meeting is necessary.

6.12 OTHER REGULAR MEETINGS.

A. MEETING REQUIREMENTS. In addition to the annual meeting, the Board must hold other regular meetings. The number of meetings and the time and place of these meetings will be set from time to time by a majority of the Directors.

B. NOTICE. Notice of regular Board meetings must be given to each Director. The notice may be given personally or by mail, email, telephone, fax, or messenger service. It must be given at least fourteen (14) days before the date of the meeting. If the notice is mailed, it will be deemed given and received seventy-two (72) hours after it is put in the United States mail. If the notice is faxed, it will be deemed given upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Association's records.

C. CONTENT OF NOTICE. The notice must state the date, time and place of the meeting. It must also list the items on the agenda.

D. WHEN NOTICE MUST BE RECEIVED. If notice is not given in writing, then it must actually be received to be effective. In all other cases, if notice is given in the manner required by this Section, (i) Directors cannot object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, make the meeting or any proceedings at the meeting invalid.

6.13 SPECIAL MEETINGS.

A. HOW CALLED. The President or any two Directors may call a special meeting of the Board for any purpose and at any reasonable time.

B. NOTICE. Except in an emergency, as determined by the President, notice of special meetings of the Board must be given in the same manner as notice of a regular meeting except that: (i) it must be given at least seventy-two (72) hours, instead of fourteen (14) days, before the meeting date, and (ii) the notice must state the nature of the special business to be considered. The

provisions of Subsections 6.12C and 6.12D will also apply to notices of special meetings.

6.14 WAIVER OF NOTICE.

A. ATTENDANCE. Any Director who attends a meeting gives up (in legal terms "waives") any right to claim that notice was not given properly. This rule does not apply if, when the meeting begins, the Director objects to holding it because notice was not given properly. It also does not apply if notice is required to vote on a certain matter and the Director objects to voting on it because notice was not properly given (unless the Director votes for or assents to that action).

B. IN WRITING. A Director may waive notice of any Board meeting by signing a document that (i) waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. If this happens, the fact that notice was not given to that Director will not, by itself, make the meeting or any proceedings at the meeting invalid. All such documents must be filed with the Association records and made a part of the minutes of the meeting.

6.15 QUORUM. When referring to the Board, "quorum" means the number or percentage of Directors who must be present at a meeting for the Board to conduct business. A majority of all Directors will be a quorum of the Board. "All Directors" means all the authorized number of Directors, even if a position is not filled.

A. WHEN A DIRECTOR IS "PRESENT". Directors are "present" at a Board meeting if they attend in person or by telephone or other communications equipment as provided in Section 6.19.

6.16 DECISIONS OF THE BOARD. At any Board meeting at which a quorum is present, the acts and decisions of a majority of the Directors present will be regarded as the acts and decisions of the Board unless a different percentage is required or allowed by law or by the Declaration, the Articles, or these Bylaws.

6.17 RULES FOR CONDUCTING BOARD MEETINGS. All meetings of the Board must be conducted in accordance with the most current edition of Robert's Rules of Order.

6.18 MEMBERS MAY ATTEND MOST BOARD MEETINGS.

A. OPEN MEETINGS. All Board meetings are open to all Members of the Association. Members who

are not on the Board may not participate in any deliberation or discussion unless a majority of the Directors present vote to let them do so. If there is not enough room for all the Members wishing to attend at the place of the meeting, the Board must adjourn and reconvene the meeting as soon as possible in a place that has enough room.

B. PRIVATE MEETINGS. The Board, with the approval of a majority of a quorum of the Directors, may adjourn a meeting and reconvene in "*executive session*". This means that only Directors and persons invited by the Board may attend. In executive session the Board may discuss and vote on personnel matters, lawsuits and other legal proceedings in which the Association is or may become involved, and other matters of a similar nature. The general nature of any and all business to be considered in executive session must first be announced in open session.

6.19 MEETINGS BY TELEPHONE. Regardless of any other provision of these Bylaws, and unless the law provides otherwise, the Board may permit one or more of the Directors to take part in any meeting, or the Board may conduct the meeting through the use of, any means of communication. The Board may do this only if everyone authorized to participate in and actually participating in the meeting can hear and be heard by each other simultaneously. The Board may carry on all business within the Board's authority as if everyone participating by telephone or other communications equipment were physically present at the meeting.

6.20 ADJOURNING BOARD MEETINGS. Any meeting of the Board may be "adjourned" (temporarily ended, to resume later) to a date and time set by the vote of a majority of the Directors voting, whether or not a quorum is present. If a meeting is adjourned for fifteen (15) days or more, or if the law requires a new notice, then a new notice must be given in the manner required by Section 6.12B or 6.13B. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an adjourned meeting is resumed, and if a quorum is present, the Board may do anything that it could have done at the meeting as originally called.

6.21 ACTION WITHOUT A BOARD MEETING. Except as otherwise provided by law, any action that the Board is required or permitted to take, by law or by the Vacation Plan Documents, also may be taken without a meeting if all Directors consent in writing to that action. Each written consent must describe the action taken, be signed by the Director, and be included in the minutes of the meetings of the Board. Any action taken in this way has

the same force and effect as a unanimous vote of the Directors.

6.22 CONFLICTS OF INTEREST. A Director who has a conflict of interest on any issue before the Board must disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting. A transaction in which a Director has a conflict of interest may be approved in the manner provided in the Hawaii Nonprofit Corporations Act.

6.23 PAYMENTS TO DIRECTORS AND OFFICERS.

A. PAYMENT; EXPENSES. No one will receive any compensation for acting as a Director or officer of the Association unless that compensation is specifically authorized by vote of a Majority of the Owners Voting at an Association meeting. However, Directors and officers will be reimbursed for transportation expenses incurred and reasonable per diem payments for expenses incurred in connection with their attendance at regular and special meetings of the Board.

B. OTHER WORK. Nothing in these Bylaws prevents any Director or officer from serving the Association in any capacity other than as an officer or a Director and being paid for those services as authorized and approved by the Board. But regardless of what Section 6.22 says, he or she must be excluded from the discussions and voting by the Board on whether to hire him or her and how much to pay him or her for serving in that other capacity.

6.24 MINUTES OF MEETINGS OF THE BOARD. A copy of the written minutes of any meeting of the Board, or a summary of the minutes, must be posted on the Association's or the Plan Manager's website or otherwise made available to all Members for inspection and copying at any reasonable time as provided in these Bylaws and by law. If notice of a meeting was properly given but a Director is absent, the minutes must say so.

6.25 LIABILITY OF THE DIRECTORS AND OFFICERS. The Directors and officers of the Association will not be liable to the Association or to the Owners, any other Interested Person, or anyone else for any mistake of judgment or otherwise except for their own gross negligence or willful misconduct.

7. OFFICERS.

7.1 OFFICERS.

A. REQUIRED OFFICERS. The Association must have a President, a Vice President, a Secretary, and a Treasurer.

B. OTHER OFFICERS. The Association may have any other officers as may be deemed necessary or useful or as required by the Articles. The Board will determine the title, term of office, authority and duties of these officers.

7.2 QUALIFICATIONS OF OFFICERS. Any person may hold more than one office, except that neither the Secretary nor the Treasurer may also be the President at the same time. The President must be a Director. The Vice President, Secretary and Treasurer may be Directors but they do not have to be Directors.

7.3 APPOINTMENT OF OFFICERS. During the Developer Control Period, the Developer will appoint the officers of the Association. After the Developer Control Period terminates:

A. The Board will appoint the officers required by Section 7.1A at the annual meeting of the Board.

B. The Board may appoint any other officers permitted by Section 7.1B, or it may authorize the President or another officer to do so.

C. Officers may be appointed at any meeting of the Board by vote of a majority of the entire Board.

7.4 TERM OF OFFICE. Officers appointed by the Developer during the Developer Control Period (i) will take office when they are appointed, and (ii) will hold office only for so long as the Developer desires. After the termination of the Developer Control Period, (i) all officers will take office when they are appointed except as provided in Section 7.5; and (ii) they will hold office only for so long as the Board desires.

7.5 RESIGNATION OF OFFICERS. An officer may resign at any time by giving written notice to the Association. An officer's resignation takes effect when the notice of resignation is effective unless the notice sets a future effective date and the Board accepts that future effective date. Resignation of an officer will not affect the Association's contract rights, if any, with the officer.

7.6 REMOVAL OF OFFICERS. During the Developer Control Period, the Developer may remove any officer,
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with or without cause, simply by providing written notice of such removal to the Association. After the Developer Control Period terminates, the Board may remove any officer, with or without cause, by vote of a majority of a quorum of Directors at any regular meeting of the Board or at any special meeting called for that purpose. Removal of an officer will not affect any contract rights of the officer.

7.7 VACANCIES.

A. DURING THE DEVELOPER CONTROL PERIOD. If any required officer resigns or dies, or if his or her office otherwise becomes vacant during the Developer Control Period, then (i) the Developer must appoint a replacement at once; (ii) the Developer may do so simply by providing written notice to the Association of the Developer's appointment of a replacement officer; and (iii) only the Developer may fill a vacancy. If an officer's resignation takes effect in the future and if the Developer accepts the future effective date, the Developer may appoint a replacement before the effective date if the Developer provides that the new officer does not take office until the effective date.

B. AFTER THE DEVELOPER CONTROL PERIOD. After the Developer Control Period ends, if any required officer resigns or dies, or if his or her office otherwise becomes vacant, then the Board must appoint a replacement at once. A majority of the remaining Directors may appoint a replacement even if there are not enough Directors remaining to have a quorum. If an officer's resignation takes effect in the future and if the Board accepts the future effective date, the Board may appoint a replacement before the effective date if the Board provides that the new officer does not take office until the effective date.

7.8 PRESIDENT. The President is the chief executive officer of the Association. The President has these powers and duties:

- ❖ The President supervises, directs and controls the business and affairs of the Association subject, however, to the control of the Board.
- ❖ The President chairs all meetings of the Association and all meetings of the Board.
- ❖ The President is a member of all committees.
- ❖ The President has the general powers and duties of management usually authorized for the office of president of a Hawai'i corporation. This includes, among others, the power to appoint committees

from among the Owners from time to time as the President alone decides are appropriate to assist in conducting the affairs of the Association.

- ❖ The President has any and all other powers and duties assigned to the President by the Declaration or these Bylaws, or by the Board.

7.9 VICE PRESIDENT. If the President is absent or unable to act, or if that office is vacant, the Vice President performs all the duties of the President. When doing so, the Vice President has all the powers and duties of, and is subject to all the restrictions on, the President. The Vice President also has any other powers and performs any other duties assigned to him or her from time to time by the President, the Board, the Declaration, or these Bylaws.

A. OTHER TEMPORARY REPLACEMENT OF THE PRESIDENT. If the Vice President is also absent or unable to act, or if that office is also vacant, the Board must appoint another of its members to take the place of the President temporarily. The Board must do so even if there are not enough Directors remaining to have a quorum. The Director who is so appointed and acting will also have all of the powers and duties of, and is subject to all the restrictions on, the President.

7.10 SECRETARY. The Secretary has these powers and duties:

- ❖ The Secretary must keep the minutes of all meetings of the Association, the Board and all committees. For this purpose, the Secretary is a member of all committees.
- ❖ The Secretary must give all required notices of those meetings.
- ❖ The Secretary must keep a list of (i) all Owners, and (ii) anyone who is holding, insuring, or guaranteeing a mortgage and who has requested copies of all notices or other Association information and whose name is furnished as required by these Bylaws or the Declaration.
- ❖ The Secretary must keep all other books, records and documents of the Association except for financial records kept by the Treasurer.
- ❖ The Secretary has the general powers and duties of management usually authorized for the office of secretary of a Hawai'i corporation.
- ❖ The Secretary has any other powers and performs any other duties assigned to him or her from time to

time by the President, the Board, the Declaration, or these Bylaws.

The duties of the Secretary may be delegated to and performed by the Plan Manager or any other person appointed for that purpose. If the Secretary is absent or unable to act at any meeting, or if the office is vacant, another person must be appointed to act as the Secretary at least temporarily.

7.11 TREASURER. The Treasurer is the chief financial officer of the Association. The Treasurer has these powers and duties:

- ❖ The Treasurer must keep full and accurate financial books and records of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.
- ❖ The Treasurer must deposit all money and other valuables in the name and to the credit of the Association with the depositories (such as a bank) chosen by the Board.
- ❖ The Treasurer must pay out the funds of the Association as directed by the Board.
- ❖ The Treasurer must prepare all financial statements and reports requested by the President or the Board.
- ❖ The Treasurer has the general powers and duties of management usually authorized for the office of treasurer or chief financial officer of a Hawai'i corporation.
- ❖ The Treasurer has any other powers and performs any other duties assigned to him or her by the President, the Board, the Declaration, or these Bylaws.

The duties of the Treasurer may be delegated to and performed by the Plan Manager, accountants, or other suitable persons providing professional financial services. If the Treasurer is unable to act or if the office is vacant, another person must be appointed to act as the Treasurer at least temporarily.

8. INDEMNIFICATION.

8.1 DEFINITIONS. For the purpose of this Section 8:

A. "Agent" means any person who is or was a Director, officer, employee, or other agent of the Association, or who is or was serving at the request of the

Association as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan, or other enterprise. An Agent is considered to be serving an employee benefit plan at the corporation's request if the Agent's duties to the Association also impose duties on, or otherwise involve services by, the Agent to the plan or to participants in or beneficiaries of the plan. "Agent" also includes, unless the context requires otherwise, the estate or personal representative of an "Agent."

B. "Proceeding" means any threatened, pending, or completed action or proceeding (such as a lawsuit), whether formal or informal. It could be for example, a civil suit, a criminal matter, or an administrative or investigative proceeding.

C. "Expenses" includes, but is not limited to, attorneys' fees and costs.

D. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable Expenses actually incurred with respect to a proceeding.

8.2 THE ASSOCIATION WILL INDEMNIFY (REIMBURSE) ITS AGENTS. To the extent allowed by law, the Association must indemnify (which means that it will reimburse) each of its Agents with respect to any liability incurred by the Agent in any proceeding. The Hawaii Nonprofit Corporations Act defines how, when, and under what conditions the Association can make those reimbursements. These Bylaws authorize and require the Association to make those reimbursements, and to make advances for expenses, to the full extent allowed by law. If available, the Association must buy insurance to cover the reimbursements. The Association may, but need not, buy insurance that provides for payment of liabilities of an Agent in circumstances where the Association does not have the power to indemnify the Agent for those liabilities.

9. ASSOCIATION RECORDS.

9.1 THE ASSOCIATION'S BOOKS AND RECORDS.

A. **WHAT THE ASSOCIATION MUST KEEP.** The Association must keep (i) correct and complete books and records of account of the Association; (ii) minutes of the meetings and all other proceedings of the Association, the Board, and any committee; (iii) all notices, objections, waivers, consents, dissents, and other matters related to these meetings; (iv) the original or a copy of all of the

Vacation Plan Documents; and (v) anything else required by law. The Association will keep at its principal office those records required to be kept there by law. The Board may keep all other books and records of the Association at the principal place of business of the Association or any other place or places selected by the Board.

B. **MEMBER'S RIGHT TO INSPECT.** The Members may inspect the Vacation Plan Documents at any reasonable time during normal hours. Members may also buy copies of the Vacation Plan Documents at a reasonable cost. Subject to the requirements of the Hawaii Nonprofit Corporations Act, and except as provided in Section 9.2, the books and records of account, minutes, papers and other books and records of the Association are open to inspection for any proper purpose at the written request of any Member. The inspection may be made at any reasonable time during normal business hours. The inspection may be made in person or by the Member's agent or attorney. Subject to the requirements of the Hawaii Nonprofit Corporations Act, and except as provided in Section 9.2, the right to inspect includes the right to copy and make extracts, at the Member's expense. Subject to the requirements of the Hawaii Nonprofit Corporations Act, and except as provided in Section 9.2, upon receipt of an authenticated request and any fee charged by the Board to pay copying costs, the Plan Manager will copy and send to the Owner a copy of any and all records requested. The Board may make reasonable rules: (i) requiring notice to be given to the Plan Manager by the Member desiring to make the inspection or to get copies; (ii) limiting the hours and days of the week for inspection; and (iii) setting the costs of making copies of documents requested by a Member. The books, records and documents will be made available for inspection at the office where the records are maintained.

C. **DIRECTOR'S RIGHT TO INSPECT.** Subject to the requirements of the Hawaii Nonprofit Corporations Act, and except as provided in Section 9.2, each Director has the absolute right at any reasonable time to inspect the books and records of account, minutes, papers and other books, records and documents of the Association and the physical properties owned or controlled by the Association.

9.2 MEMBERSHIP LIST. The Association must at all times keep a current and accurate list of the names and mailing addresses of all Owners. It must update this list at least monthly. This list is called the "Membership List."

A. The Association will furnish a copy of the Membership List within a reasonable time after any

Member asks for it in writing, pays a reasonable fee (to be determined by the Board), and complies with all other requirements of the Declaration and any additional requirements of these Bylaws. The Declaration contains detailed requirements that must be satisfied before the Association is allowed (i) to provide access to or a copy of the Membership List, or any other documents from which a Membership List may be compiled, or (ii) to let anyone inspect or make copies or extracts of the Membership List or any other documents from which a Membership List may be compiled. In some cases, the Declaration prohibits the Association from furnishing the Membership List or provides an alternative means for a Member to mail information to other Members. The provisions of the Declaration governing Membership Lists are made a part of these Bylaws, just as if they were repeated here.

B. The Association will furnish a copy of the Membership List to the Developer and the Reservation System Operator promptly after either of them requests it. The requirements of the Declaration governing release of the Membership List to the Members do not apply to the Developer, companies related to the Developer or the Reservation System Operator.

C. The Board may impose other reasonable conditions intended to assure the confidentiality of the Membership List of Members and that the Membership List is not used (i) for commercial purposes by anyone other than the Developer or companies related to the Developer, (ii) in any way that violates state or federal law, or (iii) for any other improper purpose.

9.3 CERTIFICATE OF MEMBERSHIP. The Board may, but is not obligated to, issue to the Members certificates of membership in the Association in any form the Board chooses.

10. MISCELLANEOUS.

10.1 WHO CAN SIGN CHECKS AND SO ON. All checks, drafts or other orders for payment of money, notes, or similar documents issued by the Association must be signed or endorsed as stated in a resolution adopted by the Board. If no resolution is adopted, they must be signed by any two of the President, Vice President, Secretary, or Treasurer, or by the Plan Manager. The same rule applies to signing and delivering other documents authorized by the Vacation Plan Documents or by action of the Board or the Association.

10.2 WHO CAN SIGN CONTRACTS AND OTHER DOCUMENTS. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers,

agent or agents, to enter into any contract or sign any document for the Association. This authority may be general or it may be limited to specific things. Unless authorized by the Board, no officer, agent or employee has any power or authority to bind the Association or to pledge its credit or to make it liable for any purpose or for any amount.

10.3 AMENDMENTS.

A. THE ASSOCIATION'S RIGHTS. These Bylaws may be "amended" (changed) from time to time if (1) the amendment is approved by the vote of a Majority of the Owners Voting, and (2) if the Developer owns, or holds a mortgage on, any Vacation Ownership Interest, the Developer gives its written consent and it signs the amendment. There is an exception to this rule: Some parts of the Vacation Plan Documents require the approval of a Majority of the Owners or more than a Majority of the Owners (a "Super-Majority") before taking certain actions. Such a provision cannot be amended unless (1) the number of votes cast by Owners voting in favor of that amendment equals or exceeds the number of votes required to take action under that provision (i.e., a Majority of Owners or a Super-Majority), and (2) if the Developer holds a mortgage on or owns any Vacation Ownership Interest, the Developer gives its written consent and it signs the amendment. No amendment under this Subsection 10.3A will take effect until it is signed by any two officers of the Association and recorded.

B. THE DEVELOPER'S RIGHTS. The Developer's Reserved Rights include the right to change these Bylaws without the consent or approval of any person, including any Owner and anyone having a contract to buy a Vacation Ownership Interest, as follows:

1) It may change them in any way and for any purpose before the date when the Developer first records a First Deed, other conveyance document or Agreement of Sale transferring a Vacation Ownership Interest to someone other than (i) the Developer, (ii) any company related to the Developer, (iii) a bulk transferee, or (iv) any Lender.

2) It may change them to comply with the laws and regulations in effect in the State of Hawai'i, or the requirements of any government agency in Hawai'i (for example, the Hawai'i Department of Commerce and Consumer Affairs).

3) It may change them to comply with the laws or regulations of any place (for example, the State of New York) or the requirements of any government

agency (such as the California Department of Real Estate) in connection with the registration of (i) the Project, (ii) the Plan, or (iii) SVN.

4) It may change them to satisfy requests for changes made by any title insurance company issuing a title insurance policy on the Project or any Vacation Ownership Interest.

5) It may change them to satisfy requests for changes made by or requirements for making or purchasing mortgage loans on Vacation Ownership Interests or other Project Ownership Interests by (i) any institutional lender lending funds on the security of the Project or any Vacation Ownership Interest, (ii) any investor in mortgages initially made in favor of the Developer, or (iii) any governmental or quasi-governmental agency including, but not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration.

6) It may change them in any Declaration of Annexation adding new Villa Types or creating new kinds of Vacation Ownership Interests. See the provisions of the Declaration governing addition of new Villa Types and creation of new kinds of Vacation Ownership Interests.

7) It may change them in any amendment creating new Event Weeks to the extent permitted by the Declaration.

8) It may change them to facilitate the operation and management of the Project or the Plan.

9) It may change them to correct any errors or mistakes reflected in any of the Vacation Plan Documents. For example, the Developer can amend these Bylaws to correct a mistake in the legal description of the Vacation Property, to add any missing words, to delete words that should have been deleted, to state the correct Ownership Share, and so on.

An amendment made by the Developer under this Section B takes effect when it is signed by the Developer and recorded. It does not have to be signed by anyone else.

10.4 CAPTIONS. The Developer has tried to divide these Bylaws into useful Sections and to provide captions describing each Section. The Developer has also included a table of contents. The captions and table of contents are here only for convenience and as a matter of reference. They do not define, limit or describe the scope or intent of the provisions of these Bylaws. Members must read with care each and every part of these Bylaws, not just the captions or table of contents.

10.5 PRONOUNS. Pronouns (for example, "his" or "her") used in the Vacation Plan Documents include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

10.6 ENFORCEMENT. A violation of any part of these Bylaws by one person does not excuse that person or anyone else from his or her duty to obey that and all other parts of these Bylaws. Any failure to enforce any provision of these Bylaws does not limit or take away the right to enforce that provision later. This will be true no matter how many times a violation is overlooked.

10.7 INTERPRETATION. These Bylaws should be liberally interpreted to carry out the purpose of creating a uniform plan for sharing the ownership, expenses and use of the Vacation Property under which the Association carries out and pays for the operation and maintenance of the Vacation Property and the Vacation Ownership Plan.

10.8 EFFECT OF INVALID PROVISIONS. The provisions of these Bylaws are "severable". This means that if any part of them is not legal or valid, that part can be ignored. But the rest of these Bylaws will remain in effect and everyone must obey them.

END OF BYLAWS

End of Exhibit "B"

EXHIBIT "C"

LIMITED SUBSIDY AGREEMENT

THIS AGREEMENT, made this _____ day of _____ 20___, by and between the NANEA OCEAN VILLAS OWNERS ASSOCIATION, INC., a Hawaii non-profit corporation (the "Association"), and SVO PACIFIC, INC., a Florida corporation (the "Developer").

BACKGROUND

A. The Developer is the developer of Nanea Ocean Villas, a vacation ownership plan (the "Plan") established in the Nanea Ocean Resort, a planned community located at 45 Kai Malina Parkway, Lahaina, Maui, Hawaii 96761 (the "Project").

B. The Project is governed by certain legal documents, called the "Vacation Plan Documents," as follows:

- The Nanea Ocean Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership dated _____, 20___, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. _____ (herein with any amendments called the "Declaration").
- The Articles of Incorporation of the Association (herein with any amendments called the "Articles").
- The Bylaws of the Association (herein with any amendments called the "Bylaws").
- Any reservation rules and regulations adopted pursuant to the Declaration (herein with any amendments called the "Reservation Rules").
- Any other rules and regulations adopted pursuant to the Declaration (herein with any amendments called the "Association Rules").

Except as otherwise expressly provided in this Agreement, terms defined in the Vacation Plan Documents have the same meaning in this Agreement.

C. The Vacation Plan Documents provide a plan for sharing the use of certain Units in the Project and for sharing the costs and expenses of owning and maintaining the Vacation Property and operating the Plan and the Association.

D. Under the Vacation Plan Documents, each Owner of each Vacation Ownership Interest in the Plan must pay a share of the Plan Expenses.

E. The Developer must pay the share of Plan Expenses for each Vacation Ownership Interest while the Developer is the Owner of it. Instead of doing so, however, the Developer may enter into a "Subsidy Contract" with the Association in which the Developer agrees to pay to the Association the difference between the actual expenses incurred by the Association and the Assessments collected from the other Owners.

F. This Agreement is a Subsidy Contract as that term is defined in the Vacation Plan Documents. It is intended to set forth in greater detail the manner and extent to which the Developer will be responsible to pay to the Association the difference between the actual expenses incurred by the Association and the Assessments collected from the other Owners.

TERMS AND CONDITIONS

1. Additional Definitions.

For the purposes of this Agreement, the following terms shall have the following meanings:

1.1 “Actual Costs” means, for any given Fiscal Year, the total amount of the Plan Expenses actually incurred and that must be paid by the Association during that Fiscal Year. For purposes of this Agreement:

A. Reserve Expenses will be included in the Actual Costs for that Fiscal Year; and

B. Actual Costs will not include the amount of any Special Assessments approved by the Board and, if necessary, the Owners, for capital expenditures, insurance policy deductibles, underinsured losses, or uninsured losses. Actual Costs also will not include any increase in the Plan Expenses resulting from (i) any new category of imposition that comes into effect after the date of this Agreement which is levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in the real property taxes.

1.2 “Assessments Collected” means, for any given Fiscal Year, the cumulative total amount of (i) all Regular Assessments paid to the Association by Owners other than the Developer, and (ii) all other amounts paid to the Association by anyone other than the Developer.

1.3 “Fiscal Year” means a Fiscal Year as that term is defined in the Vacation Plan Documents; provided that if this Agreement terminates prior to the end of a full Fiscal Year, then “Fiscal Year” shall mean the period from the beginning of that Fiscal Year until the date of termination of this Agreement, pro-rated daily.

1.5 “Reserve Expenses” means those amounts which, under the Association’s Budget for any given Fiscal Year, are to be deposited in the Association’s Reserve Accounts in that Fiscal Year. Notwithstanding the foregoing, Reserve Expenses shall not include any expense set forth in the Budget which is not actually incurred by Association. For example, if the Plan at the beginning of a Fiscal Year, includes 26 Villas, but only 8 of those Villas are furnished with Common Furnishings on the Commencement Date, Reserve Expenses would include reserves for replacement of only the Common Furnishings within the 8 Vacation Ownership Units which accrue between the Commencement Date and the end of such Fiscal Year, and not within the remaining unfurnished 18 Villas, notwithstanding the provision in the Budget for reserves for Common Furnishings within all 26 Villas. In the foregoing example, Reserve Expenses would include reserves for the entire Fiscal Year for all other depreciable items which are subject to maintenance and replacement by the Association.

1.6 “Subsidy Amount” means, for any given Fiscal Year, the difference between the Actual Costs and the Assessments Collected.

2. Payment by Developer of Subsidy Amount. The Developer agrees to pay the Subsidy Amount to the Association upon the following terms and conditions:

2.1. The Developer shall make the first payment of the Subsidy Amount (excluding any portion of the Subsidy Amount for Reserve Expenses) within forty-five (45) days after the end of the calendar quarter during which the Commencement Date occurs. Such payment shall include the portion of the Subsidy Amount (other than Reserve Expenses) due with respect to the period between the Commencement Date and the last day of the calendar quarter in which the Commencement Date occurs.

2.2. The Developer shall make subsequent payments of the Subsidy Amount (excluding any portion of the Subsidy Amount for Reserve Expenses) within forty-five (45) days after the end of each calendar quarter. Each such payment shall include the portion of the Subsidy Amount (other than Reserve Expenses) due with respect to the preceding calendar quarter.

2.3. On or before the last business day of the Fiscal Year, the Developer shall pay the portion of the Subsidy Amount payable for Reserve Expenses. Nothing in this Agreement shall entitle the Developer to pay, for each Vacation Ownership Interest that it owns, less than a Fair Share of the Reserve Expenses for the applicable Fiscal Year.

2.4. Within forty-five (45) days after the end of each Fiscal Year, the Association shall reimburse Developer for the amount, if any, by which the total of all sums paid by Developer to the Association during that Fiscal Year as and for the Subsidy Amount exceeds the cumulative total amount of all Assessments which would otherwise have been payable by Developer for such Fiscal Year in the absence of this Agreement with respect to the Vacation Ownership Interests owned by Developer.

3. Assignment. The Association hereby assigns to Developer each and every right of Association to pursue any of its remedies against a delinquent Owner (other than the Developer) whose delinquent Assessments or Personal Charges are paid by the Developer. The Association shall execute such further documentation as Developer shall reasonably request from time to time to perfect this assignment and/or to enforce such remedies as necessary or useful to recover the amount paid by the Developer plus costs, legal fees and costs, and other costs of collection.

4. Term. The term of this Agreement shall commence _____ (the "Commencement Date") and shall terminate on _____; provided that, the term of this Agreement shall be automatically renewed for a one-year period unless either party provides 30 days' prior written notice of its intention to terminate this Agreement. Termination of this Agreement shall not prevent the Developer from requiring that the Association enter into a new Subsidy Contract pursuant to the terms of the Vacation Plan Documents.

5. Bond. In the event that the Plan is registered for sale in California, then the Developer shall furnish to the Association a surety bond ("Bond") in an amount sufficient to secure the Developer's obligations to pay the Subsidy Amount. The Developer and the Association agree that the Bond shall be delivered to First American Title Company pursuant to the terms and provisions contained in the escrow instructions (the "Instructions") substantially in the form of Exhibit "A" attached hereto and made a part hereof.

6. Effect of Limited Subsidy Agreement Upon Developer's Assessment Obligations. Provided that the Developer is not in default in the performance of any of its obligations hereunder, the Developer shall not be required to pay to the Association the Assessments attributable to Vacation Ownership Interests owned by the Developer pursuant to the terms and provisions of the Vacation Plan Documents. In the event that the Developer shall default in the performance of any of its obligations hereunder and such default shall not have been cured within 30 days after notice of default is given to the Developer by the Association, (a) the Developer's obligations to pay to the Association the Regular Assessments attributable to the Vacation Ownership Interests owned by Developer shall resume, (b) Developer's default hereunder shall be deemed a default in the payment of Assessments under Declaration, which default shall be deemed to have occurred on the date of expiration of the grace period set forth herein or any longer grace period allowed by the Board, and (c) the Association shall have the right to exercise each and all of the rights and remedies set forth herein and in the Declaration with respect to the non-payment of the Regular Assessments by the Developer as the Owner of Vacation Ownership Interests, and as provided under the Bonds; provided, however, that notwithstanding the Developer's failure to cure any default hereunder within the time period specified, the Developer shall have the right thereafter to cure such default, and upon so doing, the Developer may notify the Association of the Developer's intention thereafter to comply with the terms of this Agreement and, if necessary, to reinstate the Bonds, in which case all of the rights, duties and obligations of the Developer and the Association hereunder shall continue unabated and any Regular Assessments paid by the Developer shall be treated as having been paid with respect to Developer's obligations under this Agreement.

7. Miscellaneous.

7.1 Notices. Delivery of all notices described in this Agreement shall be made by overnight or same-day commercial delivery service or by United States mail, certified or registered, postage prepaid. All such notices shall be deemed delivered, given and received: (a) the day of sending via same-day commercial delivery service; (b) the following business day after sending via overnight commercial delivery service; or (c) three (3) calendar days after deposit in the United States mail. All such notices shall be addressed as follows:

If to the Association:

Nanea Ocean Villas Owners Association, Inc.
45 Kai Malina Parkway
Lahaina, Maui Hawaii 96761
Attn: President

If to the Developer:

SVO Pacific, Inc.
9002 San Marco Court
Orlando, Florida 32819
Attn: Robin Suarez, Vice President

The addresses and addressees for the purpose of this paragraph may be changed by giving notice of such change in the manner herein provided for giving notice. Unless and until such notice is received, the last address and addressee stated by notice, or as provided herein if no notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

7.2 Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of such provision or of any other provisions hereof.

7.3 Merger. All understandings and agreements heretofore had between the parties respecting the subsidization contemplated by this Agreement are merged by this Agreement and the exhibits attached hereto, all of which fully and completely express the agreement of the parties. There are no agreements except as specifically set forth in this Agreement or to be set forth in the instruments or other documents delivered or to be delivered hereunder.

7.4 Amendments.

A. Except as provided in Sections 2.2C. and 7.1, above, no change in or addition to, or waiver or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of each of the parties hereto.

B. The parties agree to change this Agreement as requested by the Developer at any time and from time to time:

1. To comply with the laws and regulations of the State of Hawaii or any political subdivision thereof;

2. To comply with the laws of any place (for example, the State of New York) or the requirements of any governmental agency (such as the California Bureau of Real Estate) in connection with the registration of the Project or the Plan to permit the sale of Vacation Ownership Interests there.

C. The Developer must give written notice of any amendment (and a copy of the amendment) made pursuant to Subparagraphs 7.4B.2 or 7.4B.3. to each governmental authority having authority over the Plan as a result of the registration of the Plan with that governmental authority.

7.5 Paragraph Headings. The paragraph headings herein contained are for the purposes of identification only and shall not be considered in construing this Agreement.

7.6 Successors and Assigns. All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and each of their respective successors and assigns.

7.7 Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality shall not affect the validity of the remainder of this Agreement.

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7.8 Delivery of Limited Subsidy Agreement and Instructions. The Developer shall furnish to the Association an executed copy of this Agreement and the Instructions along with a copy of the Bond no later than ten (10) days after the Commencement Date.

7.9 Regulations and Laws. Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and whenever there is a conflict between any provision of this Agreement and any statute, law, ordinance, or regulation (whether now existing or adopted after the date hereof) contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law. This Agreement shall be construed and governed by the laws of the State of Hawaii. Any action to interpret or enforce this Agreement shall be commenced and conducted in Honolulu, Hawaii.

7.10 Counterparts. This Agreement and the Instructions may be executed in counterparts, and all counterparts together shall be construed as one document.

IN WITNESS WHEREOF, the parties hereto have executed this Limited Subsidy Agreement as of the date first above written.

“ASSOCIATION”

“DEVELOPER”

NANEA OCEAN VILLAS OWNERS
ASSOCIATION, INC.,
a Hawaii non-profit corporation

SVO PACIFIC, INC.
a Florida corporation

By: _____
Its _____

By: _____
Its _____

END OF EXHIBIT “C”

FILED 08/06/2015 11:04 AM
Business Registration Division
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
State of Hawaii

Nanea Ocean Resort Community Association, Inc.

ARTICLES OF INCORPORATION Section 414D-32, Hawaii Revised Statutes

The person who signed this document desires to form a nonprofit corporation under the laws of the State of Hawai'i and certifies the following:

ARTICLE 1 DEFINITIONS

In this document, the following terms have the following meanings:

Section 1.1 The term "*Act*" means Chapter 421J, Hawaii Revised Statutes, as it may be amended from time to time, or any successor or replacement law.

Section 1.2 The term "*Board*" means the board of directors of the Community Association.

Section 1.3 The term "*Bylaws*" means the "Bylaws of Nanea Ocean Resort Community Association, Inc." recorded in the Bureau of Conveyances of the State of Hawai'i with the Declaration, and any changes made to them from time to time.

Section 1.4 The term "*Community Association*" means the corporation.

Section 1.5 The term "*Declaration*" means that certain document named "Nanea Ocean Resort Declaration of Covenants, Conditions, Easements and Restrictions" recorded in the Bureau of Conveyances of the State of Hawai'i, and any changes made to it from time to time.

Section 1.6 The term "*Hawaii Nonprofit Corporations Act*" means Chapter 414D, Hawaii Revised Statutes, as it may be amended from time to time, or any successor or replacement law.

Section 1.7 Certain other terms used in these Articles are defined in the Declaration or in the Bylaws of the Community Association. Those terms will have the same meaning here as in the Declaration or Bylaws unless the context clearly indicates otherwise.

ARTICLE 2 NAME

The name of the corporation is "Nanea Ocean Resort Community Association, Inc."

ARTICLE 3 INITIAL MAILING ADDRESS

The mailing address of the corporation's initial principal office is 6 Kai Ala Drive, Lahaina, Hawai'i 96761.

ARTICLE 4 DURATION

The corporation will exist forever unless it is dissolved as provided in the Hawaii Nonprofit Corporations Act.

ARTICLE 5 PURPOSES AND POWERS

Section 5.1 Purposes. The corporation is organized for the following purposes:

- A. To be the association of Owners required by the Declaration, and to have the rights and duties of the Community Association as provided in the Project Documents or by law;
- B. To provide an entity to further the interests of the Members and the Developer; and
- C. To engage in any lawful activity for which nonprofit corporations may be incorporated under

the Hawaii Nonprofit Corporations Act or in which a planned community association may engage under the Act.

Section 5.2 Powers and Duties. The corporation has and may exercise any or all of these powers and has each of these duties and obligations:

- A. It has the powers, duties and obligations granted to or imposed on the Community Association in the Declaration, these Articles, or the Bylaws.
- B. It has the powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawai'i.
- C. It has the powers, duties and obligations of a planned community association under the Act.
- D. It has any other powers, duties and obligations imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Community Association under the Declaration, these Articles, or the Bylaws, or that otherwise promote the general benefit of the Members.

Section 5.3 Specific Powers. Without limiting the powers and duties of the Community Association as stated in Section 5.2 or in the Hawaii Nonprofit Corporations Act, the Community Association has the following specific powers:

- A. To manage, control and operate the Project as provided in the Project Documents;
- B. To manage, control, operate, maintain, repair, replace, and improve the Common Areas of the Project and any other property for which the Community Association has a right or duty to provide such services;
- C. To pay the expenses and costs described in the Project Documents, except that the Community Association need not do anything required of it until it has the necessary funds;
- D. To charge and collect the Assessments, Personal Charges, and other amounts described in the Project Documents;
- E. To enforce the Project Documents;
- F. To pay all taxes and assessments on the Property;

G. To engage in activities that will foster, promote, or advance the common interests of the Members or encourage and promote planned communities or vacation ownership in the State of Hawai'i.

H. To make contracts and guarantees and incur liabilities, borrow money, issue notes and other obligations, and to secure any of its obligations by mortgage or pledge of all or any part of its property, assets, franchises, or income as provided in the Project Documents;

I. To act as principal, agent, joint venturer, partner, or in any capacity that may be authorized or approved by the Board; and

J. To exercise all other rights and powers and to perform all other duties of the Community Association under the Project Documents.

Section 5.4 Purposes and Powers. The provisions of Sections 5.1, 5.2, and 5.3 will each be construed as purposes and powers.

Section 5.5 Limits on Community Association Powers. The purposes, powers and duties of the Community Association are subject to any limits set by law or by the Declaration, these Articles, or the Bylaws. The Developer is expressly declared to be intended third-party beneficiaries of this limitation. This means, among other things, that this limitation is intended to protect the Developer and that the Developer may enforce it.

**ARTICLE 6
BOARD OF DIRECTORS**

Section 6.1 Authority of Board. Subject to any limits imposed by law:

- A. The business and affairs of the Community Association are controlled by its Board. Except as limited by law or by the Declaration, these Articles, the Bylaws, or the Act, the Board may exercise all powers of the Community Association and must perform all of its duties, including the management of the Community Association's affairs. The Board may not, however, take any action that, by law or under the Declaration, these Articles, or the Bylaws, must be taken, authorized or approved by the Members of the Community Association, or by some part or percentage of them.

B. The Developer shall appoint and may remove the officers and Directors of the Community Association during the Developer Control Period. The Developer may voluntarily surrender the right to appoint and remove the officers and Directors before the termination of the Developer Control Period, but in that event the Developer may require, for the duration of the Developer Control Period, that specified actions of the Community Association or Board, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective. Not later than the termination of the Developer Control Period, or at such other time as may be specified by the Act, the Unit Owners will elect a new Board at an annual or special meeting of the Association called for such purpose (the "Initial Election"). Subject to the foregoing, the Declaration and the Bylaws govern the method of electing, removing and filling vacancies in the Board, and the term of office of Directors and officers.

C. Subject to any limitations in the Hawaii Nonprofit Corporations Act, the Board may delegate its powers to the officers of the Community Association or to one or more professional managers hired by the Community Association, including but not limited to the Managing Agent. This authority is subject to any limits contained in the Declaration, these Articles, or the Bylaws.

Section 6.2 Number of Directors. The Board will have not less than five (5) Directors or more than seven (7). Subject to these limits, the number of Directors may be changed by an amendment to these Articles or to the Bylaws.

x
Section 6.3 Initial Directors. The initial Board will consist of seven (7) Directors. The Developer shall appoint the initial Directors. Those persons will hold office until replacement Directors are elected or appointed in the manner provided in the Declaration and/or the Bylaws unless they are removed by the Developer.

Section 6.4 Board Composition. At the Initial Election and in each subsequent election of Directors, the composition of the Board shall be maintained as follows:

- A. **Special Directors.**
 - (1) One Director shall be elected solely by vote of the Commercial Owners.

- (2) One Director shall be elected solely by vote of the Parking Owners.

- (3) One Director shall be elected solely by vote of the Resort Owners.

B. **At-Large Directors.** All remaining Directors will be elected by vote of all of the Members.

Section 6.5 Limitation of Liability of Directors. A Director shall have no personal liability to the Community Association or the Members for monetary damages for breach of the Director's duties to the Community Association and its Members; provided, that this does not eliminate the liability of a Director for those things for which, under the Hawaii Nonprofit Corporations Act, a Director's liability cannot be eliminated.

**ARTICLE 7
MEMBERS AND VOTING**

Section 7.1 Members.

A. The Association has Members. Memberships will be issued only in the manner and on the conditions described in the Declaration and Bylaws.

B. The Community Association may have different kinds or classes of Members as described in these Articles or in the Declaration or Bylaws.

1. **Class A Members.** The Class A Members shall consist of all Owners of Project Ownership Interests other than the Developer.

2. **Class B Member.** The Class B Member shall consist of the Developer to the extent that it is an Owner or, under the Declaration, is deemed to be an Owner.

Section 7.2 Voting. The Members are entitled to vote as provided in these Articles, the Declaration, and the Bylaws.

A. Each Project Ownership Interest is entitled to a vote in the Community Association equal to its Ownership Share in the Project. To make voting more manageable, the Board may conduct voting on a percentage basis. In such case, each Project Ownership Interest shall have a vote equivalent to the percentage that the Ownership Share of the Project Ownership Interest bears to the sum of the Ownership Shares for all Project Ownership

Interests except those whose voting rights have been suspended.

- B. If a Project Ownership Interest is owned by more than one person, its co-Owners do not each receive a separate vote. Votes are allocated to a Project Ownership Interest, not the Owners of it. The votes allocated to a Project Ownership Interest remains the same regardless of the number of co-Owners of that Project Ownership Interest. The co-Owners of a Project Ownership Interest must share the vote for that Project Ownership Interest and will have to agree among themselves on how to cast the vote of their Project Ownership Interest. The Community Association need not settle disputes among co-Owners as to voting. If the co-Owners cannot agree, they lose their right to vote on the matter in question. Fractional (split) votes are not allowed.
- C. If a Project Ownership Interest is owned by more than one person, the vote or votes for that Interest may be cast by any of its co-Owners, unless (i) another co-Owner files a written objection with the secretary or the chairperson during or before the meeting, or (ii) another co-Owner casts an inconsistent vote.
- D. Voting will not be done by class except where the Project Documents expressly provide otherwise. For example:
- (1) In cases where the Project Documents provide for action by a "Majority of the Owners", or by a "Majority of the Members", or by a "Majority of the Owners Voting", or similar provisions, the votes of all Members, including the Developer if it is then a Member, will be counted without regard to the existence of separate classes. For example, if the Developer has 1,000 votes and the other Members have 1,000 votes, then 1,001 votes would constitute a Majority of the Owners.
 - (2) Certain provisions of these Articles or the other Project Documents may require (i) the vote of the Members, plus (ii) the consent or approval of the Developer. In those cases, the votes of all Members, including the Developer if it is then a Member, will be counted without regard to the existence of separate classes. In addition, however, the separate consent or approval of the Developer will be required.
 - (3) Section 10.3 of these Articles, and certain provisions of the other Project Documents,

permit the amendment of these Articles or other Project Documents by vote or written consent of the Developer alone. In such cases, (i) only the Developer, in its capacity as the Class B Member, can vote on such issues (or take action by written consent), and (ii) no Class A Members will be entitled to vote or to give or withhold their consent, nor shall any vote or written consent of the Class A Members be required to amend these Articles or the other Project Documents in such circumstances.

- (4) In some cases, the Project Documents provide for action by vote of a "Majority of the Owners (not counting the votes of the Developer)", or by a "Majority of the Members (not counting the votes of the Developer)", or by a "Majority of the Owners Voting (not counting the votes of the Developer)", and so on. In such cases, (i) only the Class A Members can vote on such issues (or take action by written consent), and (ii) the Developer, as the Class B Member, will not be entitled to vote or to give or withhold its consent on such issues. This does not, however, limit the Developer's rights of approval or consent in circumstances like those described in Subsection 7.2D.(2).
- E. If any Member or the Member's Guest violates the Project Documents, the Community Association may, among other things, suspend the Member's rights under the Project Documents, including the Member's rights to vote or participate in any matter before the Community Association. The nature of this right and the procedures for suspension are stated in the Declaration and Bylaws.
- F. In all other respects, voting rights are governed by and may be limited, enlarged or denied as provided in the Project Documents.

ARTICLE 8 ASSESSMENTS AND PERSONAL CHARGES

The Community Association may charge Assessments, Personal Charges, and other sums to and collect them from the Members from time to time in accordance with the provisions of the Project Documents. The Members must pay the Assessments, Personal Charges, and other sums, and will be personally liable to do so. The Members are not individually or personally liable for the debts of the

Community Association, but this does not relieve them from liability to pay the amounts charged to them pursuant to the Project Documents. The Community Association may foreclose on a Project Ownership Interest for non-payment of Assessments, Personal Charges, or other sums due.

ARTICLE 9 NON-PROFIT NATURE

The corporation is nonprofit in nature. It cannot authorize or issue shares of stock. No dividends may be paid and no part of the income or profit of the corporation may be distributed to its Members, Directors, or officers. Subject to any limits contained in the Declaration or Bylaws: (a) the Community Association may pay reasonable compensation to its Members, officers or Directors for services actually provided to or for the benefit of the Community Association, and (b) the Community Association may reimburse any expenses incurred for the Community Association by any officer, Director, Member, agent or employee, or any other person or entity authorized by the Board. Upon dissolution or final liquidation, the Community Association may make distributions to its Members in accordance with the requirements of the Bylaws and the Hawaii Nonprofit Corporations Act, and no such distribution will be deemed to be a dividend or a distribution of income or profit (as now provided by the Hawaii Nonprofit Corporations Act).

ARTICLE 10 AMENDMENTS

Section 10.1 Amendment by Vote of Members. Except as provided in Sections 10.2 and 10.3, these Articles may be amended if each of these requirements are met:

- A. The Board must adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at an annual or special meeting of the Community Association.
- B. Notice setting forth the proposed amendment or a summary of the changes to be effected by the proposed amendments shall be given to each Member entitled to vote at the meeting within the time and in the manner provided in the Hawaii Nonprofit Corporations Act for the giving of notice of meetings to Members.
- C. The proposed amendment must receive at least two-thirds of the votes held by Members present at

the meeting, in person or by proxy, or any higher percentage required by law.

- D. If the Developer (i) owns a Project Ownership Interest, (ii) holds a mortgage on a Project Ownership Interest, or (iii) is otherwise deemed to be a Member, the amendment will not be effective unless the Developer approves it in writing.

Section 10.2 Amendment By The Board. These Articles may be amended by the vote of a majority of the Directors in office to conform these Articles to any change to the Declaration or Bylaws made by the Developer when using the Developer's Reserved Rights to amend the Declaration or Bylaws, or to conform these Articles to any change in the Hawaii Nonprofit Corporations Act. No Members are entitled to vote on any amendment proposed for these purposes. Unless otherwise required by law, no notice or meeting is required for the purpose of making an amendment pursuant to this Section 10.2.

Section 10.3 Amendment By Developer. These Articles may be amended by the vote or written consent of the Developer when using the Developer's Reserved Rights to amend the Project Documents as described in the Declaration or Bylaws. No other Members are entitled to vote on any amendment to be made in this manner. Unless otherwise required by law, no notice is required for any meeting called for the purpose of making an amendment in this manner. The Developer also may use the special power of attorney granted to it in the Declaration or Bylaws to consent to the amendment on behalf of the Members and/or to take action on behalf of the Community Association by unanimous written consent.

Section 10.4 Amendment of Developer's Rights. No amendment may change the rights and privileges of the Developer under these Articles or the other Project Documents unless the Developer approves the amendment in writing.

ARTICLE 11 REGISTERED AGENT FOR SERVICE OF PROCESS

The name of the Company's initial registered agent for service of process and the street address of the place of business of the person in the State of Hawaii to which service of process and other notice and documents being served on or sent to the Company represented by it may be delivered to are: Angela Nolan, 6 Kai Ala Drive, Lahaina, Hawaii 96761.

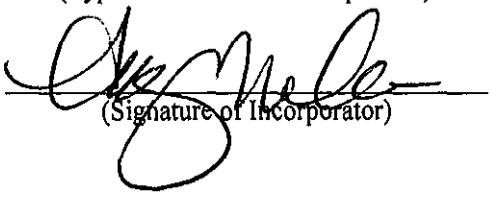
**ARTICLE 12
INCORPORATOR**

Angela Nolan is the incorporator. Her address is 6 Kai Ala Drive, Lahaina, Hawai'i 96761.

I CERTIFY under the penalties of Section 414D-12, Hawaii Revised Statutes, that I have read the statements contained in this document and that the statements are true and correct.

DATED this 3rd day of August, 2015.

ANGELA NOLAN
(Type/Print Name of Incorporator)


(Signature of Incorporator)

THE ORIGINAL OF THE DOCUMENT
RECORDED AS FOLLOWS:
STATE OF HAWAII

BUREAU OF CONVEYANCES

DOCUMENT NO. _ Doc A-57081022

DATE - TIME _ August 18, 2015 3:29 PM

RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawai'i 96813
Phone No. (808) 529-7300

This document contains 207 pages

Tax Map Key: 2nd Div., 4-4-14-05

Nanea Ocean Resort

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS is made on the 12th day of August, 2015, by SVO PACIFIC, INC, a Florida corporation (the "Developer").

BACKGROUND

A. The Developer is the owner in fee simple of the land described in Exhibit A which is attached to and part of this document.

B. The Developer plans to construct or place certain buildings and other improvements on that land. The land and the improvements together are called the "Project" in this Declaration.

C. The Developer intends to develop the Project as a multi-use master planned community consisting of retail, restaurant, vacation ownership, and hotel components, and perhaps fractional ownership and whole ownership condominium components, as follows:

- ❖ The Developer intends to establish portions of the Project as a time share plan and to sell time share interests to other persons.
- ❖ The Developer intends to use portions of the Project for commercial purposes. For example, the Project is likely to include a restaurant and pool bar, and may also include other food and beverage outlets (for example, a coffee shop could be included). The Project is also likely to contain a general store and other

businesses. These might include, for example, a real estate office, a jewelry store, a t-shirt shop, or a tourist activity sales center.

- ❖ The Developer intends to use portions of the Project as a hotel. This may include, for example, any accommodations not included in the time share plan. It may also include accommodations of the time share plan reserved by or otherwise available to the Developer such as, for example, the right to use the accommodations associated with unsold time share interests.
- ❖ The Developer also may subdivide the Project into smaller parcels. Some of these parcels may be established as one or more condominium projects while others may not. Some of the condominium units may be included in the time share plan while others may be included in a separate time share plan or a fractional ownership plan, or sold as whole-ownership resort condominium units and/or commercial condominium units.

D. Regardless of the legal structure and ownership of the Project, the improvements of the Project have been designed to operate as an integrated whole. For example:

- ❖ The Project is planned to include various amenities, including several swimming pools and pool decks. The Developer wants to provide for some or all of the owners and occupants of the accommodations of the Project to share the use and costs of these amenities, and perhaps other amenities, regardless of whether they are staying in a time share unit, a fractional unit, a whole-ownership resort condominium unit or a hotel room. The Developer also intends to establish the Nanea Ocean Resort Community Association, Inc., (called the "Community Association" as more particularly provided in Section 1.6) to operate and maintain these amenities.
- ❖ The roofs, walls, foundations, and other structural and architectural components of the improvements will initially be designed and constructed according to a common plan, and the Developer intends to provide for the uniform and consistent appearance, administration, operation, improvement, maintenance and repair of the Project by vesting authority for the appearance, administration, operation, improvement, maintenance and repair of these components and other common areas of the Project in the Community Association, regardless of the legal structure or ownership of the Project.
- ❖ The Project also will have other shared components, including roads and driveways, various support facilities, courtyards, the entry water feature, other water features, open space, sidewalks, and other facilities. The Developer wants to provide for some or all of the owners of the Project to share the costs of these components in addition to the amenities and building components. The Developer intends to vest authority for the appearance, administration, operation, improvement, maintenance and repair of these facilities in the Community Association.

F. The Developer desires to provide for the preservation and enhancement of the desirability and attractiveness of the Project; to ensure that any improvements that may be developed in the Project will be designed, constructed, used and maintained in compliance with all applicable laws and this Declaration, and in a manner consistent with a first class destination resort; to provide for the common use of and the sharing of expenses for the operation, maintenance and repair of common areas; and to permit the development of the common areas, and the alteration, renovation, removal, or modification of certain of the common areas to integrate with, enhance and support the surrounding larger development of the Project as a whole.

G. Finally, the Developer intends to reserve the right to use portions of the Project for the Developer's own purposes. For example, the Developer wants to be able to do these things, among others:

- ❖ It wants to be able to show the amenities, grounds, and other areas of the Project to persons who might buy time share interests, fractional ownership interests, or condominium units from the Developer or its affiliates, or who may wish to rent or lease accommodations in the Project.
- ❖ It wants to be able to offer activities to these prospective purchasers.

- ❖ It wants to be able to establish booths or concessions for the promotion or sale of tourist activities or other incentives intended to encourage prospective purchasers to attend a sales presentation.
- ❖ It wants to be able to conduct receptions for purchasers and prospective purchasers for the purpose of promoting the sales of time share interests, fractional ownership interests, condominium units and/or other products offered by the Developer or its affiliates.

H. To accomplish this, the Developer desires to impose this Declaration on the Project. This Declaration establishes a plan for sharing the ownership, use, and expenses of the Project by the Developer and anyone else having any rights or interests in the Project, provides for the establishment of the Community Association, requires all owners of the real property comprising the Project to be members of the Community Association, and vests in the Community Association responsibility for the enforcement of this Declaration as well as responsibility for the administration, management, operation, upkeep, maintenance, repair, and renovation of the common areas of the Project.

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1. DEFINITIONS.

This Section 1 defines certain words or phrases having special meanings in this Declaration, the Articles, or the Bylaws. Other Sections include definitions of key words or phrases that are introduced or explained in those Sections in order to put them in context. Finally, Section 30.4 contains a glossary of key legal terms. In this Declaration, the Articles, and the Bylaws, capitalized terms have the special meanings given to them except where the context clearly requires otherwise.

The following definitions are presented in groups of related concepts. This should help make it easier to read and understand this Section. For future reference, key words and phrases are listed alphabetically in the Index of Definitions.

1.1 "ACT" means (i) the Hawai'i Planned Community Association Act, Chapter 421J, Hawai'i Revised Statutes, or any law that replaces that law, and (ii) any rules and regulations adopted pursuant to that statute.

1.2 "PROJECT" means Nanea Ocean Resort. It consists of the Land and the Improvements.

A. "LAND" means the real property described in Exhibit A and any appurtenances to it. If the Developer annexes any Adjacent Parcel using its rights under Section 19, then the term "Land" will include both the Land just before the annexation plus the Adjacent Parcel Annexed. If the Developer deletes any part of the Land pursuant to Section 21, then the term "Land" will not include any part of the Land that is deleted.

1) "ADJACENT PARCEL" means any land that was part of the Project but that is withdrawn and deleted from the Project by the Developer pursuant to Section 21. If any such lot is subdivided into separate lots, each of them will be an Adjacent Parcel, whether or not they are physically adjacent to the Project. If any Adjacent Parcel is consolidated with any other property, the resulting lot will be an "Adjacent Parcel."

B. "IMPROVEMENTS" means all improvements located on the Land, now or in the future.

1.3 "UNIT" means any part of the Project designated by the Developer as a Unit in Exhibit B, as it may be amended or supplemented from time to time.

A. "COMMERCIAL UNIT" means any Unit designated by the Developer as a Commercial Unit in Exhibit B, as it may be amended or supplemented from time to time.

B. "PARKING UNIT" means any Unit designated by the Developer as a Parking Unit in Exhibit B, as it may be amended or supplemented from time to time.

C. "RESORT UNIT" means any Unit other than a Commercial Unit or Parking Unit. There are two kinds of Resort Units:

1) "VACATION UNIT" means any Resort Unit that is subject to the Vacation Plan Declaration.

2) "LODGING UNIT" means any Resort Unit other than a Vacation Unit. All Resort Units will be Lodging Units until the Vacation Plan Declaration is recorded.

1.4 "COMMON AREA" or "COMMON PROPERTY" means all parts of the Project except for the Units.

A. "GENERAL COMMON AREA" means all Common Area other than the Limited Common Areas.

B. "LIMITED COMMON AREA" means any part of any Common Area designated by the Developer as a Limited Common Area in Exhibit C, as it may be amended or supplemented from time to time.

1) "RESORT LIMITED COMMON AREA" means the Limited Common Areas designated by the Developer as Resort Limited Common Areas in Exhibit C, as it may be amended or supplemented from time to time.

2) "COMMERCIAL LIMITED COMMON AREA" means the Limited Common Areas designated by the Developer as Commercial Limited Common Areas in Exhibit C, as it may be amended or supplemented from time to time.

1.5 "PROPERTY" means the Land and the Improvements of the Project.

A. "KEKA'A PARK" means the portion of the Project identified as Keka'a Park on the Project Plan.

B. "HONUA KAI PARKING EASEMENT" means the easement granted by that certain Grant of Easement (Parking Purposes) dated September 28, 2005, recorded in the Bureau of Conveyances of the State of Hawai'i as Document No. 2005-196561 and in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3333452, and all changes, additions, and substitutions properly made to it from time to time.

C. "SHARED AREA" means any portion of the Project designated by the Developer as a Shared Area in Exhibit D, as it may be amended or supplemented from time to time.

D. "POSSIBLE DELETION AREAS" means (i) all or any part of the Land located within fifteen (15) feet of the perimeter boundaries of the Project (subject, in the case of the shoreline, to movement of the boundaries in accordance with Hawai'i law), (ii) all or any part of Keka'a Park, and

(iii) all or any part of the areas of the Project designated as Areas 1, 2, and 3 on the portion of the Project Plan entitled "Possible Withdrawal Site Plan."

1.6 "COMMUNITY ASSOCIATION" means Nanea Ocean Resort Community Association, Inc., a Hawai'i nonprofit corporation.

A. "BOARD" means the Board of Directors of the Community Association.

B. "MANAGING AGENT" means the agent hired from time to time pursuant to Section 10.4 to manage the Project and the Community Association.

1.7 "COMMUNITY ASSOCIATION PROPERTY" means all real and personal property owned or leased by the Community Association. It includes, for example, beach chairs, benches and other furniture in the Common Areas, and so on. It also includes equipment (for example, computers, tools, ladders and so on) and motor vehicles owned or leased by the Community Association for the benefit of the Project. The Community Association may also buy or lease things like bicycles, surfboards, DVDs, electronic entertainment, and other recreational property for use by or to rent to Owners and other Occupants. These would also be Community Association Property.

1.8 "PROJECT DOCUMENTS" means the following documents:

A. "DECLARATION" means this document (including all of the exhibits to it) and all changes and additions properly made to it from time to time.

B. "ARTICLES" means the "Nanea Ocean Resort Community Association, Inc. Articles of Incorporation" filed with the Department of Commerce and Consumer Affairs of the State of Hawai'i, and all changes and additions properly made to them from time to time.

C. "BYLAWS" means the Bylaws of the Community Association, and all changes and additions properly made to them from time to time. A copy of the initial Bylaws is attached as Exhibit E to this Declaration.

D. "COMMUNITY ASSOCIATION RULES" means the rules adopted from time to time pursuant to Section 10.30, and all changes and additions properly made to them from time to time. A copy of the initial Community Association Rules is attached as Exhibit F to this Declaration.

E. "PROJECT PLAN" means the plans attached to this Declaration as Exhibit G, and all changes and additions properly made to them from time to time.

1.9 "VACATION OWNERSHIP PLAN" or "PLAN" means the time share plan created by and existing under the Vacation Plan Documents.

A. "VACATION PLAN DOCUMENTS" means the following documents:

1) "VACATION PLAN DECLARATION" means the Nanea Ocean Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership recorded concurrently with this Declaration (including all exhibits to it) and all changes and additions properly made to it from time to time.

2) "VACATION PLAN ARTICLES" means the Articles of Incorporation of the Nanea Ocean Villas Owners Association, Inc. filed with the Department of Commerce and Consumer Affairs of the State of Hawai'i, and all changes and additions properly made to them from time to time.

3) "VACATION OWNERS ASSOCIATION BYLAWS" means the Bylaws of the Vacation Owners Association, and all changes and additions properly made to them from time to time.

4) "VACATION OWNERS ASSOCIATION RULES" means any rules adopted by the Vacation Owners Association from time to time, and all changes and additions properly made to them from time to time.

B. "VACATION OWNERS ASSOCIATION" means Nanea Ocean Villas Owners Association, Inc., a Hawai'i nonprofit corporation. If the rights or duties of Nanea Ocean Villas Owners Association, Inc., are transferred to someone else, then that person will become the "Vacation Owners Association" to the extent of the rights or duties transferred.

C. "PLAN MANAGER" means the person designated as the "Plan Manager" of the Vacation Ownership Plan pursuant to the Vacation Plan Documents.

D. "VACATION PLAN DEVELOPER" means the person designated as the "Developer" under the Vacation Plan Documents. If the rights or duties of the "Developer" under the Vacation Plan Documents are transferred to someone else, then that person will become the "Vacation Plan Developer" to the extent of the rights or duties transferred.

1.10 "PROJECT OWNERSHIP INTEREST" or just "INTEREST" means a Commercial Ownership Interest, a Parking Ownership Interest, or a Resort Ownership Interest (meaning a Lodging Ownership Interest or a Vacation Ownership Interest).

A. "COMMERCIAL OWNERSHIP INTEREST" means an Ownership Share in the Project together with the following rights, each of which is appurtenant to the Ownership Share and is subject to the terms and conditions of the Project Documents:

1) The exclusive right and an exclusive easement to use and occupy a given Commercial Unit;

2) The exclusive right and an exclusive easement to use any Limited Common Areas appurtenant to the Ownership Share (which right and easement is shared with anyone else having the right to use those Limited Common Areas);

3) The non-exclusive right to use the General Common Areas; and

4) A membership in (i) the Community Association, and (ii) the Ka'anapali North Beach Association.

B. "PARKING OWNERSHIP INTEREST" means an Ownership Share in the Project together with the following rights, each of which is appurtenant to the Ownership Share and is subject to the terms and conditions of the Project Documents:

1) The exclusive right and an exclusive easement to use and occupy a given Parking Unit, but subject to the Honua Kai Parking Easement as to Parking Unit 2;

2) The exclusive right and an exclusive easement to use any Limited Common Areas appurtenant to the Ownership Share (which right and easement is shared with anyone else having the right to use those Limited Common Areas);

3) The non-exclusive right to use the General Common Areas; and

4) A membership in (i) the Community Association, and (ii) the Ka'anapali North Beach Association.

C. "RESORT OWNERSHIP INTEREST" means a Lodging Ownership Interest or a Vacation Ownership Interest.

1) **"LODGING OWNERSHIP INTEREST"** means an Ownership Share in the Project together with the following rights, each of which is appurtenant to the Ownership Share and is subject to the terms and conditions of the Project Documents:

(a) The exclusive right and an exclusive easement to use and occupy a given Lodging Unit;

(b) The exclusive right and an exclusive easement to use any Limited Common Areas appurtenant to the Ownership Share (which right and easement is shared with anyone else having the right to use those Limited Common Areas);

(c) The non-exclusive right to use the General Common Areas; and

(d) A membership in (i) the Community Association, and (ii) the Ka'anapali North Beach Association.

2) **"VACATION OWNERSHIP INTEREST"** means an Ownership Share in the Project together with the following rights, each of which is appurtenant to the Ownership Share and is subject to the terms and conditions of the Project Documents:

(a) The right to reserve the use of a Vacation Unit in accordance with and subject to the priorities, covenants, conditions, easements, restrictions, requirements, limitations and other provisions of the Vacation Plan Documents from time to time;

(b) During the time period reserved:

(1) The exclusive right and an exclusive easement to use and occupy a Vacation Unit in accordance with and subject to the covenants, conditions, easements, restrictions, requirements, limitations and other provisions of the Vacation Plan Documents from time to time;

(2) The exclusive right and exclusive an easement to use any Limited Common Areas appurtenant to the Unit being occupied (which right and easement is shared with anyone else having the right to use those Limited Common Areas at that time);

(3) The non-exclusive right to use the General Common Areas; and

(c) A membership in (i) the Community Association, and (ii) the Ka'anapali North Beach Association. Note that under the Vacation Plan Documents the Owner of a Vacation Ownership Interest also will be a member of the Vacation Owners Association.

1.11 "OWNERSHIP SHARE" means an undivided interest in the Property in fee simple, as tenants in common with the other Owners from time to time. See Section 5.4.

1.12 "DEVELOPER" means SVO Pacific, Inc., a Florida corporation.

A. "DEVELOPER'S RESERVED RIGHTS" means all rights reserved to the Developer in the Project Documents. For example, see the Developer's rights described in Sections 3.3, 4.2 through 4.7, 5.6, 6.6A, 6.6B, 6.10, 6.11, 7.1F, 7.1G, 7.1H, 7.2, 7.4, 17, 18 (as to the Developer's rights), 19 through 25, 29.1B, 29.1C, and 30.2 of this Declaration. This is not intended to be a list of all of the Developer's Reserved Rights. The Developer may give up any or all of the Developer's Reserved Rights by recording a document that expressly says so.

B. "DEVELOPMENT PERIOD" means the period starting on the date that this Declaration is recorded and ending on the earlier of (i) December 31, 2030, or (ii) the date when the Developer records a document giving up all of the Developer's Reserved Rights.

C. "DEVELOPER UNIT" means (i) any Commercial, Parking and/or Lodging Unit appurtenant to an Interest owned by the Developer, and (ii) any Vacation Unit that the Developer, in its capacity as the Vacation Plan Developer, could remove from the Vacation Ownership Plan in accordance with the Vacation Plan Documents.

1.13 "OWNER" means the person or persons who own a Project Ownership Interest. The following persons are "Owners:"

A. The Owner named in the First Deed of a Project Ownership Interest (but only while he or she owns it), and any person to whom that Project Ownership Interest is later transferred (but only while he or she owns it).

B. The buyer of a Project Ownership Interest under an Agreement of Sale. While an Agreement of Sale is in effect, only the buyer (and not the seller) will be considered the Owner. Even so, the seller may keep the right to vote on "matters substantially affecting his security interest" as that phrase is used in the Condominium Property Act (even though the Project is not a condominium). If the Agreement of Sale is canceled, the seller will become the Owner again. "Agreement of Sale" is defined in Section 30.4.

C. The Developer with respect to any Project Ownership Interest not transferred by a First Deed or an Agreement of Sale.

1.14 "COMMERCIAL OWNER" means the Owner of a Commercial Ownership Interest.

1.15 "PARKING OWNER" means the Owner of a Parking Ownership Interest.

1.16 "RESORT OWNER" means a Lodging Owner or a Vacation Owner.

A. "VACATION OWNER" means the Owner of a Vacation Ownership Interest.

B. "LODGING OWNER" means the Owner of a Lodging Ownership Interest.

1.17 "PERSON" means any natural person or any corporation, partnership, limited partnership, limited liability partnership, joint venture, trust, limited liability company or other legal entity or organization. "Person" has this meaning whether or not it is capitalized in the Project Documents. Terms like "somebody," "nobody," "someone," "anyone," and so on refer to a "person" and,

depending on the context, may refer to a person who is an "Owner."

A. "REPRESENTATIVES" means a person's directors, officers, members or managers (in the case a limited liability company), agents, employees and independent contractors.

B. "INTERESTED PERSON" means any person who has any interest in the Property or who has the right to use the Property or any part of it. For example, it includes (i) each Owner, each Lender, and anyone who rents or leases a Unit, and (ii) anyone who has the right (in legal terms, an "easement") or who has permission to use the Property or any part of it.

1.18 "LENDER" means anyone who holds a recorded mortgage on a Project Ownership Interest. It also includes the beneficiary of a deed of trust recorded against a Project Ownership Interest.

1.19 "MORTGAGE", when used as a noun, means a recorded mortgage or deed of trust on a Project Ownership Interest as collateral for a loan. When used as a verb, it refers to making a Project Ownership Interest subject to a mortgage or deed of trust. "Mortgage" has these meanings whether or not it is capitalized in the Project Documents.

1.20 "OCCUPANT" means a Primary Occupant and his or her Guests.

A. "PRIMARY OCCUPANT" means:

1) For a Commercial Unit or Parking Unit, the Owner of the corresponding Commercial Ownership Interest or Parking Ownership Interest. If, however, the Owner has rented or leased all or any part of the Unit to someone else, then as to the rented or leased premises, "Primary Occupant" shall mean both the Owner and the tenant or lessee. However, a person who merely parks a motor vehicle in a Parking Unit is not a "Primary Occupant."

2) For a Lodging Unit, the Owner of the corresponding Lodging Ownership Interest. If, however, the Owner has rented or leased the Lodging Unit to someone else (for example, a person who rents a Lodging Unit as a hotel guest), then "Primary Occupant" shall mean both the Owner and the tenant or lessee.

3) For a Vacation Unit, a Vacation Owner, Exchange User, the Vacation Plan Developer or another person who is authorized to occupy a Vacation Unit for a particular period of time and who (i) has checked in with the Plan Manager, or (ii) has rented it to someone who has checked in with the Plan Manager.

B. "GUEST" means:

1) For a Commercial Unit or Parking Unit, the Primary Occupant's agents, employees, independent contractors, "licensees" (persons permitted in the Unit) and "invitees" (persons invited in). A person who merely parks a motor vehicle in a Parking Unit is a "Guest" of the Primary Occupant.

2) For a Resort Unit, the Primary Occupant's family, visitors, renters, employees, servants, tenants, licensees and invitees. An Exchange User is a Primary Occupant and is not considered a "Guest" of (i) any Vacation Owner, (ii) the Developer, (iii) the Exchange Company that arranged the exchange, or (iv) anyone else.

1.21 "EXCHANGE PROGRAM" means a service that permits owners of Vacation Interests or Fractional Interests to trade their use rights in their Vacation Plan or Fractional Plan for the right to use other property. For purposes of the Project Documents, SVN is an Exchange Program.

A. **"EXCHANGE COMPANY"** means the operator of an Exchange Program.

B. **"EXCHANGE CONTRACT"** means an agreement between the Vacation Owners Association and an Exchange Company that allows some or all Vacation Owners to join the Exchange Company's Exchange Program. There may be other parties to the Exchange Contract (for example, the Vacation Plan Developer).

C. **"EXCHANGE USER"** means a person, other than a Vacation Owner or the Developer, whose use of a Vacation Unit is arranged through an Exchange Program.

D. **"STARWOOD VACATION NETWORK"** or **"SVN"** is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services offered to SVN members by the SVN Operator from time to time. SVN is not a legal entity or association of any kind. It is a business owned and operated by the SVN Operator, and it is subject to change from time to time as the SVN Operator determines in its sole discretion.

E. **"SVN OPERATOR"** means Starwood Vacation Exchange Company, a Delaware corporation, its successors and assigns.

F. **"AFFILIATION AGREEMENT"** means an Exchange Contract between the SVN Operator and the Vacation Owners Association. There may be other parties to the Affiliation Agreement (for example, the Vacation Plan Developer).

1.22 "VACATION PLAN" means any time share plan or program or vacation ownership plan or program, whether or not the plan or program includes any undivided interest or Unit in the Project. For example, the Vacation Ownership Plan is a Vacation Plan.

1) **"VACATION INTEREST"** means any interest in a Vacation Plan, or in a unit or other property included in a Vacation Plan, that entitles the owner or holder of that interest to use, occupy, or possess, on a periodically or intermittently recurring basis, accommodations included in the Vacation Plan. For example, a Vacation Ownership Interest in the Vacation Ownership Plan is a Vacation Interest.

1.23 "FRACTIONAL PLAN" means any plan or program, other than a Vacation Plan, in which various persons are entitled to the use, occupancy, or possession, on a periodically or intermittently recurring basis, of accommodations, whether or not the plan or program includes any undivided interest or Unit in the Project. This includes, but is not limited to "private residence clubs," "non-equity clubs," and similar programs. For examples, see the "Signature Destinations Club," "The Leading Residence of the World," "Exclusive Resorts," "Abercrombie & Kent Registry," and similar programs.

1) **"FRACTIONAL INTEREST"** means any interest in a Fractional Plan, or in a unit or other property included in a Fractional Plan, that entitles the owner or holder of that interest to use, occupy, or possess accommodations included in or available through the Fractional Plan.

2) **"FRACTIONAL OWNER"** means the owner of a Fractional Interest.

3) **"FRACTIONAL OWNERS ASSOCIATION"** means the association of Fractional Owners for a particular Fractional Ownership Plan or Fractional Use Plan.

4) **"FRACTIONAL OWNERSHIP PLAN"** means a Fractional Plan in which some or all of the owners of the Fractional Interests own or hold an undivided interest in the Project.

5) **"FRACTIONAL USE PLAN"** means a Fractional Plan in which some or all of the owners or holders of the Fractional Interests are entitled to the use, occupancy, or possession of one or more Resort Units in the Project, but do not own or hold an undivided interest in the Project, whether or not the Fractional Plan also includes other property that is not part of the Project.

1.24 "KA'ANAPALI NORTH BEACH" means all of the property that is subject to the Ka'anapali North Beach Declaration.

A. **"KA'ANAPALI NORTH BEACH DECLARATION"** means that certain "Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach" dated December 6, 2000, filed in the Office of the Assistant Registrar of the Land Court as Document No. 2668967, and also recorded in the Bureau of Conveyances of the State of

Hawai'i as Document No. 2000-170917, and any changes and additions properly made to it from time to time.

B. "KA'ANAPALI NORTH BEACH DOCUMENTS" means the Ka'anapali North Beach Declaration, the Articles of Incorporation of the Ka'anapali North Beach Master Association, Inc., the Bylaws of Ka'anapali North Beach Master Association, Inc., and the other "Governing Documents" as that term is defined in the Ka'anapali North Beach Declaration. It also includes any changes and additions properly made to any of those documents from time to time.

C. "KA'ANAPALI NORTH BEACH ASSOCIATION" means Ka'anapali North Beach Master Association, Inc., a Hawai'i nonprofit corporation. If the rights or duties of the Ka'anapali North Beach Association are transferred to someone else, then that person will become the "Ka'anapali North Beach Association" to the extent of the rights or duties transferred. The Ka'anapali North Beach Association serves as the association of all of the owners of real property in Ka'anapali North Beach. Note that the Ka'anapali North Beach Association is completely separate from the Community Association of the Project.

D. "KA'ANAPALI NORTH BEACH DEVELOPER" means the Declarant under the Ka'anapali North Beach Declaration. If the rights or duties of the Ka'anapali North Beach Developer are transferred to someone else, then that person will become the "Ka'anapali North Beach Developer" to the extent of the rights and duties transferred.

1.25 "LAND USE PERMITS" means, with respect to the Project, the following permits and documents:

A. The Special Management Area Use Permit (Docket No. 88-SM1-023) dated July 19, 1988, and the Shoreline Setback Variance (Docket No. 88-SSV-002) dated July 19, 1988 to the extent that they apply to the Project;

B. The Special Management Area Use Permit (Docket No. 97-SM1-006) dated December 14, 1998 to the extent that it applies to the Project;

C. The Special Management Area Use Permit (Docket No. SM1-2003 0024) dated October 13, 2004 to the extent that it applies to the Project;

D. Any other Special Management Area Permit and/or Shoreline Setback Variance that affects the Project;

E. Any and all changes and additions properly made to any of those permits from time to time, any replacement permits, and any supplementary requirements related to those permits; and

F. Any Settlement Agreement that the Developer or its predecessor in title has entered into or subsequently enters into as a result of or in connection with obtaining the

above-referenced permits or other permits sought in connection with the development of the Project, and/or settling any actual or threatened intervention proceedings, and any amendments or supplements to any such agreements. This includes, but is not limited to the settlement agreement of September 29, 1998, and the settlement agreement of September 28, 2004, a short form of which was recorded as Land Court Document No. 3242967.

2. ADOPTION OF THE PROJECT DOCUMENTS.

2.1 PURPOSE AND EFFECT OF THIS DOCUMENT. By signing and recording this Declaration, the Developer intends to:

- ❖ Create a plan for the Owners and the Developer to share the ownership, use, enjoyment, operation, management, upkeep, repair and improvement of the Property and the operation of the Project.
- ❖ Establish the Community Association as a nonprofit homeowners or community association incorporated in accordance with Chapter 414D, Hawai'i Revised Statutes and existing pursuant to covenants running with the land.
- ❖ Comply with the legal requirements necessary to impose the Project Documents on the Property and on the Community Association, each Owner, and all other Interested Persons.
- ❖ Create or reserve easements in favor of the Developer or other persons.
- ❖ Reserve to the Developer certain rights to make changes to the Project and to develop it further.
- ❖ Increase the value, desirability and enjoyment of the Project and any interest in it for the benefit of the Developer and each of the Owners.

2.2 ADOPTION OF THE PROJECT DOCUMENTS. The Developer declares that:

A. The Property is subject to the Project Documents. In legal terms, the Developer submits all of its estate, right, title and interest in the Property to the Project Documents.

B. The Project Documents will govern the Property and the Project. This includes, for example, the ownership, use, enjoyment, management, operation, upkeep, repair, and improvement of the Property. In legal terms, the Property will be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Project Documents.

Anyone who occupies or uses any Unit or any other part of the Property must obey them.

C. The Project Documents are binding on the Property. They also will be binding on, and are intended to benefit these persons:

- 1) The Developer.
- 2) The Community Association.
- 3) Anyone else who owns all or any part of the Property, any Project Ownership Interest or any other interest in the Project, now or in the future. This includes, for example, all present and future Owners and their Lenders.
- 4) Anyone who, by law or by agreement, stands in the place of the persons listed in items 1) to 3). Such people are called, in technical legal terms, "heirs," "devisees," "personal representatives," "successors," "successors in trust," and "assigns."

All of these people must obey the Project Documents just as if they had signed them personally. Each of them has the right to enforce the Project Documents in any way permitted by the Act or the Project Documents.

In legal terms, the Project Documents "constitute equitable servitudes, liens and covenants running with the land" that are binding on and for the benefit of all of the persons described in this Subsection 2.2C.

2.3 EASEMENTS AND DEVELOPER'S RESERVED RIGHTS. The Developer grants and reserves the easements described in this Declaration. Regardless of what Section 2.2 says, the Developer reserves to itself all of the Developer's Reserved Rights and easements in the Property under the Project Documents. The Developer declares that the Property and all interests in it are subject to the Developer's Reserved Rights and to the easements granted or reserved in or pursuant to the Project Documents.

3. DEVELOPMENT OF THE PROJECT.

3.1 DESCRIPTION OF THE PROJECT. The Project is planned to have eight buildings, identified as Buildings 1 – 8 on the Project Plan. Some of the Buildings are planned to be free-standing structures while others are interconnected. For convenience of reference, each Building is treated as a free-standing structure in this Declaration. All eight Buildings are planned to contain Resort Units and Limited Common Areas of the Resort Units. Buildings 3 and 4 are planned to contain Commercial Units and Limited Common Areas of one or more Commercial Units. Some of the other Buildings are also planned to contain Limited Common Areas of one or more Commercial Units. In addition, the Project is planned to have two parking structures, each designated as a separate Parking Unit. The Project is also planned to contain various amenities, including one or more

pools, pool decks, and so on. Part of the Project will be used as a public park, known as Keka`a Park. Keka`a Park includes open areas, a driveway, a public parking area, and a comfort station (restroom building) for persons using Keka`a Park.

3.2 PHASED DEVELOPMENT. The Developer plans to develop the Project in stages, called "Phases," as follows:

A. PHASE 1. Phase 1 consists of Buildings 1 to 4, the Pool Bar Building, Parking Structure 1, and the Keka`a Park Comfort Station, all as shown on the Project Plan, together with various related Improvements.

1) BUILDING 1. Building 1 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 1 contains the fifty-one (51) Resort Units listed in Exhibit B and shown on the Project Plan.

2) BUILDINGS 2. Building 2 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 2 contains the fifty-one (51) Resort Units listed in Exhibit B and shown on the Project Plan.

3) BUILDING 3. Building 3 is a six-story building. It has a basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 3 contains part of Commercial Unit 101, the Shared Areas, and the forty-three (43) Resort Units listed in Exhibit B and shown on the Project Plan.

4) BUILDING 4. Building 4 is a six-story building. It has a basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 4 contains part of Commercial Units 101, 102 and 103, and the forty-five (45) Resort Units listed in Exhibit B and shown on the Project Plan.

5) POOL BAR BUILDING. The Pool Bar Building is a one-story building. It has no basement. It is constructed principally of concrete block, wood, aluminum, and gypsum board with a concrete slab floor. It is part of one (1) Commercial Unit (Unit 102).

6) PARKING STRUCTURE 1. Parking Structure 1 is four-story structure. It has no basement. It is constructed principally of steel-reinforced concrete and gypsum board. It contains one (1) Parking Unit (Parking Unit 1).

7) KEKA`A PARK RESTROOM. The Keka`a Park comfort station (restroom building) is a one-story building and has no basement. It is constructed principally of concrete block, wood, aluminum, and gypsum board with a concrete slab floor. It contains no Units.

8) OTHER IMPROVEMENTS. Phase 1 also includes the remainder of Unit 102 (including the lanai

linking the Pool Bar Building to the portion of Unit 102 located within Building 4), and the remainder of Unit 103 to the extent that any portion of Unit 103 is located outside of Building 4. It also includes various other Improvements such as driveways and the public parking area in Keka`a Park.

B. PHASE 2. Phase 2, if it is constructed, is planned to consist of Parking Structure 2, Building 5, and various related Improvements.

1) **BUILDING 5.** Building 5 is a six-story building. It has no basement. It is presently planned to be constructed principally of steel-reinforced concrete, gypsum board and glass. Building 5, if it is constructed as presently planned, will contain the thirty-eight (38) Resort Units listed in Exhibit B and shown on the Project Plan.

2) **PARKING STRUCTURE 2.** Parking Structure 2 is three-story structure. It has a retention basin beneath it. It is presently planned to be constructed principally of steel-reinforced concrete and gypsum board. Parking Structure 2, if it is constructed as presently planned, will contain one (1) Parking Unit (Parking Unit 2).

C. PHASE 3. Phase 3, if it is constructed, is planned to consist of Building 6, together with various related Improvements. Building 6 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 6, if it is constructed as presently planned, will contain the fifty-six (56) Resort Units listed in Exhibit B and shown on the Project Plan.

D. PHASE 4. Phase 4, if it is constructed, is planned to consist of Building 7, together with various related Improvements. Building 7 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 7, if it is constructed as presently planned, will contain the fifty-two (52) Resort Units listed in Exhibit B and shown on the Project Plan.

E. PHASE 5. Phase 5, if it is constructed, is planned to consist of Building 8, together with various related Improvements. Building 8 is a six-story building. It has no basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building 8, if it is constructed as presently planned, will contain the fifty-four (54) Resort Units listed in Exhibit B and shown on the Project Plan.

3.3 DEVELOPER'S RESERVED RIGHTS TO DEVELOP THE PROJECT.

A. DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights with respect to the development of the Project include but are not limited to the rights described in Exhibit H, as it may be amended or

supplemented from time to time. Subject to the limitations in Section 3.3B, and except as may be limited by any zoning requirements, ordinances, or regulations, and/or by the Land Use Permits, the Developer may change its development plans in any way for any reason or no reason as the Developer determines in its sole, absolute and unfettered discretion, and may do so without the consent or approval of anyone else. This includes the right to change the design or layout of the buildings or the Units, to relocate the buildings on the Land, to change the number of buildings or Units, to add amenities or other Improvements, to choose not to build some of the buildings, Units, amenities or other Improvements, to increase the density of the buildings, and so on.

B. LIMITATIONS ON DEVELOPER'S RESERVED RIGHTS.

1) **CHANGES TO AN INDIVIDUAL UNIT.** The Developer cannot make a material adverse change to a Unit that is appurtenant to a Project Ownership Interest not owned by the Developer without the written consent of (i) the Owner of that Interest in the case of a Commercial Unit, Parking Unit, or Lodging Unit, (ii) the Vacation Plan Developer as to any Developer Units, and (iii) the Vacation Owners Association in the case of all other Vacation Units. The Developer cannot use its power of attorney under Section 25.3 to give this consent on behalf of the Owner, Vacation Owners Association or Vacation Plan Developer. Neither an Owner nor the Vacation Owners Association nor the Vacation Plan Developer can unreasonably withhold or delay its consent, nor require or request any kind of compensation for it.

2) **CHANGES TO A LIMITED COMMON AREA.** The Developer cannot make a material adverse change to the Limited Common Areas (other than Resort Limited Common Areas) appurtenant to a Commercial Ownership Interest, Parking Ownership Interest, or Lodging Ownership Interest without the written consent of the Owner of that Interest. The Developer cannot use its power of attorney under Section 25.3 to give this consent on behalf of the Owner. A Commercial Owner, Parking Owner or Lodging Owner cannot unreasonably withhold or delay its consent, nor require or request any kind of compensation for it.

3) **MAXIMUM NUMBER OF UNITS.** The Project will have at least one (1) Commercial Unit, at least one (1) Parking Unit and at least fifty-one (51) Resort Units. In no event will the Project have more than the maximum number of Resort Units (i) allowed by law or by the Land Use Permits, or (ii) allowed by any recorded restrictions. For an example of the latter, that certain Declaration of Restrictions (Lot 3 Unit Count) recorded as Document No. 2005-122335, prohibits the construction of more than 550 Units without the consent of NB Lot3, LLC, a Delaware limited liability company. The Project is not currently planned to have any "lock-off" units. If this changes, however, then when determining the maximum

allowable number of Units, a Resort Unit that may be used on a "lock-off" basis will be considered as one Unit. In other words, both sides together will be treated as a single Unit instead of being treated as two separate Units. Likewise, if the Developer decides to divide a single Unit into two Units as permitted by Section 4.2, both Units together will be treated as a single "Unit" for purposes of this Section 3.3B.3).

C. ORDER OF DEVELOPMENT. The Developer can construct the Buildings and other Improvements of the Project in any order that it chooses.

4. DESIGNATION OF UNITS, COMMON AREAS, AND LIMITED COMMON AREAS.

4.1 INTRODUCTION. The Project consists of the Units and the Common Areas. Although these designations do not establish legally separate parcels of real property, they are important in determining who gets to use any particular part of the Project, and who is responsible to operate, manage, maintain, repair, improve, and replace the different parts of the Project.

4.2 DESIGNATION OF UNITS. Exhibit B contains a description of the Units in the Project and designates them as Commercial Units, Parking Units, or Resort Units. From time to time, the Developer may amend or supplement Exhibit B to designate any additional Units that may be added to the Project and to designate them as Commercial Units, Parking Units or Resort Units. From time to time, the Developer also may amend or supplement Exhibit B to delete any Units listed in it that the Developer decides not to build or not to designate as Units. From time to time, the Developer also may combine two Units into a single Unit, or divide a single Unit into two or more Units, and may amend or supplement Exhibit B to reflect the change.

4.3 DESIGNATION OF LIMITED COMMON AREAS. Exhibit C contains a description of the Limited Common Areas of the Project and designates the Project Ownership Interests or Units to which they are appurtenant. From time to time the Developer may amend or supplement Exhibit C to designate any additional Limited Common Areas that may be added to the Project and the Project Ownership Interests or Units to which they are appurtenant. From time to time the Developer also may amend or supplement Exhibit B or Exhibit C to convert all or any part of any General Common Area or, subject to the limits of Section 3.3B.1), any Unit(s) to Limited Common Area and to designate the Project Ownership Interests or Units to which they are appurtenant.

4.4 DESIGNATION OF GENERAL COMMON AREAS. All remaining parts of the Project are designated as General Common Areas. From time to time, and subject to the limits of Section 3.3B.1) and 3.3B.2), the Developer may amend or supplement Exhibit B or Exhibit C to convert all

or any part of any existing Unit or Limited Common Area to General Common Area.

4.5 DESIGNATION OF SHARED AREAS. Exhibit D contains a description of the Shared Areas of the Project and the Project Plan identifies the Shared Areas graphically. From time to time, and subject to the limits of Section 3.3B.1) and 3.3B.2), the Developer may, in its sole, absolute and unfettered discretion, amend or supplement Exhibit D and/or the Project Plan to designate as a Shared Area all or any part of any existing Unit or Limited Common Area appurtenant to a Project Ownership Interest owned by the Developer. From time to time, the Developer may, in its sole, absolute and unfettered discretion, amend or supplement Exhibit D and/or the Project Plan to terminate the designation of all or any part of any existing Unit or Limited Common Area as a Shared Area, provided that the Developer may only do so if the Developer owns the Project Ownership Interest to which the Unit or Limited Common Area is appurtenant.

4.6 PROJECT PLAN.

A. The initial Project Plan shows the approximate location of Buildings 1 – 8 and the other major buildings of the Project, the approximate location and Unit numbers of the Units in those buildings, and any Limited Common Areas and any Shared Areas that the Developer has chosen to illustrate graphically. The location and configuration of the buildings, Units, amenities, General Common Areas, Limited Common Areas, and Shared Areas may change depending on site conditions, requirements of the Land Use Permits, requirements or suggestions of the Developer's design professionals or contractors or of officials of the County of Maui, and for other reasons determined by the Developer in its sole, absolute and unfettered discretion.

B. From time to time the Developer may amend and/or supplement the Project Plan to show any additional buildings, and/or any additions to or changes in the buildings, Units, General Common Areas, any Limited Common Areas and/or any Shared Areas that the Developer chooses to illustrate graphically.

C. The Project Plan and/or any amendments or supplements to it may depict landscaping, walkways, parking areas, pools, or other planned amenities of the Project. It also may depict the number of bedrooms, bathrooms, showers, tubs, sinks, closets, doors, windows, interior walls, partitions, flooring, cabinets, and so on, and perhaps even furniture and appliances in the Units or Common Areas. **The Developer makes no representation or warranty that any of those Improvements will be built or furnishings or appliances installed, or that they will be built or installed as shown on the Project Plan.** The Project Plan is intended only to show the approximate location of the major buildings of the Project, the

approximate location and Unit numbers of the Units, and any General Common Areas, Limited Common Areas, and/or Shared Areas that the Developer chooses to illustrate graphically.

D. The Developer may change or supplement the Project Plan from time to time as the Developer deems appropriate in its sole, absolute and unfettered discretion to reflect any changes in the Project or in the Developer's plans to develop the Project.

E. An amendment or supplement to the Project Plan made pursuant to Subsections 4.6A - D will supersede any prior Project Plan to the extent of any inconsistencies.

4.7 DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights include the right to do all of the things described in this Section 4 without the vote or consent of the Community Association, any Owner or anyone else. Neither this Section 4 nor Exhibit H can be amended without the Developer's written consent.

5. CREATION OF PROJECT OWNERSHIP INTERESTS.

5.1 COMMERCIAL OWNERSHIP INTERESTS. A separate Commercial Ownership Interest is created for each separate Commercial Unit listed in Part 2 of Exhibit B, as it may be amended or supplemented from time to time.

5.2 PARKING OWNERSHIP INTERESTS. A separate Parking Ownership Interest is created for each separate Parking Unit listed in Part 2 of Exhibit B, as it may be amended or supplemented from time to time.

5.3 RESORT OWNERSHIP INTERESTS. A separate Lodging Ownership Interest is created for each separate Resort Unit listed in Part 2 of Exhibit B, as it may be amended or supplemented from time to time.

A. If a Lodging Ownership Interest is submitted to the Vacation Plan Declaration, then the Lodging Ownership Interest automatically will be converted to a Vacation Ownership Interest, and the Lodging Unit automatically will be converted to a Vacation Unit.

B. If a Vacation Unit is removed from the operation of the Vacation Plan Declaration by virtue of the removal of the corresponding Vacation Ownership Interest(s), then the Vacation Ownership Interest(s) automatically will be converted to a Lodging Ownership Interest, and the corresponding Vacation Unit automatically will be converted to a Lodging Unit.

5.4 OWNERSHIP SHARE. Each Project Ownership Interest includes an Ownership Share – a fee simple undivided interest in the Property. The initial Ownership Shares, based on the Developer's current plans for the Project, are listed in Part 2 of Exhibit B. If the Developer's

plans change, then the Ownership Share for the Project Ownership Interests will be recalculated in the manner described in Section 26. Except as otherwise stated in this Declaration:

A. The Ownership Share cannot be separated from the membership in the Community Association or from the right to use a Unit in accordance with the Project Documents and, in the case of the Vacation Ownership Interests, the Vacation Plan Documents; any attempt to do so will be void. In legal terms, the right to use a Unit and the membership are "appurtenant to" the Ownership Share.

B. The Ownership Share cannot be changed without the Owner's consent. For examples of where the Ownership Share can be changed without the Owner's consent, see Section 4.2 (which permits the Developer to create new Units).

5.5 IDENTIFICATION NUMBER. The Developer will assign an Identification Number to each Project Ownership Interest. The Identification Number may consist of numbers, letters and symbols, as determined by the Developer.

A. DEFINITIONS.

1) "IDENTIFICATION NUMBER" means the unique number assigned by the Developer to each Project Ownership Interest.

2) "ASSIGNED UNIT" means the Unit whose Unit number constitutes or is part of the Identification Number of a given Project Ownership Interest.

3) "OWNER'S ASSIGNED UNIT" means the Assigned Unit whose Unit number constitutes or is part of the Identification Number of a given Owner's Project Ownership Interest.

B. NATURE OF IDENTIFICATION NUMBER.

1) **COMMERCIAL OWNERSHIP INTERESTS.** The Identification Number for a Commercial Ownership Interest is the Unit number for the Commercial Unit that the Owner has the right to use.

2) **PARKING OWNERSHIP INTERESTS.** The Identification Number for a Parking Ownership Interest is the Unit number for the Parking Unit that the Owner has the right to use.

3) **LODGING OWNERSHIP INTERESTS.** The Identification Number for a Lodging Ownership Interest is the Unit number for the Lodging Unit that the Owner has the right to use.

4) **VACATION OWNERSHIP INTERESTS.** Initially, all Resort Ownership Interests are Lodging Ownership Interests. When a Lodging Ownership Interest

is submitted to the Vacation Plan Declaration, then the Identification Numbers for the Vacation Ownership Interests will be assigned in accordance with the requirements of the Vacation Plan Declaration.

5.6 FIRST DEED.

A. NATURE OF A FIRST DEED. The term “*First Deed*” means the recorded deed by which the Developer transfers a Project Ownership Interest to someone else. The First Deed for each Project Ownership Interest establishes the features of the Project Ownership Interest and reserves certain special rights in favor of the Developer.

1) A document is not a First Deed if (i) it says that it is not a First Deed, (ii) it also transfers some or all of the Developer’s Reserved Rights, or (iii) it transfers property that has been deleted from the Project as provided in Section 21.

2) If the Developer reacquires title to a Project Ownership Interest, it may change the features of that Project Ownership Interest by issuing a new First Deed for it.

B. CONTENT OF FIRST DEED. The First Deed for each Project Ownership Interest:

1) Must state the Ownership Share of the Project Ownership Interest;

2) Must assign an Identification Number to the Project Ownership Interest;

3) Must identify the Unit appurtenant to the Interest if it conveys a Commercial Ownership Interest, Parking Ownership Interest, or Lodging Ownership Interest; and

4) May describe any of other features of the Project Ownership Interest and/or may include covenants, conditions, easements, restrictions, limitations, appointments, approvals, consents, agreements and other provisions as the Developer determines in its sole, absolute and unfettered discretion.

C. CORRECTION OF FIRST DEED. Nothing in the Project Documents prohibits the Developer from correcting a mistake in a First Deed. The Developer may correct any mistake in a First Deed by re-recording it with the correction or by recording a replacement deed. Neither the Owner nor anyone else must sign the re-recorded First Deed or the replacement First Deed; it will be binding on the Owner and everyone else just as if the Owner and such other persons had signed it. Each Owner gives the Developer a special power of attorney to act for the Owner as necessary or helpful to correct the mistake, including but not limited to signing a replacement deed that corrects the mistake.

6. PURPOSES AND USE.

6.1 COMMERCIAL UNITS.

A. A Commercial Owner has the exclusive right and an exclusive easement to use the Owner’s Assigned Unit subject to the terms, conditions, and limitations stated in the Project Documents.

B. The Commercial Units are established with the intent that business be conducted in them and, accordingly, may be operated and used for any purpose not prohibited by law, the Project Documents, or the Land Use Permits. This includes, but is not limited to USE AS HOTEL ROOMS OR TRANSIENT VACATION RENTAL UNITS. For example, the Commercial Units may be used as administrative offices, restaurants, bars, liquor stores and other retail stores, childcare center, fitness club, conference center, sales and marketing offices, and activity desks or offices.

C. A Commercial Owner has the right to rent, lease, or license all or any part of the Owner’s Assigned Unit and/or any Limited Common Areas appurtenant to the Owner’s Interest for any length of time and upon any terms and conditions that the Owner chooses. The Owner has the right to keep all amounts paid pursuant to the rental agreement, lease, or license.

D. Every Commercial Owner may contract with various providers of goods and services, such as food and beverage operators, retail stores, childcare providers and other vendors, to provide goods and services at the Project. The Owner may retain any compensation paid to the Owner in return for permitting anyone to use space at the Project, whether that space is inside the Owner’s Assigned Unit or in the Limited Common Areas appurtenant to the Owner’s Interest. A Commercial Owner’s rights under this Subsection are subject to the exclusive rights of:

1) The Developer under Section 7.1G;

2) The Commercial Unit 101 Interest under Sections 7.1I, 7.1L.2), 7.1N, 7.1P, and 7.1Q;

3) Commercial Unit 102 under Sections 7.1O and 7.1R; and

4) Any other exclusive rights or easements granted or reserved in this Declaration.

E. NO MATTER WHAT ELSE THE PROJECT DOCUMENTS SAY, ANY PART OR PARTS OF A COMMERCIAL UNIT (AND ANY UNITS THAT WERE FORMERLY PART OF A COMMERCIAL UNIT) MAY BE CONFIGURED FOR USE AS ONE OR MORE RESORT UNITS, AND THEN USED FOR ANY PURPOSE PERMITTED BY SECTION 6.3, INCLUDING BUT NOT LIMITED TO USE

IN A FRACTIONAL PLAN OR VACATION PLAN IF THE DEVELOPER CREATES THE FRACTIONAL PLAN OR VACATION PLAN OR IF THE DEVELOPER AUTHORIZES OR OTHERWISE CONSENTS TO THAT USE IN A RECORDED DOCUMENT. During any such use, Section 6.3 instead of this Section 6.1, will govern the use of those parts of the Commercial Unit, or formerly part of a Commercial Unit, being used for such purposes. It will be as if they were Resort Units.

F. Any amendment to this Section 6.1 and any amendment to the Project Documents that would limit or interfere in any way with the use of a Commercial Unit or its Limited Common Areas, or with access to or from a Commercial Unit or its Limited Common Areas, will not be effective without the written consent, contained in a recorded document, of the Owner having that Unit as his or her Assigned Unit. This limitation does not apply to amendments made by the Developer when using the Developer's Reserved Rights.

6.2 PARKING UNITS.

A. A Parking Owner has the exclusive right and an easement to use the Owner's Assigned Unit subject to the terms, conditions, and limitations stated in the Project Documents. This right is subject to the rights granted in the Honua Kai Parking Easement as to Parking Unit 2.

B. The Parking Units may be operated and used for parking motor vehicles. With the written consent of the Developer, and subject to any requirements of the Honua Kai Parking Easement, Parking Units may also be used for any other purpose not prohibited by law, the Project Documents, or the Land Use Permits. For example, portions of the Parking Units may be used for storage areas, as a landing area for helicopters, drones, or other aircraft, for satellite dish or other transmission purposes, or as administrative offices, workshops, and so on.

C. Subject to any requirements of the Honua Kai Parking Easement, a Parking Owner has the right to rent, lease, or license all or any part of the Owner's Assigned Unit for any length of time and upon any terms and conditions that the Owner chooses. The Owner has the right to keep all amounts paid pursuant to the rental, lease, or license.

D. NO MATTER WHAT ELSE THE PROJECT DOCUMENTS SAY, ANY PART OR PARTS OF A PARKING UNIT (AND ANY UNITS THAT WERE FORMERLY PART OF A PARKING UNIT) MAY BE CONFIGURED FOR USE AS ONE OR MORE RESORT UNITS, AND THEN USED FOR ANY PURPOSE PERMITTED BY SECTION 6.3, **INCLUDING BUT**

NOT LIMITED TO USE IN A FRACTIONAL PLAN OR VACATION PLAN IF THE DEVELOPER CREATES THE FRACTIONAL PLAN OR VACATION PLAN OR IF THE DEVELOPER AUTHORIZES OR OTHERWISE CONSENTS TO THAT USE IN A RECORDED DOCUMENT. During any such use, Section 6.3 instead of this Section 6.1, will govern the use of those parts of the Parking Unit, or formerly part of a Parking Unit, being used for such purposes. It will be as if they were Resort Units.

E. Any amendment to this Section 6.2 and any amendment to the Project Documents that would limit or interfere in any way with the use of a Parking Unit or its Limited Common Areas, or with access to or from a Parking Unit or its Limited Common Areas, will not be effective without the written consent, contained in a recorded document, of the Owner having that Unit as his or her Assigned Unit. This limitation does not apply to amendments made by the Developer when using the Developer's Reserved Rights.

6.3 RESORT UNITS.

A. HOTEL AND RESORT USE.

1) **THE RESORT UNITS MAY BE OCCUPIED AND USED FOR HOTEL OR TRANSIENT VACATION RENTAL PURPOSES.**

2) THE RESORT UNITS MAY BE USED AS VACATION LODGINGS (FOR EXAMPLE, USE AS A WEEKEND RETREAT BY OWNERS AND THEIR GUESTS).

3) NO MATTER WHAT ELSE THE PROJECT DOCUMENTS SAY, THE RESORT UNITS MAY BE USED IN A FRACTIONAL PLAN IF THE DEVELOPER CREATES THE FRACTIONAL PLAN OR IF IT AUTHORIZES OR CONSENTS TO THAT USE IN A RECORDED DOCUMENT.

4) **NO MATTER WHAT ELSE THE PROJECT DOCUMENTS SAY, THE RESORT UNITS MAY BE USED IN A VACATION PLAN IF THE DEVELOPER CREATES THE PLAN OR IF THE DEVELOPER AUTHORIZES OR OTHERWISE CONSENTS TO THAT USE IN A RECORDED DOCUMENT.** NOTE: A TIME SHARE PLAN IS A "VACATION PLAN."

B. LODGING UNITS.

1) A Lodging Owner has the exclusive right and an easement to use the Owner's Assigned Unit subject to the terms, conditions, and limitations stated in the Project Documents.

2) A Lodging Owner has the right to lease or rent the Owner's Assigned Unit. The Owner has the right to keep all amounts paid pursuant to the rental or lease. This right is subject to all other provisions of this Declaration and the Bylaws.

C. VACATION UNITS.

1) The Vacation Owners have the exclusive right and an easement to use the Vacation Units subject to the terms, conditions, and limitations stated in the Project Documents. These rights may be exercised in accordance with and are subject to any additional terms, conditions, and limitations stated in the Vacation Plan Documents, including any rights of use or occupancy granted or reserved to the Vacation Plan Developer, the Vacation Owners Association, or Plan Manager of the Vacation Ownership Plan.

2) The Vacation Owners have the right to lease or rent the Vacation Units and to keep all amounts paid pursuant to the rental or lease. These rights are subject to all other provisions of this Declaration and the Bylaws. These rights may be exercised in accordance with and are subject to any additional terms, conditions, and limitations stated in the Vacation Plan Documents, including any rights granted or reserved to the Vacation Plan Developer, the Vacation Owners Association, or Plan Manager of the Vacation Ownership Plan to rent or lease the Vacation Units.

D. RESTRICTIONS ON USE. The following rules apply except where this Declaration allows the Developer or its Representatives, licensees and invitees to do otherwise:

1) The Resort Units and their Limited Common Areas must not be used to carry on any business, trade or profession, or for sales of any articles or goods, or for any other commercial purpose.

2) No Owner, Exchange User, lessee, tenant or other Occupant of a Resort Unit or any other person (except the Developer) can bring clients, customers or other business invitees onto the premises on a regular basis for business purposes. Of course, this does not limit rental of the Units solely for use as vacation lodgings.

6.4 LIMITED COMMON AREAS. Except as otherwise expressly provided in the Project Documents, each Owner has the exclusive right and an easement to use any Limited Common Areas appurtenant to his or her Project Ownership Interest. If a Limited Common Area is appurtenant to more than one Interest, then the Owners of those Interests must

share the use of that Limited Common Area; provided that the Occupant of each Resort Unit shall have the exclusive right to use and occupy the lanai or lanais accessible from within that Resort Unit. Regardless of the foregoing, although Keka'a Park is a Resort Limited Common Area, it may be used by the general public.

6.5 COMMON AREAS. Subject to the rights reserved by the Developer elsewhere in or pursuant to this Declaration or the Bylaws:

A. Each Occupant may use the Common Areas for the purposes for which they were intended without hindering or encroaching on the lawful rights of other Owners or Occupants. This right is subject to the following:

1) The exclusive use of the Limited Common Areas as provided in this Declaration.

2) The easements granted or reserved in or pursuant to this Declaration or the Bylaws.

3) The right of the Community Association to amend this Declaration to change the use of the Common Areas pursuant to Subsection 6.5D or the right of the Board to lease or otherwise use the Common Areas for the benefit of the Community Association. However, no such lease, use or change in use may be made before the Development Period ends unless the Developer consents to it in writing.

4) The right of the Developer to change the use or otherwise deal with the General Common Areas and Limited Common Areas in the exercise of the Developer's Reserved Rights.

B. Subject to the terms, conditions, and limitations stated in this Declaration and the other Project Documents (for example, see Section 6.6):

1) A Commercial Owner may operate and use any Limited Common Areas appurtenant to the Owner's Interest, and may lease, rent, or license them, for any purpose not prohibited by law. The Owner has the right to keep all amounts paid pursuant to any operation, rental, lease, or license.

2) If a Limited Common Area is appurtenant to more than one Commercial Ownership Interest then the Owners of at least seventy-five percent (75%) of the votes for all of the Commercial Ownership Interests to which that Limited Common Area is appurtenant have the right to operate, use, lease, rent, or license the use of that Limited Common Area for any purpose not prohibited by law or the Project Documents. In such event the Owners of the Interests to which the Limited Common Area is appurtenant have the right to keep all amounts paid pursuant to any such operation, rental, lease, or license.

C. Except as provided in Subsection 6.5B, no business or profession may be conducted in or on the Common Area.

D. Subject to the limits in Section 6.8, the Community Association may change the use of the Common Areas. This includes the right, for example, to add, remove, remodel, replace, or upgrade amenities, landscaping, and so on. Regardless of anything else stated in the Project Documents, however, neither the Board nor the Community Association has any right, without first getting the written consent of each Commercial Owner affected:

1) To change the use of or to lease or otherwise use any Limited Common Area of a Commercial Ownership Interest, or

2) To obstruct the entrance to, or the visibility of any signage, notice, picture, placard, poster, or other advertising matter pertaining to or posted inside of any Commercial Unit, or on the exterior of Buildings 3 or 4. However, any such signage and so on that is visible from outside of the Unit must be consistent with a first class resort.

6.6 LIMITS ON USE OF THE UNITS AND COMMON AREAS.

A. **PROMOTIONAL USE.** Notwithstanding anything else stated or implied in the Project Documents (including but not limited to the provisions of Sections 6.1 through and including 6.5), **no Owner, lessee, tenant, Occupant, or other Interested Person, or any licensee or invitee of any such person, can use the Project or any part of it:**

1) **For the promotion or sale of any Vacation Interest or Fractional Interest, whether directly or indirectly; or**

2) **For the operation of a tour or activity desk or any other business or activity that directly or indirectly promotes the sale of Vacation Interests or Fractional Interests.**

These restrictions are intended to benefit the Developer alone and they will apply in every case unless the Developer gives its written consent in a recorded document. Of course, these restrictions do not apply to the Developer. It has the right to use its Project Ownership Interests, the corresponding Units, and the Developer's Reserved Rights for the promotion and sale of Vacation Interests, Fractional Interests and/or condominium units developed, marketed, offered or sold by the Developer or a related company.

B. **TIMESHARE PLANS, FRACTIONAL PLANS AND CLUBS.** No timeshare plans, fractional plans, exchange programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Project or the Units; (b) shall acquire or accommodate Units or Project Ownership Interests; or (c) shall be permitted to incorporate a Unit or Project Ownership Interests into such entity, program, structure, scheme, device or plan, except by the Developer or except with the prior written authorization from the Developer, which authorization may be given or withheld in the Developer's sole, absolute and unfettered discretion, and which authorization shall be evidenced by a written instrument executed by the Developer, recorded in the Bureau of Conveyances of the State of Hawai'i, and containing a specific reference to this Declaration.

C. **USE OF SHARED AREAS.** Use of the Shared Areas is available only to the persons and on the terms and conditions set by the Owner of Interest to which Unit 101 is appurtenant. The Owner of the Unit 101 Interest may change the terms and conditions from time to time. Shared Areas available at one time may not continue to be available, or to be available to Owners and Occupants, in the future.

6.7 GENERAL USE RESTRICTIONS AND DUTIES.

A. **LIMITS ON OCCUPANTS.** The number of people allowed in any Unit is limited to the maximum number permitted by law or the Project Documents, whichever is lower.

B. **OBEY THE PROJECT DOCUMENTS AND THE KA'ANAPALI NORTH BEACH DOCUMENTS.** Each Owner and every Primary Occupant must obey all of the Project Documents and the Ka'anapali North Beach Documents, and see that all of his or her Guests also do so.

C. **EXEMPTIONS FOR PERSONS WITH DISABILITIES.** No matter what else the Project Documents say, and except as otherwise provided by law, Owners who have disabilities, or whose personal household members have disabilities, are allowed reasonable exemptions from the requirements of the Project Documents when necessary and to the extent appropriate to enable them to use and enjoy the Property. Any Owner who has a disability, or whose personal household member has a disability, and who wants an exemption must ask the Board in writing. The request must include a specific and detailed description of the exemption requested and the reason why the exemption is needed. The Board must not unreasonably withhold or delay its consent to the request. A request will be granted automatically unless the Board denies it in writing within forty-five (45) days after the Board receives

it, or within forty-five (45) days after the Board receives any additional information reasonably required by the Board in order to consider the request, whichever occurs last. The Board does not have to agree to any exemption that is not required by law or that the Board can, by law, refuse to grant.

D. ANIMALS. Persons with handicaps or disabilities may keep specially trained animals in the Unit or elsewhere on the Property as provided in the Project Documents or by law. No other pets or other animals of any kind may be allowed or kept in any Unit or elsewhere on the Property except as explicitly provided in the Community Association Rules.

6.8 CHANGES TO PROJECT APPEARANCE.

A. Owners are not allowed to change or cause a change to the exterior appearance of the Project unless they have the prior written consent of either the Board or the Managing Agent. This rule applies even though some of the Common Areas are Limited Common Areas of certain Project Ownership Interests. This rule does not apply to the Developer when using the Developer's Reserved Rights, or to the Limited Common Areas of the Commercial Ownership Interests.

B. The Board has the right to change the exterior appearance of the Project. During the Development Period, however, the Board cannot do so without the Developer's written consent.

C. Nobody is allowed to change the appearance of the Project in a way that is not consistent with a first class destination resort.

6.9 MAINTENANCE AND REPAIR OF UNITS AND LIMITED COMMON AREAS.

A. Each Commercial Owner, Parking Owner, and Lodging Owner must keep the interior of the Owner's Assigned Unit and Limited Common Areas in good order and repair, and in a condition consistent with a first class destination resort. This includes not just the walls, windows, and so on but also includes all plumbing, electrical and other fixtures and equipment that are part of or located in the Unit or its Limited Common Areas.

B. The Vacation Owners must keep the interior of the Vacation Units and the Limited Common Areas appurtenant to the Vacation Ownership Interests (other than the Resort Limited Common Areas) in good order and repair, and in a condition consistent with a first class destination resort. This includes not just the walls, windows, and so on but also includes all plumbing, electrical and other fixtures and equipment that are part of or located in the Units or Limited Common Areas.

C. The Owner of a Commercial Ownership Interest has the right to make decisions on repairs or changes to its

Limited Common Areas. If a Limited Common Area is appurtenant to more than one Commercial Ownership Interest then the Owners of at least seventy-five percent (75%) of the voting rights for all of those Interests have the right to make decisions on repairs and changes to that Limited Common Area. These rights of the Commercial Owners are subject to the requirements of Sections 6.8 and 6.9A, and any additional provisions contained in the Bylaws.

6.10 THE DEVELOPER'S RIGHTS OF USE. Regardless of anything else stated in the Project Documents:

A. The Developer's Reserved Rights include the right to use any Unit appurtenant to any Interest that it owns for promotional purposes or in connection with the initial sale and/or any resale or other conveyance of Project Ownership Interests, Vacation Interests, Fractional Interests, and/or condominium units developed, marketed, offered or sold by the Developer or a related company. This includes, for example, the right to use its Units (or any portion thereof) and their Limited Common Areas as model Units, or as sales, management or administrative offices or to sell tours and activities or to provide services to the Owners or Occupants of the Project. This also applies to Vacation Units so long as the Developer's use will not violate the one-to-one use-right to use-night requirement of the Time Share Law.

B. The Developer intends and expressly reserves the right to operate or permit the operation of a nightly rental program or hotel with respect to Units appurtenant to Interests owned or otherwise possessed or controlled by the Developer, including any time periods in Vacation Units that the Developer has the right to use in its capacity as a Vacation Owner.

C. These rights are subject to any requirements of the zoning code and any other laws that may apply.

6.11 DEVELOPER'S RESERVED RIGHTS. Nothing in this Section 6 regulates or restricts any of the Developer's Reserved Rights.

7. EASEMENTS.

7.1 CREATION OF EASEMENTS. "Easement" is a legal term. In general (but not always), it refers to the right of one person to use property in the possession of someone else. The Project is subject to (a) any easements recorded before this Declaration, (b) the exclusive easements to use the Units and Limited Common Areas as provided in this Declaration, and (c) any easements granted or reserved in or pursuant to the Ka'anapali North Beach Documents. In addition (but subject to Section 6.6 and subject also to any changes made pursuant to the Developer's Reserved Rights) the Project, each Project Ownership Interest, each Unit, and all General and Limited Common Areas also have and/or are subject to the following easements:

A. EASEMENTS IN THE COMMON AREAS. Each Project Ownership Interest has these non-exclusive easements:

1) An easement to use the Common Areas designed for such purposes for access to and from, utility services for, and support, maintenance and repair of the appurtenant Unit(s) and any appurtenant Limited Common Areas;

2) An easement in the other Common Areas for use according to their intended purposes (but this right is subject to the exclusive use of the Limited Common Areas as provided in this Declaration); and

3) An easement in all other Units of the building(s) for support.

B. EASEMENTS FOR ENCROACHMENT.

1) If either of these things happens:

(a) Any part of the General Common Areas now or later encroaches on any Unit or any Limited Common Area, or

(b) Any Unit or Limited Common Area now or later encroaches on the General Common Areas or any other Unit or Limited Common Area, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as the encroachment continues.

2) If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Project, minor encroachments of any parts of the Common Areas or Units due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

C. EASEMENT FOR COMMUNITY ASSOCIATION ACCESS. The Community Association has the right and an easement to enter any Units and/or Limited Common Areas from time to time. This right cannot be revoked. It may be exercised by the Board or its Managing Agent, and by anyone authorized by either of them. They may use this right only as follows:

1) They may enter during reasonable hours as may be necessary or appropriate to operate or maintain the Project or to inspect, repair, paint, resurface, alter, add to, maintain, install, or replace any Common Property. Requests for entry must be made in advance. The entry must occur at a time that is reasonably convenient to the Owner or Occupant. Requests for entry of Commercial Units must be made at least fourteen (14) days in advance.

2) They also may enter at any time to make emergency repairs necessary to prevent damage to any Unit or Common Area, or injury to any person. No advance notice is required; provided, however, that if a Commercial Unit Owner has provided the Community Association with contact information for a person to be advised of any emergency entry, the Community Association or Managing Agent shall notify such designated person of the emergency entry and the reason therefor as soon as reasonably practicable. It is not necessary for any Owner or Occupant to be present at the time of entry.

D. EASEMENT FOR PUBLIC USE. The Shoreline Setback Area is subject to an existing easement. This easement requires that the Shoreline Setback Area remain open and available to the public as open space, for recreational access and passive recreational uses, and for Native Hawai'ian use for traditional and customary uses of the shoreline and near-shore ocean waters. The Native Hawai'ian uses include fishing, diving, ho'okupu ceremonies (ritual prayers on the shoreline) and gathering. Also, although Keka'a Park is located on the Land of the Project, it is open to the public. It includes a public parking area, the initial location and configuration of which is shown on the Project Plan. Members of the public seeking access between Honoapiilani Highway and Keka'a Park may cross other parts of the Project to the extent necessary for access except to the extent that such access may be limited by providing another means of access, for example, an entry from Keka'a Park directly onto Honoapiilani Highway. The terms and conditions of these rights and easements may be further defined or changed by appropriate documents recorded by the Association pursuant to Section 7.3A, or by the Developer pursuant to Sections 7.4, 22 and/or 23. In addition, each Interested Person understands, acknowledges and accepts that the use of these easements may result in noise, gathering of crowds, security risks, and related inconveniences. Despite this, each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions such person may have, now or in the future, against the Developer and/or the Community Association, and each of their Representatives, and their successors and assigns, arising from or with respect to the use of these rights and easements.

E. EASEMENT FOR COMMERCIAL UNIT EMPLOYEES, CUSTOMERS AND GUESTS.

1) Each Commercial Unit has the right and an easement under which the Owner's Representatives, vendors, licensees, and invitees (including customers and their guests) are entitled to do the following things in connection with or for the purposes of the business conducted in the Commercial Unit or its Limited Common Areas:

(a) To come onto the Project using the Common Areas intended for access to and from any nearby roads, streets or highways.

(b) To park motor vehicles in the Parking Units (subject, in the case of employees, customers and guests, to the obligation to pay reasonable parking fees established by the Parking Unit Owner and to the right of the Commercial Owner to validate such parking) and any parking stalls not assigned in this Declaration to a particular Owner or Project Ownership Interest.

(c) To make deliveries using any loading dock and any other delivery areas, and any Common Areas connecting the loading dock and any other delivery areas to the Commercial Unit or its Limited Common Areas.

(d) To go to and from the Unit and/or its Limited Common Areas using the walkways and other Common Areas designed or intended for access purposes.

(e) For casual use (such as an after-dinner stroll) of the Common Area pathways and walkways of the Project located outside of the buildings (whether or not located in Resort Limited Common Areas) and the covered walkways adjacent to the courtyard of Buildings 3 and 4 leading to Commercial Units 102 and 103. This right is subject to any reasonable limitations set by the Board.

(f) To use the Common Areas otherwise as may be reasonably necessary in connection with the conduct of normal business operations in the Commercial Unit and/or its Limited Common Areas.

2) Each Commercial Ownership Interest has the right and an appurtenant easement pursuant to which the Owner, its Representatives, licensees and invitees (including customers and their guests) is entitled to create, cause or permit noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances for the purposes of or in connection with the business conducted in the Commercial Unit or its Limited Common Areas, including but not limited to music, laughter, conversation, applause, yelling, screaming, crying, and other noises, dust, soot, smoke, odors, vibrations, and other emanations resulting from the use of a Unit or its Limited Common Areas.

3) Each Interested Person understands, acknowledges and accepts that the easements provided in this Section 7.1E, and the use of them, may result in increased traffic, noise, gathering of crowds, and related inconveniences. Each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions arising from or with respect to the proper use of these easements that the Interested Person may have, now or in the future, against (i) the Commercial Owners and their Representatives, licensees, and invitees, (ii) the guests

of any of the persons listed in items (i), and (iii) the successors and assigns of anyone listed in items (i) and (ii).

F. EASEMENT FOR RESORT ACTIVITIES AND SPECIAL EVENTS. The Developer has the right and an easement under which the Developer and its Representatives, licensees and invitees may use the grounds and facilities of the Project for the purpose of conducting educational, cultural, entertainment or sporting events, other activities of general community interest, private weddings and wedding receptions, and other public or private events. For example, the Developer may provide torch lighting ceremonies (if there are torches), Polynesian dance, Hawai'ian music, conch shell horn blowing, and other activities that may or may not be similar in nature to the preceding examples. These events may occur at times the Developer deems appropriate in its sole, absolute and unfettered discretion. In connection with any such events or activities, the Developer and its Representatives, licensees and invitees shall have the same rights with respect to use of the grounds and facilities of the Project that a Commercial Owner has under Section 7.1E with respect to the use of the Owner's Commercial Unit. However, the Developer will not be restricted from using Resort Limited Common Areas or other General or Limited Common Areas. The Developer may keep all sums generated from such events or activities, but must reimburse the Community Association for its actual out-of-pocket costs of such activity (excluding losses or damages covered by insurance for personal injury, death, or property damage claims). Each Interested Person understands, acknowledges and accepts that the use of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences. Each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions such person may have, now or in the future, against the Developer, the Community Association, and each of their Representatives, licensees, and invitees, and all of their respective successors and assigns, and arising from or with respect to the proper use of this easement.

G. DEVELOPER'S EASEMENT FOR SALES ACTIVITIES.

1) The Developer and its Representatives, licensees, and invitees have the exclusive right and an exclusive easement to conduct marketing and sales activities (which may be extensive) on the Common Areas (including but not limited to the Resort Limited Common Areas) and from any Developer Unit. This right includes but it is not limited to the following rights:

(a) The right to permit purchasers and prospective purchasers and their family members and guests, to come onto the Project through the Common Areas intended for access to and from any nearby roads, streets or highways.

(b) The right to permit purchasers and prospective purchasers to park motor vehicles in the Parking Units (subject to the obligation to pay reasonable parking fees established by the Parking Unit Owner and to the right of the Developer to validate such parking) or in any parking stalls not assigned in this Declaration to a particular Owner or Project Ownership Interest.

(c) The right to show the Project (including but not limited to model Units and the amenities, grounds, and other features of the Project) to purchasers and prospective purchasers (who will have a right of access for these purposes).

(d) The right to use any Developer Units and their Limited Common Areas as model Units, customer relations, sales, marketing, management, and/or administrative offices.

(e) The right to establish and operate tour or activity desks or other businesses or activities intended to promote sales from any Developer Units or their Limited Common Areas, or from any booths or concession stands that the Developer has the right to use pursuant to Section 7.4A or pursuant to any other part of the Project Documents.

(f) The right to authorize the Developer's Representatives, licensees, and invitees, to use these easements. This includes, for example, the right to permit sales and administrative staff to come onto the Project and to park in the Parking Units.

(g) The right to use banners, signs or other extensive sales displays and activities in the Project.

(h) The right to use any tables and chairs placed on the Common Areas pursuant to Section 7.1R (for example, as a place for salespersons to sit and chat with purchasers and prospective purchasers, or to review paperwork, etc., with them).

2) This right and easement applies to activities conducted in connection with the initial sale and/or any resale of Project Ownership Interests, Vacation Interests, Fractional Interests, and/or condominium units developed, marketed, offered or sold by the Developer or a related company.

3) Each Interested Person understands, acknowledges and accepts that the rights and easements provided in this Section 7.1G, and the use of them, may result in increased traffic, noise, and related inconveniences. Each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions such person may have, now or in the future, against the Developer and its Representatives, licensees and invitees, and each of their respective successors and

assigns, that arise from or with respect to the use of these rights and easements.

H. DEVELOPER'S EASEMENTS FOR ACCESS. The Developer has the right and an easement over, under and upon the Project, including the General Common Areas, all Limited Common Areas, and all Units, as may be reasonably necessary or convenient to complete the installation, construction or renovation of any Improvements and to correct any defects and other punchlist items in the Common Areas or any Unit or to use any of the other Developer's Reserved Rights. The easement to complete the installation, construction or renovation of the Improvements or correct defects or punch list items ends, as to the construction or as to any subsequent renovation of any particular Improvement, sixty (60) months after the "date of completion" (as the term is used in Chapter 507, Part II, Hawai'i Revised Statutes) of construction or renovation of that Improvement. The Developer may authorize its Representatives, licensees and invitees (including its architects, contractors, governmental officials, and so on) to use this easement.

I. EASEMENTS FOR ANTENNAE.

1) The Owner of the Unit 101 Interest has the exclusive right and an easement to construct, install, operate, repair, maintain and/or relocate electronic, television, radio, cable television and communication antennae, satellite dishes and other similar equipment and facilities on, above or within the rooftops of the buildings (including the parking structures), together with (A) a right of access to the rooftops through the Common Areas and, in the case of the parking structures, through the Parking Units; (B) the right to connect the antennae, satellite dishes, equipment and facilities with or to any transmission or reception facilities, equipment or other point(s) within or outside of the Project, and through any of the Units and/or Common Areas of the Project, (C) the right to install lines and wires through any and all pipes, shafts and conduits running through any of the Units and/or the Common Areas of the Project, (D) the right to transmit and receive satellite, radar, microwave, television, radio or other communication signals at or from the Project, and (E) the right to retain all sums and other proceeds generated by such activities.

2) The Owner of the Unit 101 Interest must keep all equipment and facilities that it installs pursuant to Subsection 7.1I.1) in good order and repair, and it must arrange and pay for all necessary maintenance and repairs to it. However, all maintenance and repairs to the rooftop and other Common Areas (including all repairs necessary to correct any water leakage) shall be the responsibility of the Community Association and the cost of such maintenance and repairs shall be a Project Expense, unless the maintenance and repairs of the Common Areas (including any repairs necessary to correct any water leakage) are caused by the Unit 101 Owner, in which event the Unit 101 Owner shall be responsible for such costs.

3) The Unit 101 Owner may lease, rent, or license its rights and easements to one or more other persons as it chooses in its sole, absolute and unfettered discretion and may keep any sums paid.

J. EASEMENTS FOR VACATION OWNERS ASSOCIATION. The Vacation Owners Association has the non-exclusive right and an easement under which it and its Representatives, licensees and invitees (including, for example, the Plan Manager) may use the General Common Areas and any Resort Limited Common Areas of the Project.

1) They may only use this easement as necessary or appropriate for these purposes:

(a) The administration, management or operation of the Vacation Ownership Plan.

(b) The use, maintenance or servicing of Units included in the Vacation Ownership Plan.

(c) The use of any easements reserved or granted in the Vacation Plan Documents that allows them to use the Units included in the Vacation Ownership Plan.

2) Under no circumstances, however, may this easement be used for any of the following purposes:

(a) To sell or promote the sale or conveyance of Vacation Interests or Fractional Interests, directly or indirectly, or

(b) To operate a tour or activity desk or any other business or activity to sell or promote the sale or conveyance of Vacation Interests or Fractional Interests, directly or indirectly.

Any such activity is prohibited by and would violate Section 6.6.

3) This easement pertains only to the Vacation Ownership Plan and to other Vacation Plans that include one or more Units in the Project, and only if the Developer creates the Vacation Plan or if it authorizes or consents to that use in a recorded document.

K. EASEMENTS FOR FRACTIONAL OWNERS ASSOCIATION. Any Fractional Owners Association will have the same easements that a Vacation Owners Association has under Section 7.1J, and will be subject to the same terms, conditions, and limitations including, specifically, the limitations of Section 7.1J.1) and 2). This easement pertains only to Fractional Plans that include one or more Units in the Project, and only if the Developer creates the Fractional Plan or if it authorizes or consents to that use in a recorded document.

L. EASEMENTS FOR USE OF HOUSEKEEPING FACILITIES.

1) Without limiting the generality of Section 7.1J and 7.1I, the Vacation Owners Association and any Fractional Owners Association each have a non-exclusive easement (in common with the Community Association and the Developer) to use the service closets and housekeeping rooms, and any linen and storage rooms that are General Common Areas or Resort Limited Common Areas; provided that for any building, this easement applies only if the Vacation Plan or Fractional Plan includes one or more Units in that building. The Vacation Owners Association or a Fractional Owners Association may use the housekeeping rooms to store linens, cleaning supplies and equipment, and for purposes related to providing housekeeping services to Units in its Vacation Plan or Fractional Plan. The Community Association will provide keys to the Vacation Owners Association and/or Fractional Owners Association, and their housekeeping staff. If necessary, the Community Association will modify these facilities so that the Community Association may keep its supplies and equipment separate from those of the Vacation Owners Association and Fractional Owners Association. For example, the Community Association may install partitions, locks, or similar security measures. The Community Association may require that the Vacation Owners Association or Fractional Owners Association reimburse the Community Association for a reasonable share of the costs to use, maintain, repair and replace the service closets and housekeeping rooms, and any linen and storage rooms. A Vacation Owners Association or Fractional Owners Association may authorize their housekeeping staff and other persons working in or on the Units included in the Vacation Plan or Fractional Plan to use this easement.

2) The Owner of the Unit 101 Interest has a non-exclusive easement and the right to use any General Common Area or Limited Common Area service closets and housekeeping rooms, laundry rooms, and any linen and storage rooms of the Project for purposes of conducting rental or hotel operations within the Project. The Community Association will provide keys and, if necessary, make modifications for the same reasons and purposes provided in Subsection 7.1L.1). The Community Association may require that the Owner of the Unit 101 Interest reimburse the Community Association for a reasonable share of the costs to use, maintain, repair and replace the service closets and housekeeping rooms, and any linen and storage rooms. The Owner of the Unit 101 Interest may authorize its housekeeping staff and other persons working in or on the Units included in the rental or hotel operation to use this easement. This easement is appurtenant to the Unit 101 Interest.

M. RIGHTS OF OCCUPANTS. Anyone who, at any given time, has the right or permission to occupy a Unit also has the right and a license to use the General Common Areas, and any Limited Common Areas available to the Unit occupied, to the same extent that the Owner would have the right to do so. This right of use and license remains in effect only during the time period when the

person has the right to occupy the Unit. This includes, for example, anyone who rents or leases a Unit (subject to any limits contained in any rental agreement or lease with the Owner). It also includes any authorized Vacation Owner, Fractional Owner, or Exchange User.

N. EASEMENT FOR BELLHOP SERVICE. The Owner of the Unit 101 Interest has the exclusive right (but no duty) and an easement to provide or to arrange with someone else to provide bellhop service to the Occupants of the Resort Units. For this purpose, the Unit 101 Owner and its Representatives, licensees and invitees have the right to use the Common Areas of the Project (including, for example, all corridors, hallways, stairways, elevators, and other means of access within each building containing Resort Units). Bellhop service activity must not be conducted in a way that unreasonably disturbs the Occupants of the Resort Units. This easement is appurtenant to the Unit 101 Interest.

O. EASEMENT FOR ROOM SERVICE. The Owner of the Unit 102 Interest has the exclusive right (but not an obligation) and an easement to provide or to arrange with someone else to provide room service to the Occupants of the Resort Units. For this purpose, the Unit 102 Owner and its Representatives, licensees and invitees have the right to use the Common Areas of the Project (including, for example, all corridors, hallways, stairways, elevators, and other means of access within each building containing Resort Units). Room service activity must not be conducted in a way that unreasonably disturbs the Occupants of the Resort Units. Regular sweeps of the hallways and corridors must be made at reasonable intervals or times to remove room service carts, trays, dishes, and so on, placed in the hallways or corridors by Occupants. This easement is appurtenant to the Unit 102 Interest.

P. EASEMENT FOR VALET PARKING SERVICE. The Owner of the Unit 101 Interest has an exclusive right (but not an obligation) and an easement to provide valet parking services to the Owners, Occupants and their Guests, and to customers and other invitees of the Commercial Units or the Developer. This includes the right for the Owner of the Unit 101 Interest, and persons authorized by it, to use the General Common Areas of the Project (for example, driveways) to provide valet parking services. It also includes the right to control the flow of vehicles through the porte cochere and the driveway through it, and the loading, unloading, and parking of vehicles in that driveway and in the parking stalls in the vicinity of the porte cochere. If the Owner of the Unit 101 Interest requests it, the Owner of the Parking Unit 1 Interest must designate up to two hundred (200) contiguous parking stalls for exclusive use as valet parking stalls, which right is subject to the obligation to pay reasonable parking fees. The Owner of the Parking Unit 1 Interest shall set aside any greater number of stalls that the Owner of the Unit 101 Interest reasonably determines to be necessary and, during

the Development Period, as the Developer approves. This easement is appurtenant to the Unit 101 Interest.

Q. EASEMENT FOR CHILDREN'S PROGRAMS. The Owner of the Unit 101 Interest has the exclusive right and an easement (but not an obligation) to operate one or more children's programs. It may make these programs available to children of (i) Occupants and their Guests, and/or (ii) potential purchasers of Project Ownership Interests, Vacation Interests, Fractional Interests, and/or condominium units developed, marketed, offered or sold by the Developer or a related company, while they are attending a sales presentation, and guests of any of these persons. The Owner of the Unit 101 Interest may contract with someone else to operate such a program for it. The programs may involve use of the Project grounds and amenities, even if they are Limited Common Areas. Each Interested Person understands, acknowledges and accepts that from time to time the use of this right and easement may result in increased noise and other nuisances, and partial closures of the Common Areas and, to the extent not prohibited by law or the Land Use Permits, the beach. Each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions he or she may have arising from or with respect to the proper use of this right and easement, now or in the future, against the Owner of the Unit 101 Interest and its Representatives, licensees, and invitees, and each of their respective successors and assigns, and anyone that the Owner of the Unit 101 Interest contracts with to operate such a program and its Representatives, licensees and invitees. This easement is appurtenant to the Unit 101 Interest.

R. EASEMENT FOR FOOD AND BEVERAGE SERVICE.

1) The Owner of the Unit 102 Interest has the following rights and easements:

(a) The exclusive right and an easement to place tables, with chairs and (if it desires) umbrellas and/or cabanas on the pool decks and elsewhere on the grounds of the Project so long as doing so does not violate any County zoning law.

(b) The exclusive right and an easement to provide food and beverage services to those tables and cabanas, and to customers elsewhere on the grounds of the Project, including the right to employ waiters, waitresses, busboys, etc., to do so.

(c) The exclusive right and an easement over, across, and through the Common Areas to transport food, beverages, supplies, glasses, dishes, and so on, to and from Unit 102.

(d) The right and an easement to use the restrooms located on the grounds of the Project (e.g., the pool bathrooms). This includes, for example, use by

employees, waiters, waitresses, busboys, etc., while they are working.

2) When using these rights and easements, the Owner of the Unit 102 Interest has these duties:

(a) It must keep its tables, chairs, umbrellas and cabanas in a neat and attractive condition at all times.

(b) It must pick up and remove all of its glasses, trays, dishes, trash, and so on in a timely fashion so as to maintain the premises in a good and orderly condition at all times.

(c) It must indemnify the Community Association and the Developer from (which means that it agrees to pay) any claim, loss or damage resulting from any failure to do these things. It is not liable, however, for misconduct or negligent acts or omissions of its customers or their guests.

3) The easements in this Section do not obligate the Owner of the Unit 102 Interest to provide tables, chairs, umbrellas or cabanas, or food and beverage service or any related services, but permit it to do so. These easements are appurtenant to the Unit 102 Interest. The Owner of the Unit 102 Interest may authorize its Representatives, licensees and invitees to use these easements.

S. EASEMENTS FOR PUMP ROOM ACCESS. The Community Association has an easement across Parking Unit 1 for access to and from the Pump Room located within Parking Unit 1, for the installation, operation, maintenance, repair and replacement of water pumps, water filtering systems, water heating systems, and other equipment servicing the pools and/or water features of the Project, and for the installation, maintenance, repair and replacement of lines, pipes, wires, cables, conduits, ducts, electrical and plumbing equipment, vents, shafts, sewer lines, wiring and other transmission facilities and installations linking the Pump Room to the water features of the Project. This right cannot be revoked. It may be exercised by the Board or its Managing Agent, and by anyone authorized by either of them.

T. EASEMENTS FOR MAIN SWITCHBOARD ROOM ACCESS. The Community Association has an easement across Parking Unit 1 for access to and from the Main Switchboard Room located within Parking Unit 1, for the installation, operation, maintenance, repair and replacement of a telephone switchboard, telecommunications switches, cable television and other electronic signal distribution equipment or other equipment servicing other buildings of the Project, and for the installation, maintenance, repair and replacement of pipes, wires, cables, conduits, ducts, electrical equipment, vents, shafts, sewer lines, wiring and other transmission facilities and installations linking the

Main Switchboard Room to the other buildings of the Project. This right cannot be revoked. It may be exercised by the Board or its Managing Agent, and by anyone authorized by either of them.

7.2 DEVELOPER'S EASEMENT FOR NOISE, DUST, ETC. The Developer has an easement over, under, across and through the Project and all of its parts, pursuant to which the Developer and its Representatives, licensees, and invitees have the right to create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with (a) the use of the easements it has under this Section 7, (b) the development of any Adjacent Parcels, and/or (c) the use of the Developer's Reserved Rights or any other rights of the Developer described elsewhere in this Declaration. Each Interested Person (i) understands, acknowledges and accepts that these activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards, (ii) consents to these activities, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that he or she may have, now or in the future, against the Developer and/or its Representatives, licensees, and invitees, and each of their respective successors and assigns. Each Owner and each other Interested Person assumes the risk of any property damage, personal injury or loss in property value arising from these activities. The rights of Developer under this Section 7.2 are included within the Developer's Reserved Rights.

7.3 GRANT OF ADDITIONAL EASEMENTS AND MODIFICATION OF EASEMENTS BY THE COMMUNITY ASSOCIATION.

A. EASEMENTS THROUGH COMMON AREAS. The Community Association has the right, exercisable by the Board, to designate, grant, accept, lease, convey, transfer, cancel, relocate and otherwise deal with any easements and/or licenses over, under, across, or through the Common Areas for any reasonable purpose. This includes, for example:

1) Any purpose necessary to the operation, care, upkeep, maintenance or repair of any Unit or the General Common Areas or Limited Common Areas.

2) Any easements for utilities or for any public purpose or to serve the Project. This would include, for example, pedestrian walkways, stairs, ramps, paths, trails, bikeways, driveways, or other passageways, or restroom facilities. It would also include easements granted to third parties for purpose of constructing, installing, maintaining and operating a cogeneration plant on the Project in conjunction with an agreement to provide utilities, hot or cold water, or other things.

During the Development Period, the Community Association must have the written consent of the

Developer before it can do any of the things described in this Section 7.3A.

B. EASEMENTS THROUGH ADJACENT LANDS. The Community Association has the right, exercisable by the Board, to accept, transfer, cancel, relocate and otherwise deal with any easement or license in favor of the Land or the Project, for any reasonable purpose. This includes, for example, any of the purposes mentioned in Subsection 7.3A. During the Development Period, the Community Association must have the written consent of the Developer before it can do any of these things. The Board may also use these rights if the owner of property that is subject to an easement or license in favor of the Land or the Project uses any right that he or she has to require a change in the location of that easement or license area. The Developer's consent is not required in this case.

C. CONSENT OF OTHER PERSONS. The Community Association may use its rights in this Section 7.3 without the consent or joinder of anyone else (except the Developer as previously stated above). To the extent that the Community Association determines that the consent or joinder of any Interested Person (other than the Developer) may be required or desirable in order to validate any act or thing done by the Community Association using its rights in this Section 7.3, such consent or joinder may be accomplished by power of attorney or otherwise as provided in Section 30.3. The Community Association cannot use this power of attorney, however, to give the consent of the Developer.

7.4 GRANT OF ADDITIONAL EASEMENTS AND MODIFICATION OF EASEMENTS BY THE DEVELOPER. The Developer hereby reserves, as additional Developer's Reserved Rights, the following rights:

A. EASEMENTS THROUGH COMMON AREAS. The Developer reserves the right to designate, grant, accept, lease, convey, transfer, cancel, relocate and otherwise deal with any easements and/or licenses over, under, across or through the Common Areas as necessary or convenient to the use of any of the Developer's Reserved Rights, or for any reasonable purpose. This includes, but is not limited to:

1) Any purpose necessary or useful for the development, construction, remodeling, completion, operation, care, upkeep, maintenance or repair of any Unit, the General Common Areas or any Limited Common Areas. It would also include easements granted to third parties for the purpose of constructing, installing, maintaining and operating a cogeneration plant on the Project in conjunction with an agreement to provide utilities, hot or cold water, or other things.

2) Any easements for utilities or for any public purpose or to serve the Project. This would include, for example, pedestrian walkways, stairs, ramps, paths,

trails, bikeways, driveways, or other passageways, or restroom facilities.

3) Any easements needed by the Developer and its Representatives, licensees and invitees, to establish, operate and maintain in the General and/or Limited Common Areas no more than ten (10) booths or concession stands. The booths or concession stands may be used for any purposes not prohibited by law. For example:

(a) They may be used for sales of food and/or beverages, rental and storage of surfboards, boogie boards, snorkels, fins, bicycles, or other recreational equipment.

(b) They also may be used for the operation by the Developer of tour or activity desks or other businesses or activities intended to promote the sales of Project Ownership Interests, Vacation Interests, Fractional Interests, or condominium units developed, marketed, offered, or sold by the Developer or a related company.

The easement under this Subsection 7.4A.3) includes the right to connect the booths and concession stands with utility services. However, each month the Developer must reimburse the Community Association in an amount equal to the estimated cost of utility services. Any booths or concession stands must be constructed, installed, operated and maintained in accordance with all laws that apply. The Developer must pay all costs to construct, install, operate and maintain any booths or concession stands.

B. EASEMENTS THROUGH ADJACENT LANDS. The Developer also reserves the right to accept, transfer, cancel, relocate and otherwise deal with any easement or license in favor of the Land or the Project for any reasonable purpose. This includes, for example, any of the purposes mentioned in Subsection 7.4A, above. The Developer may also use these rights if the owner of property that is subject to an easement or license in favor of the Land or the Project uses any right that such owner has to require a change in the location of that easement or licensed area.

C. CONSENT OF OTHER PERSONS. The Developer may use its reserved rights in this Section 7.4 without the consent or joinder of anyone else. This is discussed in more detail in Section 25. To the extent that the Developer determines that the consent or joinder of any Interested Person may be required or desirable in order to validate any act or thing done by the Developer using its reserved rights, such consent or joinder may be accomplished by power of attorney or otherwise as provided in Section 25.

8. OWNERSHIP RIGHTS AND RULES.

8.1 DEFINITIONS.

A. "PRIOR OWNER" means an Owner whose Project Ownership Interest is being transferred to someone else.

B. "NEW OWNER" means the person to whom a Project Ownership Interest is being transferred.

8.2 TRANSFERS OF PROJECT OWNERSHIP INTERESTS.

A. **PERMITTED TRANSFERS.** An Owner may transfer his or her Project Ownership Interest. A person who owns more than one Project Ownership Interest may sell, transfer, or otherwise deal with each of them separately.

B. **LIMITS ON TRANSFERS.** Without the Developer's written consent, an Owner may not sell, transfer, lease, rent, or otherwise contribute his or her Project Ownership Interest or its use rights to (i) a Vacation Plan or a Fractional Plan unless, in either case, the Developer creates the plan or the Developer authorizes or otherwise consents to that use in a recorded document, or (ii) a Competitor of the Developer (as defined in Subsection 10.3S.10). Any attempt to do so will not be effective; it will be void. Also, Competitors are not allowed to own any Project Ownership Interest, or any right or interest in a Project Ownership Interest. If a Competitor acquires any right or interest in a Project Ownership Interest without the Developer's consent, or if anyone who has any right or interest in a Project Ownership Interest becomes a Competitor without the Developer's written consent, that Project Ownership Interest will return to the Developer automatically. In legal terms, the Developer has a "*possibility of reverter.*" The Developer will transfer the Project Ownership Interest back to the Prior Owner (the person who transferred it to a Competitor) if the Prior Owner pays all of the Developer's costs and expenses arising out of the Owner's violation of this Subsection. This includes, among other things, the cost of taking title back, including any court costs and legal fees and costs, the cost to transfer it back to the Prior Owner, and any Assessments and Personal Charges paid or due for that Project Ownership Interest. The Developer does not have to transfer title back to a Prior Owner who is a Competitor. However, the Developer must transfer it someone else chosen by the Prior Owner and who is not a Competitor if the Prior Owner pays all of the costs, fees, expenses, Assessments and Personal Charges as previously mentioned.

C. **OWNERS MAY NOT TRANSFER LESS THAN AN ENTIRE PROJECT OWNERSHIP INTEREST.** No Owner may transfer less than an Entire Project Ownership Interest. "Entire Project Ownership Interest" means everything transferred in the First Deed for the Project Ownership Interest (subject to Subsection A when the First Deed transferred more than one Project Ownership Interest). Any attempt to transfer anything less than an Entire Project Ownership Interest will be void. There are only four exceptions:

1) If a Unit has been split into smaller Units as provided in Subsection 18.1A.3, an Owner may transfer

the resulting Project Ownership Interest for each of the new Units separately, just as if the Units had been that way from the outset;

2) The Developer may reset the features of a Project Ownership Interest, or convert it into two or more different Project Ownership Interests, as provided in Subsection 5.6A.2);

3) An Owner may pledge or transfer voting rights to a Lender having a mortgage on his or her Project Ownership Interest (including but not limited to a Lender who has a nominee – such as Mortgage Electronic Registration Systems, Inc. – hold a mortgage for it); and

4) The seller under an Agreement of Sale may retain legal title and the right to vote on certain matters. The buyer may transfer his or her entire interest under the Agreement of Sale, but nothing less.

D. **REQUIREMENTS FOR TRANSFER DOCUMENTS.** Every deed and every Agreement of Sale must be recorded and must state the Identification Number and Ownership Share of the Project Ownership Interest.

E. **NOTICE OF TRANSFERS.** Written notice must be given to the Managing Agent within ten (10) days after any Project Ownership Interest is transferred. The notice may be given by either the Prior Owner or the New Owner. The notice must include each of these things:

- ❖ The name and address of both the Prior Owner and the New Owner.
- ❖ The date of the transfer.
- ❖ The Identification Number of the Project Ownership Interest.
- ❖ Except in the case of a First Deed, a copy of the recorded document used to make the transfer. It must include the recording information for the document.

The Managing Agent must provide a copy of the notice of transfer to the Developer within ten (10) days after receiving it.

F. **REGISTRATION OF TRANSFER.** The Managing Agent may collect a reasonable service charge for changing the Membership List to reflect the transfer. The amount of the service charge will be set from time to time by the Managing Agent, subject to any restrictions contained in the Management Contract. When the Managing Agent receives a proper notice of a transfer, payment of all unpaid Assessments and Personal Charges due, and the service charge, then the Managing Agent will register the change on the Membership List.

G. EFFECT OF NOTICE OF TRANSFER. Unless and until the notice required by Section 8.2E is given:

1) Neither the Community Association nor the Managing Agent has to recognize the New Owner for any purpose.

2) The Community Association and the Managing Agent may treat the Prior Owner, the New Owner, or both as the "Owner."

3) The Prior Owner will remain fully liable as an Owner of the Project Ownership Interest, and the New Owner also will be fully liable as an Owner of the Interest.

4) The Community Association and the Managing Agent may deal exclusively with the Prior Owner, the New Owner, or both. All notices from the Community Association or the Managing Agent to the "Owner" may be sent to the New Owner, the Prior Owner or both, as the Community Association or Managing Agent chooses.

H. RIGHTS AUTOMATICALLY TRANSFERRED. The transfer of a Project Ownership Interest automatically transfers to the New Owner: (i) the interest of the Prior Owner in all funds held by the Community Association, (ii) the use rights, and any easement appurtenant to the Interest, and (iii) the membership of the Prior Owner in the Community Association. This happens whether or not the document transferring the Project Ownership Interest expressly says so.

I. FUNDS HELD BY THE COMMUNITY ASSOCIATION OR MANAGING AGENT. No share of any Owner in funds held by the Community Association or Managing Agent can be withdrawn or separately transferred. An Owner who wants this money must get it from the New Owner. Neither the Community Association nor the Managing Agent is required to refund it.

8.3 RELEASE OF AN OWNER'S DUTIES UNDER THE PROJECT DOCUMENTS. A person's liability under the Project Documents as the Owner of a particular Project Ownership Interest ends when:

- ❖ He or she no longer owns that Interest, and
- ❖ He or she or the New Owner notifies the Community Association of the transfer as required by Section 8.2E, and
- ❖ He or she has paid all Assessments, Personal Charges, and other sums due, and performed all his or her other duties under, the Project Documents up to the time when his or her ownership ends, the notice of the transfer is received by the Managing Agent, and the Managing Agent registers the transfer pursuant to Section 8.2F.

8.4 MORTGAGES.

A. PERMITTED MORTGAGES. An Owner may mortgage his or her Project Ownership Interest. The Owner must, however, mortgage all his or her rights in the Project Ownership Interest; any attempt to mortgage anything less will be void. Anyone who owns more than one Project Ownership Interest may mortgage each one separately.

B. PROHIBITED ACTS. No Owner can mortgage or otherwise encumber all or any part of:

- ❖ Another Owner's Ownership Share or Project Ownership Interest;
- ❖ The whole Project; or
- ❖ The Community Association Property.

Any attempt to do so will not be effective. It will be void. NOTE: "Encumber" is explained in the glossary (Section 30.4).

C. ENFORCEMENT OF MORTGAGES. Any mortgage on a Project Ownership Interest will be subordinate to (will be governed by and will not affect) the Project Documents. If a mortgage is properly recorded and given in good faith and for value, then no violation of the Project Documents, and no enforcement of the Community Association Lien will defeat or make the lien of the mortgage invalid. This does not guarantee, however, that the Lender will be paid fully or paid first.

8.5 DUTY TO OTHERS.

A. PROTECTING OTHER'S PROJECT OWNERSHIP INTERESTS. No Owner may cause or permit his or her Project Ownership Interest or the Community Association Property to be subject to any claim or lien that (1) could result in the sale of the Project Ownership Interest of any other Owner, the Community Association Property, or anything other than his or her own Project Ownership Interest, or (2) could interfere with another Owner's use or enjoyment of his or her Project Ownership Interest.

If any such sale or interference is threatened, or if legal proceedings that could result in such a sale or interference, are begun because of any lien or claim against another Owner (the "Violator") or the Violator's Project Ownership Interest, then any other Owner or the Community Association may (but need not) pay or compromise the lien or claim without checking the proper amount or validity of it. In that case, the Violator must immediately repay the other Owner or the Community Association the total expenses incurred, including Collection Costs. These amounts will be a Personal Charge to the Violator.

B. COMMUNITY ASSOCIATION'S FUNDS. No Owner may permit his or her interest in any funds held by the Community Association to become subject to any attachment, lien or claim or other legal process. Each Owner must promptly restore any funds held by the Community Association with respect to the Owner's Project Ownership Interest if they are taken because of any such attachment, lien, claim or other legal process. The Owner must also repay the Community Association for all Collection Costs incurred to have the funds restored. Amounts incurred by the Community Association may be charged to the Owner as a Personal Charge.

8.6 WAIVER OF RIGHTS.

A. TENANTS IN COMMON. Each Owner owns an interest in the Property as tenants in common. By law, each Owner, as a tenant in common, has certain rights, privileges and duties. These rights, privileges and duties are and will remain subordinate to (subject to and restricted by) the Project Documents. In case of any conflict, the Project Documents will control for so long as this Declaration stays in effect. "Tenants in common" is explained in the glossary (Section 30.4).

B. PARTITION.

1) "*Partition*" is the right of co-owners to ask a court to divide commonly owned property into separate parts for each co-owner. If the property cannot legally be divided, a court may order the property sold and divide the money from the sale among the co-owners.

2) The Developer has the exclusive right to create Project Ownership Interests. Once the Developer conveys a Project Ownership Interest and while this Declaration remains in effect, Owners are prohibited from further dividing or partitioning Project Ownership Interests. All Vacation Ownership Interests reacquired by the Developer will be merged into and combined with any other Vacation Ownership Interests that the Developer may own in the Project at that that time. If an Owner other than the Developer acquires title to two or more Project Ownership Interests, no such merger or combination shall occur.

3) While this Declaration is in effect, nobody may ask for or obtain partition of the Project, any Project Ownership Interest, or the Community Association Property. If, however, any Project Ownership Interest is owned by two or more persons together, any of them may ask a court to sell their Project Ownership Interest and divide the money between them. If this Declaration ends for any reason, any Owner may ask a court to sell the commonly owned property that he or she owns, and divide the money between the co-Owners of it.

8.7 CO-OWNERS OF A SINGLE PROJECT OWNERSHIP INTEREST. If there is more than one Owner of a single

Project Ownership Interest, each co-Owner is jointly and severally liable to pay all Assessments, Personal Charges and other sums charged to that Interest or to the Owner of it. This means that each person may be held responsible to pay the whole amount due, not just part of it or his or her share of it. It does not matter that only one co-Owner uses a Unit or that Personal Charges were caused by only one of the co-Owners of a Project Ownership Interest and not the others. "Joint and several liability" is discussed in the glossary (Section 30.4).

8.8 OWNER'S RESPONSIBILITY FOR GUESTS. An Owner is personally responsible to see that his or her Guests:

A. Obey all of the Project Documents and the Ka'anapali North Beach Documents.

B. Promptly pay all Personal Charges arising from or related to use of the Property or the Project by the Owner's Guests.

8.9 OWNER'S LIABILITY FOR GUESTS. By permitting his or her Guest to come onto the Project (whether or not the Guest is expressly invited), the Owner agrees to be fully responsible for:

- ❖ Any loss, damage or destruction caused by the Guest's act or failure to act;
- ❖ Any violation by the Guest of the Project Documents or the Ka'anapali North Beach Documents; and
- ❖ Any Personal Charges or other charges incurred by the Guest.

The Owner will be responsible for the Guest's acts or failure to act just as if they were the Owner's own acts or failure to act. If the Owner's Guests do not pay all amounts charged to them, the Owner must pay those amounts. The Owner also must pay all costs of trying to collect any amounts charged to the Guest, including Collection Costs. And, the Owner must pay all other amounts charged to the Owner as a result of his or her Guests. All these amounts will be charged to the Owner as a Personal Charge.

8.10 AN OWNER AND HIS OR HER GUESTS ARE LIABLE SEPARATELY AND TOGETHER. Each Owner and his or her Guests are jointly and severally liable to pay all Personal Charges and all other charges arising from or related to the Guest's use of a Unit, the Community Association Property, the Project or the Ka'anapali North Beach Amenities. This means that the Owner, the Owner's Guest, or both may be required to pay the whole amount, not just part of it or some share of it.

8.11 PRIMARY CONTACT. If a Project Ownership Interest is owned by more than one person or if it is owned by a

corporation or other legal entity, the Community Association Rules may require that the Owner choose one person to be the Primary Contact. The "Primary Contact" is the person to whom notices must be sent and who can act for the co-Owners of that Project Ownership Interest. The Community Association Rules may require that the Owner pay a fee to the Managing Agent to change the Primary Contact.

9. THE COMMUNITY ASSOCIATION.

9.1 THE COMMUNITY ASSOCIATION.

A. The name of the Community Association is "Nanea Ocean Resort Community Association, Inc." It is a Hawai'i nonprofit corporation.

B. The Community Association is intended to continue as a corporation for the life of the Project. But the State can terminate or "dissolve" a corporation in certain circumstances such as if the officers fail to file yearly reports required by law. If the corporation is ever dissolved, whether on purpose or not, then it will be replaced automatically by an unincorporated association having the same name and same members, officers and Directors. In that event, all property, powers and obligations of the incorporated Community Association just before it dissolved automatically will be held by the unincorporated Community Association. To the greatest extent possible, any replacement unincorporated Community Association will be governed by the Project Documents as if they were the governing documents of the unincorporated Community Association. Any officers or Directors of the unincorporated Community Association may either revive the old corporation or create a new one to be the Community Association. The name of the new corporation should be the same as or similar to the old name if possible.

9.2 COMMUNITY ASSOCIATION MEMBERSHIP. Each Owner is a Member of the Community Association and only Owners can be Members. By acquiring a Project Ownership Interest, the Owner automatically consents to being a Member of the Community Association.[cep1] If more than one person is the "Owner" of a Project Ownership Interest, each of them is a Member. A person's Membership ends automatically when he or she is no longer the "Owner" of a Project Ownership Interest, such as when an Owner deeds it to someone else. An Owner cannot separate his or her Community Association Membership from his or her Project Ownership Interest. He or she cannot sell, transfer, mortgage or otherwise deal with it separately from the Project Ownership Interest. Any attempt to do so is void. See the Bylaws for four (4) permitted exceptions.

9.3 VOTING RIGHTS OF OWNERS.

A. Each Project Ownership Interest is entitled to a vote in the Community Association equal to its Ownership Share in the Project. To make voting more manageable, the Board may conduct voting on a percentage basis in accordance with the Bylaws.

B. If a Project Ownership Interest is owned by more than one person, they will have to agree among themselves on how to cast the vote of their Project Ownership Interest. The Community Association need not settle disputes among co-Owners as to voting. If they cannot agree, they lose their right to vote on the matter in question. Fractional (split) votes are not allowed.

C. If a Project Ownership Interest is owned by more than one person, the vote or votes for that Interest may be cast by any of its co-Owners, unless (i) another co-Owner files a written objection with the secretary or the chairperson during or before the meeting, or (ii) another co-Owner casts an inconsistent vote.

D. The Articles establish classes of Members. Voting will not be done by class except where this Declaration, the Articles or the Bylaws expressly provide otherwise. The Articles contain some examples.

E. In all other respects, voting rights are governed by and may be limited, enlarged or denied as provided in this Declaration, the Articles and the Bylaws.

9.4 BOARD OF DIRECTORS.

A. RIGHTS AND OBLIGATIONS OF THE BOARD. The business and affairs of the Community Association are controlled by the Board. Except as limited by law or by this Declaration, the Articles or the Bylaws, the Board may exercise all powers of the Community Association and must perform all of its duties. The Board may not, however, take any action that, by law or under this Declaration, the Articles or the Bylaws, must be taken, authorized or approved by the Owners, or by some part or percentage of them. The Board may delegate its powers to the officers of the Community Association or to one or more professional managers hired by the Community Association, including but not limited to the Managing Agent. This authority is subject to any limits contained in this Declaration, the Articles, or the Bylaws. The first Board will consist of the persons appointed by the Developer.

B. DEVELOPER CONTROL PERIOD. [The Developer reserves the right to appoint and remove the officers and members of the Board.[CP2] This right shall remain in effect for a period (the "Developer Control Period") commencing on the date when the Community Association is established and terminating no later than the earlier of

1) Sixty days after conveyance of seventy-five per cent of the Ownership Shares for all Units that may be created to Owners other than a Developer or affiliate of the Developer;

2) Two years after the Developer has ceased to offer Project Ownership Interests for sale in the ordinary course of business;

3) Two years after any right to add (meaning construct) new Units was last exercised; or

4) The day the Developer, after giving written notice to the Community Association on behalf of the Owners, records an instrument voluntarily surrendering all rights to control activities of the Community Association.

[The Developer may voluntarily surrender the right to appoint and remove the officers and members of the Board before the termination of the Developer Control Period, but in that event the Developer may require, for the duration of the Developer Control Period, that specified actions of the Community Association or Board, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective[CP3].

C. ELECTION OF BOARD. Not later than the termination of the Developer Control Period, the Owners shall elect a new Board at an annual or special meeting of the Community Association called for such purpose.

10. ADMINISTRATION OF THE PROJECT.

10.1 THE COMMUNITY ASSOCIATION MANAGES THE PROJECT. Administration and management of the Project is vested in the Community Association. Owners participate only through the Community Association.

10.2 COMMUNITY ASSOCIATION DUTIES AND POWERS. Except as limited by the Articles, this Declaration, the Bylaws, or by law, the Community Association has and may exercise any or all of these powers and has each of these duties and obligations:

A. The powers, duties and obligations granted to or imposed on the Community Association in this Declaration, the Articles, or the Bylaws;

B. The powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawai'i;

C. The powers, duties and obligations of a planned community association under the Act; and

D. Any other duties and obligations imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Community Association under this Declaration, the

Articles, or the Bylaws, or that otherwise promote the general benefit of the Owners.

10.3 SPECIFIC POWERS AND DUTIES. The Community Association has the power and duty to do the following things, among others:

A. OPERATION AND MAINTENANCE OF COMMON AREAS. The Community Association will operate, maintain, repair, replace, and make improvements to the Common Areas, except for:

1) Limited Common Areas that are expressly made by this Declaration the responsibility of individual Owners, or

2) Limited Common Areas the administration and maintenance of which is assumed by the Owners of the Project Ownership Interests to which they are appurtenant as allowed in this Declaration (See Section 10.3G).

B. PAYMENT OF EXPENSES. The Community Association, acting as the agent of the Owners, must pay all expenses of the Project. The Community Association may delegate this duty to the Managing Agent. The Community Association need not do anything it cannot pay for; it may just wait until it has the money.

C. REQUIRED IMPROVEMENTS. The Community Association must do the following things to the extent required by law, the Land Use Permits, or any recorded document that applies to the Project: It must make, build, maintain and repair all fences, sewers, drains, roads, driveways, driveway ramps, curbs, sidewalks, streetlights, parking areas and other Improvements that must be made, built, maintained and repaired on, or next to, or in connection with, or for the use of the Project or any part of it.

D. OBSERVANCE OF LAWS AND LAND USE PERMIT AND REQUIREMENTS. The Community Association must obey and do anything required by all laws and regulations that apply to the Project or to the use of it from time to time and/or by all Land Use Permits.

E. MAINTENANCE IN GOOD ORDER.

1) The Community Association must do the following things, and it must do them in a way that maintains the Project as a first class resort:

(a) It must repair, maintain, and keep all of the Common Areas and the Community Association Property clean, neat, sanitary, attractive, and in good order and condition except as otherwise provided in this Declaration. The Community Association may buy any materials and furnishings, and obtain any labor or services, necessary to do so. For example, it may buy or lease replacements for the Community Association Property.

(b) It must keep all trees, shrubs, and landscaping in good cultivation. It also must replant them if necessary.

2) If any Owner or an Owner's agent gives written notice of any material and substantial deficiency in the repair or maintenance of any Common Area, the Community Association, consistent with generally accepted standards of practice and sound business judgment, must, if practicable, start making the appropriate repairs or maintenance or corrections to the defect not less than thirty (30) days after receiving the notice. After starting the work, the Community Association must work diligently to complete it. The Owners must bear any costs of temporary relocation during the times when the Community Association is doing the maintenance and repairs.

3) The Community Association may perform maintenance and repairs on any Unit or Limited Common Area if:

(a) It is necessary to protect the Common Areas or any other Unit, and

(b) The Owner of the Interest to which a Commercial Unit, Parking Unit or Lodging Unit is appurtenant or, in the case of Vacation Units, the Vacation Owners Association, fails or refuses to perform the maintenance or repair within a reasonable time after the Board delivers written notice to the Commercial Owner, Parking Owner or Lodging Owner, or to the Vacation Owners Association in the case of a Vacation Unit, describing the maintenance and repairs needed.

The Board will charge the cost of the maintenance or repair to the Owner of the Interest to which the Unit is appurtenant as a Personal Charge or, in the case of a Vacation Unit, to the Vacation Owners Association as a Personal Charge to the Vacation Owners.

F. RESTORATION OF PROPERTY. The Community Association will rebuild, repair and restore the Property in accordance with the provisions of this Declaration.

G. ADMINISTRATION OF LIMITED COMMON AREAS. Subject to the provisions of Section 6.8, the Owner of a Commercial Ownership Interest has the right to assume administration and maintenance of one or more of its Limited Common Areas. If a Limited Common Area is appurtenant to two or more Commercial Ownership Interests then the Owners of at least seventy-five percent (75%) of the votes for those Commercial Ownership Interests have the right to assume administration and maintenance of it. In either case:

1) The Owner or Owners must give notice to the Community Association that they are assuming the administration and maintenance of the Limited Common Area;

2) The Owner or Owners must administer and maintain the Limited Common Area in a manner consistent with a first class resort and the Project Documents; and

3) The Community Association and the Managing Agent must cooperate with the Owner or Owners by paying to them the part of the Assessments for Project Expenses collected to maintain that area. Alternately, the Community Association may delegate to the Owner or Owners the right to pay directly any sums required to maintain that area. All such sums will be deemed sums paid for Project Expenses.

H. CONSTRUCTION PLANS. The Community Association must not erect or place on the Project any building or structure, including fences and walls, nor make material additions or structural alterations to or exterior changes of any Common Areas of the Project, except in accordance with plans and specifications prepared by a licensed architect and, until the Development Period ends, approved by the Developer in writing. After starting the improvements, the Community Association must work diligently to complete them.

I. BOND FOR CONSTRUCTION. The Community Association must require any contractor that it hires to provide a performance bond and a labor and materials payment bond before it begins construction of any Improvement on the Project that costs more than Five Hundred Thousand and No/100 Dollars (\$500,000.00), which amount will rise or fall each year with the rate of inflation in Honolulu, Hawai'i, on a C.P.I. Adjusted basis. The bonds must name the Community Association as the obligee (the persons who can make a claim on the bond if there is a loss). If available without unreasonable additional costs, the bonds also must name all Owners and their Lenders as obligees. The bonds must be issued by a responsible company authorized to do business in the State of Hawai'i. They must guarantee the full and faithful performance of the construction contract free and clear of any mechanics' and materialmen's liens. And they must cover at least one hundred percent (100%) of the estimated cost of the construction.

J. IMPROPER USE. The Community Association must not neglect or abuse the Project, or use it for any unlawful, improper or offensive purpose. It also must not allow anyone else to do so.

K. TAXES AND ASSESSMENTS. The Community Association must pay all taxes and assessments on the Project. This includes, for example, assessments by the Ka'anapali North Beach Association. It also includes all governmental assessments. The Community Association may decide whether it should collect and pay amounts that are separately assessed to each Owner or whether it should permit the Owners to pay those sums directly. The Community Association will pay these taxes and

assessments as the agent of the Owners, and only if it has the money to do so.

L. LIENS OR CLAIMS. The Community Association may, but need not, pay, compromise or contest liens or claims affecting the Project or any part of it. If one or more Owners are responsible for the existence of any such lien, they will be jointly and severally liable for the cost of discharging it or bonding against it, and the costs incurred by the Board by reason of such lien.

M. BORROWING MONEY. Subject to any approval requirements and spending limitations contained in this Declaration, the Board may authorize the Community Association to borrow money to be used for the repair, replacement, maintenance, remodeling, operation, or administration of the Project, or to make any additions, alterations, and improvements to the Common Areas of the Project. The cost of this borrowing, including, without limitation, all principal, interest, commitment fees, and other expenses payable with respect to this borrowing, will be a Project Expense (which will be a Limited Common Expense allocable to Limited Common Areas to the extent that the funds are used for the benefit of such Limited Common Areas).

N. UTILITIES. The Community Association must obtain and pay for water, electricity, sewage, garbage disposal, and any other necessary utility services for each Unit and the Common Areas. The Community Association will decide whether to obtain or cancel telephone, cable television, and similar services.

O. COMMUNITY ASSOCIATION RULES. The Community Association may adopt, publish and enforce fair and reasonable rules and regulations relating to the Resort Units, the Community Association Property, and use by Occupants of the General Common Areas and any Limited Common Areas available to Occupants of the Resort Units. The Community Association Rules may be incorporated into a single set of joint rules adopted by the Community Association and the Vacation Owners Association for the sake of convenience so that Owners and Occupants can consult a single document rather than two different sets of rules. The Developer established the initial Community Association Rules. The Board may change the rules from time to time. The Developer also has certain rights to change the Community Association Rules. The Community Association Rules must be consistent with this Declaration, the Articles and the Bylaws. The Board must give notice to the Owners of any change in the Community Association Rules. The Board may give this notice by mailing it to the Owners or by including it in a newsletter, by posting a notice on an internet web site, or by email. It may also give this notice in any other way that is likely to be effective to give notice to the Owners and that complies with any laws that apply. At any meeting of the Community Association, a Majority of the Owners may change the Community Association Rules so long as the

notice of meeting states that the change would be considered at the meeting and includes a fair and accurate description of the proposed change. At any time when the Developer holds a mortgage on or owns any Project Ownership Interest, no change to the Community Association Rules will be effective without the Developer's written consent.

P. LEGAL AND ACCOUNTING SERVICES. The Community Association may obtain and pay for any legal and accounting services necessary or helpful to manage the Property or to enforce the Project Documents or the Ka'anapali North Beach Documents.

1) CONDITIONS TO LITIGATION, ARBITRATION, OR OTHER PROCEEDINGS. The Board must not pay or incur, or commit the Community Association to pay or incur legal fees and costs of more than \$50,000 in any lawsuit, arbitration or other legal proceeding in any dispute with the Developer or any affiliate of the Developer, unless it first meets each of these requirements:

(a) The Board must obtain from at least two Hawai'i law firms legal opinions written in clear and plain language, and containing:

(1) A list of all of the Community Association's claims, and all claims against the Community Association.

(2) An estimate of the likelihood of prevailing on each claim stated on a percentage basis. The estimate must be based on information then known to the Community Association. It cannot be based on assumptions or speculation.

(3) An estimate of the total amount of legal fees and costs, court costs and other expenses that the Community Association is likely to incur through the completion of the trial, arbitration or other proceeding (assuming that the Community Association will prevail on only those claims where the law firms give the Community Association more than a 50% chance of prevailing).

(4) An estimate of the likely award of damages to or against the Community Association, including legal fees and costs, court costs, and other expenses, for claims of the Community Association and for claims against the Community Association.

(5) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board may have to charge to the Owners to pay for legal fees and costs, court costs, and other expenses while the lawsuit or other legal proceeding is going on.

The estimates required by Subsections 10.3P.1(a)(3) - 10.3P.1(a)(5) may be stated as a range (for example, \$50,000 to \$60,000) provided that the range is not so

broad as to impair the ability of the Owners to make an informed decision, and in no case may the higher amount be more than twenty percent (20%) greater than the lesser amount.

(b) The Board must call a special meeting of the Community Association. The notice of the special meeting must include each of the following:

(1) A copy of every legal opinion obtained by the Board in connection with each claim, whether favorable or unfavorable;

(2) A document containing a table listing:

(A) The Community Association's claims and all claims against the Community Association. Each claim must be listed on a separate row;

(B) For each claim:

(i) The estimate of each law firm of the likelihood of prevailing on that claim;

(ii) The estimated amount of damages that may be awarded for claims of the Community Association, including legal fees and costs, court costs, and other expenses;

(iii) The estimated amount of damages that may be awarded for claims against the Community Association, including legal fees and costs, court costs, and other expenses; and

(iv) In the case of claims asserted or that may be asserted against the Community Association, a statement of whether the Community Association's insurance covers the claim, the amount of the policy limits, and whether the estimated amount of the damages, legal fees and costs, court costs, and other expenses, exceeds the policy limits.

(3) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Community Association may have to charge to pay for legal fees, court costs, and expenses while the lawsuit, arbitration or other legal proceeding is going on.

(4) A description, written in clear and plain language, of any pending settlement offer by the other party or parties.

(c) At the special meeting, a Majority of the Owners (not counting the votes of any Project Ownership Interests owned solely by the Developer) must authorize the Board to start, prosecute and/or defend the lawsuit, arbitration or other legal proceeding.

2) LIMITATIONS.

(a) The rule in Subsection 10.3P.1), above, does not apply to suits against the Developer or any company related to it if the suit is filed solely to collect Assessments, Personal Charges, or Subsidy Contract payments that are past due or for breach of any contract to provide goods or services to the Community Association (for example, the Management Agreement) or to enforce the Project Documents.

(b) Prior to the completion of the special meeting required by Subsection 10.3P.1)(b), the Community Association may pay or incur legal fees, not to exceed the \$50,000 ceiling established in Subsection 10.3P.1), as necessary to:

(1) Obtain the legal opinions required by Subsection 10.3P.1)(a);

(2) File an answer to any complaint or other legal proceeding filed against the Community Association; or

(3) File a complaint or initiate any other legal proceeding necessary to prevent the loss of the Community Association's claim by reason of the expiration of the statute of limitations.

3) **EVIDENCE.** In a trial, arbitration or other legal proceeding about the Community Association's claims, nobody can introduce into evidence the opinions of the law firms obtained pursuant to Subsection 10.3P.1)(a). This includes the Developer, the Community Association, the Owners, and everyone else. This paragraph does not preclude the presentation of the opinions in a hearing or proceeding to determine whether the requirements of Subsection 10.3P.1) have been satisfied.

4) C.P.I. ADJUSTMENTS.

(a) The \$50,000 ceiling contained in Subsection 10.3P.1) will rise or fall each year with the rate of inflation in Honolulu, Hawai'i, as measured by the C.P.I. Index. The amount of the increase or decrease will be equal to the percentage change between (i) the C.P.I. Index published for the year ending on December 31, 2015, and (ii) the C.P.I. Index for the most recently ended calendar year. For example, if the C.P.I. Index on December 31, 2018, is ten percent (10%) higher than the C.P.I. Index on December 31, 2015, then the ceiling would be \$55,000, determined as follows:

$$\begin{aligned}\text{Ceiling} &= \$50,000 + (\% \text{ change in C.P.I. Index of } \$50,000) \\ \text{Ceiling} &= \$50,000 + (10\% \text{ of } \$50,000) \\ \text{Ceiling} &= \$50,000 + \$5,000 \\ \text{Ceiling} &= \$55,000\end{aligned}$$

(b) The "C.P.I. Index" is the U.S. Department of Labor Consumer Price Index for All Urban

Consumers - Honolulu. If the government stops publishing that index, then the most similar index available will be used in its place. The Community Association will choose any replacement index.

(c) "C.P.I. Adjusted" means that the amount will increase or decrease as the C.P.I. Index changes. The amount of the increase or decrease will be equal to the percentage change between (i) the C.P.I. Index published for the year ending on December 31, 2015, and (ii) the C.P.I. Index for the most recently ended calendar year.

5) THIRD-PARTY BENEFICIARIES. The Developer and each of its affiliates are intended third-party beneficiaries of this Section 10.3P and may enforce it by injunction or in any other manner allowed by law or by the Project Documents.

Q. FINANCIAL STATEMENTS. The Community Association must prepare and make available to each Owner the financial reports required by Section 11.11 of this Declaration.

R. VOTING IN THE KA'ANAPALI NORTH BEACH ASSOCIATION. In meetings or votes of the Ka'anapali North Beach Association, the Community Association must cast the votes of the Project as directed by the Board of Directors of the Community Association.

S. MEMBERSHIP LIST.

1) THE COMMUNITY ASSOCIATION MUST KEEP A LIST. The Community Association must at all times keep an accurate and current list of the names and mailing addresses of all Owners. It must update the list at least monthly. This list is called the "Membership List."

2) THE DEVELOPER'S RIGHTS. The Developer has certain important reasons for wanting to protect the Membership List. For example, the Membership List is also the list of the Developer's customers. In addition, the Hawai'i Nonprofit Corporations Act contains certain provisions intended to protect the Membership List and, if any part the Project is established as a condominium, certain provisions of the Condominium Property Act also would apply. The Developer wants to ensure that these requirements are not circumvented, especially for commercial reasons by a Competitor of the Developer. For these and other reasons, the Developer is expressly declared to be an intended third party beneficiary of this Section 10.3S. This means that this Section 10.3S is intended to protect the Developer and that the Developer can enforce it even if it no longer is an Owner.

3) USE OF THE LIST. The Community Association and the Managing Agent may use the Membership List as necessary to conduct the affairs of the Community Association. Without the written consent of

the Board and the Developer, the Membership List shall not be:

(a) Obtained or used by any person for any purpose unrelated to the Owner's interest as a Member of the Community Association;

(b) Used to solicit money or property unless the money or property will be used solely to solicit the votes of the Owners in an election to be held by the Community Association;

(c) Used for any commercial purpose;

(d) Sold to or purchased by any person; or

(e) Published in whole or in part to the general public.

4) INSPECTION OF MEMBERSHIP LIST. An Owner is entitled to obtain, inspect and/or copy the Membership List, or any other records from which a Membership List may be compiled, if and only if:

(a) The Owner's request is made in good faith and for a proper purpose, and

(b) The records requested are directly related to that purpose, and

(c) The Owner complies with all applicable laws and the lawful requirements stated in this Section 10.3S, and

(d) Furnishing the Membership List or allowing the inspection will not violate any federal or state privacy laws or other laws that may apply.

5) PROCEDURE FOR REQUEST OF INFORMATION. An Owner who seeks to obtain, inspect or copy the Membership List, or any records from which a Membership List may be compiled, may only do so if each of these conditions is satisfied:

(a) The Owner must deliver to the Community Association or the Managing Agent a written request to obtain, inspect or copy the Membership List or records from which a Membership List may be compiled. The request must satisfy each of these requirements:

(1) The request must describe with reasonable particularity the purpose for such request.

(2) The request must explain how the information requested is directly related to that purpose.

(3) The request must include copies of all documents and materials that the Owner intends to distribute using the Membership List.

(4) The request must indicate the records that the Owner desires to inspect if either (i) less than the full Membership List is requested, or (ii) the Owner seeks to inspect or make copies of records from which a Membership List may be compiled.

(b) The Owner's request must be accompanied by an affidavit signed and acknowledged by the Owner before a notary public. The affidavit must state that:

(1) The Membership List or other information is being requested in good faith and for a proper purpose, and

(2) The Membership List or other information will be used by such Owner personally and only for the purpose of soliciting votes or proxies or providing information to other Owners with respect to Community Association matters, and

(3) The Membership List or other information will not be used by the Owner, or furnished to anyone else, for any other purpose.

6) RELEASE OF THE LIST. The Community Association will make the Membership List available, at cost, to any Owner who asks for it; provided that despite anything else stated in the Project Documents, the Community Association will not furnish the Membership List or any copy of it, or any other documents from which a Membership List may be compiled, nor allow anyone to inspect or make copies or extracts of the Membership List or any other documents from which a Membership List may be compiled, until after each of these conditions is satisfied:

(a) The Board has determined, at a regular or special meeting of the Board, that the person requesting the list or inspection has fully satisfied:

(1) Each of the requirements of this Section 10.3S;

(2) All other lawful conditions adopted by the Board pursuant to Section 10.3S.11); and

(3) Any other conditions to obtaining the list contained in the Act, the Time Share Law, the Condominium Property Act (if any part of the Project becomes a condominium), the Hawai'i Nonprofit Corporations Act, or in any federal or state privacy laws.

(b) The Board will make its determination based on its review of the written request and any documents, materials, and other information that the Owner submits or that is otherwise available to the Board.

(c) The Board gives written notice of the request to the Developer. The notice must include (i) the name and address of the person requesting the Membership

List or inspection; and (ii) copies of the request for the Membership List, the written statement, documents and materials, and affidavit submitted pursuant to this Section 10.3S. The Board must give this notice to the Developer promptly after making its determination under Section 10.3S.6(a).

(d) At least ten (10) days have passed since the Developer received the Community Association's notice and the Developer has not given the Community Association a written notice objecting to the release or inspection because the affidavit is improper or the person is not requesting the Membership List or inspection for a proper purpose or that the requirements of law or this Section 10.3S have not been fully satisfied.

(1) If the Developer or any other Owner objects and if the Community Association or the Owner requesting the Membership List contests the Developer's or other Owner's objection, then the matter will be decided by appropriate legal proceedings. In such a case, the Community Association will not release the Membership List, or permit inspection of it or of any records from which a Membership List may be compiled, until the appropriate legal authorities order it to do so.

7) RELEASE TO OWNERS OTHER THAN COMPETITORS. If the person requesting the Membership List or inspection is not a Competitor then the Community Association will furnish the Membership List to the Owner, or permit the Owner to inspect and copy the records requested, after each of the requirements of this Declaration and the other Project Documents are met.

8) RELEASE TO A COMPETITOR. If the person requesting the Membership List is a Competitor of the Developer and each of the requirements of this Declaration and the other Project Documents are met, then unless the law requires something else, the Community Association will furnish the Membership List in this way (and only in this way): The Community Association will provide the Membership List in the form of mailing labels directly to a company providing mailing services chosen by the person requesting the Membership List. The company providing mailing services: (a) cannot be a Competitor; and (b) must provide to the Developer and to the Community Association the company's written promise to the Developer and to the Community Association that the company will not:

(a) Use the Membership List or any part of it for any purpose except for the mailing;

(b) Provide a copy of the Membership List or any part of it or any information from it to anyone else, including but not limited to the Competitor; and

(c) Allow anyone else to inspect or make copies of or extracts from the Membership List.

9) INSPECTION BY A COMPETITOR. If the person requesting the inspection is a Competitor and each of the requirements of this Declaration and the other Project Documents are met, then unless the law requires something else, the Community Association will permit the Owner to inspect and copy photocopies of the records requested. However, the photocopies will first be modified so as to obliterate entirely the address and any other biographical information from which the Owner requesting the inspection could compile a list containing the addresses, email addresses, fax numbers, or phone numbers of the Owners, or any other means of soliciting the Owners.

10) WHO IS A COMPETITOR. A "Competitor" is a person who is:

(a) The developer of a Vacation Plan or Fractional Plan except a plan developed by the Developer or a related company;

(b) Any marketer or sales agent of such a Vacation Plan or Fractional Plan (including but not limited to any OPC[TLC4]);

(c) The manager of such a Vacation Plan or Fractional Plan;

(d) Any Exchange Company other than an Exchange Company that controls, is controlled by, or is under common control with the Developer; or

(e) Any person who, for a commercial purpose or for any other improper purpose, is acting on behalf of or collaborating with any person who falls within Subsections (a) through (d).

11) OTHER CONDITIONS. The Board may impose other reasonable conditions intended to assure the confidentiality of the list of Owners and that the list is not used (i) for commercial purposes by anyone other than the Developer or any company related to the Developer, (ii) in any way that violates state or federal law, or (iii) for any other improper purpose.

12) PRIVACY LAWS. Regardless of anything else stated in the Project Documents, if Hawai'i law is amended so that Owners may no longer inspect or request the Membership List (or any information from which a Membership List may be compiled), or if the Board determines that federal or state privacy or other laws in any jurisdiction in which the Community Association has Members may prohibit inspection or release of the Membership List (or any information from which a Membership List may be compiled), or that any part of Subsections 10.3S.3) through 10.3S.10) is not valid, then the Community Association will not release or permit inspection of the Membership List or any other information from which a Membership List may be compiled. In that event, if the conditions of Subsections 10.3S.4) through

10.3S.6) are satisfied, then instead of releasing or permitting inspection of the Membership List (or any information from which a Membership List may be compiled) as provided in Subsections 10.3S.7), 10.3S.8), or 10.3S.9) the Community Association may offer to mail to the Owners any proper documents and materials furnished to the Board pursuant to Subsection 10.3S.5)(a)(3). The Owner requesting the Membership List must first deposit with the Community Association an amount sufficient to pay all costs of duplicating, stuffing, and mailing the documents and materials, including reasonable costs to the Community Association and the Managing Agent of responding to the request and arranging the mailing. The Community Association shall not, however, mail or otherwise provide to the Owners any documents or information not directly and solely distributed for a proper purpose.

13) RELEASE TO THE DEVELOPER. The Community Association will furnish a copy of the Membership List to the Developer promptly after the Developer asks for it. Except as otherwise provided by law, the conditions stated in this Section 10.3S do not apply to the Developer or to companies related to it.

T. COMMUNITY ASSOCIATION PROPERTY. The Community Association must accept title to any real or personal property transferred or leased to it by the Developer. The Community Association may buy, lease, or otherwise acquire the use of one or more Project Ownership Interests or other real property for use by the Community Association for Community Association purposes, including among other things, for use as a manager's unit. The Board may mortgage, lease or rent the Community Association's real property from time to time as it deems necessary or appropriate, consistent with the purposes permitted above. All costs, expenses, and liabilities incurred in connection with the Community Association's real property will be Project Expenses. The Community Association must buy and at all times have insurance on the Community Association's real property and any Community Association Property in it; the requirements of Section 13 apply to the Community Association's real property. The Community Association's real property is considered to be part of the "Community Association Property."

U. OTHER POWERS. Except as limited elsewhere in the Project Documents, the Community Association may do anything else it deems necessary, desirable or useful to operate, maintain, repair, preserve or protect the Project.

V. DELEGATION OF COMMUNITY ASSOCIATION POWER AND DUTIES. The Community Association may delegate its power and duties under this Declaration to one or more agents, including, among others, the Managing Agent. The Board must supervise the agents.

10.4 THE MANAGING AGENT. The Community Association must hire and at all times it must have a Managing Agent. The first Managing Agent will be appointed by the Developer and may be the Developer or a company related to the Developer. If the first Managing Agent must be replaced for any reason, the Community Association must use its best efforts to hire and keep a responsible and reputable firm as the Managing Agent.

10.5 THE MANAGEMENT CONTRACT. The Managing Agent must sign a written contract (the "Management Contract") containing the following provisions:

A. MANAGING AGENT'S DUTIES. The Management Contract must require the Managing Agent to perform the duties and obligations of the Community Association except those that cannot be delegated by law or under this Declaration, the Articles, or the Bylaws. It may permit the Managing Agent to delegate its power and duties to one or more sub-agents or independent contractors for any period and upon any terms it deems proper.

B. TERM. The Management Contract:

1) May provide for an initial term of not more than five (5) years from the Starting Date. The "Starting Date" is the first date on which a First Deed is recorded.

2) May provide that when the initial term and each later term ends, the contract automatically will be renewed for three more years unless either party sends a written notice that it is not renewing the contract (a "Notice of Non-Renewal") to the other party at least ninety (90) days before the next renewal date. The Management Contract also may provide that the Community Association cannot give a Notice of Non-Renewal without (i) the vote of a Majority of the Owners, which vote must be taken at an annual or special meeting of the Community Association held within one year before the renewal date, or (ii) the written assent of a Majority of the Owners, which written assent must be obtained within one year before the renewal date. If the Management Contract contains such a provision, then:

(a) If the Developer holds a majority of the votes in the Community Association, then (i) the Developer must abstain from the vote, and (ii) the Developer's votes will not be considered when determining whether a Majority of the Owners have voted or given their written assent to give the Notice of Non-Renewal; and

(b) A decision to cancel or not to renew the Management Contract cannot be made by any officer of the Community Association or by the Board of Directors; neither the Community Association's officers nor its Board of Directors have the power or authority to do so; and

(c) Neither the Board nor any officer, director, employee or agent of the Community Association

can give the Notice of Non-Renewal before the Community Association determines by vote or written assent of a Majority of the Owners as provided above, not to renew the Management Contract. Any Notice of Non-Renewal sent before then will not be effective. It will be void.

If the Community Association is controlled by Owners other than the Developer, then the Management Contract will not be subject to the term limitations set forth in sections 10.5B.1) and 10.5B.2).

C. TERMINATION BY THE COMMUNITY ASSOCIATION. The Community Association must have the right to terminate the Management Contract at any time for cause whenever the Managing Agent violates a material part of it and fails to cure its violation within the time permitted by the Management Contract or any longer time permitted by the Board. If the Managing Agent disputes the termination, the matter will be decided by arbitration under the Commercial Arbitration Rules of the American Arbitration Association if arbitration is requested by or on behalf of the Managing Agent. The Board will represent the Community Association in the arbitration.

D. RESIGNATION. The Management Contract must provide that the Managing Agent can resign only if it gives written notice to the Board at least ninety (90) days in advance. If the Managing Agent resigns, then it must turn over to the Board all books and records of the Community Association held by the Managing Agent and that relate to the management and operation of the Project. This does not require that the Managing Agent turn over internal, confidential or other records of the Managing Agent.

E. POWERS AND DUTIES. The Management Contract must describe the powers and duties of the Managing Agent, including the powers and duties of the Managing Agent in:

1) The operation of the Project and the maintenance and repair of the Property.

2) The collection of Assessments and Personal Charges.

3) The maintenance of all books and records concerning the Property.

4) Providing for the annual meeting of the Owners.

5) Performing any other functions and duties related to the maintenance of the Property or that are required by the Project Documents.

F. FEES. The Management Contract must specifically state the fees to be paid to the Managing Agent by the Community Association. The fees do not have to be stated as a dollar amount. For example, the management

fee may be set to a percentage of the Project Expenses or to costs plus a percentage profit.

G. MANAGING AGENT'S INSURANCE. The Management Contract must require that the Managing Agent obtain errors and omissions insurance. The policy must name the Community Association, as agent for each of the Owners, as an insured. An "insured" is someone who is paid if there is a loss that is covered by insurance. The Community Association will pay for the insurance. The Board will decide what policy limits are appropriate. The Board will buy this insurance only if it is available at a reasonable price. The Board will decide what is reasonable, and its decision will be final. The Management Contract may also provide that the Community Association must obtain a fidelity bond or buy fidelity insurance that is payable to the Community Association and that covers the activities of the Managing Agent. The amount of the fidelity bond or fidelity insurance must meet any requirements of the Act.

H. ENTRY INTO UNITS. The Management Contract must state the authority of the Managing Agent or others authorized by the Managing Agent to enter into the Units for the purposes of maintenance and repairs, including emergency repairs, and for the purpose of stopping or fixing a nuisance or dangerous, unlawful or prohibited activity being conducted in a Unit.

I. RECORDS AND REPORTS. The Management Contract must identify the records to be kept by the Managing Agent and the periodic reports and other information to be communicated to the Community Association and the Owners.

10.6 LEGAL REPRESENTATION OF OWNERS.

A. REPRESENTING THE COMMUNITY ASSOCIATION OR OWNERS. By acquiring a Project Ownership Interest, each Owner agrees that the president of the Community Association or, if authorized by the Board, the Managing Agent may represent the Community Association or any two or more Owners similarly situated as a class in any proceeding concerning the Community Association, the Ka'anapali North Beach Association, or the Project. The president or the Managing Agent may begin, defend, intervene in, prosecute and settle any such proceedings. This does not, however, limit the rights of any Owner to appear, sue or be sued separately or to decide not to participate. The Board will supervise any legal representation by the president or the Managing Agent.

B. POWER OF ATTORNEY. By acquiring a Project Ownership Interest, each Owner gives a special power of attorney (see Section 30.3) to the president of the Community Association and the Managing Agent, with full power to do anything necessary or helpful to represent the Owner as provided in Subsection A.

C. SERVICE OF PROCESS. Except as otherwise provided by law, process (such as papers for a lawsuit) for the Community Association may be served only on the registered agent of the Community Association or, if there is no registered agent, then on the Managing Agent.

D. LIMITATIONS. The authority of the president of the Community Association and Managing Agent under this Section is subject to the limitations contained in Section 10.3P.

10.7 LIABILITY FOR OWNERS AND GUESTS. Each Owner and every other Interested Person accepts and agrees that (i) the Community Association, the Developer, companies related to the Developer, and the Managing Agent, and (ii) each of their respective Representatives, shall not be responsible or liable for the acts, failure to act or conduct of any Owner or Occupant, or any Guest of an Owner or Occupant.

11. ASSESSMENTS AND PERSONAL CHARGES.

11.1 DEFINITIONS.

A. "PROJECT EXPENSES" means all charges, costs and expenses incurred by the Community Association for or in connection with the administration, management and operation maintenance and repair of the Project and all other sums designated as Project Expenses in this Declaration, the Articles or the Bylaws. The Project Expenses are shared by the Owners. Project Expenses may include among other things, any or all of the following:

- ❖ The costs (i) to maintain, repair, rebuild, upgrade, replace and restore the Common Areas; (ii) to make any additions and alterations to the Common Areas (excluding, however, additions and alterations made by the Developer in the exercise of the Developer's Reserved Rights or by an Owner who elects to do so using any right expressly provided to the Owner in this Declaration); or (iii) for any labor, services, materials, supplies and equipment needed to do any of the things listed in (i) or (ii).
- ❖ The cost of all utility services for the Project such as water, electricity, garbage disposal, telephone and cable television. However this does not apply to costs of such services that are separately charged to the individual Units.
- ❖ The cost of buying any insurance or bonds required or permitted by the Project Documents.
- ❖ Wages, accounting and legal fees, management fees, start-up fees, janitorial expenses, security costs, and other expenses necessary to manage, operate, maintain, repair, upgrade and improve the Project.

- ❖ All amounts charged to the Project or to the individual Owners or their Units by the Ka'anapali North Beach Association.
- ❖ Any amount charged by the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant or an Occupant's Guest. The Community Association will pay the charge but will then pass on the charge, and any taxes on it, to the responsible person as a Personal Charge.
- ❖ The cost of pest control services, whether or not affecting any particular Unit or Units.
- ❖ Any taxes and other governmental charges upon or charged to the Project or any part of it or the use of it or on any other interest of the Owners (except taxes separately charged to individual Owners or to the Vacation Owners Association). Examples of this type of expense include real property taxes and assessments, transient accommodations taxes, transient occupancy taxes, hotel or bed taxes, and any charges imposed in place of a hotel or bed tax.
- ❖ Any liability for loss or damage relating to the Project or the use of it, or any accident, fire or nuisance on or in the Project.
- ❖ Any money owed to the Community Association by any Owner or other person to the extent the Board decides that, as a practical matter, it is uncollectible or too expensive to collect.
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Project Expenses for any prior year.
- ❖ Amounts needed for the Reserve Accounts. These are the savings of the Community Association. The money is used to pay for Capital Improvements. "*Capital Improvements*" are things like replacing the roofs, painting the building exteriors, other major repairs, maintenance and remodeling of the Property, replacing the Community Association Property, and so on. Day to day maintenance and repairs are not Capital Improvements.
- ❖ Any amounts needed by the Board to buy one or more Project Ownership Interests in a foreclosure sale.

All Project Expenses fall into one of these categories: General Common Expenses, Vacation Unit Expenses, Commercial Unit Expenses, Parking Unit Expenses, Lodging Unit Expenses, Limited Common Expenses, Commercial Limited Common Expenses, Resort Limited Common Expenses, and Shared Area Expenses.

B. "GENERAL COMMON EXPENSES" means all Project Expenses except Vacation Unit Expenses, Commercial Unit Expenses, Parking Unit Expenses, Lodging Unit Expenses, Limited Common Expenses, Commercial Limited Common Expenses, Resort Limited Common Expenses, and Shared Area Expenses. This includes, for example, the cost of using, owning, operating, maintaining, repairing, upgrading, and improving the General Common Areas such as driveways.

C. "LIMITED COMMON EXPENSES" means all Project Expenses relating to using, owning, operating, maintaining, repairing, remodeling, upgrading, and improving a Limited Common Area appurtenant to a particular Project Ownership Interest or group of Project Ownership Interests. It does not include, however, any Project Expenses that fall within the definitions of Commercial Limited Common Expenses, Resort Limited Common Expenses, or Shared Area Expenses.

D. "COMMERCIAL LIMITED COMMON EXPENSES" means all Project Expenses relating to using, owning, operating, maintaining, repairing, remodeling, upgrading, and improving the Commercial Limited Common Areas. This includes, for example:

- ❖ The cost of utility services such as electricity for lighting the restrooms serving Units 101, 102 and 103, and janitorial service for cleaning them.
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Commercial Limited Common Areas.
- ❖ Amounts needed for the Reserve Accounts for the Commercial Limited Common Areas.

E. "RESORT LIMITED COMMON EXPENSES" means all Project Expenses relating to using, owning, operating, maintaining, repairing, remodeling, upgrading, and improving the Resort Limited Common Areas. This includes, for example:

- ❖ The cost of utility services such as water and electricity for operating the pools and pool decks, or to provide gas to light any tiki torches in the Resort Limited Common Areas. It would also include, for example, the cost of lighting Resort Limited Common Areas such as the pool decks, elevator lobbies, hallways, and storage areas designated as Resort Limited Common Areas in this Declaration or on the Project Plan.
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Resort Limited Common Areas. This would include, for example, the costs of maintaining, repairing, and replacing the public comfort station of Keka'a Park,

as well as the pools and pool decks located in the Resort Limited Common Areas.

- ❖ Amounts needed for the Reserve Accounts for the Resort Limited Common Areas.

F. "VACATION UNIT EXPENSES" means all Project Expenses relating solely to the Vacation Units. The Vacation Unit Expenses are charged to the Vacation Owners. Vacation Unit Expenses may include, among other things, any or all of the following:

- ❖ All banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on incurred by the Community Association in connection with payment of Assessments and Personal Charges by Vacation Owners or by Occupants of the Vacation Units or their Guests.
- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.
- ❖ Any amount charged by the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant or Guest of a Vacation Unit. The Community Association will pay the charge but will then pass on the charge, and any taxes on it, to the Vacation Owners Association.
- ❖ Any taxes and other governmental charges upon or charged to the Vacation Units (separately from the rest of the Project) or on the use of the Vacation Units (separately from the rest of the Project), or on the Vacation Ownership Interests (except taxes separately charged to individual Owners or to the Vacation Owners Association).
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Vacation Unit Expenses for any prior year.

"Vacation Unit Expenses" does not include things like the cost of purchasing, maintaining, repairing or replacing furnishings, fixtures or equipment located within the Vacation Units, or the expenses of maintaining the Vacation Unit interiors or operating the Vacation Units or the Vacation Ownership Plan. These costs and expenses must be paid by the Vacation Owners through the Vacation Owners Association.

G. "LODGING UNIT EXPENSES" means all Project Expenses relating solely to a given Lodging Unit. The Lodging Unit Expenses are charged to the Owner of the corresponding Lodging Ownership Interest. Lodging Unit Expenses may include, among other things, any or all of the following:

- ❖ All banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on incurred by the Community Association in connection with payment of Assessments and Personal Charges by Lodging Owners or by Occupants of the Lodging Units or their Guests.
- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.
- ❖ Any amount charged by the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant or Guest of a given Lodging Unit. The Community Association will pay the charge but will then pass on the charge, and any taxes on it, to the Owner of the Interest for that Unit as a Personal Charge.
- ❖ Any taxes and other governmental charges upon or charged to a given Lodging Unit (separately from the rest of the Project) or on the use of a given Lodging Unit (separately from the rest of the Project), or on a given Lodging Ownership Interest (except taxes separately charged to individual Owners or their Interests).
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Lodging Unit Expenses for a given Lodging Unit in any prior year.

"Lodging Unit Expenses" does not include things like the cost of purchasing, maintaining, repairing or replacing furnishings, fixtures or equipment located within a Lodging Unit, or the expenses of maintaining the Unit interior or operating the Unit. These costs and expenses must be paid by the Owner of the Interest to which the Lodging Unit is appurtenant.

H. "COMMERCIAL UNIT EXPENSES" means all Project Expenses relating solely to a given Commercial Unit or any Limited Common Areas appurtenant to a given Commercial Unit other than (i) Commercial Limited Common Areas, or (ii) Shared Areas. The Commercial Unit Expenses are charged to the Owner of the

corresponding Commercial Ownership Interest. Commercial Unit Expenses may include, among other things, any or all of the following:

- ❖ All banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on incurred by the Community Association in connection with payment of Assessments and Personal Charges by Commercial Owners or by Occupants of the Commercial Units or their Guests.
- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.
- ❖ Any amount charged by the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant or Guest of a given Commercial Unit. The Community Association will pay the charge but will then pass on the charge, and any taxes on it, to the Owner of the Interest for that Unit as a Personal Charge.
- ❖ Any taxes and other governmental charges upon or charged to a given Commercial Unit (separately from the rest of the Project) or on the use of a given Commercial Unit (separately from the rest of the Project), or on a given Commercial Ownership Interest (except taxes separately charged to individual Owners or their Interests).
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Commercial Unit Expenses for a given Commercial Unit in any prior year.

“Commercial Unit Expenses” does not include things like the cost of purchasing, maintaining, repairing or replacing furnishings, fixtures, or equipment located within a Commercial Unit, or the expenses of maintaining the Unit interior or operating the Unit. These costs and expenses must be paid by the Owner of the Interest to which the Commercial Unit is appurtenant.

I. “PARKING UNIT EXPENSES” means all Project Expenses relating solely to a given Parking Unit. The Parking Unit Expenses are charged to the Owner of the corresponding Parking Ownership Interest. Parking Unit Expenses may include, among other things, any or all of the following:

- ❖ All banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on

incurred by the Community Association in connection with payment of Assessments and Personal Charges by Parking Owners or by Occupants of the Parking Units or their Guests.

- ❖ The cost of utility services such as water, electricity, trash disposal, and telecommunications services unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.
- ❖ Any amount charged by the Ka'anapali North Beach Association due to an intentional or negligent act by an Owner or Guest of a given Parking Unit. The Community Association will pay the charge but will then pass on the charge, and any taxes on it, to the Owner of the Interest for that Unit as a Personal Charge.
- ❖ Any taxes and other governmental charges upon or charged to a given Parking Unit (separately from the rest of the Project) or on the use of a given Parking Unit (separately from the rest of the Project), or on a given Parking Ownership Interest (except taxes separately charged to individual Owners or their Interests).
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Parking Unit Expenses for a given Unit in any prior year.

“Parking Unit Expenses” does not include things like the cost of purchasing, maintaining, repairing or replacing furnishings, fixtures, or equipment located within a Parking Unit, striping the parking stalls, cleaning and maintaining the parking stalls, ramps and driveways, or operating the Unit. These costs and expenses must be paid by the Owner of the Interest to which the Parking Unit is appurtenant.

J. “SHARED AREA EXPENSES” means all charges, costs and expenses incurred by the Owner of the Interest to which the Shared Area is appurtenant for or in connection with the administration, management, operation, furnishing, remodeling, maintenance, repair and staffing of the Shared Area and all other sums designated as Shared Area Expenses in this Declaration, the Articles or the Bylaws. The Shared Area Expenses are shared by the Owners of the Resort Ownership Interests. Shared Area Expenses may include, among other things, any or all of the following:

- ❖ All costs to staff and operate the front desk, including the costs to provide check-in and check-out services, concierge services, telephone operators, and so on.

- ❖ All costs to staff and operate valet parking and bellhop services.
- ❖ Wages, benefits, and other costs for labor, materials, supplies and equipment relating to the operation and staffing of the Shared Areas;
- ❖ Accounting and other expenses for front desk operations, including the check-in and check-out of Owners and Occupants, the collection of Personal Charges charged to the Occupant's Unit for things like room service and so on. This includes, among other things, banking fees, credit card transaction and processing fees, merchant account fees, interchange reimbursement and assessment fees, and so on.
- ❖ The costs (i) to maintain, repair, remodel, rebuild, upgrade, replace and restore the Shared Areas; (ii) to make any additions and alterations to the Shared Area; and (iii) to provide, maintain, repair, upgrade and replace furniture, fixtures and equipment relating to the Shared Areas.
- ❖ The cost of all utility services for the Shared Area including water, electricity, trash disposal, telephone, and so on, unless the Board determines that requiring the Community Association or the Managing Agent to cost account with regard to those utility expenses would substantially increase the costs of administration of the Community Association and outweigh the benefits to the Owners of doing so.
- ❖ The cost of buying any insurance relating to the use, condition, management, or operation of the Shared Area, including but not limited to property insurance, liability insurance, worker compensation insurance, and so on.
- ❖ All taxes and other governmental charges upon or charged to Owner of the Interest to which the Shared Area is appurtenant, including any general excise or gross receipts tax imposed on such Owner in connection with the payment or receipt of the Shared Area Expenses.
- ❖ Any liability for loss or damage relating to the Shared Areas or the use of it, or any accident, fire or nuisance on or in it.

K. "FAIR SHARE" means the share of the Project Expenses to be charged to each Project Ownership Interest. The Fair Share for each Project Ownership Interest will be determined as provided in Exhibit I.

L. "FISCAL YEAR" means tax year.

M. "ASSESSMENTS" means Regular Assessments, Special Assessments, or both.

N. "COLLECTION COSTS" means all costs incurred to collect any overdue Assessment, Personal Charge or other sum due. It includes, but is not limited to foreclosure costs, court costs, and reasonable attorneys' fees, costs, and expenses.

11.2 THE BUDGET.

A. ANNUAL BUDGET.

1) ESTIMATED BUDGET. At least sixty (60) days before the end of each Fiscal Year, the Managing Agent will prepare and give to the Board an estimate of the Project Expenses for the following year. The estimate must:

(a) Cover all Project Ownership Interests paying Assessments or expected to be paying Assessments by the start of the Fiscal Year;

(b) Include, among other things, any information required by any Hawai'i law that applies; and

(c) Provide a separate breakdown of General Common Expenses, Vacation Unit Expenses, Commercial Unit Expenses, Parking Unit Expenses, Lodging Unit Expenses, Limited Common Expenses, Commercial Limited Common Expenses, Resort Limited Common Expenses, and Shared Area Expenses.

2) BUDGET APPROVAL. The estimate of Project Expenses, with any changes made by the Board, will take effect, and become the "Budget" for that year, when it is approved by the Board.

B. BUDGETING FOR RESERVE ACCOUNTS. When reviewing and approving the Budget, the Board must consider what specific Capital Improvements may be needed within any period of time up to twenty (20) years. The Board must then estimate: (i) the cost for each Capital Improvement; and (ii) the amount of money that should be saved each year to be able to pay for it when it is needed. In making these decisions, the Board may consider interest earned on any savings accounts and earnings on any other investments of the Community Association. The Board must include these amounts in the Budget. The Board must budget for any Reserve Accounts required by law and may budget for any additional Reserve Accounts that it deems necessary or useful. The Board's decision, made in accordance with Subsection 11.2A.2) will be final. Each of these accounts must be earmarked for Capital Improvements.

1) OTHER RESERVES. The Community Association may establish Reserve Accounts for working capital and any other Reserve Accounts that the Board determines to be necessary or prudent in the exercise of its reasonable business judgment.

2) **LIMITATION ON LIABILITY.** Neither the Community Association, nor any Owner, Director, officer, Managing Agent, agent, or employee of the Community Association who makes a good faith effort to calculate the estimated replacement reserves for the Community Association, or to review the calculations made by someone else, will be liable if the estimate later proves incorrect.

11.3 WHEN ASSESSMENTS BEGIN.

A. Assessments for Project Expenses for a Commercial Ownership Interest, Parking Ownership Interest, or Lodging Ownership Interest begin on the first day of the month after the date when the County of Maui issues a temporary or permanent certificate of occupancy for the Owner's Assigned Unit. From then on, the Commercial Owner, Parking Owner, or Lodging Owner, whether it is the Developer or someone else, must pay a Fair Share of the Project Expenses.

B. Assessments for Project Expenses for a Vacation Ownership Interest begin on the first day of the month after the date when the County of Maui issues a temporary or permanent certificate of occupancy for any Vacation Unit. From then on, the Owner of each Vacation Ownership Interest attributable to the Vacation Units for which the County of Maui has issued a temporary or permanent certificate of occupancy, must pay a Fair Share of the Project Expenses, whether the Vacation Owner is the Developer or someone else. For the purpose of administering this rule, and unless the Managing Agent shall determine in its sole, absolute and unfettered discretion that another method allocates the Project Expenses for the Vacation Units more fairly and equitably or more appropriately than the method described below, the Managing Agent shall allocate the Project Expenses among the Vacation Ownership Interests using the "points" system established in the Vacation Plan Declaration (see Section 14.2B.2) for more details) and shall:

1) Allocate to the Developer the Assessments attributable to any Vacation Units for which the County of Maui has issued a certificate of occupancy and which are being used by the Developer for sales and marketing purposes, as administrative offices, or as model units;

2) Allocate to Vacation Owners other than the Developer the Assessments attributable to all other Vacation Units for which the County of Maui has issued a certificate of occupancy, based on their respective Ownership Shares; and

3) Allocate to the Developer the remainder of any Assessments attributable to Vacation Units for which the County of Maui has issued a certificate of occupancy. This would occur if the sum of the points represented by the numerator of the Ownership Shares of the Vacation Ownership Interests identified in the two preceding paragraphs is less than the sum of the points represented by

the numerator of the Ownership Shares attributable to all Vacation Units for which the County of Maui has issued a certificate of occupancy.

11.4 **REGULAR ASSESSMENTS.** The Owner of each Project Ownership Interest will pay a share of the Project Expenses, called the "*Regular Assessment.*" The Regular Assessment for each Project Ownership Interest is set as follows:

A. For Project Ownership Interests covered by the Budget, the Regular Assessment will be a Fair Share of the Budget.

B. For a Project Ownership Interest not covered by the Budget, the Regular Assessment will equal the Fair Share for a Project Ownership Interest having the same Ownership Share. Unless the Developer determines otherwise, the amount of the Regular Assessment under this Section 11.4B will not be prorated.

11.5 **SPECIAL ASSESSMENTS.** The Owner of each Project Ownership Interest for which Assessments have begun will pay a Fair Share of any amounts (beyond the Regular Assessments) needed to pay Project Expenses. This is called a "*Special Assessment.*" The Board may charge a Special Assessment in these circumstances:

A. **HANDLING SHORTFALLS.** If for any reason the Regular Assessments for the Project Expenses are, or will be, inadequate to pay all Project Expenses on time, the Board must estimate the shortfall. The Board must then (i) increase the next year's Budget to make up the shortfall, (ii) charge a Special Assessment, and/or (iii) borrow the funds needed to pay the shortfall, whether from the Reserve Account pursuant to Section 11.10C.3) or from other sources.

B. **SHORTFALL'S RELATING TO DAMAGE OR DESTRUCTION.** If the Property or the Community Association Property are damaged or destroyed and the costs to repair or replace it cannot be fully paid by using available insurance proceeds and the money from any appropriate Reserve Account, the Board has the same choices: It may charge a Special Assessment, add the amount needed to next year's Budget, or borrow the funds needed to pay the shortfall, whether from the Reserve Account pursuant to Section 11.10C.3) or from other sources. A Fair Share of the Special Assessment must be charged to the appropriate Project Ownership Interests regardless of where or how the damage occurred or whether the Community Association is entitled to be repaid by an Owner or Occupant.

C. **OTHER SPECIAL ASSESSMENTS.** The Board may also charge a Special Assessment in any other circumstances permitted by law or by the Project Documents. For example, the Board may charge a Special

Assessment for the purpose of making Capital Improvements authorized by the Community Association.

D. HOW SPECIAL ASSESSMENTS ARE CHARGED.

To charge a Special Assessment, the Board must prepare and send to each Owner a Special Budget showing the amount needed. The Board will charge to each Project Ownership Interest a Fair Share of the total amount shown on the Special Budget.

11.6 PERSONAL CHARGES. A "Personal Charge" is an expense not covered by Assessments. This includes expenses that result from the act, failure to act, or other conduct of an Owner or Primary Occupant, or the Guest of an Owner or Primary Occupant. It also includes charges for extra services requested or used by the Owners or Primary Occupants or by their Guests. Personal Charges should not be confused with Regular and Special Assessments. The following expenses are examples of Personal Charges:

- ❖ The cost of food, beverages, telephone charges, optional housekeeping service and other special services or supplies resulting from or related to a person's occupancy of a Resort Unit.
- ❖ Charges arising from or related to the use of the Community Association Property, the Project amenities (for example, rentals of sports supplies or other recreational equipment, and so on) or amenities of Ka'anapali North Beach.
- ❖ The cost to repair any damage to any part of the Common Areas or to repair or replace any Community Association Property because of loss or damage caused by a Primary Occupant or his or her Guests, unless it is caused by ordinary wear and tear or by an unavoidable accident or other casualty.
- ❖ Expenses to any other Owner or the Community Association due to a person's intentional or negligent act or failure to act.
- ❖ Expenses resulting from any intentional or negligent violation of the Ka'anapali North Beach Documents.
- ❖ Collection Costs.
- ❖ Any late charges and interest on overdue payments.

11.7 DUTY TO PAY ASSESSMENTS AND PERSONAL CHARGES.

A. PROMISE TO PAY. By acquiring a Project Ownership Interest, an Owner promises to pay all Assessments on the Owner's Project Ownership Interest and all Personal Charges charged to the Owner. Each Owner makes this promise whether or not he or she signs any document that expressly says so.

B. THE DEVELOPER'S DUTY TO PAY; SUBSIDY CONTRACT. The Developer also promises to pay the Assessments and Personal Charges for each Project Ownership Interest while the Developer is the Owner of it. Instead of doing so, however, the Developer may enter into a "Subsidy Contract" with the Community Association in which the Developer agrees to pay to the Community Association an amount calculated substantially as stated in the form of Subsidy Contract attached as Exhibit J.

C. PERSONAL OBLIGATION TO PAY. Each Owner is personally obligated to pay on time all Assessments charged to the Owner's Project Ownership Interest and all Personal Charges charged to the Owner. The amount of an Assessment or Personal Charge will become the personal debt of the Owner as of the date when it is assessed. An Owner cannot avoid liability for Assessments or Personal Charges by not using his or her Interest or Unit, or by abandoning it. Even if the Owner transfers his or her Project Ownership Interest to someone else, pursuant to Section 8.3 the Owner is still personally obligated to pay all Assessments and Personal Charges due before the transfer takes effect.

D. INTEREST, LATE CHARGES AND COSTS. All sums not paid within ten (10) days of the due date will be subject to: (i) interest at a rate set by the Board or, if no rate is set, then at one percent (1%) per month from the due date; and (ii) a late charge in the amount set by the Board or, if no amount is set, then Fifty Dollars (\$50). The Managing Agent may also charge a fee for returned checks or other payments not honored due to insufficient funds or for other reasons. An Owner must also pay all Collection Costs.

E. HOW PAYMENTS WILL BE APPLIED. Payments will be applied as the Board provides in the Community Association Collection Policies. If the Community Association Collection Policies do not say how payments will be applied, then they will be applied (in equal shares for each Project Ownership Interest if the Owner owns more than one) first to Collection Costs, then to late charges, then to interest, then to the principal amount of the Assessment or Personal Charge.

11.8 COLLECTING ASSESSMENTS.

A. TIME AND METHOD OF PAYMENT. An Owner must pay his or her Assessments and Personal Charges to the Community Association. A Commercial Owner, Parking Owner, or Lodging Owner must pay his or her Regular Assessments monthly in advance unless the Board adopts a different payment schedule and all affected Owners consent. A Vacation Owner must pay his or her Regular Assessments yearly in advance unless the Board adopts a different payment schedule. The Board may not adopt a schedule in which payments are due more often than monthly.

B. BILLS FOR ASSESSMENTS. The Community Association or Managing Agent will mail to each Owner, at the address shown on the Membership List, a bill stating the due date and amount of the Assessment for the Owner's Project Ownership Interest. If a single Project Ownership Interest is owned by more than one person, the bill may be sent to any one or more of its co-Owners. No matter when the bill is sent, however, for the purpose of fixing the amount of the Community Association Lien based on the Assessment, the Assessment will be considered due on the date stated in the bill. The Board must notify Members in writing of any increase in Regular Assessments at least thirty (30) days prior to the increase or at such other time as may be required by the Act.

1) JOINT BILLINGS. The Community Association or Managing Agent may join with the Vacation Owners Association, Ka'anapali North Beach Association, the SVN Operator, or any of them, to send a single bill or a joint billing statement covering Assessments due under the Project Documents, the Vacation Plan Documents, the Ka'anapali North Beach Documents, the SVN Affiliation Agreement or the individual membership agreements (for those Owners who elect to join SVN). The Community Association may permit the Vacation Owners Association, the Ka'anapali North Beach Association, or the SVN Operator to collect the Assessments and turn them over to the Community Association or Managing Agent provided that they have adequate fidelity insurance or bonds. The Community Association may also agree with the Vacation Owners Association, the Ka'anapali North Beach Association, and/or the SVN Operator to act as their agent in collecting amounts due under the Project Documents, the Vacation Plan Documents, the Ka'anapali North Beach Documents, the SVN Affiliation Agreement or individual membership agreements (for those Owners who elect to join SVN).

2) HOW PAYMENTS WILL BE APPLIED. In the event that joint billings are sent pursuant to Section 11.8B.1), and if the Owner fails to pay the full amount required, then payments will be applied as the Board agrees with the board of directors of the Vacation Owners Association and the SVN Operator. If there is no such agreement, then payments will be applied in the following order:

- ❖ First to collection costs, late fees and interest of the Community Association, the Vacation Owners Association, and the SVN Operator, in that order;
- ❖ Next, to sums due to the Community Association;
- ❖ Next to sums due to the Vacation Owners Association;
- ❖ Then to sums due to the SVN Operator.

C. PAYMENT OF PERSONAL CHARGES.

1) TIME FOR PAYMENT. Personal Charges will be paid as follows:

(a) In the case of a Lodging Unit used for hotel or transient vacation rental purposes, or in the case of a Vacation Unit, the Primary Occupant must pick up and pay all bills for Personal Charges that are ready at the time when he or she checks out. Examples include food or beverage charges, optional housekeeping service, and telephone charges.

(b) All other bills for Personal Charges must be paid within thirty (30) days after the bill is mailed.

2) PERSONAL CHARGE DEPOSIT. At any time before or during a person's occupancy of a Lodging Unit used for hotel or transient vacation rental purposes or a Vacation Unit, the Community Association or the Managing Agent may require an advance payment or deposit, or a credit card imprint if they decide that it is appropriate. The Community Association or Managing Agent may (but are not required to) use these funds to pay any Personal Charges of that person. The Community Association may keep the money (or any unspent part of it) until all charges relating to that person's occupancy have been paid. Neither the Community Association nor the Managing Agent will be liable for not asking for or not keeping advance payments or deposits. The request or failure to request and keep them does not excuse an Occupant's duty to pay the Personal Charges.

D. COLLECTION POLICIES. The Board may establish collection policies and procedures and may delegate the authority to implement those policies and procedures to the Managing Agent. The Board may also compromise and settle disputed amounts and may delegate the authority to do so to the Managing Agent.

11.9 USE OF AMOUNTS COLLECTED. Assessments must be used exclusively for these purposes:

- ❖ To pay Project Expenses,
- ❖ To promote the recreation, health, safety and welfare of the Owners,
- ❖ To improve, operate, maintain, repair, remodel, upgrade, and replace the Property,
- ❖ To pay amounts due under the Ka'anapali North Beach Documents, or
- ❖ To operate and manage the Common Areas, the Community Association Property, and the Project and to pay any expenses incurred by the Community Association in performing its duties.

11.10 DEPOSIT AND USE OF FUNDS.

A. MANAGEMENT OF ACCOUNTS. The Community Association is not limited to but shall maintain two types of funds: (i) the General Account, which is used to pay Project Expenses generally within a one year budget cycle, and (ii) the Reserve Account, which is the Community Association's long term capital expenditure plan.

1) All money received by the Community Association or Managing Agent will be deposited in the General Account promptly after the Community Association receives it. Money received for any Reserve Accounts will be transferred to those accounts promptly. All accounts must be established with a safe and responsible depository.

2) The investment of the money received by the Community Association in these funds or any other fund created or maintained by the Community Association is a decision that is made at the sole discretion of the Board.

3) The Board must establish an Investment Policy and this policy must be reviewed and acknowledged in the minutes annually at the time of approval of the annual Budget. The Investment Policy and investment decisions should be made and adopted in the reasonable business judgment of the Board and should exercise prudent financial management in investing the funds.

4) The Board will invest the funds only in assets that are liquid and available. Money in the General Account may be placed in bank savings or checking accounts. It also may be invested in treasury bills or certificates of deposit or other obligations of an agency of the United States of America (such as U.S. savings bonds) or obligations that are fully guaranteed as to principal by an agency of the United States of America. It may also be invested in any other investments authorized by any other law that applies to the Property, the Project or the Community Association. Money in the General Account shall not be placed in investments that do not mature within a year.

5) Money placed in the Reserve Account shall be invested with the following recommended goals: first, the safety of the principal; second, liquidity or the ability of the Community Association to get to the money; third, yield; and fourth, growth of principal. The Community Association must not invest in individual stocks or any investment that is generally considered at the time of placement of the investment to not have liquidity such that the funds could be available within four (4) business days.

6) All interest, earnings or other investments gains earned on funds of the Community Association will belong to the Community Association.

7) All amounts collected or held by the Managing Agent on behalf of the Community Association will be kept in segregated accounts separate from amounts collected from the homeowner associations or owners of real estate in other real estate developments managed by the Managing Agent.

B. THE GENERAL ACCOUNT. The Board may spend the money in the General Account to pay Project Expenses as permitted by the Project Documents. Any extra money in the General Account at the end of any Fiscal Year may be carried forward into the following year to pay Project Expenses, held in a surplus fund, or transferred to the Reserve Account at the discretion of the Board of Directors. At the time of adoption of the Budget, the Board must make a determination of how to use any year-end surplus.

C. THE RESERVE ACCOUNT.

1) Any part of the Regular Assessment that is intended for a Reserve Account must be placed in a separate account. The Board will authorize payments from the Reserve Accounts as needed. The money may be used only to pay for Capital Improvements.

2) Money in the Reserve Accounts will be considered conclusively to be savings of the Owners held for their benefit to pay for Capital Improvements or other capital expenses. Any part of an Owner's Assessments used or to be used by the Community Association for Capital Improvements or any other capital expense will be treated as a capital contribution by the Owner. It will be credited by the Community Association on its books as paid-in surplus. It will not be treated as income to the Community Association or to the Owners.

3) The Board may borrow money from a Reserve Account to meet short-term cash-flow requirements or other expenses. Before doing so, the Board must make a written finding that explains the reason that the loan is needed and describing when and how the money will be repaid to the Reserve Account. This finding must be recorded in the Board's minutes. The Board must see that the money is repaid to the Reserve Account within one year of the date of the initial borrowing. However, the Board may delay repayment temporarily if it makes a written finding that doing so is in the best interests of the Project. The Board must exercise prudent fiscal management in maintaining the integrity of the Reserve Accounts. If necessary, it must charge a Special Assessment to repay the full amount borrowed from the Reserve Account. The Board can extend the due date for a Special Assessment. Any extension will not prevent the Board from using any legal remedy it has to collect an unpaid Special Assessment.

11.11 FINANCIAL REPORTS. The Community Association must prepare and make the following documents available to each Owner:

A. THE BUDGET. At least fifteen (15) days before the Fiscal Year starts the Community Association must distribute or otherwise make available the Budget for that year.

B. YEARLY AUDIT. Each year, the Managing Agent must arrange for an independent audit of the Community Association's financial accounts. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting principles. The Community Association must make the audit available to Owners upon request starting one hundred and twenty (120) days after the close of the Fiscal Year, or at such earlier time as may be required by any law that applies. The audit must include a report (the "Annual Report") that includes each of these things:

- 1) A balance sheet as of the end of the Fiscal Year;
- 2) An operating (income) statement for the Fiscal Year;
- 3) A statement of the net changes in the financial condition of the Community Association and the Project for the Fiscal Year;
- 4) For any Fiscal Year in which the gross income to the Community Association exceeds Seventy-Five Thousand Dollars (\$75,000), a copy of a review of the Annual Report prepared in accordance with generally accepted accounting principles.
- 5) A list of the names and the method of contacting the Board members; and
- 6) Any other information required by any law that applies to the Project or the Community Association.

C. BUDGET AND AUDIT SUMMARY. Instead of providing a copy of the Budget and Annual Report as required by Sections 11.11A and 11.11B, the Board may elect to provide a summary of the Budget and Annual Report to the Owners along with a written notice that the Budget and Annual Report are available at the business office of the Community Association or at another suitable location within the boundaries of the Project, and that copies will be provided upon request and at the expense of the Community Association. If any Owner requests a copy of the Budget and Annual Report required by Sections 11.11A and 11.11B, the Community Association must provide it to the Owner by facsimile, electronic mail, or first-class United States mail at the expense of the Community Association and delivered within ten (10) days. The written notice that is distributed to each of the Owners

must be in conspicuous 14-point type on the front page of the summary of the Budget and Annual Report.

12. ENFORCEMENT

12.1 DUTY TO COMPLY. All Owners and Occupants, each of their Guests, and anyone else who may in any manner use the Project, or any part of it, are bound by and must comply strictly with the Project Documents and all agreements, decisions and determinations of the Community Association as lawfully made from time to time.

12.2 ENFORCING THE PROJECT DOCUMENTS. If anyone violates the Project Documents, the Board or the Managing Agent (acting on behalf of the Community Association) has full power and the right to enforce compliance in any manner permitted in the Project Documents and by law. The Developer has the right to enforce any rights that it has under the Project Documents in any manner permitted by law or by the Project Documents. The enforcement powers contained in the Project Documents or provided by law are "cumulative." This means they may be used one at a time or all at once. By acquiring a Project Ownership Interest, each Owner promises and agrees that the Community Association, the Managing Agent, and the Developer have all the rights, powers and remedies provided in the Project Documents or by law.

A. PRIOR FAILURE TO ENFORCE. Failure to enforce any provision of the Project Documents does not mean that the provision cannot be enforced later.

B. ATTORNEYS' FEES AND COSTS. The Community Association (and the Managing Agent if authorized by the Community Association) may employ an attorney to enforce the Project Documents against any Owner or Occupant. In any such case, the Owner or Occupant must pay, in addition to any other amounts due, all court costs and all reasonable attorneys' fees, costs, and expenses incurred by the Community Association and/or the Managing Agent. Likewise, the Developer has the right to employ attorneys to enforce its rights under the Project Documents and has the right to recover all of its court costs and all reasonable attorneys' fees, costs, and expenses. In the case of unpaid Assessments or Personal Charges, and except to the extent prohibited by any law that applies to the Project or the Community Association, the Community Association or Managing Agent also may employ one or more collection agents and the Owner or Occupant must pay all Collection Costs incurred by the Community Association or the Managing Agent.

12.3 RIGHT OF ENTRY.

A. RIGHT TO STOP CERTAIN ACTIVITIES. The Community Association and the Managing Agent have the right and power to enter any Unit, whether or not the Owner

or Occupant is present, to stop any activity or condition or to remove anything that:

- 1) Violates the law, the Project Documents, or the Ka'anapali North Beach Documents,
- 2) Is unauthorized, prohibited, harmful, offensive or potentially dangerous to others or their property, or
- 3) Threatens the property, rights or welfare of others.

B. RIGHT OF ENTRY. The rights of the Community Association and the Managing Agent under Section 12.3A include the right and power to enter any Unit or Limited Common Area at any time and to use any means and as much force as is reasonable under the circumstances. Neither the Community Association nor the Managing Agent will be liable to any Owner, Occupant, Guest, or other Interested Persons, for doing so. This includes claims for trespass or anything else. The Community Association and the Managing Agent can use these rights only when the violation poses an immediate, substantial and undeniable threat to life, safety or property of any Owner, Occupant, or Guest.

12.4 SUSPENSION OF PRIVILEGES; FINES.

A. SUSPENSION AND FINES. If any Owner or the Owner's Guests violate the Project Documents, the Community Association may charge the Owner a money penalty and/or suspend the Owner's rights and privileges under the Project Documents. For example, the Community Association may do any of these things:

- 1) It may suspend an Owners right to participate in any vote under the Project Documents.
- 2) It may suspend utility and other services to the Unit occupied by the Owner.

B. HEARING. The Board must meet and permit the Owner to present his or her case before it fines the Owner or suspends the Owner's rights and privileges. The Board or the Managing Agent must give the Owner written notice of the meeting at least fifteen (15) days in advance. If the notice is given by mail, it must be sent to the Owner's last known address, as shown in the Community Association's records. The notice must state the purpose of the meeting and the reason for seeking the suspension or fine. The Owner has the right to be heard, orally or in writing, on why the penalty should not be imposed or the rights and privileges suspended. Unless otherwise required by law, the Board will decide whether the Owner's defense will be oral or written. The Board will decide whether to fine the Owner or to suspend the Owner's rights and privileges. The Board cannot act, however, unless a quorum is present and the meeting is held as provided in the Bylaws.

C. WHEN THE FINE OR SUSPENSION TAKES EFFECT. The Board or the Managing Agent must give the Owner written notice of any fine charged to the Owner and the reasons for it. The Board or the Managing Agent must give written notice of any decision to suspend an Owner's rights and privileges promptly after the decision is made. Any disciplinary action will take effect fifteen (15) days after the date that the notice is given.

D. WHEN PRIVILEGES WILL BE RESTORED. If an Owner's rights and privileges are suspended for failing to pay amounts due under the Project Documents, the suspended privileges and services will be restored automatically after the Community Association receives the Owner's payment, in cash or by cashier's or certified check, of all amounts due and any fine imposed. If an Owner's rights or privileges are suspended for any other reason, the suspended privileges and services will be restored automatically at the end of the period stated in the suspension notice and after the Community Association receives the Owner's payment of any fine, as applicable.

E. THE MANAGING AGENT'S ROLE. The Board may delegate to the Managing Agent the power to carry out any disciplinary actions imposed by the Board. The Board also may delegate to the Managing Agent the authority (i) to suspend an Owner's rights and privileges under the Project Documents in cases where the Owner has not paid all Assessments or Personal Charges due, and (ii) in all other cases, to conduct the hearing required by Section 12.4B and to decide whether to suspend the Owner's rights and privileges.

12.5 ENFORCEMENT BY FILING A LAWSUIT.

The Community Association, the Managing Agent, the Developer, or any Owner may ask a court to enforce the Project Documents and ask for any appropriate relief. For example, the appropriate relief could be damages or an order specifically enforcing those documents, or a combination of those things. The Community Association or the Managing Agent may also enforce the liens provided by this Declaration and any other lien provided by law and have the right to take the Project Ownership Interest of any defaulting Owner in any lawful manner.

A. A VIOLATION IS A NUISANCE. Each violation of the Project Documents is declared to be a nuisance. The Community Association, the Managing Agent, or the Developer may seek an "injunction" (a court order requiring someone to do or stop doing something) or any other appropriate relief to stop the nuisance.

B. DISPUTES WITH THE DEVELOPER. No matter what else the Project Documents say, any dispute between the Community Association and the Developer with respect to whether the Developer has satisfied any conditions to the exoneration or release of any bond, cash deposit, letter of credit or other financial assurance posted as security for the

Developer's obligations (i) to pay any Assessments and Personal Charges due under the Project Documents, or (ii) to pay the costs of operating and maintaining the Property under a Subsidy Contract, must, at the request of either party, be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

12.6 COLLECTION OF RENTS. If an Owner (other than the Developer) is more than sixty (60) days late in paying any Assessment or Personal Charge, and does not make that payment within ten (10) business days after the Community Association sends a written demand to pay, then for so long as the default continues, the Board may demand in writing and receive from the Owner's tenant any rent due up to the full amount owed by the Owner to the Community Association, including interest, late fees and Collection Costs, if any. Of course, the Community Association may not demand that the tenant pay more than the amount of rent due from the tenant to the Owner under the lease or rental arrangement. Before taking any action under this Section 12.6, the Board must give the Owner written notice of the Board's intent to collect the rent owed in accordance with the requirements of the Act. Any amount paid by the tenant under this Section 12.6 will discharge that amount of payment from the tenant's rent obligation. Even if the Community Association demands and receives any rent from a tenant, this will not release or discharge (i) any obligations of the Owner remaining unpaid or unperformed, (ii) any other duties of the Owner, or (iii) any rights of the Community Association under the Project Documents.

12.7 THE COMMUNITY ASSOCIATION LIEN; FORECLOSURE.

A. LIEN. The Community Association has a lien, called the "*Community Association Lien*", on each Project Ownership Interest for all amounts charged to it or its Owner. This means that the Project Ownership Interest is collateral for the Owner's obligations to obey the Project Documents and to pay all Assessments and Personal Charges. If the Owner fails to pay, the Community Association may "*foreclose*" the Community Association Lien. This means that the Project Ownership Interest will be sold and the money from the sale will be used to pay the Assessments and Personal Charges. The Community Association Lien will cover all interests in a Project Ownership Interest, including, for example, (i) the seller's and the buyer's interests under any Agreement of Sale, and (ii) all Condemnation and Insurance Proceeds relating to a Project Ownership Interest. The recording of this Declaration is notice of the Community Association Lien to each and every person who has or acquires any interest in or to the Project or any Project Ownership Interest, now or later.

B. EFFECT OF THE COMMUNITY ASSOCIATION LIEN.

1) EFFECT ON A NEW OWNER. In this Subsection 1), "Prior Owner" means the Owner whose Project Ownership Interest is being transferred, and "New Owner" means the person to whom the Project Ownership Interest is transferred. If a Project Ownership Interest is transferred, the New Owner is not personally responsible to pay Assessments or Personal Charges charged before the date the transfer took place. However, the Project Ownership Interest will still be subject to the Community Association Lien for all the unpaid Assessments and Personal Charges of the Prior Owner. As a result, the Community Association still may foreclose the Community Association Lien on the Project Ownership Interest. If so, the Project Ownership Interest would be taken from the New Owner and sold to pay the amounts due. The New Owner would get only the money that is left, if any, after all unpaid Assessments and Personal Charges have been fully paid.

(a) STATEMENT OF UNPAID AMOUNTS.

A New Owner can avoid this problem by asking the Community Association for a statement of unpaid amounts. Subject to any privacy laws, any Owner, Lender, potential Lender or potential buyer may ask the Community Association for a letter listing all amounts unpaid with respect to the Project Ownership Interest. Within twenty (20) days after receiving the request, the Community Association or the Managing Agent must provide the letter. The letter will bind the Community Association in favor of anyone who relies on it in good faith (except the Prior Owner). As a result, after the transfer or mortgage is made, the Community Association may not foreclose the Community Association Lien for any Assessments or Personal Charges due before the date of the letter in excess of the amount stated in the letter except for the amount of any check or other payment that is later dishonored and that is mentioned in the letter as having been received within the 30-day period immediately preceding the date of the letter. The Community Association and/or the Managing Agent may charge a reasonable fee for preparing the letter.

2) EFFECT ON MORTGAGES AND OTHER ENCUMBRANCES. No matter what else the Project Documents say, the Community Association Lien is subordinate to (subject to and will not affect) the rights or remedies of any Lender whose mortgage is recorded before a Notice of Lien is recorded. Unless the law says otherwise, this rule only applies if the Lender has a first mortgage on a Project Ownership Interest for a loan made in good faith and for value. In all other cases, the liens created by this Declaration will be prior to (superior to and controlling over) all mortgages made by an Owner and all liens or encumbrances imposed by law upon any Project Ownership Interest. This will be so whether the Notice of Lien is recorded before or after any such encumbrance. Of course, some liens (such as real property tax liens) may be superior to the liens in this Declaration if the law makes them so.

3) EFFECT ON AGREEMENTS OF SALE.

Since the buyer is considered the Owner, only the buyer (and not the seller) under an Agreement of Sale will be personally liable. The Project Ownership Interest, however, is subject to the Community Association Lien for all unpaid Assessments and Personal Charges for which the buyer is personally liable. The Community Association Lien will remain on the Project Ownership Interest even if the Agreement of Sale is later canceled and the seller again becomes its "Owner." As a result, the Community Association may foreclose the Community Association Lien at any time, before or after the Agreement of Sale is canceled.

If this happens before the Agreement of Sale is canceled, the Project Ownership Interest will be taken from both the buyer and the seller and sold to someone else to pay the overdue amounts. The buyer and seller would get only the money that is left, if any, after all unpaid Assessments and Personal Charges have been fully paid. If this happens after the Agreement of Sale is canceled, the Project Ownership Interest will be taken from the seller and sold, and the seller still gets only the money left after all unpaid amounts have been paid.

4) EFFECT ON A BUYER AT A FORECLOSURE SALE. Anyone who buys a Project Ownership Interest at a foreclosure sale is not liable for any Assessment or Personal Charge due before the Project Ownership Interest is transferred to the buyer. In addition, the Project Ownership Interest will not be subject to the Community Association Lien for any Assessments or Personal Charges which became due before the Project Ownership Interest is transferred to the buyer. However, the Project Ownership Interest will be subject to the Community Association Lien for all Assessments and Personal Charges that become due after the Project Ownership Interest is transferred to the buyer at the foreclosure sale.

C. FORECLOSURE AND SALE. The Community Association Lien includes a power of sale, like a mortgage with a private power of sale. The Community Association may foreclose it in any legal way and the defaulting Owner's Project Ownership Interest may be sold at a public auction with or without first obtaining a court order.

1) NOTICE OF DEFAULT. Before the sale, the Community Association must give a notice to the defaulting Owner explaining the violation. The Community Association must send a copy of the notice to any Lender of the defaulting Owner if the Lender has asked for a copy and furnished its name and address to the Community Association. The notice must state the date and nature of the violation. If the Owner's default is that he or she failed to pay money, the notice must state the total of any unpaid amounts and include a demand for payment.

2) NOTICE OF LIEN. If the violation is not cured within ten (10) days after the Community Association gives its notice to the Owner, then an officer of or attorney for the Community Association or the Managing Agent may sign and record a Notice of Lien ("Notice of Lien"). The Notice of Lien must state:

- (a) The name of the defaulting Owner.
- (b) The Identification Number of the defaulting Owner's Project Ownership Interest.
- (c) The amount claimed to be due (after any proper offset).
- (d) That the Notice of Lien is made by the Community Association under the terms of the Project Documents.
- (e) That the Community Association Lien is claimed against the Project Ownership Interest for the violation and in an amount equal to the net amount due plus interest, late charges, and Collection Costs.
- (f) That the Community Association intends to have the Project Ownership Interest sold in a foreclosure sale.

Each violation will be a separate basis for a Notice of Lien. But a single Notice of Lien may cover more than one default, and may include defaults between the date of the Notice of Lien and the date of the sale.

3) CANCELLATION OF NOTICE OF LIEN. The Community Association may provide a document canceling a Notice of Lien if both of these conditions are met:

- (a) The Community Association must first receive payment in full of the amount claimed to be due and owing (including interest, late fees, and any Collection Costs).
- (b) The Owner must ask for the cancellation document and pay a reasonable fee for it.

The document canceling the Notice of Lien must be signed by an officer or an attorney for the Community Association or the Managing Agent.

4) CONDUCTING THE SALE. The sale may be conducted in any lawful way.

5) POWER OF ATTORNEY. When enforcing its rights, the Community Association (acting in its own name or in the name of the defaulting Owner) may sign and deliver any deeds and any other legal documents necessary to transfer title to that Owner's Project Ownership Interest to a purchaser. For this purpose, each Owner appoints the

Community Association and also appoints the Managing Agent as the Owner's attorney-in-fact.

6) **PERMITTED BUYERS.** The Community Association or anyone else except a Competitor may bid on and buy the Project Ownership Interest at the foreclosure sale. The Community Association may offset the debt against the amount bid at the sale. The Community Association may buy the Project Ownership Interest of a defaulting Owner or accept a transfer of it to the Community Association from the Owner in place of foreclosure.

7) **AMOUNTS OWED AFTER THE SALE.** The foreclosure sale may not produce enough money to pay all amounts owed by the defaulting Owner. If this happens, the defaulting Owner remains personally liable for the difference, and the Community Association can sue the defaulting Owner to collect the unpaid amount.

8) **BUYER AT FORECLOSURE.** Anyone who buys a Project Ownership Interest at a foreclosure sale will have to obey the Project Documents just like any other Owner.

D. THE DEVELOPER'S RIGHTS. The Developer has the right, but not the obligation to pay the amounts due from a defaulting Owner to the Community Association. To exercise this right, the Developer must make such payment to the Managing Agent prior to the end of the then-current Fiscal Year. In such event, (i) the Developer shall hold the Community Association Lien on the Owner's Project Ownership Interest, (ii) the Developer will have the right to exercise all rights and remedies of the Community Association, including the right to foreclose the Community Association Lien in the name of the Community Association or in its own name, and (iii) the Developer will have the right to act as the attorney-in-fact for the Owner pursuant to the Community Association's power of attorney under Section 12.7C.5), and in the exercise of the Community Association's power of substitution pursuant to Section 30.3B.

13. INSURANCE.

13.1 INSURANCE GENERALLY.

A. INSURANCE REQUIRED. The Board must see that, as a minimum, the Community Association and all of the Owners together are covered by the insurance required by this Section 13 and any additional insurance required by the Honua Kai Parking Easement. The cost of insurance will be a Project Expense. Each Policy may be separate or the Board may buy one or more commercial package policies.

B. SOURCE OF INSURANCE. The Community Association may buy the insurance itself. Or it may join with the Vacation Owners Association in order to buy

insurance. If the Managing Agent or any related company manages more than one owners association (for example, the Vacation Owners Association or a Fractional Owners Association) or real estate project, then the Managing Agent may buy one or more blanket policies that cover the Property and any other associations or real estate projects. In that case, the covered projects and associations will split the costs of the policies. The amount charged to the Property for its share of the costs is subject to approval by the Board.

C. QUALIFIED INSURANCE COMPANIES. Each insurance company must be permitted by law to write insurance policies in Hawai'i or on Hawai'i property. This does not apply, however, to (i) federal flood insurance and other government insurance programs, and (ii) insurance not available, or not available at a reasonable price, from a company permitted by law to write insurance policies in Hawai'i or on Hawai'i property. Each insurance company must have a financial rating by Best's Insurance Reports of Class B:IV or better. If the insurance cannot be obtained from a company having that rating, or if the Board decides that the cost is too high, then the Community Association may buy the insurance from any financially sound company of recognized responsibility.

D. ADDED INSURANCE. The Board has the right and power to increase the coverage or to obtain better terms than those stated in this Section 13 whenever the Board deems it necessary or in the best interests of the Community Association. The Board may also buy other kinds of insurance even if they are not described in this Section 13. For example, the Board may buy business interruption insurance.

E. SUBSTITUTE COVERAGE; REDUCTION IN INSURANCE. Except for insurance required by law or by the Honua Kai Parking Easement, the Board need not buy any insurance if it is advised that it cannot reasonably be obtained or if the Board decides that it is too expensive. In those cases, the Board must buy other insurance that it believes to be appropriate under the circumstances for real estate projects similar in construction, location and use. The Board may accept any deductibles, uninsured retentions, and co-insurance as it chooses in its business judgment. Any amount paid on account of any deductible, uninsured retention, or co-insurance will be a Project Expense; provided that if a loss results from the negligence or willful misconduct of an Owner or Occupant, then the Community Association may charge the amount to the Owner or Occupant as a Personal Charge as provided in Section 14.6A.

F. YEARLY REVIEW OF COVERAGE. The Board must review the insurance program at least yearly. The Managing Agent must prepare or cause to be prepared an analysis of (a) the insurance needs of the Community Association and the Owners; and (b) the adequacy of the existing insurance policies to meet those needs. The Board

will review this analysis and then make any changes in the insurance program that it deems necessary or appropriate. All Board decisions are final.

G. LIABILITY FOR INSURANCE DECISIONS. The Board will not be liable for any decision it makes on insurance except to the extent of its gross negligence or intentional misconduct. Likewise, neither the Developer nor the Managing Agent will be liable except to the extent of their gross negligence or intentional misconduct.

H. INSPECTION AND COPYING. Any Owner (and anyone having a contract to buy a Project Ownership Interest) may inspect copies of the Community Association's insurance policies at the office of the Managing Agent. If asked to do so, the Board will furnish a copy of any Policy, or a current certificate of insurance, to any Lender that has a first mortgage on a Project Ownership Interest. The Lender must pay a reasonable fee for the copy.

13.2 PROPERTY INSURANCE. The Community Association must buy and keep in effect at all times a policy of property insurance. This is called the "Policy" in this Section 13.2.

A. WHO IS INSURED. The Policy must name the Community Association, by the Board as trustee for all Owners and their Lenders, as the insured. The Developer also must be named as an insured.

B. REQUIRED COVERAGE. The Policy must insure the Units, the Limited Common Areas (except as otherwise determined by the Board), and the General Common Areas. The Policy need not cover upgrades and additions to the Units installed by Owners of the Project Ownership Interests to which the Units are appurtenant, but if the upgrades and additions are covered, any increased cost may be assessed by the Community Association against the Project Ownership Interests of affected Units. "*Upgrades and additions*" means all decorating, fixtures, and furnishings installed or added to and located within the boundaries of the Unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, or built-in cabinets installed by the Owners of the Project Ownership Interests to which the Units are appurtenant (or the Vacation Owners Association in the case of the Vacation Ownership Plan).

1) The Policy must cover the full insurable replacement cost of the insured property (except for (i) exterior glass if the Board decides that this is too expensive, and (ii) excavations, foundations, footings, and other items normally excluded from such policies) at the time the insurance is purchased and at each renewal date, less deductibles and uninsured retentions, but including coverage for the increased costs of construction due to building code requirements. If renewals occur less than annually, then the Community Association must either (i)

annually update the stipulated full replacement cost amount to reflect the then-current estimated full replacement cost of the insured property, or (ii) obtain a replacement cost endorsement that provides for full reimbursement for the actual cost (less deductibles and uninsured retentions) of repair or replacement of the insured property, without deduction for depreciation.

2) The Policy must have an agreed amount endorsement. This protects Owners from co-insurance clauses. A co-insurance clause reduces benefits if the Community Association fails to buy enough insurance.

C. FORM OF POLICY. The Policy must cover those risks generally covered by a special form policy. A "special form policy" commonly insures against these risks: fire, lightning, windstorm and hail, smoke, explosion, civil commotion, riot, and riot attending a strike, aircraft and vehicle damage, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, breakage of glass, falling objects, water damage, collapse of structure, and direct physical loss. If the Project is located in an area prone to earthquakes, the Community Association must also buy earthquake insurance if it is available at a reasonable cost

D. INSURANCE TRUSTEE. The Policy must provide that if there is a loss to the Project and the amount paid by the insurance company exceeds One Million Dollars (\$1,000,000) on a C.P.I. Adjusted basis, then the money must be paid to a bank or trust company authorized to do business in Hawai'i and chosen by the Board to have custody and control of the insurance proceeds (the "*Insurance Trustee*"). The Policy must also require that the insurance company recognize the Insurance Trust Agreement.

13.3 FLOOD INSURANCE. The Project may be located in a special flood hazard area as delineated on flood maps issued by the Federal Emergency Management Agency or any successor agency. If so, the Community Association must buy a policy of flood insurance that complies with the requirements of the National Flood Insurance Program and the Federal Insurance Administration or any successor agency.

13.4 LIABILITY INSURANCE. The Board must buy and keep in effect commercial general liability insurance and, if necessary, commercial umbrella insurance. In this Section 13.4, the commercial general liability insurance and commercial umbrella insurance are together called the "Policy." The Policy must cover claims for personal injury, bodily injury, death and property damage against: (i) the Community Association, the Board, the Developer, and the Managing Agent, and (ii) each of their directors, officers, employees, and agents, and (iii) all Owners as a group. The Policy limits for each accident or occurrence must not be less than Five Million Dollars (\$5,000,000) for personal injury, bodily injury, and death, and Three Million Dollars

(\$3,000,000) for property damage. These amounts will rise or fall each year on a C.P.I. Adjusted basis.

13.5 MOTOR VEHICLES. The Board must buy and maintain a commercial automobile liability policy of insurance if the Community Association owns or leases any motor vehicles. This is called the "Policy" in this Section 13.5. It must insure the Board, the Community Association, the Developer and the Managing Agent, and each of their officers, directors, agents and employees. It must cover claims for bodily injury, death and property damage arising out of the condition, use, operation, ownership or lease of any motor vehicle owned or leased by or for the benefit of the Community Association. The Policy limits may not be less than Three Million Dollars (\$3,000,000) for bodily injury or death or property damage arising out of a single accident or occurrence. This amount will rise or fall each year on a C.P.I. Adjusted basis. The Policy must contain a severability of interest provision and a cross-liability endorsement.

13.6 DIRECTORS AND OFFICERS INSURANCE. The Board must buy and maintain a policy insuring, to the extent allowed by law, each person who is or was a director, officer, agent or employee of the Community Association against all liability in connection with any claim made against him or her as a result of his or her holding that position. This is called the "Policy" in this Section 13.6. The Policy must also cover anyone who serves, at the request of the Community Association, as a director, officer, member, employee or agent of another company or organization. The Board will choose the Policy limits.

If it can be obtained at a reasonable cost, the Policy must provide coverage to the extent permitted by law for any proceeding whether it is civil or criminal, administrative or investigative. The Policy must pay for any expense actually and reasonably incurred. This includes, but is not limited to, attorneys' fees and costs, court costs, and payment of any judgments, fines and settlements. The Board may decide to buy insurance to cover circumstances where direct reimbursement is not required by law.

13.7 FIDELITY BONDS. A "fidelity bond" covers the loss of money in the care or custody of the Community Association or the Managing Agent. The Community Association must buy a fidelity bond or fidelity insurance. The cost of the bond or insurance will be a Project Expense. The Policy must cover the Community Association and the Managing Agent. It must also cover each of their directors, officers, agents, and employees who handle funds belonging to or administered by the Community Association or the Managing Agent. The fidelity bond or insurance must name the Community Association as the person protected and who gets paid in case of loss (the "obligee" or the "insured"). The amount of the coverage must not be less than the amount required by any law that applies. The bond or insurance must also do these things:

A. It must provide that it may not be canceled or substantially changed without at least thirty (30) days' advance written notice to the Community Association and the Managing Agent.

B. It must cover anyone who serves without pay (for example, a volunteer). It must also waive (give up) any defense based on excluding such persons from the definition of the term "employee" or similar terms.

13.8 OTHER INSURANCE. The Community Association will buy all other insurance required by law. This may include, for example, temporary disability insurance and worker's compensation insurance. The Owners have the right to buy extra insurance they want for their own benefit and at their own expense.

14. INSURED DAMAGE OR DESTRUCTION.

14.1 APPLICATION. This Section 14 applies if all or any part of the Property is damaged and if the damage is covered by insurance. If this happens, then the Community Association or the Insurance Trustee will use the insurance proceeds as provided in this Section 14. In this Section 14 "proceeds" means any money paid by an insurance company for a loss under an insurance policy paid for by the Community Association.

14.2 REPAIR. Unless a decision is made to not repair, rebuild, or restore the Project in accordance with the Project Documents, the Board must hire one or more contractors to repair or rebuild the damaged parts of the Property.

A. The Community Association will rebuild and repair the Property according to its design just before the damage. If it cannot do this (for example, if changes in the law prevent this) then the Community Association will rebuild or repair the Property according to a new design. The new design must comply with all laws then in effect. Any modified plans and specifications must first be approved by the Board and by any Lender having a mortgage on any Project Ownership Interest having an appurtenant Unit that is directly affected.

B. It is possible that the modified plans and specifications will not provide for rebuilding or repairing a particular Unit or its Limited Common Areas. Also, if the law or this Declaration allows it, the Community Association may decide not to rebuild or repair a particular Unit or its Limited Common Areas. In either case the Community Association or the Insurance Trustee will use the insurance proceeds as follows:

1) If the affected Unit is not a Vacation Unit, then the Community Association or Insurance Trustee will pay to the Owner and to any Lender having a mortgage on a Project Ownership Interest having that Unit as its Assigned Unit (the "Eliminated Project Ownership Interest"), as their interests may appear and in full satisfaction of their

interests in the Eliminated Project Ownership Interest, the share of the proceeds allocable to that Unit and any Limited Common Areas appurtenant to the Project Ownership Interest (including a prorata share of any payment for Resort Limited Common Areas). However, before payment is made to an Owner and his or her Lender, (i) the Community Association or Insurance Trustee must first deduct from those proceeds the Eliminated Project Ownership Interest's Fair Share of the cost of debris removal, (ii) the Owner must deed the Eliminated Project Ownership Interest to the Community Association, and (iii) each of the Owner's Lenders must release its mortgage on the Eliminated Project Ownership Interest.

2) If the affected Unit is a Vacation Unit, then the division of the proceeds will be made using the "points" system established in the Vacation Plan Declaration. Under this system the Ownership Share of each Vacation Unit is symbolized by a certain number of "Points." For example, suppose that the Ownership Share of a Vacation Unit is:

$$\frac{13,400,400}{3,098,581,502}$$

Under the Vacation Plan Documents, the Vacation Plan Developer would assign a total of 13,400,400 Points to the Vacation Unit. In other words, the numerator of the Ownership Share is used to establish the number of Points assigned to the Unit.

After establishing the number of Points assigned to the Vacation Unit, the Vacation Plan Developer can sell Vacation Ownership Interests having varying numbers of Points. However, the total number of Points that can be sold based this particular Vacation Unit cannot exceed 13,400,400 Points.

Using this system, the Community Association would call for volunteers to surrender their Vacation Ownership Interests, as follows:

(a) First, the Board will determine the total number of Points assigned by the Vacation Plan Developer to the eliminated Unit or Units. These Points are called the "Lost Points."

(b) Second, the total amount of the insurance proceeds allocable to the eliminated Unit or Units will be divided by the total number of Lost Points. The result is called the "Proceeds Per Point."

(c) Third, the Board will give notice to the Vacation Owners that the Board is asking for volunteers to give up their Points in return for payment of an amount equal to the Proceeds Per Point, up to the total number of Lost Points. Volunteers must notify the Board in writing using a form approved by the Board. The notice must include the form and state the amount of the Proceeds Per Point and the deadline by which a Vacation Owner must

return the form. The notice must provide a reasonable time for the form to be returned.

(d) Fourth, the Board will make a list of the Owners who return the form before the deadline. The Community Association or the Insurance Trustee will then pay to each volunteer on the list (and to the volunteer's Lender if the Interest is subject to a mortgage) an amount equal to the Proceeds Per Point for each Point given up by the volunteer (after deducting any unpaid Assessments and Personal Charges owed by the Owner).

(i) If there are too many volunteers, then the Board must decide which volunteers will be paid the Proceeds Per Point on a random basis by lottery or otherwise.

(ii) If there are not enough volunteers, then the Board must select, on a random basis by lottery or otherwise, additional Vacation Ownership Interests to be eliminated. The Community Association or the Insurance Trustee will then pay to each Owner of such an Interest (and to the Owner's Lender if the Interest is subject to a mortgage) an amount equal to the Proceeds Per Point for each Point allocated to the Owner's Interest (after deducting any unpaid Assessments and Personal Charges owed by the Owner).

(iii) In applying the foregoing, the number of points that a Vacation Owner has available to surrender shall be equal to the numerator of the Ownership Share for the Owner's Vacation Ownership Interest.

(e) Before payment is made to an Owner and his or her Lender, (i) the Community Association or Insurance Trustee must first deduct from those proceeds the Project Ownership Interest's Fair Share of the cost of debris removal, (ii) the Owner must deed the Vacation Ownership Interest to the Community Association, and (iii) each of the Owner's Lenders must release its mortgage on the Vacation Ownership Interest.

14.3 SHORTFALL OF INSURANCE PROCEEDS. The Community Association or the Insurance Trustee will use insurance proceeds to pay any contractor hired by the Board. Payments will be made as and when required by the construction contract and this Section 14. If there are not enough insurance proceeds to pay the full cost of repairing or rebuilding, then the Board can pay the shortfall from the Reserve Accounts for that Improvement. If this is not enough, then the Board must (i) determine the amount of the remaining shortfall, and (ii) charge a Special Assessment to each Project Ownership Interest except for Project Ownership Interests that are being eliminated (the "Eliminated Project Ownership Interests"). Each Project Ownership Interest will pay a share of the Special Assessment based on the Fair Share that it will be paying after the removal of the Eliminated Project Ownership Interests (and their Ownership Shares).

14.4 DISBURSEMENT OF INSURANCE PROCEEDS. The Community Association or the Insurance Trustee will pay the cost of the work (as estimated by the Board) from time to time or at the direction of the Board as the work progresses. If an Insurance Trust is required, then the Insurance Trustee will make payment periodically as the work progresses and in a manner consistent with the procedures then employed by prudent financial institutions in the State of Hawai'i.

14.5 EXCESS INSURANCE PROCEEDS. "Excess proceeds" are proceeds remaining after paying the cost to rebuild or repair any damage. Any excess proceeds will be paid to the Owners and their Lenders in proportion to their Ownership Shares.

14.6 RELEASE OF CLAIMS.

A. LIABILITY OF OWNERS AND OCCUPANTS FOR DAMAGES. If an Owner or an Owner's Guest intentionally or negligently damages or destroys all or any part of the Property or the Community Association Property, that person must repay the Community Association for all expenses related to repairing or replacing it. That amount will be a Personal Charge. If an Exchange User or his or her Guest intentionally or negligently damages or destroys all or any part of the Property or the Community Association Property, that person must repay the Community Association for all expenses related to repairing or replacing it; the Owner of the Project Ownership Interest whose use rights are used by the Exchange User, however, is not responsible to repay the Community Association. The Board will decide what should be repaired or replaced as a result of any damage or destruction. The Board's decision will be binding on any person responsible for repayment. This Subsection A does not apply to damage or destruction that the Board decides is the result of ordinary wear and tear.

B. NO CLAIM FOR LOSSES PAID FOR BY INSURANCE. Despite what Subsection A says, to the extent that the Community Association's insurance covers any loss, damage or destruction to any part of the Property, the Community Association Property, or any other property, the Community Association and the Owners will have no claim or cause of action for that loss, damage or destruction against the Developer, any company related to the Developer, the Managing Agent, the Community Association, or any of their Representatives or against any Owner (except for any Special Assessment charged under Section 14.3) or any person under any of them. To the extent that any loss, damage or destruction to any part of the Property, the Community Association Property, or to the property of any Owner or Occupant, or anyone under the Owner or Occupant, is covered by insurance purchased by that Owner or Occupant, the Owner or Occupant will have no claim or cause of action for that loss, damage or destruction against the Community Association, the Board, the Developer, any company related to the Developer, the

Managing Agent or any other Owner, or any of their Representatives, or any person under any of them.

14.7 COMMUNITY ASSOCIATION PROPERTY. If the Community Association Property is damaged or destroyed (other than by ordinary wear and tear) the Community Association must immediately repair the damage and replace anything that cannot be repaired. Anything damaged by normal wear and tear, however, need not be repaired or replaced while it is still usable, reasonably attractive, safe, and in good condition. The Board will decide when such things will be repaired or replaced and its decision will be final.

15. CONDEMNATION.

15.1 CONDEMNATION. The government and certain other persons have the "power of eminent domain." This means that they can make someone sell their property to them. This process is called "condemnation." Anyone having the power of eminent domain is called a "condemning agency." This Section 15 explains what happens if the Property or any part of it is "taken", meaning that it is condemned or is sold to a condemning agency that has threatened to condemn it.

15.2 CONDEMNATION TRUSTEE. The Community Association must pay the condemnation proceeds it receives to a bank or trust company (the "Condemnation Trustee") designated by the Board and authorized to do business in the State of Hawai'i. In this Section 15, "proceeds" means any money paid by the condemning agency as compensation or damages for taking the Property or any part of it.

15.3 REPRESENTATION IN CONDEMNATION MATTERS. Each Owner gives the Community Association a special power of attorney to represent the Owner in any proceedings, negotiations, settlements or agreements related to any actual or threatened condemnation of the Property or any part of it. However, the Developer will represent itself with respect to any right or claim it may have to proceeds payable for the Developer's Reserved Rights.

15.4 NOTICE TO LENDERS. The Community Association must provide a copy of any notice of a condemnation proceeding to anyone who holds, insures or guarantees a mortgage and who files a written demand for notice with the Board. The notice must state the person's name and address and the Identification Number for the Project Ownership Interest on which it has (or insures or guarantees) a mortgage.

15.5 DIVISION OF PROCEEDS BETWEEN DEVELOPER AND OWNERS. If all or any part the Property is taken or is sold under threat of condemnation before the end of the Development Period, then the condemnation proceeds must first be divided between the Developer and the Owners.

A. HOW PROCEEDS ARE DIVIDED.

1) The Developer will be entitled to receive all proceeds payable for or on account of the loss of the Developer's Reserved Rights. This includes, for example, (i) the right to all proceeds paid for any part of the Land on which the Developer may have constructed or has the right to construct phases or increments of the Project to be built in the future, (ii) the right to all proceeds paid for Improvements made by the Developer to serve phases or increments of the Project to be built in the future, and (iii) any amounts payable on account of the loss of the right or ability to build and sell future phases or increments of the Project. For example, if the Developer builds more parking stalls than needed for the Project as it currently exists, the Developer can claim any proceeds payable for the excess stalls (to the extent that they are not part of a Parking Unit).

2) The Owners will be entitled to receive the rest of the proceeds. The Condemnation Trustee will use them as provided in Sections 15.6, 15.7 and 15.8. The Developer will, of course, be entitled to receive any part of those proceeds paid on account of any Project Ownership Interests owned by the Developer.

B. HOW TO DETERMINE THE DEVELOPER'S SHARE.

1) If a court makes a final decision as to how much of the proceeds to pay to the Developer for the Developer's Reserved Rights, then the Condemnation Trustee will pay that amount to the Developer.

2) In all other cases, the Condemnation Trustee must pay to the Developer a share of proceeds equal to the value of the Developer's Reserved Rights. A qualified real estate appraiser will determine the value of the Developer's Reserved Rights. To be qualified, the appraiser must be a member of the American Institute of Real Estate Appraisers, or of a successor organization. If a single qualified appraiser acted on behalf of the Developer and the Owners in the condemnation proceedings, then he or she will make the decision. If there was no such appraiser, or if that appraiser is not qualified, or if there was more than one appraiser, or if the Developer and the Owners used different appraisers, then the Board and the Developer must choose an appraiser. However the Developer may elect to require that a panel of three appraisers make the decision simply by giving written notice to the Board. Within fifteen days after the notice is received, the Board and the Developer will each choose an appraiser. Within fifteen days after that, the two appraisers will choose the third appraiser. If either party fails to choose an appraiser on time, then the appraiser chosen by the other party will decide how much of the proceeds will be paid to the Developer for the Developer's Reserved Rights. Otherwise, the decision of any two appraisers will decide how much to pay to the Developer. If the two appraisers cannot agree on a third appraiser, then any party

can ask a court to appoint a third appraiser. The Developer and the Community Association will each pay half the cost and expenses of the appraisers.

15.6 HOW PROCEEDS WILL BE DIVIDED BETWEEN THE OWNERS. Any proceeds remaining after payment of the Developer's share under Section 15.5 will be split by the Owners in this way:

A. If a court makes a final decision as to how much of the proceeds to pay to each Owner, then the proceeds will be divided in that way.

B. In all other cases, a qualified real estate appraiser will divide the proceeds among the Owners based on the value of each Project Ownership Interest. To be qualified, the appraiser must be a member of the American Institute of Real Estate Appraisers, or of a successor organization. If the appraiser who acted on behalf of the Owners in the condemnation proceedings is qualified, then he or she will make the decision. If there was no such appraiser, or if that appraiser is not qualified, or if there was more than one appraiser, then the Board must choose an appraiser.

15.7 CONDEMNATION OR TERMINATION OF THE WHOLE PROJECT. If the whole Project is taken, or if so much of it is taken that the Community Association decides to terminate the Project, then the Condemnation Trustee must pay the condemnation proceeds as follows:

A. It must pay to the Developer and to its Lender, if any, the Developer's share of the proceeds for the Developer's Reserved Rights as required by Section 15.5.

B. It must pay to each Owner and to the Owner's Lender, as their interests may appear, the share of the proceeds for the Owner's Project Ownership Interest as provided in Section 15.6.

15.8 PARTIAL TAKING. If only part of the Project is taken and if the Community Association does not decide to terminate the Project, then the Condemnation Trustee must use the condemnation proceeds as follows: It must pay to the Developer and to its Lender, if any, the Developer's share of the proceeds for the Developer's Reserved Rights as provided in Section 15.5. It must use the rest of the proceeds in this way:

A. **ELIMINATION OF UNITS.** If (i) a Unit or its Limited Common Areas are physically eliminated, or (ii) only a portion is eliminated and the rest cannot be repaired or rebuilt in a way that is satisfactory to (a) the board of directors of the Vacation Owners Association in the case of a Vacation Unit, or (b) in the case of a Commercial Unit, Parking Unit or Lodging Unit, the Owners having that Unit as their Assigned Unit, then:

1) If the affected Unit is not a Vacation Unit, then the Condemnation Trustee will pay to the Owner and to any Lender having a mortgage on a Project Ownership

Interest having that Unit as its Assigned Unit (the "Eliminated Project Ownership Interest"), as their interests may appear and in full satisfaction of their interests in the Eliminated Project Ownership Interest, the share of the proceeds allocable to that Unit and any Limited Common Areas appurtenant to the Project Ownership Interest (including a prorata share of any payment for Resort Limited Common Areas). However, before payment is made to an Owner and his or her Lender, (i) the Condemnation Trustee must first deduct from those proceeds the Eliminated Project Ownership Interest's Fair Share of the cost of debris removal, (ii) the Owner must deed the Eliminated Project Ownership Interest to the Community Association, and (iii) each of the Owner's Lenders must release its mortgage on the Eliminated Project Ownership Interest.

2) If the Unit is a Vacation Unit, then the division of the proceeds will be made using the "points" system established in the Vacation Plan Declaration, as more particularly described in Section 14.2B.2).

3) The Community Association must amend this Declaration to remove the Unit and the Eliminated Project Ownership Interests. The Board may adopt the amendment without a vote of the Owners.

B. REPAIR AND RESTORATION. In all other cases, the Community Association must repair and restore the remaining Improvements according to their design just before the taking. If this cannot be done, then the Community Association must repair or restore the remaining Improvements according to a new design. The new design must comply with all laws then in effect. Any changed plans and specifications must first be approved by the Board and by any Lender having a mortgage on each Project Ownership Interest remaining after the taking. If there are not enough proceeds to pay the cost of the repairs and restoration, the Community Association must pay the shortfall as a Project Expense. The Board is expressly authorized to pay the shortfall using money in the Reserve Accounts. If this is not enough, then the Board must (i) determine the remaining amount of the shortfall, and (ii) charge a Special Assessment to all Owners except any Owners of Eliminated Project Ownership Interests. Each Project Ownership Interest will pay a share of the Special Assessment based on the Fair Share that it will be paying after the removal of the Eliminated Project Ownership Interests (and their Ownership Shares).

C. EXCESS CONDEMNATION PROCEEDS. "Excess proceeds" are proceeds remaining after paying (i) all amounts payable to Owners and Lenders of Eliminated Project Ownership Interests, (ii) the costs of debris removal, and (iii) the costs to repair and restore the rest of the Project. Any excess proceeds will be paid to the Owners (including Owners of Eliminated Project Ownership Interests) and their Lenders in proportion to the Ownership Shares of their Project Ownership Interests.

D. REMOVAL OF DEBRIS. Unless restoration or replacement is undertaken within a reasonable time after such taking, condemnation or sale, the Community Association, as a Project Expense, must remove all remains of the Improvements on the remaining Land and restore the site to good orderly condition and even grade.

16. UNINSURED DAMAGE; DECISION NOT TO REPAIR.

16.1 UNINSURED DAMAGE. This Section 16.1 applies if the Project is substantially damaged or destroyed and if the damage or destruction is not covered by insurance.

A. DECISION NOT TO REBUILD. The Community Association may decide not to repair, rebuild or restore the Improvements. The Community Association may make this decision only if at least seventy-five percent (75%) of the Owners vote to do so at an annual or special meeting of the Community Association and their Lenders consent in writing. The meeting must be held within ninety (90) days after the damage or destruction occurs. During the Development Period the consent of the Developer is also required.

B. REBUILDING. In all other cases, the Project will be repaired, rebuilt and restored as follows:

1) The Community Association must work diligently to repair, rebuild or restore the Improvements.

2) The Improvements must be repaired, rebuilt or restored according to their design just before the damage occurred. If this cannot be done, then they must be repaired, rebuilt or replaced according to a new design that complies with all laws then in effect. Any changed plans and specifications must first be approved (i) by the Board, (ii) by any Lender having a mortgage on any Project Ownership Interest having an appurtenant Unit that is directly affected, and (iii) by the Developer during the Development Period.

3) The cost of repairing, rebuilding or restoring the General Common Areas will be paid by the Community Association as a Project Expense. The cost of repairing, rebuilding or restoring any Limited Common Area will be paid by the Community Association, but will be charged to the Project Ownership Interests to which the Limited Common Area is appurtenant (except for any Project Ownership Interests being eliminated). Each Owner must pay the cost to repair, rebuild, and restore the Unit appurtenant to the Owner's Project Ownership Interest, and any upgrades and additions to that Unit.

(a) If (1) a Unit is physically eliminated, or (2) only a portion is eliminated and the rest cannot be repaired or rebuilt in a way that is satisfactory to (i) the board of directors of the Vacation Owners Association in the case of a Vacation Unit, or (ii) in the case of a

Commercial Ownership Interest, Parking Ownership Interest or Lodging Ownership Interest, the Owner having that Unit appurtenant to their Ownership Share, then:

(1) If the eliminated Unit is not a Vacation Unit then:

(i) The Owners having that Unit as their Assigned Unit will no longer be Owners, nor will they have any right to use the Project or any part of it; and

(ii) Those Owners must deed their Project Ownership Interests to the Community Association, and each of their Lenders must release their mortgages on the Interests. Upon doing so, they will be relieved of any obligation to pay Assessments or Personal Charges arising after the date when the last of those documents is recorded.

(2) If the eliminated Unit is a Vacation Unit then:

(i) The Board will determine the total number of Points assigned by the Vacation Plan Developer to the eliminated Unit or Units. These Points are called the "Lost Points."

(ii) The Board will give notice to the Vacation Owners that the Board is asking for volunteers to give up their Points up to the total number of Lost Points. Volunteers must deed their Project Ownership Interests to the Community Association, and each of their Lenders must release their mortgages on the Interests. Upon doing so, (A) they will no longer be Owners, nor will they have any right to reserve and/or use the Project or any part of it; and (B) they will be relieved of any obligation to pay Assessments or Personal Charges arising after the date when the last of those documents is recorded.

(iii) If there are not enough volunteers, then the Board must select, on a random basis by lottery or otherwise, additional Vacation Ownership Interests to be eliminated. The Owners chosen must deed their Project Ownership Interests to the Community Association, and each of their Lenders must release their mortgages on the Interests, in each case without compensation of any kind. Upon doing so, (A) they will no longer be Owners, nor will they have any right to reserve and/or use the Project or any part of it; and (B) they will be relieved of any obligation to pay Assessments or Personal Charges arising after the date when the last of those documents is recorded.

16.2 DETERMINATION AGAINST RESTORATION. Except as otherwise provided in Sections 16.1, in the event of an insured casualty or the condemnation of any part or all of the Project, the Project will be repaired, rebuilt and restored as provided in Section 14 (in the case of an insured

casualty) or Section 15 (in the case of condemnation) unless, within ninety (90) days after such a casualty or condemnation, the Community Association decides by the affirmative vote of eighty percent (80%) of the Owners not to repair, rebuild, or restore the Project and their Lenders give their consent in a recorded document.

17. VACATION UNITS.

17.1 DEVELOPER'S RESERVED RIGHT TO CONVERT LODGING UNITS TO VACATION UNITS. The Developer may convert Lodging Units to Vacation Units at any time and without the consent of any Owner or anyone else. The Developer may do so by submitting the Lodging Ownership Interest to the Vacation Plan Declaration. Only the Developer may convert Lodging Units to Vacation Units. The Developer has no obligation to do so.

17.2 DEVELOPER'S RESERVED RIGHT TO CONVERT VACATION UNITS TO LODGING UNITS. The Developer may convert any Vacation Unit to a Lodging Unit at any time and without the consent of any Owner or anyone else. The Developer may do so by removing the Vacation Ownership Interest from the Vacation Ownership Plan in accordance with the Vacation Plan Declaration. Only the Developer may convert Vacation Units to Lodging Units. The Developer has no obligation to do so.

18. CHANGES TO THE PROJECT.

18.1 CHANGES BY OWNERS OR BY THE DEVELOPER.

A. CHANGES PERMITTED. No matter what else the Project Documents say, and except as otherwise provided by law, (i) the Developer here and now reserves the rights listed in this Section 18.1A for itself (and these will be Developer's Reserved Rights) as to any Developer Units, (ii) each Commercial Owner as to its Commercial Unit, (iii) each Parking Owner as to its Parking Unit, (iv) each Lodging Owner as to its Lodging Unit, and (v) the Vacation Owners Association as to the Vacation Units, also will have the rights listed in this Section 18.1A. The Developer, the Commercial Owners, the Parking Owners, the Lodging Owners, and the Vacation Owners Association are called the "Authorized Parties" in this Section 18. The Authorized Parties may use their rights under this Section 18.1A at any time and may use them more than once. The Authorized Parties must pay all costs associated with their respective use of these rights.

1) ADDITIONS OR CHANGES WITHIN A UNIT OR LIMITED COMMON AREA.

(a) **ALL UNITS.** Each Authorized Party has the right to make any of the following changes, additions and improvements solely within the Units identified above and any corresponding Limited Common Areas owned or controlled by the Authorized Party:

(1) The Authorized Party may install, maintain, remove and rearrange partitions and other structures from time to time within the Unit or Limited Common Area.

(2) The Authorized Party may finish, change or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors or walls as appropriate for the use of the Unit or Limited Common Area.

(3) The Authorized Party may decorate, paint, repaint, wallpaper or otherwise change the appearance of the walls, floors and ceilings of the Unit or Limited Common Area.

(4) The Authorized Party may tile, finish, carpet, re-carpet, and install, change, or remove other flooring in the Unit or Limited Common Area.

(5) A Commercial Owner may install, change or remove the ceiling system of his or her Assigned Unit or the appurtenant Limited Common Area.

(b) POOL BAR BUILDING AND LANAI.

The Owner of the Unit 102 Interest can completely remodel the pool bar building and the lanai linking the pool bar building to the portion of Unit 102 located within Building 4 (together the "Pool Bar Area") from time to time, can remove pool bar building and/or lanai entirely, and/or can replace them with new buildings and/or lanais. So, in addition to the rights that it has under Section 18.1A.1), the Owner of the Unit 102 Interest has the right to do these things:

(1) The Owner may demolish the existing building and lanai Improvements, and either leave the area vacant and in good order and repair, or replace some or all of the building and lanai with new Improvements.

(2) The Owner may remodel the building and/or lanai. This includes the right to change the exterior appearance of the building and/or its adjacent lanai, and to remove, add, or otherwise change the interior and/or exterior of the building walls, roofs, windows, window frames, doors, door frames, columns, beams, structural elements, roofs, floors, and other structures and facilities from time to time within the envelope of the original building and/or its adjacent lanai.

(3) The Owner may install, change and remove electric lines, gas lines, water lines, and other utilities to serve the building or its adjacent lanai, and relocate any Common Area utility facilities beneath the building or its adjacent lanai.

(4) The Owner can build a fence around the construction area. The boundaries of the fence may extend twenty (20) feet from all sides of the

boundaries of the building and its adjacent lanai. Although this may close the use of certain of the Common Areas temporarily during the construction period, this is intended to provide sufficient space for the work to be conducted safely and promptly and in a manner consistent with the reality of construction work. If the Owner builds a fence around the construction area, then the Owner will have the exclusive use and control of the area enclosed by the fence. This includes the right to make all other Owners stay out of the fenced area until construction is complete and the County of Maui has issued a certificate of occupancy for the building and lanai Improvements.

(5) The Owner has the exclusive right to control, manage, and conduct the design, development, construction, installation, removal, addition, remodeling, and completion of the building and its adjacent lanai. This includes all of the same rights that the Developer has with respect to the initial design, development, construction, installation removal, addition, remodeling, and completion of Improvements under Section 3.3 and Exhibit H.

(6) The Owner has the right to make noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards and so on, and to allow contractors and others to come on to the Project in connection with the work performed under this Section 18.1A.1)(b) The Owner, however, must see that such activities are conducted in a manner that minimizes any such nuisances to the extent reasonably possible and consistent with normal construction practices in the remodeling of inhabited improvements of an operating resort in Hawai'i. Each Owner and every other Interested Person (i) understands, acknowledges and accepts that these activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards, (ii) consents to this activity, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that he or she may have, now or in the future, against the Owner of the Unit 102 Interest and/or its Representatives, licensees, and invitees, and each of their respective successors and assigns.

(c) CONDITIONS. The Owners and the Developer may do the things permitted by this Section 18.1A.1) only if:

(1) The structural integrity of the building will not be adversely affected; provided that in the case of the Pool Bar Area this will require only that the structural integrity of the Improvements after any activity undertaken pursuant to section 18.1A.1)(b) be comparable to or better than the structural integrity of the original buildings.

(2) The finish of any Common Area Improvements affected by such activity are restored to

substantially the same condition they were in before the activity occurred, and

(3) All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner or Developer or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

2) CHANGES BETWEEN UNITS AND/OR LIMITED COMMON AREAS.

(a) **BETWEEN A UNIT AND ITS LIMITED COMMON AREAS.** A Commercial Owner, Parking Owner or Lodging Owner has the right and an easement to do these things:

(1) It can change or remove all or any part of any Common Area wall, floor, or ceiling that separates the Owner's Assigned Unit from its Limited Common Areas.

(2) It can install doors, stairways and other improvements in any opening that it makes.

(3) It can seal hallways or other openings.

(4) It can make other reasonable changes or additions.

The Developer's Reserved Rights include the right to do the same things with respect to any Developer Units.

(b) **BETWEEN TWO UNITS.** The Owner of two (2) Commercial Ownership Interests, Parking Ownership Interests or Lodging Ownership Interests whose Assigned Units are separated by Common Property that is a wall, floor or a ceiling, or whose Limited Common Areas are separated from each other or from such Commercial Units, Parking Units or Lodging Units by Common Property that is a wall, floor or ceiling, has the right and an easement to do these things:

(1) It can change or remove all or part of the intervening wall, floor and/or ceiling.

(2) It can install doors, stairways and other improvements in such opening or openings in the intervening Common Property.

(3) It can seal hallways or other openings.

(4) It can make other reasonable changes or additions.

Before terminating its common ownership of any of the adjacent Units, the Owner must restore the Common Area

wall, floor, ceiling, hallway and/or other openings to substantially the same condition as before the change or removal unless the new Owners each agree otherwise in writing.

The Developer's Reserved Rights include the right to do the same things with respect to any Commercial Units, Parking Units or Lodging Units appurtenant to Interests that it owns or with respect to any Vacation Units that are Developer Units.

(c) **CONDITIONS.** The Owners and the Developer may do the things permitted by this Section 18.1A.2) only if:

(1) The structural integrity of the building will not be adversely affected,

(2) The finish of the remaining Common Property is restored to substantially the same condition it was in before the change or removal, and

(3) All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner or its contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

3) SUBDIVISION OF UNIT. A Commercial Owner, Parking Owner or Lodging Owner has the right to do these things:

(a) It can subdivide the Interest and the Assigned Unit to create two or more Interests and Assigned Units.

(b) It can designate which Limited Common Areas of the subdivided Interest will be appurtenant to the Project Ownership Interests resulting from the subdivision.

(c) It can convert parts of the existing Assigned Unit to Common Property to facilitate the subdivision.

The Ownership Shares of the Interests will be determined as provided in Sections 26.2 and 26.3; provided that the total of the Ownership Shares for the newly created Interests must be equal to the Ownership Share of the Interest that was subdivided. If a Commercial Owner or Parking Owner subdivides its Interest and Assigned Unit, the Owner can decide whether one or more than one of the resulting Interests will have any special rights or easements under this Declaration of the Interest being subdivided, or it can divide some or all of those rights among the resulting Interests.

The Developer's Reserved Rights include the right to do the same things with respect to any Developer Units.

4) **CONSOLIDATION OF UNITS.** The Owner of two (2) or more Commercial Ownership Interests, Parking Ownership Interests or Lodging Ownership Interests has these rights:

(a) The Owner may consolidate the Interests into a single Interest, and consolidate the Assigned Units into a single Unit (whether or not the Units are adjacent to each other).

(b) If the Units are adjacent to each other, the Owner may make any Common Area walls, floors or ceilings between the Units part of the Unit or its Limited Common Areas.

The Ownership Share of the newly created Interest will be equal to the sum of the Ownership Shares of the Interests being consolidated.

The Developer's Reserved Rights include the right to do the same things with respect to any Developer Units.

5) **REDESIGNATION OF LIMITED COMMON AREAS.** The Owners of any two (2) Commercial Ownership Interests have the right to change the designation of the Limited Common Areas appurtenant to their Interests so that all or any part of one Interest's Limited Common Areas now will be appurtenant either to the other Interest or to both of the Interests. The Owners cannot do this without the written consent of each Lender who has a mortgage on either Interest. The Developer's Reserved Rights include the right to do the same things with respect to any Commercial Units, Parking Units or Lodging Units appurtenant to Interests that it owns or with respect to any Vacation Units that are Developer Units.

B. LIMITS ON OWNER ALTERATIONS. Nothing contained in Section 18.1A:

1) Authorizes any work or change by an Owner that would not be consistent with a first-class destination resort.

2) Authorizes any work or change by an Owner that would jeopardize the soundness or safety of any part of the Project, or reduce the value of it.

3) Authorizes any work or change by an Owner (other than (i) the Developer, or (ii) the Owner of the Unit 102 Interest when acting under Section 18.1A.1(b)) that would materially change the uniform external appearance of the Project without the consent of the Developer (until the Development Period ends) and, after the end of the Development Period, the Board.

4) Prohibits the Board from making or requiring that an Owner make changes within a Unit or Limited Common Area as needed to comply with the fire code and all other laws that apply to the Project.

C. FINANCING AND BOND. If the Board reasonably decides that any changes or additions to be made under Section 18.1A are substantial in nature then the Board may require that the Owner of the Interest:

1) Provide evidence satisfactory to the Board that the Owner has sufficient financing to complete the changes or additions, or

2) Provide a performance and a labor and materials payment bond. The bonds must name as obligees (the persons protected) the Board on behalf of the Community Association, the Owners and their Lenders, as their interests may appear. The bonds must cover at least one hundred percent (100%) of the estimated cost of the construction.

This Subsection 18.1C does not apply to changes or additions made by the Developer when using the Developer's Reserved Rights.

18.2 APPROVAL. Subdivisions and consolidations made under Section 18.1A by the Developer or by an Owner or Owners do not require the vote or consent of the Board or anyone else except any Lenders having a mortgage on the subdivided or consolidated Interests.

18.3 AMENDMENT TO DECLARATION. If any change to an Interest or a Unit made under the authority of Section 18.1 materially changes the depiction of a particular Unit or Units on the Project Plan or the description of it or of the Interests in the Declaration, then the Owner or Owners of the Interest(s) (or the Developer as to its Interests) must amend this Declaration and/or the Project Plan to reflect the change. The amendment will take effect when it is recorded.

A. The Owner of the Interest or Interests for the Units or Limited Common Areas changed (or the Developer as to its Interests and appurtenant Units and Limited Common Areas) must sign the amendment. No matter what Section 29 says, it is not necessary for anyone else to vote for, consent to, or sign the amendment except for any Lender who has a mortgage on the Interest or Interests to which the changed or altered Units or Limited Common Areas are appurtenant.

B. When an Owner or other Interested Person acquires a Project Ownership Interest or any other interest in the Project, he or she automatically:

1) Consents to the changes authorized in Section 18.1;

2) Agrees that he or she will, if required by law or by the Owner who has changed an Interest or Unit or Limited Common Area under the authority of Section 18.1, join in, consent to, sign, deliver and record all documents necessary or desirable to make the amendment of the Project Documents effective; and

3) Gives the Owner (or the Developer in the case of a change made using the Developer's Reserved Rights) a special power of attorney to sign, deliver and record such documents and to do such things for him or her.

19. DEVELOPER'S RESERVED RIGHT TO ANNEX LAND AND IMPROVEMENTS.

No matter what else the Project Documents say, the Developer reserves the right to change the Project by annexing into the Project any Adjacent Parcel and any Improvements located on the Adjacent Parcel. The Developer may do this more than once and at any time before the Development Period ends. The Developer can do this without the consent of any Owner, the Community Association, or anyone else. The Developer is not promising to do this.

19.1 DECLARATION OF ANNEXATION. The Developer may annex an Adjacent Parcel to the Project by recording a "Declaration of Annexation." It must contain (i) a legal description of the Adjacent Parcel being annexed; and (ii) a statement submitting the Adjacent Parcel to this Declaration. This Declaration must be identified by title and recording data.

19.2 LIMITS ON THE DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 19 are subject to these terms and conditions:

A. Any Adjacent Parcel to be annexed must be a legally separate lot.

B. The Developer must pay all costs of annexing the Adjacent Parcel.

C. Each person who has a mortgage or other lien on the Adjacent Parcel must sign a document that makes the mortgage or lien subordinate to the Project Documents. This requirement does not apply, however, to a lien for taxes, a lien in favor of any government or governmental agency, a lien to enforce payment of the costs to keep up a roadway or some other kind of commonly used property or easement, or a lien in favor of another community association (for example, the Ka'anapali North Beach Association or a condominium association). It also does not apply to any existing easement or license for use as a roadway or other purposes, or other general encumbrances.

19.3 NATURE OF THE DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 19.2, the Developer's Reserved Rights in this Section 19 include the right to do anything necessary or convenient to annex any Adjacent Parcel and any Improvements on it. For example, the Developer has these rights (but does not have to use any of them):

A. It can amend this Declaration so that the description of the Land includes the Adjacent Parcel annexed. The Developer may also change the Land

description as necessary or convenient to refer to any easements and other changes to title. The amendment may include anything else that the Developer deems necessary or appropriate, or that is required by law.

B. It can amend this Declaration to describe any Improvements on the Adjacent Parcel.

C. It can amend the Project Plan if the Developer deems it necessary or useful to reflect the annexation of the Adjacent Parcel or any Improvements on it.

D. It can amend any recorded deed or other document conveying or encumbering a Project Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

E. It can sign, acknowledge, and record one or more deeds, or other documents that the Developer deems necessary or convenient to make any Adjacent Parcel and the Improvements on it subject to the Project Documents and part of the Project and/or to convey undivided interests in it to the Owners or convey the entire parcel to the Community Association.

F. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to annex any Adjacent Parcel and any Improvements on it. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 25.3.

19.4 WHAT HAPPENS WHEN AN ADJACENT PARCEL IS ANNEXED. The annexation of an Adjacent Parcel takes effect when the Developer records the Declaration of Annexation. After that, (a) the Adjacent Parcel will become a part of the Land; (b) any improvements on the Adjacent Parcel will become part of the Improvements; (c) the Adjacent Parcel and the new Improvements will be Common Property, and (d) unless the Adjacent Parcel is conveyed to the Community Association, each Owner will own an undivided interest in the Adjacent Parcel equal to his or her Ownership Share in the Project.

20. THE DEVELOPER'S RESERVED RIGHT TO SUBDIVIDE AND CONSOLIDATE THE LAND.

No matter what else the Project Documents say, the Developer reserves the right to subdivide the Land of the Project, and/or to consolidate the Land of the Project with any Adjacent Parcel, for or in connection with the use of the Developer's Reserved Rights in Sections 19, 21, and/or 24. The Developer may do this more than once and at any time before the Development Period ends.

20.1 LIMITS ON THE DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 20 are subject to these terms and conditions:

A. The Developer may only consolidate the Land of the Project with one or more Adjacent Parcels.

B. The Developer must pay all costs of any subdivision or consolidation. This includes, but is not limited to, the following costs:

1) The cost of preparing and recording any amendment to this Declaration, the Bylaws, and the Project Plan, and the cost of preparing and recording any other legal documents required for the subdivision or consolidation.

2) The cost of constructing any improvements that are needed for the subdivision or consolidation.

3) The cost of relocating any walls, fences or other Improvements that the County of Maui requires as a condition to approving the subdivision or consolidation, or that may be required to comply with setback rules and similar requirements.

4) The cost of relocating utility easements, utility lines, and so on that the County of Maui requires as a condition to approving the subdivision or consolidation.

5) The cost of providing access to each lot as required by the County of Maui as a condition to approving the subdivision or consolidation.

20.2 NATURE OF THE DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 20.1, the Developer's Reserved Rights in this Section 20 include the right to do anything necessary or convenient to subdivide the Land of the Project and/or to consolidate the Land of the Project with any Adjacent Parcel. For example the Developer has the right to do any of these things, and may do so as the "owner" of the Property or as the owner's attorney-in-fact, agent and/or representative:

A. It can file one or more applications to subdivide the Land of the Project. It can process the application to final approval.

B. It can file one or more applications to consolidate the Land of the Project with any Adjacent Parcel. It can process the application to final approval.

C. It can file, register or record any document required to effect the subdivision or consolidation in the recorded legal records. This includes, for example, a file plan showing the new lot or lots, the location of any easements, and so on.

D. It can make any improvements necessary or convenient to obtain any necessary approvals or to complete the subdivision or consolidation. The Developer may do this by using the Developer's Reserved Rights described in Section 3.3A and Exhibit H.

E. It can seek and obtain any variance, zoning change, or other land use approval necessary or convenient to accomplish such subdivision or consolidation or for the benefit of any parcel to be deleted pursuant to Section 21.

F. It can amend this Declaration and the Bylaws to change the description of the Land.

G. It can amend the Project Plan if the Developer deems it necessary or useful to reflect the subdivision and/or consolidation.

H. It can amend any recorded deed or other conveyance document conveying or encumbering a Project Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

I. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to subdivide the Land or to consolidate the Land with any Adjacent Parcel. For example, the Developer may (i) use its rights to deal with easements under Section 7.4, or (ii) sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 25.3.

21. THE DEVELOPER'S RESERVED RIGHT TO DELETE LAND.

No matter what else the Project Documents say, the Developer reserves the right to withdraw and delete from the Project all or any part of the Possible Deletion Areas. The Developer may do this more than once and at any time before the Development Period ends.

21.1 LIMITS ON THE DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 21 are subject to these terms and conditions:

A. The Developer may delete all or any part of the Possible Deletion Areas. It cannot delete any other part of the Land.

B. The part of the Land deleted must be a legally separate lot or an area that, under Hawai'i law, is no longer located within the Project's boundaries due to movement of the shoreline. The Developer can use the Developer's Reserved Rights under Section 20 to make all or any part of the Possible Deletion Areas into a separate lot.

C. The Developer may not delete any part of the Land that contains all or any part of (i) a Commercial Unit, Parking Unit, or Lodging Unit appurtenant to an Interest no longer owned by the Developer unless the Owner of the Interest consents in writing, or (ii) a Vacation Unit that is not a Developer Unit unless the Vacation Owners Association consents in writing.

D. The Developer must pay all costs of deleting any part of the Land. This includes but is not limited to these costs:

1) The cost of preparing and recording amendments to this Declaration, the Bylaws, and the Project Plan, and the cost of preparing and recording any other legal documents required to delete all or any part of the Possible Deletion Areas.

2) The cost of constructing any improvements needed to operate the Project without the deleted land.

3) The cost of relocating any walls, fences or other Improvements that may be required by law to separate the Project from the deleted land, or that may be required to comply with setback rules and similar requirements.

4) The cost of relocating utility easements, utility lines, and so on as needed to operate the Project without the deleted land or to operate the deleted land without the Project.

5) The cost of providing access to the Project across the deleted land or access to the deleted land across the Project

6) The cost of installing a sign on the deleted land directing traffic to the Project, or on the Project directing traffic to the deleted land.

Under no circumstances can this Subsection 21.1D or any other part of the Project Documents be construed to require that the Developer pay any compensation or other sums on account of the part of the Land deleted.

21.2 NATURE OF THE DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 21.1, the Developer's Reserved Rights in this Section 21 include the right to do anything necessary or convenient to delete all or any part of the Possible Deletion Areas. For example, the Developer has these rights:

A. It can amend this Declaration and the Bylaws to change the description of the Land and Improvements.

B. It can amend the Project Plan if necessary or useful to reflect the deletion of the Possible Deletion Areas.

C. It can amend any recorded deed or other conveyance document conveying or encumbering a Project Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

D. It can sign, acknowledge, and record one or more deeds, conveyance documents, releases, or other documents as the Developer deems necessary or convenient to do these things:

1) To complete the deletion of all or any part of the Possible Deletion Areas.

2) To remove the deleted land from the Project.

3) To vest title to the deleted land in the Developer free of all claims, liens, and interests of anyone else, or to convey it to someone else. The deleted land, however, will be subject to any mortgage signed by the Developer and that constitutes a lien on the Possible Deletion Areas.

E. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to delete all or any part of any Possible Deletion Areas. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 25.3.

21.3 THE DEVELOPER MUST AMEND THE PROJECT DOCUMENTS. To delete some or all of any Possible Deletion Areas, the Developer must amend this Declaration and the Bylaws. It may also have to amend the Project Plan to do so. While the Developer has the right to amend the Project Documents to reflect any change in the Project boundaries due to movement of the shoreline, it has no obligation to do so.

A. CONTENT OF AMENDMENT TO DECLARATION. The Developer must amend this Declaration and the Bylaws so that the description of the Property refers only to the lot or lots that will remain after the deletion takes effect, and the Improvements located on such lot or lots. If all or any part of any Unit is deleted, the amendment must list the Ownership Share of each remaining Project Ownership Interest in the Project. The Ownership Share for each Interest will be determined as stated in Section 26. The Developer may also change the Land descriptions as necessary or convenient to refer to any easements and other changes to title. It may include anything else that the Developer deems necessary or appropriate, or that is required by law.

B. AMENDMENT TO PROJECT PLAN. The Developer may amend the Project Plan but it does not have to do so unless the law requires it. The amendment may also contain any site plan, floor plans and elevations, or other drawings that the Developer chooses to include.

21.4 WHAT HAPPENS WHEN AREAS ARE DELETED.

A. The deletion of all or a part of the Possible Deletion Areas will be effective for all purposes when the Developer records the amendment to this Declaration and any amendment to the Project Plan required by Section 21.3. From then on, no Owner and no other Interested Person except for the Developer and its Lender (if the Developer signed a mortgage that covers any Possible Deletion Areas) will have any rights in or claims on (in

legal terms, any "legal or equitable interest in or to") any part of the Land that is deleted. To be clear, the Developer intends that title to the land deleted will belong only to the Developer. Each Interested Person understands, acknowledges, accepts and agrees (i) that the Developer will be the sole owner of any part of the Land deleted pursuant to this Section 21, and any Improvements located on the deleted Land, (ii) after the deletion takes effect, the land deleted (and the Improvements on it, and any easements serving the deleted land but not serving any part of the remainder of Property) will no longer be part of the Project or subject to the Project Documents. In legal terms, the interest of the Owners in the Possible Deletion Areas is a "defeasible interest." Notwithstanding the foregoing, any change to the Project boundaries due to movement in the shoreline will vest title in the State of Hawai'i to the extent provided by Hawai'i law.

B. Any part of the Land that is deleted as provided in this Section 21 will become an Adjacent Parcel. The Developer has the right to sell, deed, convey, or otherwise deal with title to any Adjacent Parcel free of the covenants, conditions and restrictions of this Declaration, the Articles, and the Bylaws. For example, the Developer may dedicate any Adjacent Parcel to the County of Maui, the State of Hawai'i, or any other governmental or quasi-governmental entity for use as a public street or roadway or for any other lawful purpose.

C. Notwithstanding the foregoing, any change to the Project boundaries due to movement in the shoreline will vest title in the State of Hawai'i to the extent provided by Hawai'i law.

22. DEVELOPER'S RESERVED RIGHT TO CHANGE THE PROJECT TO COMPLY WITH LAW.

No matter what else the Project Documents say, and except as otherwise provided by law, the Developer reserves the right, at any time and from time to time, to change the Units, the General Common Areas, the Limited Common Areas, and/or to amend the Project Documents as required to comply with any laws that apply to the Project, or to the Community Association, the Vacation Owners Association, any Fractional Owners Association, or the Developer. This includes, for example, the federal Fair Housing Act, 42 U.S.C. §§3601 *et seq.*, and the Americans With Disabilities Act 42 U.S.C. §§12101 *et seq.*, (the "ADA"), and any rules and regulations adopted under either of them. For example, the Developer could use this right: (i) to re-stripe or reconfigure parking stalls to comply with the ADA (even if the Developer is no longer the Owner of the Parking Ownership Interests), or (ii) to change the slope of a ramp for wheelchairs to comply with the ADA. The Developer may also use any of the other Developer's Reserved Rights described in this Declaration in connection with the use of its rights under this Section 22. For example, the Developer may sign, acknowledge, record and deliver documents and do other

things in its own right and/or using its power of attorney under Section 25.3.

23. DEVELOPER'S RESERVED RIGHTS REGARDING LAND USE PERMITS.

The Project is presently subject to the Land Use Permits described in Section 1.25 and may become subject to other Land Use Permits. Some requirements of the Land Use Permits apply to the initial construction and completion of the Project. Other requirements may apply to the Project on an ongoing basis. No matter what else the Project Documents say, and except as otherwise provided by law, the Developer reserves the right to do all things necessary or convenient to satisfy the requirements of the Project's Land Use Permits, and any zoning or other land use requirements that apply to the Project from time to time. The Developer may do this more than once and at any time before the Development Period ends.

23.1 LIMITS OF DEVELOPER'S RESERVED RIGHTS. The Developer must pay all of the immediate costs arising out of the use of the Developer's Reserved Rights under this Section 23. The Developer does not, however, have to pay the costs to the Community Association to comply with the Project's Land Use Permits on an ongoing basis. The Community Association is responsible for ongoing compliance with the Land Use Permits and must pay the cost to do so. It is understood that ongoing costs are simply costs of owning property on the Island of Maui. The Developer is responsible for compliance with the Land Use Permits pertaining to the initial construction and completion of the Project and must pay the cost to do so. The Developer, however, has no obligation to comply with requirements of the Land Use Permits that do not apply to the initial construction and completion of the Project or any phase of it. If the Developer chooses to do more than that, then the Owners, the Community Association, and all other Interested Persons accept and agree that this does not obligate the Developer to continue doing so.

23.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 23.1, the Developer's Reserved Rights under this Section 23 include the right to do anything necessary or convenient to satisfy the requirements of the Land Use Permits for the Project, and any zoning or other land use requirements that apply to the Project from time to time. For example, the Developer has these rights:

A. It can do anything required by the Land Use Permits. For example, the Land Use Permits may require that construction stop if historic, archaeological, or cultural sites are discovered. This would extend the time period within which the Developer must complete its construction of the Project.

B. It can enter into any agreements with the County of Maui or the State of Hawai'i, or any agency of either of

them. It can also record those agreements so that they are binding on the Property, and it can do the things required by those agreements.

C. It can defend any challenge to the Land Use Permits. It can also enter into settlement agreements with anyone who challenges the Land Use Permits or who otherwise intervenes in the land use permitting process, and it can do the things required by the settlements. It can also record those agreements so that they are binding on the Project and require ongoing compliance by the Community Association or the Owners.

D. It can agree to changes to the Land Use Permits. However, the Developer may not do so if the change would impose a clearly unreasonable financial burden on the Community Association.

E. It can amend the Project Documents.

F. It can amend any recorded deed or other document conveying or encumbering a Project Ownership Interest so that it conforms to the revised Project Documents. It can also record a new deed or conveyance document for that purpose.

G. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to satisfy the requirements of the Land Use Permits, and/or any zoning or other land use requirements that apply to the Project from time to time. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 25.3.

23.3 APPOINTMENT OF COMMUNITY ASSOCIATION FOR NOTICES. Each Owner and every other Interested Person appoints the Community Association as its agent, and gives the Community Association a special power of attorney, to accept service of process and otherwise to receive and accept receipt for any notice to be given to the Owners or other Interested Persons with respect to any Land Use Permits, any zoning or land use matters relating to the Project, or any proceedings relating to any of these things. Upon receiving service of process or any such notice, the Community Association must send a copy of it to each Owner in the same manner that notice of Community Association meetings is given as provided in the Bylaws. An Owner will be responsible to provide a copy of any such notice to any Interested Person who has an interest through that Owner, but any failure by an Owner to do so shall not make the notice or service of process invalid.

24. DEVELOPER'S RESERVED RIGHTS TO ESTABLISH CONDOMINIUMS.

No matter what else the Project Documents say, the Developer reserves the right to establish a condominium with respect to all or any portion of the Project. The

Developer does not have to do this nor does it promise to do so. The Developer may choose to do this at any time before the Development Period ends.

24.1 LIMITS ON THE DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 24 are subject to these terms and conditions:

A. The Developer may only establish a condominium with respect to a portion of the Project that the Developer has the right and ability to delete pursuant to Section 21 or, to the extent that the Condominium Property Act does not prohibit it, one or more Project Ownership Interests owned solely by the Developer.

B. The condominium property regime must be subordinate to the Project Documents or the declaration of condominium property regime must expressly declare the condominium property regime to be subordinate to the Project Documents.

C. The Developer must pay all costs of establishing the condominium. This includes but is not limited to the cost of preparing and recording a declaration of condominium property regime, articles and bylaws of the association of unit owners, and a condominium map, and the cost of preparing and recording any other legal documents required to establish a condominium.

24.2 NATURE OF THE DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 24 include the right to do anything necessary or convenient to establish a condominium with respect to the Project. For example, the Developer has these rights:

A. **CONDOMINIUM DOCUMENTS.** The Developer may sign and record a declaration of condominium property regime, articles and bylaws of the association of unit owners, and a condominium map. The Developer may also adopt rules and regulations (house rules) on behalf of the association of unit owners.

B. **SUBMISSION TO CONDOMINIUM DOCUMENTS.** The Developer can:

1) Submit any Project Ownership Interest, or any lot established by subdivision pursuant to Section 20, to a declaration of condominium property regime, articles of incorporation and bylaws of the association of unit owners and condominium map. The Developer may sign and record such documents in its own name and/or as attorney-in-fact for all Owners and other Interested Persons using its power of attorney under Section 25.3

2) Delete from the Project, pursuant to Section 21, any lot established by subdivision of the Land of the Project pursuant to Section 20. The Developer may then (i) submit such deleted lot to a condominium property regime, and (ii) annex the deleted lot back into the Project pursuant to Section 19. In such event, the condominium property

regime automatically shall be subordinated to this Declaration and the other Project Documents.

C. OTHER DEVELOPER RESERVED RIGHTS. The Developer can use any of the other Developer's Reserved Rights as may be necessary or convenient to establish a condominium with respect to the Project. For example, the Developer may sign, acknowledge, record and deliver documents and do other things, in its own right and/or using its power of attorney under Section 25.3.

25. DEVELOPER'S RESERVED RIGHTS GENERALLY.

25.1 RELATIONSHIP TO INITIAL CONSTRUCTION AND DEVELOPMENT. The Developer has adopted an incremental plan of development for the Project under which the Project will be developed in two or more stages. These stages are called "increments" or "phases." Some of the Developer's Reserved Rights are or may be necessary or helpful to developing the Project in phases as described elsewhere in this Declaration. Even so, the use of the Developer's Reserved Rights is not limited to the development of the Project in phases except to the extent that this Declaration expressly states otherwise.

25.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. The Developer alone may exercise the Developer's Reserved Rights under any of the Project Documents. The Developer may use the Developer's Reserved Rights separately or in one or more combinations and at one or more times. The Developer has no duty to use the Developer's Reserved Rights. Nothing contained in the Project Documents can be deemed to be a representation that it will do so. Conversely, the use of these rights on one occasion does not limit or otherwise affect the Developer's right to use them again from time to time. The Developer's Reserved Rights are reserved and preserved to and may be used by the Developer regardless of anything stated in or that may be inferred from any provision of the Project Documents or any other document creating, governing, or encumbering the Project or any part of it. The Developer may exercise the Developer's Reserved Rights as it determines in its sole, absolute and unfettered discretion.

25.3 CONSENT; SPECIAL POWER OF ATTORNEY. The Developer may use the Developer's Reserved Rights without being required to obtain the approval, consent, or joinder of anyone else, and without having to give notice to anyone else. This includes, but is not limited to, the Community Association, any Owner, any Lender, or any other Interested Person.

A. When an Owner or any other Interested Person acquires a Project Ownership Interest or any other interest in the Project, he or she automatically does each of these things:

1) He or she takes his or her interest in the Project subject to the Developer's Reserved Rights, and each and every exercise and/or assignment of them.

2) He or she acknowledges, approves, consents to, agrees to and accepts:

(a) The Developer's Reserved Rights and its use of them from time to time;

(b) That this may change the Project;

(c) That this may result in the recalculation of the Ownership Shares in some cases; and

(d) That the Developer can sign, file and/or record any and all documents that the Developer deems necessary or convenient to the use of its rights. This includes, but it is not limited to, amendments to some or all of the Project Documents.

3) He or she agrees, promptly after being asked to do so, to join in, consent to, sign (and have notarized if asked), deliver, and record all documents and do all other things that the Developer in its sole, absolute and unfettered discretion determines to be necessary or convenient to the use of the Developer's Reserved Rights or to accomplish the purposes for which those rights were reserved (as determined by the Developer in its sole, absolute and unfettered discretion). This promise includes but is not limited to the duty to sign, have notarized, deliver, and record a special power of attorney in the form attached as Exhibit K (with any changes needed to be able to record it or for it to be effective).

4) He or she appoints the Developer as his or her attorney-in-fact to join in, consent to, sign, have notarized, deliver and record all documents and to do all things on his or her behalf. This means that the Developer can act in the place of the Owner and/or other Interested Person. The Developer can do anything that they could do, and they ratify, accept and confirm anything that the Developer does using this power of attorney.

(a) This power of attorney appointment is permanent. In legal terms, it is *coupled with an interest*, it is *irrevocable*, it is a *durable power of attorney*, and it will not be affected by any disability of the Owner or any other Interested Person who gives it.

(b) It includes "*full power of substitution*." This means that the Developer can let someone else act in its place as a substitute attorney-in-fact.

(c) Each Owner and every other Interested Person gives the Developer this power of attorney whether or not it expressly says so in the deed, mortgage, or other document by which the Owner or other Interested Person obtained any interest in the Project.

(d) It is a “*special power of attorney*.” This means that the Developer has the power to do only the things stated or intended by the Project Documents (as determined by the Developer in its sole, absolute and unfettered discretion). This includes, however, the power to do anything else that the Developer deems necessary or convenient to accomplish the stated or intended goal and anything incidental to it (as determined by the Developer in its sole, absolute and unfettered discretion). Ambiguities must be resolved in favor of giving, not denying, the Developer the power to act.

To be clear, and regardless of the preceding language of this Section 25.3, the Developer intends and this Declaration should be construed to provide, to the fullest extent permitted by law, that any amendment to the Project Documents made in connection with the use of the Developer’s Reserved Rights, and any other action taken by the Developer using the Developer’s Reserved Rights, requires the vote or written consent of only the Developer and does not require the vote or consent of the Community Association, any Owner or any other Interested Person. To the extent that the vote or consent of the Community Association, any Owner or any other Interested Person is required, or if the Developer deems it useful, then the Developer may use this power of attorney to cast that vote or give that consent on behalf of the Community Association, the Owner and/or any other Interested Person.

B. When this Section 25.3 or any other Section of this Declaration dealing with the Developer’s Reserved Rights refers to “documents,” it means documents and instruments of any kind. For example, it includes petitions and orders, subdivision and plat maps, deeds and other conveyance instruments, grants of easements, releases, amendments to the Project Documents, applications to governmental agencies or authorities, and so on.

25.4 LIMITS ON DEVELOPER’S RESERVED RIGHTS. The Developer’s Reserved Rights in this Section 25 are subject to these terms and conditions:

A. The Developer cannot use its power of attorney under Section 25.3A.4) to do any of these things:

1) It cannot waive (give up or release) any right that an Owner has, under the Time Share Law, to cancel the purchase of a Project Ownership Interest.

2) It cannot mortgage another Owner’s Project Ownership Interest.

3) It cannot otherwise encumber another Owner’s Project Ownership Interest unless this Declaration expressly permits it. For examples of express permission, see the Developer’s rights to grant utility easements and so on as provided in Section 7.4 and the various Developer’s

Reserved Rights to amend this Declaration or the other Project Documents.

B. The Developer cannot use the Developer’s Reserved Rights in a way that prevents (i) a Commercial Owner, Parking Owner or Lodging Owner from occupying his or her appurtenant Unit or from having access to and from that Unit, or (ii) a Vacation Owner from using a Vacation Unit in accordance with the Vacation Plan Documents. This rule does not limit any provisions of any Vacation Plan Documents or Fractional Plan Documents on the times when the Owner of a Vacation Interest or Fractional Interest can occupy the Unit assigned for his or her use or come onto the Project.

25.5 TRANSFER OF DEVELOPER’S RIGHTS.

A. If the Developer signs and records a document that expressly transfers to someone else some or all of the Developer’s Reserved Rights, or any of the Developer’s other rights or duties as the “Developer” under the Project Documents, then that person will become the “Developer” to the extent of the rights and duties transferred. The new “Developer” can likewise transfer the rights and duties that it has. After a transfer (i) the new “Developer” has and may use the rights transferred to it, and (ii) the old Developer is automatically relieved of any and all liability arising after the transfer takes effect with respect to the rights and duties transferred; and (iii) the new “Developer” will not be liable for any violation of the Project Documents or other acts of the prior Developer(s). Each Owner and other Interested Person, by acquiring a Project Ownership Interest or other interest in the Project, automatically agrees and consents to this, and also agrees to recognize the new Developer as the “Developer” under the Project Documents to the extent of the rights and duties transferred.

B. The Developer may also transfer some or all of its rights as collateral for a loan. If so, the lender will not have the rights or duties of the “Developer” until (i) it forecloses the loan, (ii) it holds the rights of the Developer outright, and (iii) it records a document that says so. The lender will also have the rights of the “Developer” if the Developer assigns its rights to the lender, pursuant to Subsection 25.5A, in place of foreclosure.

C. The Developer’s Reserved Rights will not be transferred to the Community Association, any Owner, or anyone else unless the Developer signs and records a document that clearly and explicitly says so. No deed, lease, mortgage, or other conveyance of any Project Ownership Interest (or any interest in it) will transfer any of the Developer’s Reserved Rights, or any of its other rights under the Project Documents, unless the document expressly says so and unless it describes the rights transferred.

D. A transfer of all rights of the Developer will automatically transfer the Developer’s easements under this

Declaration. This will happen even if the transfer document does not say so.

26. RECALCULATION OF OWNERSHIP SHARE.

26.1 RELATIVE VALUATION. "Relative Valuation" is a number assigned to each Project Ownership Interest for comparison purposes. It refers to the idea that the Ownership Share of a Project Ownership Interest, and its share of the Project Expenses, should be based on a comparison of the Unit (or type of Unit) relative to other Units (or types of Units) in the Project. While some condominiums or time share plans compare the size of the units to determine their ownership share and their share of expenses, this does not necessarily result in a fair division of ownership and maintenance fees among the owners. For example, the cost of sending a newsletter or notice of a Community Association meeting to an Owner is the same regardless of the size of the Unit that the Owner may be entitled to use.

As a result, the Developer has adopted a plan for dividing the ownership, and the expenses of the Project, among the Project Ownership Interests based on their Relative Valuation. The Developer determines a Relative Valuation for each Project Ownership Interest based on the Unit or Unit Type (including things like the size of the Unit, the estimated maintenance and expense burden, sleeping capacity, and so on) and any other relevant factors as determined by the Developer in its sole, absolute and unfettered discretion. The Developer then sets the Ownership Shares based on these Relative Valuations.

The Relative Valuation for the Project Ownership Interests in Buildings 1 – 4 and Parking Units 1 and 2 are equal to the numerator of the Ownership Share of the Interests as set forth in Part 2 of Exhibit B.

The Developer's current plans call for construction of additional phases of the Project consisting of buildings identified as Buildings 5 - 8 as shown on the Project Plan. The Developer has the right to determine, in its sole, absolute and unfettered discretion, the Relative Valuation for the Interest(s) corresponding to each Unit in each later phase of the Project. The Developer currently plans that the Relative Valuations shown in Part 2 of Exhibit B will apply to Interests in those phases. If the Developer's plans for the Units or Buildings in a later phase change, or if its evaluation of the Units or Buildings in those phases changes, then the Developer has the right, in its sole, absolute and unfettered discretion, to re-determine the Relative Valuations of the Interests corresponding to the Units in the phase being changed. If this happens, then the Developer will list, in an amendment or supplement to this Declaration (i) the Relative Valuation of the Interests corresponding to the Units in the revised phase, and (ii) the Ownership Share of each Project Ownership Interest as calculated in accordance with Subsection 26.2. The

Developer's Reserved Rights include the right to do any or all of these things without the vote or consent of the Community Association, any Owner or anyone else.

Note that Relative Valuation is not intended to reflect the fair market value of (i) the Units, or (ii) the Project Ownership Interests. The Relative Valuation for a Unit or Project Ownership Interest will not change based on changes in market conditions.

26.2 OWNERSHIP SHARE. Each Project Ownership Interest will have an undivided interest in the Project. The undivided interest for a given Project Ownership Interest is based on the following fraction:

$$\frac{\text{The Relative Valuation of that Project Ownership Interest}}{\text{The sum of the Relative Valuations For all Project Ownership Interests}}$$

The Ownership Share of a particular Project Ownership Interest will be equal to the result of this fraction. If the Developer decides to state it as a percentage, then it may be rounded as provided in Section 26.3.

26.3 ROUNDING. It is important that the total of all Ownership Shares for all Project Ownership Interests adds up to one hundred percent (100%). To make sure that this happens, the Developer may round off the Ownership Share in increments of ten-thousandths of a percent (0.0001%). The Ownership Shares of one or more Project Ownership Interests also may be further rounded up or down if the Developer decides that it is necessary to reach a total of one hundred percent (100%). To accomplish this, the Developer may transfer part of the Ownership Share from one Project Ownership Interest to another. For example, the Developer might decrease the Ownership Share of a Resort Ownership Interest and increase the Ownership Share of a Commercial Ownership Interest (or *vice versa*). The Developer's decisions on Relative Valuations and Ownership Shares are final and cannot be appealed or revised by anyone other than the Developer. This is intended to prevent disharmony among the Owners over the manner in which the Developer set the Relative Valuations and rounded the Ownership Shares. Of course, the Developer can correct a mistake. See Subsection 29.1C.1(g).

27. DISCLOSURES AND LIMITATIONS ON LIABILITIES.

27.1 POOLS, BEACH AND OCEAN. The Project fronts on a beach and on the Pacific Ocean. The beach and the ocean are NOT part of the Project. The Project has two swimming pools, both of which are part of the Resort Limited Common Areas of the Project.

A. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that:

1) The pools and the proximity of the Project to the beach and the Pacific Ocean create inherent and potentially dangerous conditions and risks of personal injury and/or property damage to Owners and anyone else present on the Project or using the beach or ocean, and to the Project. Hawai'i is known for its high surf, and the surf can be dangerous, especially to inexperienced swimmers or swimmers unfamiliar with strong currents. The ocean may also cause erosion of the beach, change the location of the shoreline and the seaward boundaries of the Project, and otherwise cause damage to the Improvements of the Project including but not limited to damage from salt spray, high humidity, high tides, high waves, and other forces of nature. In addition, the beach and ocean in front of the Project may contain rocks, rock formations and/or coral. The County of Maui may or may not choose to post lifeguards in or around the beach, or may choose to do so only at certain times (for example, weekends and holidays). Nothing requires that lifeguards be provided by the Community Association, any Vacation Owners Association, any Fractional Owners Association, the Developer, the Managing Agent, the Ka'anapali North Beach Association, or anyone else, and you should not assume or expect that they will provide them with respect to the beach or ocean or, for that matter, with respect to any pools or other water features of the Project. In addition to the risks normally associated with swimming and other water activities, the Project is located in a Tsunami inundation area.

2) Normal use of the beach and ocean may result in increased traffic, noise, gathering of crowds (especially on weekends and holidays), trespassers, and related inconveniences or nuisances.

B. The Developer, the Community Association, the Managing Agent, and each Owner here and now gives notice of the activities and effects described above (the "Pool, Beach and Ocean Activities") and of the risks of personal injury and/or property damage resulting from or incidental to the Pool, Beach and Ocean Activities (the "Pool, Beach and Ocean Risks"). Each Interested Person and anyone else who is present on the Project:

1) Assumes all risks of personal injury, death, or loss or damage to property resulting from or incidental to any of the Pool, Beach and Ocean Activities or the Pool, Beach and Ocean Risks; and

2) Gives up (in legal terms, "waives, releases and discharges") all rights, claims and actions that such person may have against the Protected Persons, now or in the future, for personal injury, death, or loss or damage to property arising from or related to the Pool, Beach and Ocean Activities or the Pool, Beach and Ocean Risks. The

"Protected Persons" are (i) the Developer and all of its affiliates, the Owners, the Community Association and the Managing Agent; (ii) the Representatives of each person listed in item (i); and (iii) the successors and assigns of each person listed in items (i) and (ii); and

3) Agrees to indemnify and hold the Protected Persons harmless from all rights, claims and actions that such person may have against the Protected Persons, now or in the future, for personal injury, death, or loss or damage to property arising from or related to the Pool, Beach and Ocean Activities or the Pool, Beach and Ocean Risks.

27.2 PRIOR USE OF THE LAND. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that the Project is located on a site previously used and operated as an airport and airstrip, and that the Land was also used for activities related to the operation, maintenance, and use of an airport, airstrip and aircraft. For example, fuels, chemicals, and other substances were stored and used on the Land.

27.3 SUGAR CANE AND OTHER AGRICULTURAL OPERATIONS. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that (i) before and after the Land was used as an airport, it was used for farming sugar cane and for other agricultural operations, and (ii) the Project is located near or next to other land used for the same purposes. These operations include, for example, open burning, percolating, evaporating, milling, generating power, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigating, and all other activities incidental to planting, cultivating, harvesting, and processing crops or incidental to ranching. This activity may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, and other substances and phenomena of every description (collectively, the "Agricultural Effects") to be discharged, emitted, or transmitted over and upon the Project. The Agricultural Effects may be a bother or a nuisance to an Owner or anyone else occupying or using the Project. Each Owner also hereby acknowledges that the Hawai'i Right to Farm Act (Chapter 165 of the Hawai'i Revised Statutes) and Hawai'i law limit the circumstances under which farming operations may be deemed to be a nuisance.

27.4 WAIVER OF RIGHTS. Each Owner and every other Interested Person gives up (in legal terms, "waives and releases") any rights, claims or actions that he or she may have, now or in the future, against the Developer or the State of Hawai'i, and each of their Representatives, licensees, invitees,

successors and assigns arising directly or indirectly out of or from the Agricultural Effects as to the Project or any surrounding areas, or from prior use of the Land as an airport and airstrip.

27.5 VOG. The long term volcanic activity/eruptions from Kilauea volcano on the Island of Hawai'i has resulted in emissions into the air which are commonly called "vog." Vog refers to a type of air pollution or volcanic smog created by the gases emitted into the air from the ongoing volcanic eruption mixing with water vapor and very small particles which are primarily sulfur compounds and sulfur dioxide. Vog is the haze visible in the air on the Island of Hawai'i and sometimes on other islands. Vog becomes thicker or lighter depending upon the amount of emissions from Kilauea volcano, the direction and amount of wind, and other weather conditions. People with pre-existing respiratory conditions are more prone to adverse effects from vog which may include: headaches, breathing difficulties, increased susceptibility to respiratory ailments, watery eyes, and sore throat, but the long-term health effects of vog are currently unknown, at least to the Developer. Since the weather, wind direction and amount of volcanic activity vary from day to day it is not possible to provide specific guidance regarding when the vog will be heavy or light. The presence of vog in the air surrounding the Project may be a nuisance or danger to an Owner or anyone else occupying or using the Project. Each Owner and every other Interested Person gives up (in legal terms, "waives and releases") any rights, claims or actions that he or she may have, now or in the future, against the Developer and all of its affiliates, and each of their respective Representatives, licensees, invitees, successors and assigns arising directly or indirectly out of or from the presence or effect of vog in the air surrounding the Project, and agrees to indemnify and hold the Developer and its affiliates and each of their respective Representatives harmless from any such rights, claims and causes of action.

27.6 SECURITY. The Community Association, the Developer, or the Managing Agent may, but need not, take steps designed to make the Project safer than it otherwise might be. The Community Association, the Developer, the SVN Operator, the Managing Agent, and each of their respective Representatives, are not in any way to be considered insurers or guarantors of the safety or security of people or property within the Project, nor can any of them be held responsible or liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. The Community Association, the Developer, the Managing Agent, and the SVN Operator make no representation or warranty that any fire protection, burglar alarm, or other safety or

security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project or to any Unit; or (iv) will provide the detection or protection which it is designed or intended to provide. Each Owner and every other Interested Person (including but not limited to each Occupant) understands, acknowledges, agrees, and accepts that the Community Association, the Developer, the SVN Operator, the Managing Agent, and each of their Representatives, are not insurers and that each person present on the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.

27.7 WARRANTIES. The Developer is developing the Project but it is not the general contractor nor is it related to the general contractor building the Project. The Developer makes no warranties, express or implied, about the Project or any part of it, or about consumer products or anything else now or hereafter installed or contained in the Project or any part of it. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular purpose, or sufficiency of design. All rights and interests in the Project are sold by the Developer "AS IS" and "WHERE IS", with all defects, whether visible or hidden, and whether known or not known. This means, among other things, that neither the Developer nor any of its affiliates has to correct or fix any defect no matter what causes it or when it is discovered. Each Owner and every other Interested Person, and each of their respective Guests, (1) gives up (in legal terms, "waives and releases") any and all rights and claims such person may have, now or in the future, against the Developer, its affiliates, their respective Representatives, and each of their respective successors and assigns for (i) any defects in the Project or any part of it, or in any consumer products or anything else installed or contained in the Project or any part of it, and (ii) for injury to persons or property arising from any such defects, and (2) agree to indemnify and hold the Developer and its affiliates, and each of their respective Representatives, and each of their respective successors and assigns, harmless from all loss, damage and expense suffered or incurred as a result thereof. This means that neither the Developer nor any affiliate of the Developer will have to pay for any injury or damage to people or things as a result of any defect.

Finally, without limiting the other parts of this Section, nothing in the Project Plan is intended to be or is a representation or warranty by the Developer. For example, bathrooms may have more or fewer sinks than shown on the Project Plan, the bathroom tubs may be shaped differently than shown on the Project Plan, and Units and lanais may be smaller or larger than shown on the Project Plan, or may be configured differently.

27.8 ENVIRONMENTAL FACTORS. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that the views from each Unit, height of the Unit above the ground level, exposure to morning, afternoon or evening sun, exposure to prevailing and non-prevailing winds and rain, exposure to other natural and human-made environmental factors (for example, exposure to noise or fumes from vehicular traffic emanating from within the Project or from neighboring driveways, streets or highways [including but not limited to parking in the Keka'a Park and traffic on Honoapiilani Highway], surface water runoff from neighboring properties, sounds of crashing surf, pedestrian traffic, child or adult play, related music and activities, noise, dust, smoke, odors, surface water runoff and other things emanating from the Units or their lanais, barbeque areas, the pools, pool decks, walkways and grounds, lobby areas, other Common Areas, the ocean, the beach, Keka'a Park, the County wastewater (sewage) treatment plant located on the other side of Honoapiilani Highway from the Project, the rock crushing facility and concrete batch plants located in the general vicinity of the Project, exercise of traditional native Hawai'ian ceremonies, construction, landscaping, operation and maintenance of neighboring homes, projects or properties, construction and maintenance of electrical transmission lines and facilities within or in the vicinity of the Project, irrigation of the Project or neighboring properties with reclaimed water, treated effluent, or other non-potable water sources, volcanic fog ["vog"] from the Island of Hawai'i, salt spray from the ocean, and so on), proximity of the Units to trash facilities and stairwells, proximity of the Units to parking stalls intended to comply with the Americans With Disabilities Act, suitability of Units for various kinds of disabilities, and so on, all differ depending on the orientation, nature, design and location of the Unit and the building in which it is located, as well as on other factors. All Units may be subject to some or all of the factors listed above (the "Environmental Factors"). For the most part the Developer has no control over the Environmental Factors and, in any case, the Developer makes no representations or warranties with respect to the presence, absence, impact, lack of impact, intensity, timing, duration, affect, or anything else arising from or relating to any of the Environmental Factors. Neither the Developer's brokerage firm nor any other real estate brokerage firm has been authorized by the Developer to make any such representations or warranties on its behalf.

Each Owner and every other Interested Person, and all of their respective licensees and invitees, gives up (in legal terms, "waives and releases") any and all rights, claims and causes of action such person (or such person's successors and assigns) may have, now or in the future, against the Developer and its affiliates, their respective Representatives, and each of their respective successors and assigns, arising directly or indirectly out of or from the Environmental Factors, and agrees to indemnify and hold the Developer and its affiliates, and each of their respective Representatives, harmless from any such rights, claims and causes of action.

27.9 DISCLOSURES AS TO STARWOOD BRAND. The Developer or its affiliates have entered into certain agreements with Starwood Hotels & Resorts Worldwide, Inc., a Maryland corporation, and/or its affiliates ("The Starwood Companies") that provide the Developer, among other things, with the rights to utilize the name "Westin" and certain logos or other trademarked symbols registered by one or more of The Starwood Companies (individually and collectively, the "Starwood Brand") in sales and marketing materials. Each Owner agrees that neither use by the Developer or the Vacation Plan Developer of the Starwood Brand nor licensing of the Starwood Brand to the Project, the Vacation Ownership Plan, the Vacation Owners Association, or the Community Association, shall make any of The Starwood Companies (other than the Developer as to the Project, the Vacation Plan Developer as to the Vacation Ownership Plan, and the SVN Operator as to SVN): (1) a developer of, or seller of any interest in, or marketing or sales agent for, the Project, the Vacation Ownership Plan, or SVN, or (2) the entity offering or promoting the Project, the Plan, SVN, or any other product offered by the Developer, the Vacation Plan Developer, or SVN. Each Owner waives (gives up) any claims, whether specific or not, that The Starwood Companies (other than the Developer as to the Project, the Vacation Plan Developer as to the Vacation Ownership Plan, and the SVN Operator as to SVN) is liable or responsible as such developer, seller, and marketing and sales agent with respect to the Project, the Vacation Ownership Plan, or SVN. The terms "developer", "seller", "entity offering" and "marketing" and "sales agent" as used in this paragraph shall have expansive definitions and shall include as many activities, direct or tangential, as may be undertaken in each of these capacities. Neither the Community Association or the Vacation Owners Association, nor any of the Owners are intended third-party beneficiaries of any contractual obligations between (i) The Starwood Companies, and (ii) the Developer, the Vacation Plan Developer, and/or the SVN

Operator. Among other things, this means that the Community Association, the Vacation Owners Association, and the Owners have no right to enforce any such contractual obligations.

28. TRANSFER OF PROJECT OWNERSHIP INTERESTS TO COMMUNITY ASSOCIATION.

Any Commercial Owner, Parking Owner, or Lodging Owner has the right (but no duty) to deed his or her Interest to the Community Association. A Commercial Owner, Parking Owner or Lodging Owner may do this at any time after the date of substantial completion for the building containing the Unit appurtenant to his or her Interest. The Owner must give notice to the Community Association at least thirty (30) days in advance. The Community Association must accept the Interest. If the Owner requests it, the Community Association must sign the deed and any other documents necessary or helpful to complete the transfer. This Section cannot be amended without the consent of all Commercial Owners, all Parking Owners, all Lodging Owners, and each Lender having a mortgage on a Commercial Ownership Interest, Parking Ownership Interest, or Lodging Ownership Interest.

29. REVISING, TERMINATING, AND INTERPRETING THIS DECLARATION.

29.1 AMENDMENTS.

A. GENERAL.

1) **GENERAL RULE.** This Declaration may be “amended” (changed) from time to time if (1) the amendment is approved by the vote of a Majority of the Owners Voting, and (2) if the Developer holds a mortgage on or owns any Project Ownership Interest, the Developer gives its written consent and signs the amendment. The rules in this Section 29.1A.1) apply except where this Declaration or applicable law provide otherwise.

2) **SUPER-MAJORITY VOTE.** Despite what Section 29.1A.1) says, some parts of the Project Documents require the approval of a Majority of the Owners or more than a Majority of the Owners (a “*Super-Majority*”) before taking certain actions. Such a provision cannot be amended unless (1) the number of votes cast by Owners voting in favor of that amendment equals or exceeds the number of votes required to take action under that provision (i.e., a Majority of Owners or a Super-Majority), and (2) if the Developer holds a mortgage on or owns any Project Ownership Interest, the Developer gives its written consent and signs the amendment.

3) **EFFECTIVE DATE.** An amendment made pursuant to this Section 29.1A will take effect only after it is signed by the proper officers of the Community Association and is recorded.

B. CHANGES BY THE DEVELOPER OR A UNIT OWNER. Despite what Section 29.1A says, Owners who change or alter their Unit(s), the Common Areas and/or the Limited Common Areas pursuant to Section 18.1A may amend this Declaration and/or the Project Plan as permitted by Section 18.3. The same rules apply to changes made by the Developer pursuant to Section 18.1A or otherwise in the exercise of the Developer’s Reserved Rights. Neither the Owner nor the Developer needs the consent of any other Owner or anyone else except as provided in those Sections. It is not necessary for any officers of the Association to sign the amendment, but the amendment must be recorded to be effective.

C. THE DEVELOPER’S RESERVED RIGHTS TO AMEND.

1) Despite what Section 29.1A says, the Developer’s Reserved Rights include the right to change the Project Documents as follows:

(a) It may change them in any way and for any purpose before the date when the Developer first records a First Deed, other conveyance document or Agreement of Sale transferring a Project Ownership Interest to someone other than (i) the Developer, (ii) any company related to the Developer, (iii) a bulk transferee, or (iv) any Lender.

(b) It may change them to comply with the laws and regulations in effect in the State of Hawai‘i, or the requirements of any government agency in Hawai‘i (for example, the Hawai‘i Department of Commerce and Consumer Affairs).

(c) It may change them to comply with the laws or regulations of any other place (for example, the State of New York) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of the (i) Project, (ii) any Vacation Plan that includes one or more Units, (iii) any Fractional Plan that includes one or more Units, or (iv) SVN.

(d) It may change them to satisfy requests for changes made by any title insurance company issuing a title insurance policy on the Project or any Project Ownership Interest.

(e) It may change them to satisfy requests for changes made by or requirements for making or purchasing mortgage loans by (i) any institutional lender lending funds on the security of the Project or any Project Ownership Interest, (ii) any investor in mortgages initially made in favor of the Developer, or (iii) any governmental or quasi-governmental agency including, but not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of

Housing and Urban Development or the Veterans Administration.

(f) It may change them to facilitate the operation and management of the Project, or any Vacation Plan or Fractional Plan that includes one or more Project Ownership Interests.

(g) It may change them to correct any errors or mistakes reflected in any of the Project Documents. For example, the Developer can amend this Declaration to correct a mistake in the legal description of the Land, to add any missing words, to delete words that should have been deleted, to state the correct Ownership Share, and so on.

2) The Developer may use these rights at any time and it may use them more than once. The Developer may sign, record and deliver amendments in its own name and/or in the name of the Community Association, Owners or other Interested Persons pursuant to its power of attorney under Section 25.3. It does not have to be signed or approved by anyone else. An amendment made by the Developer under this Subsection 29.1C will take effect when it is signed by the Developer and recorded.

D. NAME CHANGE. The Developer's Reserved Rights include the right to change the name of the Project and/or the Community Association at any time. The Developer may record or file any documents that it deems necessary or helpful to change the name(s). The Community Association and each Owner gives the Developer a special power of attorney to do this. Among other things, the Developer can use this power of attorney to amend any or all of the Project Documents by unanimous written consent of all Owners. If the Developer changes the name of the Project and/or the Community Association, then the Community Association and its agents, and the Owners, must stop all use of the discontinued name as of the date when the Developer instructs the Community Association to stop using that name (which the Developer may do at any time and for any reason or for no reason).

E. LIMITS ON AMENDMENTS.

1) **CHANGES TO UNIT BOUNDARY, COMMON INTEREST OR USES.** Despite what Sections 29.1A, 29.1C.1)(c), (d), and (e) say, and except as otherwise provided in this Declaration, no amendment to this Declaration may materially and adversely: (1) decrease the size of a Unit, (2) change the location of the Unit, (3) change any exclusive easement appurtenant to a Project Ownership Interest, (4) change the Ownership Share of a Project Ownership Interest, or (5) change the permitted uses and restrictions on the use of the Unit or its Limited Common Areas. This rule does not affect amendments made and/or recorded in connection with the Developer's exercise of the Developer's Reserved Rights. This rule does not apply to (i) Commercial Units, Parking Units or

Lodging Units where the Owner and each Lender having a mortgage on the Project Ownership Interest signs the amendment, or (ii) to Vacation Units where the Vacation Owners Association and each Lender having a purchase money first mortgage on the Vacation Ownership Interests signs the amendment. The Developer cannot use its power of attorney under Section 25.3 to give this consent on behalf of an Owner or its Lender.

2) **CHANGES TO THE DEVELOPER'S RESERVED RIGHTS.** Regardless of anything else stated in the Project Documents, no amendment to any of the Project Documents that changes, terminates, or otherwise affects any of the Developer's Reserved Rights, or any other rights or privileges of the Developer under the Project Documents, will be effective unless the Developer gives its written consent and signs the amendment, and the amendment is recorded.

F. RESTATEMENT OF PROJECT DOCUMENTS. No matter what else the Project Documents say, the Board and the Developer each have the right to restate any or all of the Project Documents and their amendments at any time and from time to time. Either may do so without the consent of the other and without the vote or other consent of any Owner, Lender, or anyone else. No restatement of the Project Documents will take effect until it is signed by the Developer or by two officers of the Community Association and recorded. Any restatement by the Board must be made in compliance with the requirements of the Act.

G. BINDING EFFECT. If an amendment complies with these provisions, it will be binding on the Property, every Project Ownership Interest, and everyone, including every Owner and every Lender, who has any interest in the Property or any Project Ownership Interest.

29.2 TERMINATING THIS DECLARATION.

A. This Declaration will remain in effect for sixty (60) years from the day it is recorded. After that, it will continue in effect for additional ten (10) year periods until an amendment canceling it is recorded. This Declaration may be terminated earlier if:

1) All Units are destroyed and a decision is made under the appropriate provisions of the Project Documents not to repair, rebuild, or restore them, or

2) All Units are taken in condemnation proceedings or under threat of condemnation.

3) Upon the vote of Owners holding two-thirds of the Ownership Shares held by Owners whose names and addresses are known to the Community Association; provided that if the Developer still holds a mortgage on or owns a Project Ownership Interest, then the consent of the Developer also must be obtained.

B. When this Declaration terminates, (a) the Owners of Project Ownership Interests will remain personally liable for all Assessments and Personal Charges owed by them, and (b) the Community Association Lien and security interest will remain on each Owner's interest in the Project and any proceeds (money received from the sale of it), until all Assessments and Personal Charges (including interest, late fees, and Collection Costs) are paid in full and the Community Association's affairs are finally settled. Each present and future Owner, and every other person who obtains any interest in a Project Ownership Interest (such as a Lender), gives the Community Association a special power of attorney to sell and transfer title to the Project when (and only when) this Declaration terminates. This power of attorney will stay in effect even after this Declaration terminates. All money received from the sale of the Project will be distributed to the Owners and their Lenders in proportion to the Ownership Share of their respective Project Ownership Interests except as otherwise provided in Section 15.

29.3 THE RULE AGAINST PERPETUITIES.

A. **GENERAL NATURE OF THE RULE.** The "Rule Against Perpetuities" (the "RAP") is a legal rule. It limits the amount of time that may pass between (i) the date when an interest in real estate is created, and (ii) the date when the interest "vests" such as when the owner of that interest becomes entitled to possession of the property. The RAP creates a deadline for this to happen. This deadline is called the "RAP Deadline" in this Declaration. In legal terms, the interest becomes "vested" in the future. For convenience, however, we will say that the transfer "takes effect in the future."

B. **APPLYING THE RULE.** No matter what else this Declaration says, if any part of this Declaration violates the RAP or any other limit imposed by law on the duration of the part, then that part will be effective only until the earlier of:

- ❖ the maximum period permitted by law, or
- ❖ 21 years after the death of the last survivor of the now living descendants of Joseph and Rose Kennedy of Massachusetts and George H. W. Bush of Texas.

29.4 EFFECT OF INVALID PROVISIONS. The provisions of each of the Project Documents are "severable." This means that if any part of a Project Document is not legal or valid, that part can be ignored. But the rest of that document and the other Project Documents will remain in effect and everyone must obey them.

29.5 EFFECT OF FAILURE TO ENFORCE. A violation of any part of the Project Documents by one person does not excuse that person or anyone else from his or her duty to obey that and all other parts of the Project Documents. Any failure to enforce any provision of the Project Documents

does not limit or take away the right to enforce that provision later. This will be true no matter how many times a violation is overlooked or ignored.

29.6 INTERPRETING THIS DECLARATION. To make the Project Documents easier to read and understand, some Sections may include an introduction. The introduction is intended to help you understand what the Section is about by giving you a general explanation. Likewise, captions have been added to all Sections and many Subsections. These are intended to help you find particular parts of this Declaration. The Developer has also included a table of contents. But it is important to realize that the captions, introductions, and table of contents have been included as a matter of convenience and for reference. They do not define, limit or describe the scope or intent of the provisions of the Project Documents. You should read with care each and every part of the Project Documents, not just the captions, the introductions, or the table of contents.

Where this Declaration or the other Project Documents say things like "for example", it means that there may be other examples besides the examples described in the document. Likewise, when the Project Documents use language such as "among other things", "including", and similar phrases, the effect of those sections is not limited to the examples given unless it clearly says so.

29.7 PRONOUNS. Pronouns (for example, "his" or "her") used in the Project Documents include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

30. MISCELLANEOUS PROVISIONS AND GLOSSARY OF LEGAL TERMS.

30.1 NOTICES. Except as otherwise expressly provided by law or in this Declaration, the Articles or the Bylaws, all notices must be given as follows:

A. **NOTICE TO OWNERS.** Notice to an Owner may be given by delivering it in person or by mail, fax, or messenger service. The notice must be mailed or delivered to his or her address as it is shown on the Membership List. If more than one person is the "Owner" of a Project Ownership Interest, notice to all Owners of that Project Ownership Interest may be given by providing notice to any one of them.

B. **NOTICE TO THE COMMUNITY ASSOCIATION.** Notice to the Community Association must be given to the registered agent of the Community Association or, if there is no registered agent, then to the Managing Agent; provided that if the Managing Agent is giving a notice to the Community Association, then notice must be given as provided in the Management Contract. The notice may be given personally or by mail, fax, or messenger service. The notice must be mailed or delivered to the recipient's address as shown on the Membership List, or to any other address

designated by notice to the Developer and to all Owners and Lenders.

C. NOTICE TO THE MANAGING AGENT. Notice to the Managing Agent must be mailed or delivered to the Managing Agent at its address as shown in the Management Contract, or to any other address that the Managing Agent designates by notice to the Community Association from time to time.

D. NOTICE TO THE DEVELOPER. Notice to the Developer must be given to the president of the Developer. The notice may be given personally or by mail, fax, or messenger service. The notice must be mailed or delivered to the president of the Developer at the address shown on the Membership List, or to any other address that the Developer designates by notice to the Community Association from time to time.

E. NOTICE TO A LENDER. Notice to a Lender or to an insurer or guarantor of a mortgage may be given delivering it in person or by mail, fax, or messenger service. The notice must be mailed or delivered to its address as it is shown on the Membership List, or to any other address that it designates by notice to the Board.

F. NATURE OF NOTICE. All notices must be in writing.

1) A notice from the Community Association to an Owner is effective when it is mailed, so long as the postage is paid and it is addressed to the Owner's address shown in the Community Association's current Membership List. However, if it is not prohibited by law, a notice from the Community Association to an Owner may be given by email and will be effective when it is sent so long as it is addressed to the Owner's email address as shown in the Community Association's current Membership List.

2) A notice to anyone else will be effective on the earliest of the following:

(a) When it is received.

(b) Five (5) days after it is deposited in the US mail, as evidenced by the postmark, so long as the notice is mailed with the correct address and with first class postage affixed.

(c) On the date shown on the return receipt if the notice is sent by registered or certified mail, return receipt requested and the receipt is signed by or on behalf of the person to whom the notice is addressed.

(d) If the notice is faxed, except as otherwise required by law, upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Community Association's records.

3) Except as otherwise required by law, and regardless of what Subsection 30.1F.2) says, notices of addresses and changes of addresses will be deemed given only when they are actually received.

4) The addresses for purposes of this Subsection 30.1 may be changed by giving written notice of the change. Unless written notice of an address change is received, the last address will remain effective for all purposes.

G. CHANGES TO NOTICE REQUIREMENTS. Despite what Section 29.1A says, the Board may amend this Declaration to change the notice requirements of this Section 30.1 to comply with any law that governs giving notices and that applies to the Project or to the Community Association.

30.2 DEVELOPER CONSENT. If this Declaration or any other Project Document requires the consent or approval of the Developer, then the Developer can give or not give its consent or approval, and impose conditions to giving its consent or approval, in the Developer's sole, absolute and unfettered discretion and whether or not it is reasonable to do so.

30.3 SPECIAL POWER OF ATTORNEY. Whenever this Declaration provides that an Owner or other person gives a "power of attorney" or appoints someone other than the Developer as "attorney-in-fact", the following rules apply:

A. The power of attorney appointment is permanent. In legal terms, it is coupled with an interest, it is irrevocable, it is a durable power of attorney, and it will not be affected by any disability of the person who gives it.

B. It includes "full power of substitution." This means that the person given the power of attorney can let someone else act in his or her place as a substitute attorney-in-fact.

C. Each Owner (or other person) gives the power of attorney whether or not it expressly says so in the deed, mortgage or other document by which he or she obtained any interest in the Project or any Project Ownership Interest.

D. It is a "special power of attorney." This means that the attorney-in-fact has the power to do only the things stated or intended by the Project Documents; this includes, however, the power to do anything else necessary or convenient to accomplish the stated or intended goal. Ambiguities must be resolved in favor of giving, not denying, the attorney-in-fact the power to act.

E. If asked by the attorney-in-fact, the person who is giving the special power of attorney must promptly deliver a signed and notarized special power of attorney in the form requested by the attorney-in-fact.

30.4 GLOSSARY OF LEGAL TERMS.

A. **"AGREEMENT OF SALE"** means a recorded contract which binds the seller to sell and the buyer to buy a Project Ownership Interest and under which the seller keeps the title to the Project Ownership Interest as collateral for payment of the sales price. The buyer, however, is considered to be the "Owner" of the Project Ownership Interest and can exercise the rights appurtenant to that Project Ownership Interest so long as the buyer makes all payments and keeps his or her promises under the Agreement of Sale.

B. **"ATTACHMENT"** refers to the act or process of seizing property under a court order.

C. **"CONDOMINIUM PROPERTY ACT"** means (i) the Hawai'i Condominium Property Act, Chapter 514B, Hawai'i Revised Statutes, or any law that replaces that law, and (ii) any rules and regulations adopted by the Hawai'i Real Estate Commission pursuant to that law.

D. **"DEED"** means any document (except a recorded lease or Agreement of Sale) used to transfer ownership of a Project Ownership Interest.

E. **"EASEMENT"** means any right to use property possessed by someone else. To the extent that the Project Documents purports to grant an easement that is not enforceable, that easement shall be treated as if, from the inception of the Project, it was an irrevocable license in favor of the person or persons intended to benefit from the invalid easement. Any such irrevocable license will be fully assignable to later owners or holders of the interest intended to be benefited from the invalid easement.

F. **"ENCUMBER"** refers to putting a legal claim or "encumbrance" on property.

G. **"ENCUMBRANCE"** means a right or interest in property held by someone other than the owner of that property.

H. **"HAWAII NONPROFIT CORPORATIONS ACT"** means Chapter 414D, Hawai'i Revised Statutes, or any law that replaces that law.

I. **"INCUR"** means to pay or to become obligated to pay, or both.

J. **"JOINT AND SEVERAL LIABILITY"** means that two or more people are each fully responsible to keep a promise or pay a sum of money. This means that each person may be required to pay the whole amount due, not just part of it or his or her share of it.

K. **"LIEN"** means a claim against property. For example, a mortgage on a Project Ownership Interest is a claim on the Project Ownership Interest as collateral for the payment of money.

L. **"MAJORITY OF THE OWNERS"** means Owners of more than fifty percent (50%) of the total number of votes for all Project Ownership Interests in the Project. Any reference to a specific percentage of Owners means Owners having that percentage of the total number of votes for all Project Ownership Interests in the Project. When it refers to having a quorum or taking a vote, these terms mean Owners of a majority or other specific percentage of the votes for all Project Ownership Interests then entitled to vote. The Bylaws explain how and when an Owner's voting rights may be suspended.

M. **"MAJORITY OF THE OWNERS VOTING"** means Owners of more than fifty percent (50%) of the total number of votes for all Project Ownership Interests held by Owners present and casting votes on the matter at hand. Any reference to a specific percentage of "Owners Voting" means Owners having that percentage of the total number of votes held by Owners present and casting votes on the matter. When it refers to having a quorum or taking a vote, only the votes of Project Ownership Interests then entitled to vote will be considered. The Bylaws explain how and when an Owner's voting rights may be suspended.

N. **"RECORD", "RECORDED", "RECORDING"** and similar terms mean to record or to be recorded in the Bureau of Conveyances of the State of Hawai'i.

O. **"SUBORDINATE TO"** means governed by. For example, if a mortgage is "subordinate to" this Declaration then the mortgage will be governed by and will not affect the Declaration. If something in the mortgage does not agree with this Declaration, then the Declaration will control and must be obeyed.

P. **"TENANTS IN COMMON"** refers to the relationship between co-owners of property. When the co-owners are tenants in common, then each person owns an undivided interest in the property. A co-owner may mortgage or sell his or her undivided interest in property held as tenants in common. A co-owner may also leave it to someone else in his or her will.

Q. **"TIME SHARE LAW"** means (i) the Hawai'i Time Share Act, Chapter 514E, Hawai'i Revised Statutes, or any law that replaces that law, and (ii) the Rules Relating to Time Sharing, Chapter 16-106, Hawai'i Administrative Rules, and any other rules adopted under that statute.

R. "TRANSFER" means any way one person may receive a Project Ownership Interest from another, including for example a voluntary sale, an involuntary sale (such as a foreclosure sale), a recorded lease, an inheritance or a gift.

S. "UNDIVIDED INTEREST" refers to the ownership of property by two or more persons as tenants in common. Each person owns a share in the property. For example, if two people own a home as tenants in common, each person would own a one-half undivided interest. If four people own it, each would own a one-fourth undivided interest.

[Signatures on the following page.]

The Developer signed this Declaration on August 12, 2015.

SVO PACIFIC, INC.
a Florida corporation

By: *[Handwritten Signature]*

Name: Robin Suarez

Its: Vice President

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 12TH day of August, 2015, before me personally appeared Robin Suarez, as Vice President of SVO Pacific, Inc., to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Sabrina Stone
Name: Sabrina Stone
Notary Public: State of Florida
My Commission expires: November 23, 2018

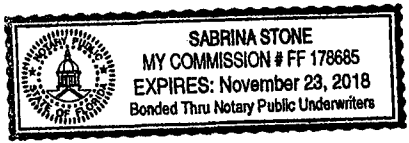


EXHIBIT "A"

Lot 102, area 26.692 acres, more or less, as shown on Map 86, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1744 of Pioneer Mill Company, Limited (which lot has been deregistered from the Land Court System pursuant to Hawaii Revised Statutes Section 501-261.5, as amended, and shown by Deregistration of Certificate of Title 772,689, recorded May 29, 2015 in the Bureau of Conveyances of the State of Hawai'i as Document No. A-56270903, and Voluntary Request for Deregistration, recorded May 29, 2015 in said Bureau as Document No. A-56270904).

Together with direct access to and from Honoapiilani Highway ("access permitted" location, as shown on Map 86), as set forth by Land Court Order No. 138359 recorded May 8, 2000.

Together with a perpetual, non-exclusive right and easement, appurtenant to Lot 102, for the construction, installation, maintenance, use, operation, repair and replacement of a fire lane access roadway over, across and upon that portion of Lot D-1 being the strip of land approximately fifteen (15) feet wide along the boundary of Lot 102 and Lot D-1 between the shoreline and Easement 267 as shown on Map 89 of said Land Court Application No. 1744, together with such other portions of Lot D-1 as may be reasonably necessary to construct the fire lane access roadway contemplated therein, as granted by Grant of Easement and Agreement (Fire Lane Access Purposes) dated September 28, 2005, filed in said Office as Land Court Document Nos. 3333453 thru 3333454, and also recorded in the Bureau of Conveyances of the State of Hawai'i as Document Nos. 2005-196562 thru 2005-196563; and subject to the terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained therein.

Being the land described in Transfer Certificate of Title No. 772,689, and also being the premises described in instrument dated September 28, 2005, filed in said Office as Land Court Document No. 3333450.

SUBJECT, HOWEVER, to the following:

1. Any and all real property taxes assessed for current tax year but not yet due and payable.
2. Reservations of all mineral and metallic mines of every description to the Hawaiian Government; said reservation, however, being subject to that certain covenant that neither the State of Hawai'i nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 1, 1960, as contained in that certain instrument dated January 29, 1960, recorded in said Bureau in Book 3822, Page 37.
3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statutes, Chapter 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
4. The terms and provisions contained in Warranty Deed dated August 24, 1982, filed in said Office as Land Court Document No. 1128905, and also recorded in said Bureau in Book 16531 at Page 635.
5. Restriction of access rights, as shown on Map 2 of Land Court Application No. 1744.
6. The terms and provisions contained in the Private Water System Agreement dated October 2, 1991, recorded in said Bureau as Document No. 91-136263. (Not noted on Transfer Certificate(s) of Title referred to herein).

Said above Agreement was amended by instrument dated October 14, 1992, recorded in said Bureau as Document No. 92-169921. (Not noted on Transfer Certificate of Title referred to herein).
7. The terms and provisions contained in Subdivision Agreement (Large Lots) dated August 6, 1990, filed in said Office as Land Court Document No. 1756822, and also recorded in said Bureau as Document No. 90-127827.
8. Setback (40 feet wide) shown on Map 71, as set forth by Land Court Order No. 109618, recorded November 27, 1992 for building purposes.

9. Designation of Easement "176" shown on Map 71, as set forth by Land Court Order No. 109618, recorded November 27, 1992 for drainage purposes.

10. The terms and provisions contained in Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area) dated December 29, 1998, but effective December 14, 1998, filed in said Office as Land Court Document No. 2513420, and also recorded in said Bureau as Document No. 99-005138.

Said above Declaration was amended by instrument dated December 6, 2000, filed in said Office as Land Court Document No. 2668965, and also recorded in said Bureau as Document No. 2000-170916.

11. The terms and provisions contained in Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Public Open Space/Recreation Area) dated December 29, 1998, but effective December 14, 1998, filed in said Office as Land Court Document No. 2513421, and also recorded in said Bureau as Document No. 99-005139.

Said above Declaration was amended by instrument dated December 6, 2000, filed in said Office as Land Court Document No. 2668964, and also recorded in said Bureau as Document No. 2000-170915.

12. Designation of Easement "256" shown on Map 86, as set forth by Land Court Order No. 138359, recorded May 8, 2000 for slope preservation purposes.

13. Designation of Easement "257" shown on Map 86, as set forth by Land Court Order No. 138359, recorded May 8, 2000 for open space/recreational purposes.

14. Designation of Easement "258" shown on Map 86, as set forth by Land Court Order No. 138359, recorded May 8, 2000 for shoreline setback purposes.

15. Reservations of the State of Hawai'i, set forth in Land Court Order No. 138359, recorded May 8, 2000, including matters relating to the following:

(a) Claims, if any of native tenants.

(b) Claims, if any, to any historic, religious and archaeological sites.

(c) Claims, if any, to rights of access through public highways, trails and pathways and historical uses on and across the parcels to the shoreline be determined, protected and not restricted.

(d) Claims, if any, to waters having their source upon or flowing under the parcels.

16. All customary and traditional rights, of native Hawaiians as provided for by law, for subsistence, cultural and religious purposes, which rights may involve access to the subject property.

17. The terms and provisions contained in Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed in said Office as Land Court Document No. 2668967, and also recorded in said Bureau as Document No. 2000-170917.

Designation of Successor Declarant and Assignment of Declarant's Rights and Interests Under Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach, effective November 22, 2002, filed in said Office as Land Court Document No. 2885398, and also recorded in said Bureau as Document No. 2003-015949.

Supplemental Declaration to Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated August 5, 2003, filed in said Office as Land Court Document No. 2972191, and also recorded in said Bureau as Document No. 2003-162023.

Designation of Successor Declarant and Assignment of Declarant's Rights and Interests Under Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated August 26, 2003, filed in said Office as Land Court Document No. 2983238, and also recorded in said Bureau as Document No. 2003-180662.

First Amendment to By-Laws of Kaanapali North Beach Master Association, Inc. dated September 17, 2003, filed in said Office as Land Court Document No. 3036052, and also recorded in said Bureau as Document No. 2003-267151.

18. The terms and provisions contained in Declaration of Covenants, Conditions and Restrictions Joinder dated December 6, 2000, filed in said Office as Land Court Document No. 2668974, and also recorded in said Bureau as Document No. 2000-170918.

Said Declaration was amended by instrument dated January 31, 2003, filed in said Office as Land Court Document No. 2887174, and also recorded in said Bureau as Document No. 2003-018974.

19. The terms and provisions contained in Unilateral Declaration of Restrictions; Joinder Agreement (North Beach Unit Count and Drainage) dated February 15, 2001, filed in said Office as Land Court Document No. 2683897, and also recorded in said Bureau as Document No. 2001-022448.

20. Designation of Easement "267" shown on Map 89, as set forth by Land Court Order No. 149182, recorded January 28, 2003 for access and utility purposes.

21. Grant of Easement and Agreement (Access, Entry Feature and Landscaping) over Easement "267", dated August 5, 2003, filed in said Office as Land Court Document No. 2972193, and also recorded in said Bureau as Document No. 2003-162025.

Amended and Restated Grant of Easement and Agreement (Access, Entry Feature and Landscaping) dated September 28, 2005, filed in said Office as Land Court Document No. 3333451, and also recorded in said Bureau as Document No. 2005-196560.

22. The terms and provisions contained in Declaration of Restrictions (Permit Applications) dated August 5, 2003, filed in said Office as Land Court Document No. 2972198, and also recorded in said Bureau as Document No. 2003-162031.

23. The terms and provisions contained in Limited Warranty Deed and Reservation of Rights dated June 21, 2005, filed in said Office as Land Court Document No. 3285094.

24. The terms and provisions contained in Declaration of Restrictions (Lot 3 Unit Count) dated June 21, 2005, filed in said Office as Land Court Document No. 3285095, and also recorded in said Bureau as Document No. 2005-122335.

25. The terms and provisions contained in Limited Warranty Deed and Reservation of Rights dated September 28, 2005, filed in said Office as Land Court Document No. 3333450.

26. Encroachments or any other matters as shown on survey map prepared by Erik S. Kaneshiro, Land Surveyor, dated May 25, 2005, updated September 8, 2005, as mentioned in Deed dated September 28, 2005, filed in said Office as Land Court Document No. 3333450.

27. Grant of Easement (Parking Purposes) dated September 28, 2005, filed in said Office as Land Court Document No. 3333452, and also recorded in said Bureau as Document No. 2005-196561.

28. Grant of Easement and Agreement (Fire Lane Access Purposes) dated September 28, 2005, filed in said Office as Land Court Document Nos. 3333453 thru 3333454, and also recorded in said Bureau as Document Nos. 2005-196562 thru 2005-196563.

29. The terms and provisions contained in Declaration of Covenants, Conditions and Restrictions dated September 28, 2005, filed in said Office as Land Court Document No. 3333455, and also recorded in said Bureau as Document No. 2005-196564.

30. The terms and provisions contained in Short Form Memorandum of Agreement dated October 19, 2006, filed in said Office as Land Court Document No. 3505591 RE: construction of a 390-unit timeshare resort.

31. The terms and provisions contained in Grant of Easement and Agreement Regarding Expansion of Retention Basins and Allocation of Retention Capacity (North Beach Lot 4 - Mauka Retention Basins) dated November 30, 2006, filed in said Office as Land Court Document No. 3522688, and also recorded in said Bureau as Document No. 2006-222394.

Said above Grant and Agreement was amended by instrument dated December 1, 2011, filed in said Office as Land Court Document No. T-8031223, and also recorded in said Bureau as Document No. A43790630A thru A-43790630B.

32. The terms and provisions contained in Short Form Memorandum of Agreement dated May 5, 2008, filed in said Office as Land Court Document No. 3746262.

33. Grant of Waterline Easement dated May 20, 2009, filed in said Office as Land Court Document No. 3861460, and also recorded in said Bureau as Document No. 2009-079589.

Amended and Restated Grant of Waterline Easement dated October 4, 2010, filed in said Office as Land Court Document No. 4006856, and also recorded in said Bureau as Document No. 2010-152129.

34. The terms and provisions contained in Unilateral Agreement dated May 25, 2010, filed in said Office as Land Court Document No. 4030723.

35. The terms and provisions contained in Notice of Time Share Plan dated June 29, 2015, recorded in said Bureau concurrently herewith.

36. The terms, covenants and conditions contained in any and all leases, subleases and/or tenancy agreements affecting the property described herein.

NOTE: For purposes of that certain Notice of Time Share Plan dated June 29, 2015, recorded in said Bureau concurrently herewith, this instrument is one of the "Project Documents" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

EXHIBIT "B"

Part 1

LIST OF UNITS AND DESCRIPTION OF UNIT BOUNDARIES

DESIGNATION OF UNITS. The Units are designated on the Project Plan and are more particularly described as follows:

1. BOUNDARIES OF THE RESORT UNITS. The Resort Units consist of a Unit interior and one or more lanais.

1.1 UNIT INTERIOR. The boundaries of the Unit interior consist of the interior surface of the perimeter walls, windows and window frames, doors and door frames, floors, and ceilings.

1.2 THINGS THAT ARE PART OF THE RESORT UNITS. These things are part of each Resort Unit:

- All of the walls and partitions that are not load-bearing and that are located inside of the Unit's boundaries.
- All movable lanai doors and the door frames.
- All doors and door frames located inside of the Unit's boundaries.
- The inner decorated or finished surfaces of all boundary walls, panels, windows and window frames, doors and their door frames, floors and ceilings.
- All fixtures originally installed in the Units and all replacements of those fixtures.

1.3 THINGS THAT ARE NOT PART OF THE RESORT UNITS. These things are Common Areas; they are not part of the Resort Units:

- The undecorated or unfinished surfaces of the boundary walls, panels, windows and window frames, doors and their door frames (except movable lanai doors and door frames), floors and ceilings.
- Any load-bearing walls or columns inside of the Unit. However the decorated or finished surfaces are part of the Unit.
- The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each Resort Unit.

- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within a Unit if they are used for or serve more than one Unit, the General Common Area, or the Limited Common Area of any other Unit.

2. BOUNDARIES OF THE COMMERCIAL UNITS.

2.1 BOUNDARIES OF POOL BAR AREA. The boundaries of the portion of Unit 102 comprising the Pool Bar Area are as follows:

A. UNIT. Unit 102 includes the entire pool bar building. If the Project Plan does not use walls or other physical improvements to mark the boundaries of the pool bar building, then the vertical boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Project Plan. The horizontal boundary will consist of an imaginary horizontal plane parallel to the ground and at a height equal to fourteen feet above the highest point of the roof of the building (the idea being to allow the Owner to increase the height of the building at some later time).

B. LANAI. In addition to the pool bar building, Unit 102 also includes the lanai that links the pool bar building (as shown on the Project Plan) to the portion of Unit 102 located within Building 4. The lanai boundaries consist of these things:

- The decorated or finished surfaces of the outside walls or other Improvements of the building that separate the lanai from the Unit interior;
- The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Unit interior; and
- The interior decorated surface of any railings or support posts, and any other walls or other Improvements enclosing the lanai.

If the Project Plan does not use walls or other physical Improvements to mark the boundaries of the lanai, then the vertical boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Project Plan. The horizontal boundary will consist of an imaginary horizontal plane parallel to the ground and at a height equal to twenty-eight feet above the lanai floor.

C. THINGS THAT ARE PART OF THE POOL BAR AREA. These things are part of the portion of Unit 102 comprising the Pool Bar Area:

- All interior and exterior walls and partitions, doors and door frames, windows and window frames of the Pool Bar Area.
- The roofs of the Pool Bar Area.
- The foundations, footings, girders, beams, floor slabs, columns, supports, floors, ceilings, crawl spaces, plenums, and any attics of the Pool Bar Area.
- All fixtures originally installed in the Pool Bar Area and all replacements of those fixtures.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within or beneath the Pool Bar Area if they are used for or serve only the Pool Bar Area.

D. THINGS THAT ARE NOT PART OF POOL BAR AREA. These things are Common Areas; they are not part of the portion of Unit 102 comprising the Pool Bar Area: Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within or beneath the Pool Bar Area if they are used for or serve the Common Areas or more than one Unit.

2.2 BOUNDARIES OF OTHER COMMERCIAL UNITS. The boundaries of the rest of Unit 102 and all other Commercial Units are as follows:

A. UNIT INTERIOR. The boundaries of the Unit interior consist of: (i) the centerline of all perimeter walls or floors that separate one Commercial Unit from another, (ii) the exterior surface of all perimeter walls that are not load bearing walls, and that front on Courtyard Nos. 3, 4 or 6, or on the lanai of the Pool Bar Area, all as shown on the Project Plan, (iii) the interior surface of all other perimeter walls, (iv) the exterior surface of all perimeter windows, window frames, doors and door frames that

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front on Courtyard Nos. 3, 4 or 6, or on the lanai of the Pool Bar Area, as shown on the Project Plan, and (v) the interior surface of all perimeter windows, doors, floors, and ceilings. If the Project Plan does not use walls or other physical improvements to mark the boundaries of the Unit, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Project Plan.

1) For purposes of this subsection and subsections 2.2C and 2.2D of this Exhibit B, the “ceiling” of any Commercial Unit (or part of a Commercial Unit) is the surface of the underside of the floor above it except as otherwise provided in Section 2.1 of this Exhibit B with respect to the Pool Bar Area.

This means that the Commercial Units include any crawl space or plenum between the “ceiling” and any acoustic tiles or other ceiling system.

B. LANAI. If a Commercial Unit has a lanai (other than the lanai in the Pool Bar Area) as shown on the Project Plan, then the lanai boundaries consist of these things:

- The decorated or finished surfaces of the outside walls of the building(s) that separate the lanai from the Unit interior;
- The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Unit interior; and
- The interior decorated surface of any railings or support posts, and any other walls or other Improvements enclosing the lanai.

If the Project Plan does not use walls or other physical Improvements to mark the boundaries of the lanai, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Project Plan.

C. THINGS THAT ARE PART OF THE COMMERCIAL UNITS. These things are part of (i) the portion of Unit 102 other than the Pool Bar Area, and (ii) each other Commercial Unit:

- All of the walls and partitions that are not load-bearing and that are located inside of the Unit’s boundaries. This includes any walls and partitions separating the Pool Bar Area from the rest of Unit 102.
- All movable lanai doors and the door frames.

- All doors and door frames located inside of the Unit's boundaries.
- All windows, window frames, doors and door frames fronting on Courtyard Nos. 3, 4 or 6, or fronting on the lanai of the Pool Bar Area, as shown on the Project Plan;
- The inner decorated or finished surfaces of all other boundary walls, windows and window frames, doors and their door frames, floors and ceilings.
- All fixtures originally installed in the Units and all replacements of those fixtures.

D. THINGS THAT ARE NOT PART OF THE COMMERCIAL UNITS. These things are Common Areas; they are not part of (i) the portion of Unit 102 other than the Pool Bar Area, or (ii) the other Commercial Units:

- The undecorated or unfinished surfaces of the boundary walls (except for any part within the centerline of the boundary walls that separate one Commercial Unit from another and that are not load bearing walls, and except for boundary walls that front on Courtyard Nos. 3, 4 or 6, or fronting on the lanai of the Pool Bar Area, and that are not load bearing walls).
- Any load-bearing walls or columns inside of the Unit. This includes all load bearing walls and columns fronting on Courtyard Nos. 3, 4 or 6, or fronting on the lanai of the Pool Bar Area, as shown on the Project Plan. However, the decorated or finished surfaces of all load-bearing walls or columns located within the Unit are part of the Unit.
- The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each Commercial Unit.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within a Unit if they are used for or serve more than one Unit, the General Common Area, or the Limited Common Area of any other Unit.

3. BOUNDARIES OF THE PARKING UNITS.

3.1 PARKING UNIT 1.

A. BOUNDARIES OF PARKING UNIT 1. Parking Unit 1 includes the entire parking structure shown on the

Project Plan as Parking Unit 1 except as provided in Section 3.1C. If the Project Plan does not use walls or other physical improvements to mark the boundaries of the parking structure, then the vertical boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Project Plan. The horizontal boundary will consist of an imaginary horizontal plane parallel to the ground and at a height equal to fifteen feet above the highest point of the highest roof of the structure (the idea being to allow the Owner to increase the height of the parking structure at some later time).

B. THINGS THAT ARE PART OF PARKING UNIT

1. These things are part of Parking Unit 1:

- The ramps, stairways, elevators and elevator machine rooms of the parking structure.
- The roofs and trellises of the parking structure.
- All interior and exterior walls and partitions, doors and door frames, windows and window frames of the parking structure.
- The foundations, footings, girders, beams, floor slabs, columns, supports, floors, ceilings, crawl spaces, plenums and any attics of the parking structure.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within or beneath the parking structure if they are used for or serve only Parking Unit 1.
- All fixtures originally installed in the parking structure and all replacements of those fixtures.

C. THINGS THAT ARE NOT PART OF PARKING UNIT 1. These things are Common Areas; they are not part of Parking Unit 1:

- The portion of the ground floor of the parking structure identified as the "Pump Room" on the Project Plan.
- The portion of the ground floor of the parking structure identified as the "Main Switch Board Room" on the Project Plan.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within the

parking structure if they are used for or serve more than one Unit, the General Common Area, or the Limited Common Area of any other Unit.

3.2 PARKING UNIT 2.

A. BOUNDARIES OF PARKING UNIT 2. Parking Unit 2 includes the ground level and all higher levels of parking structure shown on the Project Plan as Parking Unit 2. If the Project Plan does not use walls or other physical improvements to mark the boundaries of the parking structure, then the vertical boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Project Plan. The lower horizontal boundary will consist of an imaginary horizontal plane located just below the underside of the ground floor of the structure. The upper horizontal boundary will consist of an imaginary horizontal plane parallel to the ground and at a height equal to fifteen feet above the highest point of the highest roof of the structure (the idea being to allow the Owner to increase the height of the parking structure at some later time).

B. THINGS THAT ARE PART OF PARKING UNIT 2. These things are part of Parking Unit 2:

- The ramps, stairways, elevators and elevator machine rooms of the parking structure.
- The roofs and trellises of the parking structure.
- All loading bearing walls and columns of the parking structure that are located within the boundaries of Parking Unit 2.
- All other interior and exterior walls and partitions, doors and door frames, windows and window frames of the parking structure located within the boundaries of Parking Unit 2.

- The floors, ceilings, girders, beams, crawl spaces, plenums and any attics of the parking structure located within the boundaries of Parking Unit 2.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within or beneath the parking structure if they are used for or serve only Parking Unit 2.

- All fixtures originally installed in the parking structure and all replacements of those fixtures.

C. THINGS THAT ARE NOT PART OF THE PARKING UNIT 2. These things are Common Areas; they are not part of Parking Unit 2:

- All loading bearing walls and columns of the parking structure below the lower boundary of Parking Unit 2.
- The foundations, footings, girders, beams, floor slabs, and supports of the parking structure below the lower boundary of Parking Unit 2.
- All other Improvements comprising the "Retention Basin" of the parking structure, as shown on the Project Plan.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within the parking structure if they are used for or serve more than one Unit, the General Common Area, or the Limited Common Area of any other Unit.

EXHIBIT "B"

Part 2

The following lists each Resort Unit, Commercial Unit and Parking Unit and the corresponding Ownership Share.

COMMERCIAL UNITS

UNIT TYPE	COMMERCIAL UNIT NO.	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
COMMERCIAL	101	<u>64,384,200</u> 3,098,581,502
COMMERCIAL	102	<u>11,733,286</u> 3,098,581,502
COMMERCIAL	103	<u>2,645,227</u> 3,098,581,502

PARKING UNITS

UNIT TYPE	PARKING UNIT NO.	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
PARKING	1	<u>7,425,751</u> 3,098,581,502
PARKING	2	<u>5,338,838</u> 3,098,581,502

RESORT UNITS

BUILDING 1

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	NONE	0
RESORT	Two Bedroom Resort View Villa	1106, 1107, 1108, 1109, 1110, 1111, 1206, 1207, 1208, 1209, 1210, 1211, 1306, 1307, 1308, 1309, 1310, 1311, 1406, 1407, 1408, 1409, 1410, 1411, 1506, 1507, 1508, 1509, 1510, 1511, 1606, 1607, 1608, 1609, 1610 and 1611	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	1112, 1114, 1115, 1212, 1214, 1215, 1312, 1314, 1315, 1412, 1414, 1415, 1512, 1514 and 1515	<u>13,245,780</u> 3,098,581,502

BUILDING 2

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	NONE	0
RESORT	Two Bedroom Resort View Villa	2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2603, 2604, 2605, 2606, 2607, 2608 and 2609	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 3

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	3212, 3316, 3416, 3516 and 3612	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	3206, 3207, 3208, 3209, 3210, 3211, 3304, 3307, 3308, 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3404, 3407, 3408, 3409, 3410, 3411, 3412, 3413, 3414, 3415, 3504, 3507, 3508, 3509, 3510, 3511, 3512, 3513, 3514, 3515, 3604 and 3609	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 4

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	NONE	0
RESORT	Two Bedroom Resort View Villa	4203, 4204, 4205, 4206, 4207, 4208, 4303, 4304, 4305, 4306, 4307, 4308, 4403, 4404, 4405, 4406, 4407, 4408, 4503, 4504, 4505, 4506, 4507, 4508, 4603, 4604, 4605, 4606, 4607 and 4608	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	4209, 4211, 4309, 4311, 4409, 4411, 4509, 4511, 4609 and 4611	<u>9,082,380</u> 3,098,581,502

RESORT	Three Bedroom Ocean Front Villa	4210, 4310, 4410, 4510 and 4610	<u>13,245,780</u> 3,098,581,502
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BUILDING 5

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	5106, 5103, 5208, 5209, 5308, 5309, 5408, 5409, 5508 and 5509	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	5104, 5015, 5107, 5202, 5204, 5205, 5206, 5207, 5302, 5304, 5305, 5306, 5307, 5402, 5404, 5405, 5406, 5407, 5502, 5504, 5505, 5506, 5507, 5602, 5604, 5605, 5606 and 5607	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 6

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	6107, 6115, 6207, 6215, 6307, 6315, 6407, 6415, 6507 and 6515	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	6106, 6109, 6108, 6110, 6111, 6112, 6113, 6114, 6206, 6208, 6209, 6210, 6211, 6212, 6213, 6124, 6306, 6308, 6309, 6310, 6311, 6312, 6313, 6314, 6406, 6408, 6409, 6410, 6411, 6412, 6413, 6414, 6506, 6508, 6509, 6510, 6511, 6512, 6513, 6514, 6608, 6609, 6610, 6611, 6612 and 6613	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 7

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	7102,7103, 7110, 7202, 7203, 7302, 7303, 7402, 7403, 7502 and 7503	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	7104, 7105, 7106, 7107, 7108, 7109, 7204, 7205, 7206, 7207, 7208, 7209, 7210, 7304, 7305, 7306, 7307, 7308, 7309, 7310, 7404, 7405, 7406, 7407, 7408, 7409, 7410, 7504, 7505, 7506, 7507, 7508, 7509, 7510, 7602, 7603, 7604, 7605, 7606, 7607 and 7608	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	NONE	0
RESORT	Three Bedroom Ocean Front Villa	NONE	0

BUILDING 8

UNIT TYPE	RESORT UNIT TYPE	RESORT UNIT NUMBERS	OWNERSHIP SHARE OF THE INTEREST TO WHICH THE UNIT IS APPURTENANT
RESORT	One Bedroom Resort View Villa	8107, 8108, 8207, 8208, 8307, 8308, 8407, 8408, 8507, 8508, 8607 and 8608	<u>4,163,400</u> 3,098,581,502
RESORT	Two Bedroom Resort View Villa	8103, 8104, 8105, 8106, 8206, 8204, 8205, 8206, 8303, 8304, 8305, 8306, 8403, 8404, 8405, 8406, 8503, 8504, 8505, 8506, 8603, 8604, 8605 and 8606	<u>7,612,340</u> 3,098,581,502
RESORT	Two Bedroom Ocean Front Villa	8110, 8210, 8310, 8410, 8510 and 8610	<u>9,082,380</u> 3,098,581,502
RESORT	Three Bedroom Ocean Front Villa	8109, 8111, 8209, 8211, 8309, 8311, 8409, 8411, 8509, 8511, 8609 and 8611	<u>13,245,780</u> 3,098,581,502

END OF EXHIBIT "B"

EXHIBIT "C"

DESIGNATION OF LIMITED COMMON AREAS

DESIGNATION OF LIMITED COMMON AREAS. The following Common Areas are designated as Limited Common Areas:

1. UNIT 101 INTEREST. All portions of the Project identified as Limited Common Areas of Unit 101 on the Project Plan are Limited Common Areas appurtenant to the Unit 101 Interest, including but not limited to the following:

1.1 The lobby/sales/reception/front desk area, the administrative area, the owner's lounge, marketing 2 area, and two baggage storage areas identified as Limited Common Areas of Unit 101 on the Project Plan.

1.2 The storage areas on floors 2, 3, 4 and 5 of Building 3 identified as Limited Common Areas of Unit 101 on the Project Plan.

1.3 The sales kiosk and towel stand adjacent to Building 1 identified as Limited Common Areas of Unit 101 on the Project Plan.

1.4 The marketing area between the ground floor of Buildings 5 and 6 identified as Limited Common Areas of Unit 101 on the Project Plan.

1.5 The portions of the basement of Buildings 3 and 4 identified as Limited Common Areas of Unit 101 on the Project Plan including but not limited to the multi-function room, marketing offices, file storage room, HR office, various storage and general storage areas, training room, pump room, dish washing room, employee dining room, women employee locker/shower/toilet rooms, men employee locker/shower/toilet rooms, renewal lounge, meeting room, lost and found room, and refrigerator/freezer room.

1.6 The marketing, storage, and retail portions of the ground floor of Building 8, and the adjacent areas described as scuba rental and towel stand, identified as Limited Common Areas of Unit 101 on the Project Plan.

2. RESORT LIMITED COMMON AREAS. "Resort Limited Common Areas" are Limited Common Areas appurtenant to all of the Resort Ownership Interests.

2.1 THINGS THAT ARE RESORT LIMITED COMMON AREAS.

A. RESORT UNIT LANAIS. The lanais of the Resort Units are Limited Common Areas of the Resort Ownership Interests.

1) RESORT UNIT LANAI BOUNDARIES. The boundaries of the Resort Unit lanais consist of the following:

1) The decorated or finished surfaces of the outside walls of the building that separate the lanai from the interior of the Buildings.

2) The outside surface of any doors, door frames, windows and window frames that separate the lanai from the interior of the Buildings.

3) The interior decorated surface of any railings or support posts, and any other walls or other Improvements enclosing the lanai. If the Project Plan does not use walls, railings, support posts, or other physical Improvements to mark the boundaries of the lanai, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Project Plan.

4) An imaginary horizontal plane located just below the lowest point of and parallel to the underside of the floor of the lanai of the Unit on the next floor up, provided that:

➤ If the underside of the lanai floor for the next Unit up consists of exposed support beams, then the boundary will consist of an imaginary horizontal plane located just below the lowest point of the exposed support beams, and parallel to the floor of the lanai of the Unit on the next floor up.

➤ If there is no lanai on the next floor up, the boundary will be an imaginary horizontal plane located just below the lowest point of, and parallel to, the underside of the roof and/or the support beams or other Improvements comprising the roofing system located above the lanai.

- If there is no lanai floor or roofing system above the lanai, then the boundary will be an imaginary horizontal plane located parallel to and eight (8) feet above the lanai floor, but excluding from it any area occupied by other Improvements of the Project.

2) THINGS THAT ARE NOT PART OF THE RESORT UNIT LANAIS. The following are General Common Areas and are not part of the Resort Unit Lanais:

- The boundary walls, windows and window frames, doors and their door frames, floors and ceilings. However the decorated or finished surfaces of boundary walls and floors located within the lanais are part of the lanais.
- Any load-bearing walls or columns inside of the lanais. However the decorated or finished surfaces are part of the lanai.
- The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each lanai.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within a lanai if they are used for or serve more than one Unit, the General Common Areas, or the Limited Common Area of any other Project Ownership Interest.
- Any Improvements located above the lanai. This would include, for example the underside of the lanai for a Unit on the next floor up, or the underside of the roof and/or the support beams or other Improvements comprising the roofing system located above a lanai.

B. RESORT LIMITED COMMON AREAS DESIGNATED ON THE PROJECT PLAN. All portions of the Project identified as Resort Limited Common Areas on the Project Plan are Limited Common Areas appurtenant to the Resort Units, including but not limited to the following:

1) The pool equipment and storage room and landscape office in the basement of Building 4.

2) The trash/laundry room, consumable storage room, housekeeping room, office and storage room adjacent to the housekeeping room, PBX room, and laundry room in the basement of Building 3.

3) The workout room and adjacent men's and women's restrooms, various hallways, storage rooms, elevators, elevator lobbies, mechanical rooms, trash rooms/linen chutes, recycling rooms, stairways, chaise lounge storage area on the ground level of Building 8, housekeeping rooms at the intersection of Buildings 7 and 8.

4) Keka'a Park as shown on the Project Plan. This includes, but is not limited to the streets, roads, driveways, parking areas, and restroom building located within the boundaries of Keka'a Park as the boundaries appear on the Project Plan.

5) The Pump Room located in the parking structure comprising Parking Unit 1 (as shown on the Project Plan), water pumps, water filtering systems, water heating systems, and other equipment servicing the pools and/or water features of the Project, and all lines, pipes, cables, conduits, electrical and plumbing equipment, wiring and other and other transmission facilities and installations over, under and across the Project that serve the pool(s) or any water features.

C. OTHER RESORT LIMITED COMMON AREAS. The following areas are Limited Common Areas appurtenant to the Resort Units:

1) All of the grounds of the Project (whether or not designated as Resort Limited Common Areas on the Project Plan). This includes, among other things, the landscaping and front entry water features of the Project, the Courtyards shown on the Project Plan and all amenities located within them (for example, the pools, pool decks, any pool bathrooms, any pool showers, and any pool restroom building), the Shoreline Setback Area, and all pedestrian walkways, stairs, ramps, paths, trails, bikeways, and other passageways. However, it does not include any streets, roads, or driveways that are not located within the boundaries of Keka'a Park.

2) All retention basins located on the Project.

3. COMMERCIAL LIMITED COMMON AREAS. "Commercial Limited Common Areas" are Limited Common Areas appurtenant to all of the Commercial Ownership Interests that have an appurtenant exclusive right to use a Unit in Building 4. Currently this consists of Units 101, 102 and 103, but this can change.

3.1 THINGS THAT ARE COMMERCIAL LIMITED COMMON AREAS. The men's and women's restrooms located on the corridor between Commercial Units 101 and 102 are Commercial Limited Common Areas. This includes, for example, the following:

1) All of the walls and partitions that are not load-bearing and that enclose or are located inside of the men's and women's restrooms.

2) All windows, window frames, doors and door frames that enclose or are located inside of the men's and women's restrooms.

3) All closets located inside of or adjacent to the men's and women's restrooms;

4) The inner decorated or finished surfaces of all other walls, windows and window frames, doors

and their door frames, floors and ceilings enclosing the men's and women's restrooms.

5) All fixtures originally installed in the men's and women's restrooms and all replacements of those fixtures.

6) All vents, sewer lines, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations that serve only the men's and women's restrooms.

END OF EXHIBIT "C"

EXHIBIT “D”

SHARED AREAS

The Shared Areas initially consist of those portions of the Limited Common Areas of Unit 101 identified as “Ground Level Building 3 Shared Areas” on Sheet CM-1.3 of the Project Plan. For convenience of reference, some of those areas are labeled as follows on Sheet CM-1.12 of the Project Plan:

1. The Lobby/Sales/Reception/Front Desk area.
2. The Bell Desk area.
3. Two Baggage Storage Areas.
4. The Administration Area.
5. The Storage Area adjacent to the Administration Area.
6. The Owner’s Lounge.

Note that the area labeled as “Marketing 2” is not part of the Shared Areas.

END OF EXHIBIT “D”

RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
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Honolulu, Hawai'i 96813
Phone No. (808) 529-7300

This document contains ___ pages

Tax Map Key: 2nd Div., 4-4-14-05

BYLAWS

OF THE

*Nanea Ocean Resort
Community Association, Inc.*

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1. GENERAL PROVISIONS.

1.1 THE COMMUNITY ASSOCIATION; ITS NAME AND ADDRESS. The "Community Association" is a Hawai'i nonprofit corporation. Its name is "Nanea Ocean Resort Community Association, Inc." Its principal office is at 45 Kai Malina Parkway, Lahaina, Hawai'i 96761. From time to time, the Board of Directors may choose a new principal office elsewhere in Hawai'i.

1.2 DEFINITIONS. This Section 1.2 defines certain words or phrases having special meanings in these Bylaws. Other terms are defined elsewhere in these Bylaws in order to put them in context. Defined terms will have these special meanings except where the context clearly requires otherwise. In addition to the terms defined in these Bylaws, the Declaration also defines a number of key words and phrases. Terms defined in the Declaration have the same meaning in these Bylaws unless the context clearly indicates otherwise.

A. "ACT" means the Planned Community Associations Act, Chapter 421J, Hawaii Revised Statutes, or any law that replaces that law.

B. "ARTICLES" means the "Nanea Ocean Resort Community Association, Inc. Articles of Incorporation" filed with the Department of Commerce and Consumer Affairs of the State of Hawai'i, and all changes, additions, and substitutions properly made to them from time to time.

C. "BOARD" means the Board of Directors of the Community Association.

D. "DECLARATION" means the "Nanea Ocean Resort Declaration of Covenants, Conditions, Easements and Restrictions", and all changes and additions properly made to it from time to time. It was recorded with these Bylaws.

E. "HAWAII NONPROFIT CORPORATIONS ACT" means Chapter 414D, Hawaii Revised Statutes, or any law that replaces that law.

F. "MEMBER" AND "OWNER" mean the same thing.

1.3 POWERS AND DUTIES OF THE COMMUNITY ASSOCIATION. Except as limited by the Articles, the Declaration, these Bylaws, or by law, the Community Association has and may exercise any or all of these powers and has each of these duties and obligations:

- ❖ The powers, duties and obligations granted to or imposed on the Community Association in the Declaration, the Articles, or these Bylaws;
- ❖ The powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawai'i;
- ❖ The powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawai'i;
- ❖ The powers, duties and obligations of a planned community association under the Act; and
- ❖ Any other powers, duties and obligations imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Community Association under the Declaration, the Articles, or these Bylaws, or that otherwise promote the general benefit of the Owners.

1.4 WHO MUST OBEY THESE BYLAWS. These Bylaws apply to the Community Association and anyone else who has any rights or interests in any Project Ownership Interest, the Property, or the Community Association. This includes, among others (i) all present and future Owners and their Lenders, and (ii) all of their officers, directors, employees and agents. Anyone who has or acquires any interest in the Property or any Project Ownership Interest automatically accepts, approves and agrees to obey the Project Documents.

1.5 CONFLICTS AMONG THE DOCUMENTS. The Declaration controls over any inconsistent provision in the Articles. The Declaration and the Articles control over any inconsistent Bylaw. If any part of the Project Documents is inconsistent with the Act or any other law that applies, the law will control.

2. MEMBERSHIP.

2.1 QUALIFICATIONS FOR MEMBERSHIP. "Owner" is defined in the Declaration. Each Owner (including the Developer to the extent that it is an Owner) is a Member of the Community Association, and only Owners can be Members. By acquiring a Project Ownership Interest, the Owner automatically consents to being a Member of the Community Association. If more than one person is the Owner of a Project Ownership Interest, each of them is a Member. An Owner will be a Member for so long as he or she is the Owner of a Project Ownership Interest. A person's Membership ends automatically when he or she is no longer the Owner of a Project Ownership Interest, such as when an Owner deeds it to someone else. Being

the Owner of a Project Ownership Interest is the sole qualification for Membership.

2.2 MEMBERSHIP GOES WITH THE PROJECT OWNERSHIP INTEREST. Anyone who transfers a Project Ownership Interest also automatically transfers the Membership for that Project Ownership Interest to its New Owner. An Owner cannot separate his or her Community Association Membership from his or her Project Ownership Interest. He or she cannot sell, transfer, mortgage or otherwise deal with it separately from the Project Ownership Interest. Any attempt to do so will not be effective. It will be void. These are the only exceptions:

A. If a Unit has been split into smaller Units as provided in the Declaration, an Owner may transfer the resulting Project Ownership Interest for each of the new Units separately, just as if the Units had been that way from the outset;

B. The Developer may reset the features of a Project Ownership Interest, or convert it into two or more different Project Ownership Interests, by issuing a new First Deed(s) as provided in the Declaration;

C. An Owner may pledge or transfer voting rights to a Lender having a mortgage on his or her Project Ownership Interest (and this includes but is not limited to a Lender who has a nominee – such as Mortgage Electronic Registration Systems, Inc. – hold a mortgage for it); and

D. The seller under an Agreement of Sale may retain legal title and the right to vote on certain matters. The buyer may transfer his or her entire interest under the Agreement of Sale, but nothing less.

This Section does not prohibit an Owner from depositing some or all of his or her rights with the SVN program or any other Exchange Program operated by the Developer or an affiliate of the Developer.

3. ASSESSMENTS AND PERSONAL CHARGES.

3.1 MEMBERSHIP ASSESSMENTS AND PERSONAL CHARGES. Each Member must pay Assessments and Personal Charges as provided in the Declaration. The Board will set, levy, collect and enforce the Assessments and Personal Charges as provided in the Declaration.

3.2 ENFORCEMENT; LIEN RIGHTS. The Community Association has the lien rights described in the Declaration and any further lien rights provided in the Act to enforce and collect Assessments and Personal Charges.

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The Board can enforce those rights in the manner described in the Declaration. Both the Board and the Plan Manager have full power and the right to enforce compliance in any manner permitted in the Project Documents and by law.

3.3 FISCAL YEAR. The Community Association's fiscal year ends on December 31st of each year unless the Board chooses a different date.

4. MEMBERSHIP RIGHTS AND PRIVILEGES.

4.1 MEMBERS' RIGHT AND DUTIES. Each Member has the rights, duties and obligations described in the Project Documents.

4.2 AUTHORITY OF MEMBERS. Unless the Board approves it, no Member can exercise any powers or perform any acts delegated by the Project Documents to the Community Association, the Board, or the Managing Agent.

4.3 COMMUNITY ASSOCIATION RULES. The Community Association may adopt, publish and enforce fair and reasonable rules and regulations relating to the Resort Units, the Community Association Property, and use by Occupants of the General Common Areas and any Limited Common Areas available to Occupants of the Resort Units. The Community Association Rules may be incorporated into a single set of joint rules adopted by the Community Association and the Vacation Owners Association for the sake of convenience so that Owners and Occupants can consult a single document rather than two different sets of rules. The Developer established the initial Community Association Rules. The Board may change the rules from time to time. The Developer also has certain rights to change the Community Association Rules. The Community Association Rules must be consistent with the Declaration, the Articles and these Bylaws. The Board must give notice to the Owners of any change in the Community Association Rules. The Board may give this notice by mailing it to the Owners or by including it in a newsletter, by posting a notice on an internet web site, or by email. It may also give this notice in any other way that is likely to be effective to give notice to the Owners and that complies with any laws that apply. At any meeting of the Community Association, a Majority of the Owners may change the Community Association Rules so long as the notice of meeting states that the change would be considered at the meeting and includes a fair and accurate description of the proposed change. At any time when the Developer holds a mortgage on or owns any Project Ownership Interest, no change to the Community Association Rules will be effective without the Developer's written consent.

4.4 SUSPENSION OF PRIVILEGES; FINES. If any Member or the Member's Guest violates the Project Documents (including but not limited to the failure of the Member to pay any Assessment or Personal Charge on time), the Community Association may charge the Member a money penalty and/or suspend the Member's rights and privileges under the Project Documents. For example, the Board may suspend a Member's right to participate in any vote under the Project Documents. The Declaration contains detailed requirements that must be satisfied in order for the Community Association to do these things. Each of those requirements is made a part of these Bylaws, just as if they were repeated here. The Board may delegate to the Managing Agent the power to carry out any disciplinary actions imposed by the Board. The Board also may delegate to the Managing Agent the right to suspend an Owner's rights and privileges under the Project Documents in cases where the Owner has not paid all Assessments or Personal Charges due. This includes the authority (i) to suspend an Owner's rights and privileges under the Project Documents in cases where the Owner has not paid all Assessments or Personal Charges due, and (ii) in all other cases, to give notice of the proposed suspension with the notice of hearing and the right to conduct the hearing required by Section 12.4B and to decide whether to suspend the Owner's rights and privileges. The Board's enforcement powers contained in the Project Documents or provided by law are "cumulative." This means that they may be used one at a time or all at once. The Board's failure to enforce any provision of the Project Documents does not mean that the provision cannot be enforced later.

5. MEETINGS OF MEMBERS.

5.1 MEETING OF THE COMMUNITY ASSOCIATION. Subject to Section 5.14, and unless otherwise expressly authorized by the Project Documents:

A. All action required or permitted to be taken by the Members may only be taken at a meeting of the Community Association;

B. The Community Association must give proper notice of the meeting; and

C. Enough Members must attend to have a quorum.

5.2 ANNUAL MEETINGS. The Developer may set the date and time for the first annual meeting; provided that date of the first annual meeting is not later than twelve (12) months from the Starting Date. In the years after that, the Community Association will hold an annual meeting each year on a day that the Board chooses. If the

Board does not choose a meeting date by the fifteenth (15th) day of October of each year, then the meeting will be held at the Project or within the County of Maui, Hawai'i at 11:00 a.m. on the second Tuesday of December. At each annual meeting the Members:

A. Will elect, by written ballot, Directors as provided in these Bylaws; and

B. May transact any other Community Association business that properly comes before them.

5.3 SPECIAL MEETINGS. A special meeting of the Community Association may be called at any time for any one or more purposes. It may be called by: (i) the Community Association President; (ii) a majority of the Directors; (iii) the Developer; or (iv) Members holding at least twenty-five percent (25%) of the total voting power of all Members if they sign, date, and deliver to any officer of the Community Association a demand for a special meeting. The demand must describe the purpose or purposes for which the meeting will be held. The Members may transact business on only those matters that are within the purpose or purposes described in the notice of the special meeting.

5.4 MEETING PLACE. The Community Association will hold its meetings at the Project or elsewhere in the County of Maui unless the Board chooses another place.

5.5 NOTICE OF MEETINGS AND OTHER NOTICES.

A. NOTICE REQUIRED. Notice must be given for each meeting of the Community Association, whether it is an annual or special meeting.

B. CONTENTS. The notice must meet each of these requirements:

- ❖ It must be in writing.
- ❖ It must state the authority for calling the meeting.
- ❖ It must state the place, date and time of the meeting.
- ❖ It must state whether it is an annual or special meeting. If it is a special meeting, it must state the matter or matters for which the meeting was called.
- ❖ It must list the items on the agenda. The agenda must include anything that the Board expects to present and anything required by the Act. It must also include anything that a Member intends to present if (i) the Community Association is asked to do so by a person entitled to call a special meeting,

and (ii) the request is received by the President or Secretary of the Community Association at least ten (10) days before the Association gives notice of the meeting. Note: a Member may still present any other proper business at any annual meeting unless notice of that business is specifically and expressly required by another part of the Project Documents or by law.

- ❖ It must include anything else required by the Act or by the Hawaii Nonprofit Corporations Act.

C. STANDARD PROXY FORM. The Board may include with the notice a standard proxy form authorized by the Community Association, if any. It may also include any other necessary or helpful information.

D. WHEN NOTICE MUST BE SENT. Notice of each annual and special meeting must be given at least fourteen (14) days but not more than sixty (60) days before the meeting date; provided that if the Act or the Hawaii Nonprofit Corporations Act permit it and if the Board adopts a resolution permitting it, the notice may be given up to ninety (90) days before the date of the meeting.

E. WHO MUST SEND THE NOTICE. The Secretary will give the notice except when these Bylaws provide otherwise. The Secretary may delegate this task to the Managing Agent. If neither the Secretary nor the Managing Agent sends the notice within thirty (30) days after an officer of the Community Association receives a proper demand for a special meeting, a person or persons signing the demand may set the time, date and place of the meeting and give notice in the manner required by law and these Bylaws.

F. WHO IS ENTITLED TO NOTICE. Notice must be sent to each person entitled to vote as of the Record Date. Notice must also be sent to each holder, insurer or guarantor of a mortgage on a Project Ownership Interest if, as of the Record Date, it has made a proper request for copies of such notices.

G. DELIVERY. The notice must be given: (a) by delivering it personally; (b) by mailing it by first-class mail, postage prepaid; or, (c) if the Act or the Hawaii Nonprofit Corporations Act explicitly permits it, by posting the entire meeting notice on a portion of the Community Association's website accessible to all Members or by sending it by electronic mail to the electronic mailing address designated in writing by the Member. Any notice given by mail or email must be sent to the address listed in the Community Association's record of ownership.

1) CHANGE IN ADDRESS. Each Member and anyone who holds, insures or guarantees a mortgage must inform the Community Association of any change in address at once.

2) MULTIPLE OWNERS. If more than one person is the Owner of a Project Ownership Interest, then (i) notice to all Owners of that Project Ownership Interest may be given by providing notice to any one of them, and (ii) the Community Association may require that the Owners agree on a single address for notices.

H. NOTICE DOES NOT HAVE TO BE RECEIVED. If notice is given in the manner required by this Section 5.5, (i) nobody entitled to notice can object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, make the meeting or any proceedings at the meeting invalid.

I. WAIVER OF NOTICE.

1) ATTENDANCE.

(a) **NOTICE OF MEETING.** Anyone who attends a meeting, in person or by proxy, gives up (in legal terms, "waives") any right to claim that notice was not given properly unless, when the meeting begins, he or she objects to holding it because notice was not given properly.

(b) **NOTICE OF MATTERS TO BE CONSIDERED.** Except as otherwise provided by the Act or the Hawaii Nonprofit Corporations Act, anyone who attends a meeting, in person or by proxy, gives up (in legal terms, "waives") any right to object to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the notice of the meeting, unless the Member objects to considering the matter when it is presented.

2) WRITTEN WAIVER. A Member may waive notice of any Community Association meeting by signing a document (i) that waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. All such documents must be delivered to the Community Association for inclusion in the minutes of the meeting or filing with the corporate records.

3) WAIVER BY INACTION. Except as otherwise provided by law, a Member automatically waives notice of any Community Association meeting if he or she does not file a written objection with the Secretary or the Managing Agent within fifteen (15) days

after he or she receives written notice of any action taken at a Community Association meeting. A copy of the minutes, among other things, will be treated as written notice.

4) EFFECT OF WAIVER. If a Member waives notice under this Subsection 5.5I, the fact that notice was not given to that Member will not, by itself, make the meeting or any proceedings at the meeting invalid.

J. WHO MAY OBJECT TO NOTICE. A person entitled to receive notice may object if notice was not sent to him or her. A person cannot object that notice was not sent to someone else.

5.6 RECORD DATE FOR NOTICES AND VOTING.

A. PURPOSE OF THE RECORD DATE. The "*Record Date*" is the date used to determine who is entitled to receive notice and to vote at Community Association meetings or on any action to be taken without a meeting. The Record Date is also used to determine who may object to and waive lack of notice and exercise other such rights for or as a Member.

B. SETTING THE RECORD DATE. The Board may choose the Record Date. The Record Date for a meeting may not be more than seventy (70) days before the meeting date; provided that if the Act or the Hawaii Nonprofit Corporations Act permits it and if the Board adopts a resolution permitting notice to be given up to ninety (90) days before the date of the meeting pursuant to Subsection 5.5D, then the Record Date may be any time up to one-hundred (100) days before the meeting date. The Record Date for action without a meeting may not be more than thirty (30) days before the ballot or request for consent or approval is sent. Unless the Board chooses another date, the Record Date will be the date and time when the mailing list is prepared, or, if notice is waived, the last business day before the day of the meeting. If a meeting is adjourned and a new notice must be given, then a new Record Date must be set.

C. EFFECT OF SETTING RECORD DATE. When a Record Date is set, only the Members of Record on that date (or someone authorized to act for them) have the right to notice and to vote at a meeting or on a ballot or other request for consent or approval. This rule applies despite any issuance or transfer of a Project Ownership Interest in the records of the Community Association after the Record Date. A person who owns a Project Ownership Interest as of the Record Date is considered to be the "*Member of Record*." A person who becomes an Owner after the Record Date can, of course, act for the

Member of Record by simply obtaining a proxy from the Member of Record. When the Declaration, the Articles, or these Bylaws refer to the "Owner" or "Member" with respect to notice (including waivers of notice) and voting, it means the Member of Record or someone authorized to act for the Member of Record.

5.7 QUORUM. The term "*quorum*" refers to the number or percentage of Owners who must be present at a meeting to conduct business. For all meetings of the Community Association, fifteen percent (15%) of the Owners must be present to have a quorum unless a different number is required by law, the Declaration or another part of these Bylaws.

A. WHEN A MEMBER IS "PRESENT". Members are "present" at a meeting if: (i) they attend it in person, or (ii) their Proxy Holder attends it for them, or (iii) someone else permitted by the Declaration, the Articles, or these Bylaws attends it for them.

B. MULTIPLE OWNERS. Unless otherwise required by law, all Owners of a Project Ownership Interest will be deemed to be present if any one or more of the co-Owners of the Project Ownership Interest is present.

5.8 COMMUNITY ASSOCIATION ACTION. At any Community Association meeting at which a quorum is present, the acts and decisions of a Majority of the Owners Voting will be regarded as the acts and decisions of the Community Association, and will be binding on all Members for all purposes, unless a different percentage is provided by law or by the Declaration, the Articles, or these Bylaws. If less than a Majority of the Owners are present, however, the Community Association may vote on only those matters of business, the general nature of which was described in the notice of meeting.

5.9 RULES FOR CONDUCTING MEETINGS. All meetings must be conducted in accordance with the most current edition of Robert's Rules of Order.

5.10 ADJOURNING COMMUNITY ASSOCIATION MEETINGS. Any meeting of the Community Association may be "adjourned" (temporarily ended, to resume later) to a date and time set by the vote of a Majority of the Owners Voting, whether or not a quorum is present. If no quorum is present, then the meeting must be adjourned sine die, which means that it cannot be resumed at a later date. If a meeting is adjourned for thirty (30) days or more, or if the law requires a new notice, then a new notice must be given in the manner required by Section 5.5. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an

adjourned meeting is resumed, and if a quorum is present, the Community Association may do anything that it could have done at the meeting as originally called. At any times when the Developer holds a mortgage on or owns any Project Ownership Interest, the Community Association cannot adjourn a meeting for more than an aggregate of ten (10) days without the written consent of the Developer.

5.11 INSPECTORS FOR VOTING AND PROXIES.

A. APPOINTMENT. At least ten (10) days before any meeting of the Community Association or before any ballot is sent to the Members pursuant to Section 5.14, the Board will appoint inspectors of the voting for the meeting or the voting by ballot, including voting for the election of Directors. The Board may appoint either one or three inspectors of voting. If the Board fails or chooses not to do so, then the Managing Agent will be the inspector of the voting.

B. DUTIES. The voting inspectors will have these duties:

1) They will determine the authenticity, validity and effect of proxies, Pledges, and other documents purporting to give any person the right to represent, act and vote for a Member.

2) They will receive votes, ballots and consents.

3) They will hear and determine all challenges, questions and conflicts relating in any way to the right to cast votes (but shall not reconsider a suspension of an Owner's voting rights made pursuant to Section 4.4).

4) They will count and tabulate all votes, ballots, and consents.

5) They will decide when the polls will close in the case of voting at a meeting.

6) They will determine the results of all votes, ballots, and elections.

7) They may do anything else appropriate to conduct the vote or election fairly as to all Members.

If there is more than one inspector, the decision, act or certificate of a majority of them will be effective. Any facts stated in any effective report or certificate of the inspector(s) of elections are presumed to be accurate.

5.12 VOTING.

A. NUMBER OF VOTES.

1) Each Project Ownership Interest is entitled to a vote in the Community Association equal to its Ownership Share in the Project.

2) To make voting more manageable, the Board may conduct voting on a percentage basis. The Managing Agent may round off the percentage vote for the Project Ownership Interests in increments of ten-thousandths of a percent (0.0001%). The percentage vote of one or more Project Ownership Interests also may be further rounded up or down if the Managing Agent decides that it is necessary to reach a total of one hundred percent (100%). The Managing Agent's decisions on rounding are final and cannot be appealed or revised by anyone. This is intended to prevent disharmony among the Owners over the manner in which the Managing Agent rounded the voting percentages.

3) If a Project Ownership Interest is owned by more than one person, the co-Owners of that Project Ownership Interest must share the vote for that Project Ownership Interest.

4) Where the Project Documents refer to a certain number or percentage of Members entitled to vote, this Section 5.12 and Section 4.4 govern the total number of available votes, the number of votes an Owner is entitled to cast, and how to cast the vote of each Project Ownership Interest having more than one Owner.

B. WHO MAY VOTE.

1) **GENERALLY.** Votes may be cast in person or by proxy by an Owner listed in the Community Association's records of ownership or by anyone lawfully acting for or on behalf of the Owner.

2) **LEGAL REPRESENTATIVES.** Sometimes a Project Ownership Interest may be owned or controlled by a person acting as a personal representative, guardian, or trustee. At any meeting of the Community Association, that person may cast the vote of each Project Ownership Interest held by him or her in this capacity. He or she may vote in person or by proxy. It does not matter whether the Community Association's record of ownership shows that the personal representative, guardian, or trustee owns or controls the Project Ownership Interest so long as that person presents evidence satisfactory to the Secretary that he or she owns or controls it in that capacity.

3) **AGREEMENT OF SALE.** A person buying a Project Ownership Interest under a recorded Agreement of Sale has the rights of an Owner. This includes the right to vote except on matters where, under the Agreement of Sale and as permitted by law, the Declaration, the Articles and these Bylaws, the seller expressly retains the right to vote.

4) **PLEDGES.** Except as otherwise limited by law, an Owner may transfer or pledge the Owner's voting rights to someone else in a mortgage. Or a court order may transfer an Owner's voting rights to someone else. For simplicity, these arrangements are called a "Pledge" in this paragraph, and the person to whom the voting rights are transferred is called the "Proxy Holder." If a true copy of a document containing a Pledge is filed as provided by Subsection 5.13C before the Record Date for a Community Association meeting or vote by ballot, only the Proxy Holder may vote in person or by proxy at that meeting or on that ballot. The Proxy Holder may, however, substitute someone else to vote for it as the Proxy Holder. The Proxy Holder will have the right to vote at all later meetings and on all later votes by ballot until someone files with the Secretary satisfactory evidence that the Pledge has ended or has been released.

C. CO-OWNER DISPUTES. If a Project Ownership Interest is owned by more than one person, the co-Owners of that Project Ownership Interest will have to agree among themselves on how to cast the vote of their Project Ownership Interest. The Community Association need not settle disputes among co-Owners as to voting. If they cannot agree on how to cast the vote of their Project Ownership Interest, they lose their right to vote on the matter in question. Fractional (split) votes are not allowed. When one or more co-Owners of a Project Ownership Interest casts its vote, it is conclusively presumed for all purposes that he or she acted with the authority and consent of all its co-Owners unless (i) another co-Owner files a written objection with the Secretary or the chairperson during or before the meeting, or (ii) another co-Owner casts an inconsistent vote.

5.13 PROXIES. An Owner may appoint someone else to vote or otherwise act for the Owner at meetings of the Community Association or on other Community Association matters (for example, a ballot). The person appointed to represent the Owner is called a "Proxy Holder." Except as otherwise provided in Subsection 5.12B.4):

A. PROXY REQUIREMENTS. An Owner may appoint someone to be his or her Proxy Holder in these ways:

1) The Owner may appoint a Proxy Holder by signing an appointment form (a "proxy") either personally or by the Member's attorney-in-fact. An authorized attorney-in-fact, officer, director, employee or agent of the Owner may sign for the Owner, or cause the Owner's name to be affixed to the proxy by any reasonable means. For example, the Owner's agent could stamp the Owner's name on the proxy.

2) The Owner may appoint a Proxy Holder in any other way permitted under the Act or the Hawaii Nonprofit Corporations Act, whichever governs.

B. STANDARD PROXY. To be valid, a proxy must be in the form and contain any information required, and must be filed with the persons and by the time required by law. Subject to any limitations contained in the Act or in the Hawaii Nonprofit Corporations Act, a proxy may contain such additional information as the Board determines.

C. BOARD SOLICITATION OF PROXY. Any Board that uses Community Association funds to distribute proxies that include the election of directors must comply with the requirements of the Act and any additional requirements of the Hawaii Nonprofit Corporations Act.

D. WHEN A PROXY TAKES EFFECT. A proxy is effective when it is received by the Secretary or the voting inspector(s); provided that unless otherwise required by law, the proxy must be received no later than 4:30 p.m. on the fifth business day before the date of the meeting.

E. USE OF DUPLICATES OF PROXIES. A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used instead of the original proxy for any and all purposes for which the original proxy could be used; provided that any copy, facsimile telecommunication, or other reproduction must be a complete reproduction of the entire original proxy.

F. DURATION.

1) A proxy will be valid for eleven months from the date it is signed unless the proxy says otherwise.

2) The limitations of Subsection 5.13F.1) do not apply to voting rights coupled with a financial interest or transferred by an Agreement of Sale under Subsection 5.12B.3) or a Pledge under Subsection 5.12B.4).

5.14 ACTION WITHOUT A MEETING. Except as otherwise limited by law, any action that may be taken at a meeting of the Members (such as, for example, electing Directors) also may be taken without a meeting and

without advance notice if the action is taken in the manner permitted by Section 414D-104 of the Hawaii Nonprofit Corporations Act, or if each of these requirements are met:

A. A ballot in written or electronic form must be sent to each Member entitled to vote. The ballot must be sent as though it were a notice of meeting and the rules of Subsections 5.5F through 5.5H will apply. In addition, the provisions of Subsections 5.5I.2) through 5.5I.4) and 5.5J will apply just as if a meeting was being held instead of a vote by ballot.

B. The ballot form must meet each of these requirements:

- ❖ It must state each proposed action and provide a way for the Member to vote for or against the proposal.
- ❖ It must state the number of votes needed to meet the quorum requirements.
- ❖ It must state the percentage of approvals necessary to approve each matter other than election of Directors.
- ❖ It must state the deadline by which the ballot must be returned in order to count.
- ❖ It must provide a reasonable time for the ballot to be returned.

C. To the extent permitted by law, the ballot may be signed electronically with an electronic signature.

D. The number of ballots received by the deadline for returning ballots must equal or exceed the quorum required to be present at a meeting authorizing the action.

E. The number of approvals must equal or exceed (i) the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot, or (ii) any higher number required by law.

An Owner may cancel or change his or her ballot by sending a letter or other document to the Community Association. It will take effect when the Secretary receives it, and only if it is received before the deadline for returning ballots.

6. BOARD OF DIRECTORS.

6.1 NUMBER OF DIRECTORS. Unless changed, the Board of Directors will consist of five (5) persons.

A. The Community Association may increase or decrease the number of Directors from time to time by amending these Bylaws. Any such amendment requires approval by vote of a Majority of the Commercial Owners Voting, and a Majority of the Parking Owners Voting.

B. In no case may the number of Director positions be less than five (5) or more than seven (7).

C. A decrease in the number of Directors, or a change in the term of office, does not shorten an existing Director's term.

6.2 POWERS AND DUTIES OF THE BOARD. Except as limited by law or by the Declaration, the Articles, or these Bylaws, the Board may exercise all powers of the Community Association and must perform all of its duties. The Board may not, however, take any action that, by law or under the Declaration, the Articles, or these Bylaws, must be taken, authorized or approved by the Members of the Community Association, or by some part or percentage of them. The Board may delegate its powers to the officers of the Community Association or to one or more professional managers hired by the Community Association, including but not limited to the Managing Agent. This authority is subject to any limits contained in the Declaration, the Articles, or these Bylaws. The Board may not act on behalf of the Community Association to amend the Declaration or these Bylaws, or to terminate the Project. Until the first Board is elected or appointed, the Developer may but is not obligated to, exercise some or all of the powers of the Board.

6.3 QUALIFICATIONS OF DIRECTORS.

A. All Directors, except for Directors appointed by the Developer, must be Owners, co-Owners, purchasers under an Agreement of Sale, or an officer of any corporate Owner, or in the case of fiduciary Owners, the fiduciary or officers of corporate fiduciaries. For purposes of this Section:

- ❖ The partners in a general partnership and the general partners of a limited partnership are considered to be the Owners of a Project Ownership Interest owned by their partnership.
- ❖ The general partners of a limited liability partnership are considered to be the Owners of a Project Ownership Interest owned by their partnership.

- ❖ The managers of a manager-managed limited liability company are considered to be the Owners of a Project Ownership Interest owned by such a company.
- ❖ The members of a member-managed limited liability company are considered to be the Owners of a Project Ownership Interest owned by such a company.

B. No person may serve as a Director for more than six (6) years in a row. This Subsection 6.3B does not apply during the Developer Control Period. In the event that any person appointed to serve as a Director during the Developer Control Period is elected as a Director at the Initial Election, the six-year limitation for such person shall commence upon and be measured from the date of the Initial Election, it being the intention that service as a Director during the Developer Control Period shall not be considered in applying the rule contained in this Subsection B.

C. Except for the Developer, if a Project Ownership Interest is owned by more than one person, only one of the co-Owners of that Project Ownership Interest may serve on the Board.

6.4 ELECTION OR APPOINTMENT OF DIRECTORS.

A. DURING THE DEVELOPER CONTROL PERIOD. The Developer shall appoint, and may remove and replace, the Directors and officers of the Community Association during the Developer Control Period.

B. AFTER THE DEVELOPER CONTROL PERIOD. Not later than the termination of the Developer Control Period, the Owners (including the Developer to the extent that it is an Owner) will elect a new Board at an annual or special meeting of the Association called for such purpose. This election is called the "Initial Election."

C. SUBSEQUENT ELECTIONS. At each annual meeting of the Community Association after the meeting at which the Initial Election takes place, and at any special meeting called for that purpose, the Owners will elect a new Director to replace each Director whose term has expired or to fill any vacancy caused by any increase in the number of Directors.

D. BOARD COMPOSITION. At the Initial Election and in each subsequent election of Directors, the composition of the Board shall be maintained as follows:

1) SPECIAL DIRECTORS.

(a) One Director shall be elected solely by vote of the Commercial Owners. This Director is called the "Commercial Owners Director."

(b) One Director shall be elected solely by vote of the Parking Owners. This Director is called the "Parking Owners Director."

(c) One Director shall be elected solely by vote of the Resort Owners. This Director is called the "Resort Owners Director."

The Directors described in this Subsection 6.4D.1) (the Commercial Owners Director, the Parking Owners Director, and the Resort Owners Director) are called "Special Directors."

2) AT-LARGE DIRECTORS. All remaining Directors will be elected by vote of all of the Members. These Directors are called "At-Large Directors."

6.5 NOMINATIONS.

A. BY THE BOARD. Each year, the Board will nominate people for election to the Board at the annual meeting. The Board must do so before the Secretary gives notice of the annual meeting. The Secretary will send to each Member, with the notice of meeting required by Section 5.4, a list of the people nominated.

B. FLOOR NOMINATIONS. Subject to the requirements of Subsections 6.3C and 6.4D, any Member may nominate one or more candidates during a Community Association meeting.

6.6 TERM OF OFFICE OF DIRECTORS.

A. Five (5) Directors will be elected at the annual or special meeting of the Community Association called for the purpose of conducting the Initial Election. The term of office of the two (2) At-Large Directors and the Resort Owners Director will end when the second annual meeting after their election ends. The term of office of Commercial Owners Director and the Parking Owners Director will end when the next annual meeting after the election ends.

B. After the term of office of each of the initial elected Directors expires, each replacement Director will hold office until the end of the second annual meeting after his or her election. This should be a term of about two (2) years.

C. If the Community Association increases the number of Directors, the terms of the newly created

positions will begin as of the date of the meeting at which the increase was approved. The term of office of the newly created positions will be staggered so that the term of about one-half of the total number of Director positions will expire each year.

D. Despite the expiration of a Director's term as stated in Subsections 6.6A and 6.6B, a Director will continue to serve until a successor is elected or appointed in accordance with Subsections 6.4B, 6.4C, and 6.4D, and qualifies, or until there is a decrease in the number of Director positions.

6.7 RESIGNATION OF DIRECTORS. A Director may resign at any time by giving written notice to the Board, the President, or the Secretary. Unless required by its terms, a resignation does not have to be accepted by the Board to be effective. Instead, it will take effect as of the time stated. If no time is stated, it will take effect when the Director gives notice of his or her resignation.

6.8 REMOVING DIRECTORS.

A. GENERAL. The Community Association may remove and replace Directors only in accordance with the Act or the Hawaii Nonprofit Corporations Act, and all applicable requirements and procedures in these Bylaws for removing and replacing Directors.

B. DURING THE DEVELOPER CONTROL PERIOD. During the Developer Control Period, (i) the Developer may remove any Director at any time simply by providing written notice to the Association of the Developer's election to do so, and (ii) only the Developer may remove a Director. The removal will take effect when the notice is effective unless the notice says that the removal will take effect on a later date.

C. AFTER THE DEVELOPER CONTROL PERIOD. After the Developer Control Period terminates:

1) SPECIAL DIRECTORS.

(a) The Commercial Owners may remove the Commercial Owners Director from office, with or without cause, at any time by filing a petition signed by a Majority of the Owners of Commercial Ownership Interests. The removal will take effect when the petition is received by the Secretary unless the notice says that the removal will take effect on a later date. If the Commercial Owners Director is removed, the petition must also appoint a replacement Director or else the removal will not be effective. The replacement will hold office for the rest of the term of the person replaced.

(b) The Parking Owners may remove the Parking Owners Director from office, with or without cause, at any time by filing a petition signed by a Majority of the Owners of Parking Ownership Interests. The removal will take effect when the petition is received by the Secretary unless the notice says that the removal will take effect on a later date. If the Parking Owners Director is removed, the petition must also appoint a replacement Director or else the removal will not be effective. The replacement will hold office for the rest of the term of the person replaced.

(c) The Resort Owners may remove the Resort Owners Director from office, with or without cause, at any annual meeting or at any special meeting called for that purpose. The notice of meeting must specifically state that the purpose, or one of the purposes, of the meeting is removal of the Resort Owners Director. The Resort Owners Director whose removal is proposed must have an opportunity to be heard at the meeting. A Resort Owners Director will be removed by vote of the Resort Unit Owners if a Majority of the Resort Unit Owners Voting vote to remove him or her; provided that the Resort Owners Director cannot be removed if the votes cast against removal, or not consenting in writing to the removal, equals or exceeds the number of votes cast to elect such person at the meeting at which he or she was elected as the Resort Owners Director. If the Resort Owners Director is removed, the Resort Owners must then and there elect a replacement Director. The replacement will hold office for the rest of the term of the person replaced.

2) AT-LARGE DIRECTORS. The Community Association may remove any one or more At-Large Directors from office, with or without cause, at any annual meeting or at any special meeting called for that purpose. The notice of meeting must specifically state that the purpose, or one of the purposes, of the meeting is removal of the At-Large Director(s). Any At-Large Director whose removal is proposed must have an opportunity to be heard at the meeting. An At-Large Director will be removed if a Majority of the Owners Voting vote to remove him or her; provided that unless the entire Board is removed, no individual At-Large Director may be removed if the votes cast against removal, or not consenting in writing to the removal, would be sufficient to elect an At-Large Director at an election at which the same total number of votes were cast and the entire number of At-Large Directors authorized to have been elected at the time of the most recent election of the At-Large Directors were then being elected. If an At-Large Director is removed, the Community Association must then and there elect a replacement

Director. The replacement will hold office for the rest of the term of the person replaced.

D. BY VOTE OF THE DIRECTORS. If any At-Large Director misses three (3) regular Board meetings in a row, the Board, by a vote of a majority of the other Directors, may remove him or her. The Board may do this at the third or any later meeting.

E. PROCEDURES. Except as otherwise provided in the Act or the Hawaii Nonprofit Corporations Act, any meeting for the removal and replacement of Directors must be scheduled, noticed and conducted in accordance with these Bylaws.

6.9 VACANCIES.

A. EXISTENCE OF VACANCIES. A vacancy exists when any authorized position of Director is not filled. For example, a vacancy exists when:

- ❖ A Director dies or resigns. If a resignation will take effect at a later date, a majority of the remaining Directors can elect a replacement to take office when the resignation takes effect.
- ❖ A Director is removed by the other Directors pursuant to Subsection 6.8D.
- ❖ A Director is no longer qualified under Section 6.3 to serve as a Director.
- ❖ The Members increase the authorized number of Directors but the Members fail to fill the new positions at the same meeting.
- ❖ An authorized position is not filled for any other reason by a properly elected Director.

B. DURING THE DEVELOPER CONTROL PERIOD. During the Developer Control Period, (i) the Developer may fill any vacancy on the Board simply by providing written notice to the Community Association of the Developer's appointment of a replacement Director; and (ii) only the Developer may fill a vacancy. A Director appointed by the Developer during the Developer Control Period will hold office at the pleasure of the Developer.

C. AFTER THE DEVELOPER CONTROL PERIOD.

1) Vacancies in the Resort Owners Director seat or the At-Large Director seats caused by any reason other than removal of a Director by the Community Association may be filled by the vote of a majority of the

remaining Directors, even if there are not enough Directors remaining to have a quorum

2) The Commercial Owners and the Parking Owners may appoint someone to fill a vacancy in the Commercial Owners Director and Parking Owners Director seats, respectively. If they fail to appoint a replacement within sixty (60) days after the vacancy occurs, then a majority of the remaining Directors may appoint a temporary Director to serve until a replacement is elected in the manner provided by Subsections 6.4C and 6.4D.

D. TERM OF OFFICE OF APPOINTED DIRECTORS. Except as otherwise required by law, a replacement Director will hold office for the rest of the term of the person replaced. A Director appointed because the Members fail to elect a Director will hold office for the term that he or she would have held it if he or she had been elected by the Members.

6.10 PLACE OF BOARD MEETINGS. Board meetings will be held at or near the Project.

6.11 ANNUAL MEETING OF THE BOARD. Immediately after each annual meeting of the Community Association, the Board must hold a regular meeting at the same place. This meeting will be held to organize the Board. The Board must also elect any required officers; provided that during the Developer Control Period, the Developer shall have the exclusive right to appoint officers. The Board may transact any other business. Except as otherwise required by law, no call or notice of this meeting is necessary.

6.12 OTHER REGULAR MEETINGS.

A. MEETING REQUIREMENTS. In addition to the annual meeting, the Board must hold other regular meetings. The number of meetings and the time and place of these meetings will be set from time to time by a majority of the Directors.

B. NOTICE. Notice of regular Board meetings must be given to each Director. The notice may be given personally or by mail, email, telephone, fax, or messenger service. It must be given at least fourteen (14) days before the date of the meeting. If the notice is mailed, it will be deemed given and received seventy-two (72) hours after it is put in the United States mail. If the notice is faxed, it will be deemed given upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Community Association's records.

C. CONTENT OF NOTICE. The notice must state the date, time and place of the meeting. It must also list the items on the agenda.

D. WHEN NOTICE MUST BE RECEIVED. If notice is not given in writing, then it must actually be received to be effective. In all other cases, if notice is given in the manner required by this Section, (i) Directors cannot object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, make the meeting or any proceedings at the meeting invalid.

6.13 SPECIAL MEETINGS.

A. HOW CALLED. The President or any two Directors may call a special meeting of the Board for any purpose and at any reasonable time.

B. NOTICE. Except in an emergency, as determined by the President, notice of special meetings of the Board must be given in the same manner as notice of a regular meeting except that: (i) it must be given at least seventy-two (72) hours, instead of fourteen (14) days, before the meeting date, and (ii) the notice must state the nature of the special business to be considered. The provisions of Subsections 6.12C and 6.12D will also apply to notices of special meetings.

6.14 WAIVER OF NOTICE.

A. ATTENDANCE. Any Director who attends a meeting gives up (in legal terms "waives") any right to claim that notice was not given properly. This rule does not apply if, when the meeting begins, the Director objects to holding it because notice was not given properly. It also does not apply if notice is required to vote on a certain matter and the Director objects to voting on it because notice was not properly given (unless the Director votes for or assents to that action).

B. IN WRITING. A Director may waive notice of any Board meeting by signing a document that (i) waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. If this happens, the fact that notice was not given to that Director will not, by itself, make the meeting or any proceedings at the meeting invalid. All such documents must be filed with the Community Association records and made a part of the minutes of the meeting.

6.15 QUORUM. When referring to the Board, "quorum" means the number or percentage of Directors who must be present at a meeting for the Board to conduct business. A majority of all Directors will be a quorum of the Board.

"All Directors" means all the authorized number of Directors, even if a position is not filled.

A. WHEN A DIRECTOR IS "PRESENT". Directors are "present" at a Board meeting if they attend it in person or by telephone or other communications equipment as provided in Section 6.19.

6.16 DECISIONS OF THE BOARD. At any Board meeting at which a quorum is present, the acts and decisions of a majority of the Directors present will be regarded as the acts and decisions of the Board unless a different percentage is required or allowed by law or by the Declaration, the Articles, or these Bylaws.

6.17 RULES FOR CONDUCTING BOARD MEETINGS. All meetings of the Board must be conducted in accordance with the most current edition of Robert's Rules of Order.

6.18 MEMBERS MAY ATTEND MOST BOARD MEETINGS.

A. OPEN MEETINGS. All Board meetings are open to all Members of the Community Association. Members who are not on the Board may participate in any deliberation or discussion, other than executive session, unless a majority of a quorum of the Board votes otherwise. If there is not enough room for all the Members wishing to attend at the place of the meeting, the Board must adjourn and reconvene the meeting as soon as possible in a place that has enough room.

B. PRIVATE MEETINGS. The Board, with the approval of a majority of a quorum of the Directors, may adjourn a meeting and reconvene in "executive session". This means that only Directors and persons invited by the Board may attend. In executive session the Board may discuss and vote on personnel matters, lawsuits and other legal proceedings in which the Community Association is or may become involved, and other matters of a similar nature. The general nature of any and all business to be considered in executive session must first be announced in open session.

6.19 MEETINGS BY TELEPHONE. Regardless of any other provision of these Bylaws, and unless the law provides otherwise, the Board may permit one or more of the Directors to take part in any meeting, or the Board may conduct the meeting through use of, any other means of communication. The Board may do this only if everyone authorized to participate in and actually participating in the meeting can hear and be heard by each other simultaneously. The Board may carry on all business within the Board's authority as if everyone

participating by telephone or other communications equipment were physically present at the meeting.

6.20 ADJOURNING BOARD MEETINGS. Any meeting of the Board may be "adjourned" (temporarily ended, to resume later) to a date and time set by the vote of a majority of the Directors voting, whether or not a quorum is present. If a meeting is adjourned for fifteen (15) days or more, or if the law requires a new notice, then a new notice must be given in the manner required by Subsections 6.12B or 6.13B. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an adjourned meeting is resumed, and if a quorum is present, the Board may do anything that it could have done at the meeting as originally called.

6.21 ACTION WITHOUT A BOARD MEETING. Except as otherwise provided by law, any action that the Board is required or permitted to take, by law or by the Project Documents, also may be taken without a meeting if all Directors consent in writing to that action. Each written consent must describe the action taken, be signed by the Director, and be included in the minutes of the meetings of the Board. Any action taken in this way has the same force and effect as a unanimous vote of the Directors.

6.22 CONFLICTS OF INTEREST. A Director who has a conflict of interest on any issue before the Board must disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting. A transaction in which a Director has a conflict of interest may be approved in the manner provided in the Act and the Hawaii Nonprofit Corporations Act.

6.23 PAYMENTS TO DIRECTORS AND OFFICERS.

A. PAYMENT; EXPENSES. No one will receive any compensation for acting as a Director or officer of the Community Association unless that compensation is specifically authorized by vote of a Majority of the Owners Voting at a Community Association meeting. However, Directors and officers will be reimbursed for transportation expenses incurred and reasonable per diem payments for expenses incurred in connection with their attendance at regular and special meetings of the Board.

B. OTHER WORK. Nothing in these Bylaws prevents any Director or officer from serving the Community Association in any capacity other than as an officer or a Director and being paid for those services as authorized and approved by the Board. But regardless of what Section 6.22 says, he or she must be excluded from the discussions and voting by the Board on whether to hire him or her and how much to pay him or her for serving in that other capacity.

6.24 MINUTES OF MEETINGS OF THE BOARD. A copy of the written minutes of any meeting of the Board, or a summary of the minutes, must be posted on the Community Association's or the Managing Agent's website or otherwise made available to all Members for inspection and copying at any reasonable time as provided in these Bylaws and by law. If notice of a meeting was properly given but a Director is absent, the minutes must say so.

6.25 LIABILITY OF THE DIRECTORS AND OFFICERS. The Directors and officers of the Community Association will not be liable to the Community Association or to the Owners, any other Interested Person, or anyone else for any mistake of judgment or otherwise except for their own gross negligence or willful misconduct.

7. OFFICERS.

7.1 OFFICERS.

A. REQUIRED OFFICERS. The Community Association must have a President, a Vice President, a Secretary, and a Treasurer.

B. OTHER OFFICERS. The Community Association may have any other officers as may be deemed necessary or useful or as required by the Articles. The Board will determine the title, term of office, authority and duties of these officers.

7.2 QUALIFICATIONS OF OFFICERS. Any person may hold more than one office, except that neither the Secretary nor the Treasurer may also be the President at the same time. The President must be a Director. The Vice President, Secretary and Treasurer may be Directors but they do not have to be Directors.

7.3 APPOINTMENT OF OFFICERS. During the Developer Control Period, the Developer will appoint the officers of the Association. After the Developer Control Period terminates:

A. The Board will appoint the officers required by Subsection 7.1A at the annual meeting of the Board.

B. The Board may appoint any other officers permitted by Subsection 7.1B, or it may authorize the President or another officer to do so.

C. Officers may be appointed at any meeting of the Board by vote of a majority of the entire Board.

7.4 TERM OF OFFICE. Officers appointed by the Developer during the Developer Control Period (i) will

take office when they are appointed, and (ii) will hold office only for so long as the Developer desires. After the termination of the Developer Control Period, (i) all officers will take office when they are appointed except as provided in Section 7.5; and (ii) they will hold office only for so long as the Board desires.

7.5 RESIGNATION OF OFFICERS. An officer may resign at any time by giving written notice to the Community Association. An officer's resignation takes effect when the notice of resignation is effective unless the notice sets a future effective date and the Board accepts that future effective date. Resignation of an officer will not affect the Community Association's contract rights, if any, with the officer.

7.6 REMOVAL OF OFFICERS. During the Developer Control Period, the Developer may remove any officer, with or without cause, simply by providing written notice of such removal to the Community Association. After the Developer Control Period terminates, the Board may remove any officer, with or without cause, by vote of a majority of a quorum of Directors at any regular meeting of the Board or at any special meeting called for that purpose. Removal of an officer will not affect any contract rights of the officer.

7.7 VACANCIES.

A. DURING THE DEVELOPER CONTROL PERIOD.

If any required officer resigns or dies, or if his or her office otherwise becomes vacant during the Developer Control Period, then (i) the Developer must appoint a replacement at once; (ii) the Developer may do so simply by providing written notice to the Community Association of the Developer's appointment of a replacement officer; and (iii) only the Developer may fill a vacancy. If an officer's resignation takes effect in the future and if the Developer accepts the future effective date, the Developer may appoint a replacement before the effective date if the Developer provides that the new officer does not take office until the effective date.

B. AFTER THE DEVELOPER CONTROL PERIOD.

After the Developer Control Period ends, if any required officer resigns or dies, or if his or her office otherwise becomes vacant, then the Board must appoint a replacement at once. A majority of the remaining Directors may appoint a replacement even if there are not enough Directors remaining to have a quorum. If an officer's resignation takes effect in the future and if the Board accepts the future effective date, the Board may appoint a replacement before the effective date if the Board provides that the new officer does not take office until the effective date.

7.8 PRESIDENT. The President is the chief executive officer of the Community Association. The President has these powers and duties:

- ❖ The President supervises, directs and controls the business and affairs of the Community Association subject, however, to the control of the Board.
- ❖ The President chairs all meetings of the Community Association and all meetings of the Board.
- ❖ The President is a member of all committees.
- ❖ The President has the general powers and duties of management usually authorized for the office of president of a Hawai'i corporation. This includes, among others, the power to appoint committees from among the Owners from time to time as the President alone decides are appropriate to assist in conducting the affairs of the Community Association.
- ❖ The President has any and all other powers and duties assigned to the President by the Declaration or these Bylaws, or by the Board.

7.9 VICE PRESIDENT. If the President is absent or unable to act, or if that office is vacant, the Vice President performs all the duties of the President. When doing so, the Vice President has all the powers and duties of, and is subject to all the restrictions on, the President. The Vice President also has any other powers and performs any other duties assigned to him or her from time to time by the President, the Board, the Declaration, or these Bylaws.

A. OTHER TEMPORARY REPLACEMENT OF THE PRESIDENT. If the Vice President is also absent or unable to act, or if that office is also vacant, the Board must appoint another of its members to take the place of the President temporarily. The Board must do so even if there are not enough Directors remaining to have a quorum. The Director who is so appointed and acting will also have all of the powers and duties of, and is subject to all the restrictions on, the President.

7.10 SECRETARY. The Secretary has these powers and duties:

- ❖ The Secretary must keep the minutes of all meetings of the Community Association, the Board and all committees. For this purpose, the Secretary is a member of all committees.
- ❖ The Secretary must give all required notices of those meetings.

- ❖ The Secretary must keep a list of (i) all Owners, and (ii) anyone who is holding, insuring, or guaranteeing a mortgage and who has requested copies of all notices or other Community Association information and whose name is furnished as required by these Bylaws or the Declaration.
- ❖ The Secretary must keep all other books, records and documents of the Community Association except for financial records kept by the Treasurer.
- ❖ The Secretary has the general powers and duties of management usually authorized for the office of secretary of a Hawai'i corporation.
- ❖ The Secretary has any other powers and performs any other duties assigned to him or her from time to time by the President, the Board, the Declaration, or these Bylaws.

The duties of the Secretary may be delegated to and performed by the Managing Agent or any other person appointed for that purpose. If the Secretary is absent or unable to act at any meeting, or if the office is vacant, another person must be appointed to act as the Secretary at least temporarily.

7.11 TREASURER. The Treasurer is the chief financial officer of the Community Association. The Treasurer has these powers and duties:

- ❖ The Treasurer must keep full and accurate financial books and records of the properties and business transactions of the Community Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.
- ❖ The Treasurer must deposit all money and other valuables in the name and to the credit of the Community Association with the depositories (such as a bank) chosen by the Board.
- ❖ The Treasurer must pay out the funds of the Community Association as directed by the Board.
- ❖ The Treasurer must prepare all financial statements and reports requested by the President or the Board.
- ❖ The Treasurer has the general powers and duties of management usually authorized for the office of treasurer or chief financial officer of a Hawai'i corporation.

- ❖ The Treasurer has any other powers and performs any other duties assigned to him or her by the President, the Board, the Declaration, or these Bylaws.

The duties of the Treasurer may be delegated to and performed by the Managing Agent, accountants, or other suitable persons providing professional financial services. If the Treasurer is unable to act or if the office is vacant, another person must be appointed to act as the Treasurer at least temporarily.

8. INDEMNIFICATION.

8.1 DEFINITIONS. For the purpose of this Section 8:

A. "Agent" means any person who is or was a Director, officer, employee, or other agent of the Community Association, or who is or was serving at the request of the Community Association as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan, or other enterprise. An Agent is considered to be serving an employee benefit plan at the corporation's request if the Agent's duties to the Community Association also impose duties on, or otherwise involve services by, the Agent to the plan or to participants in or beneficiaries of the plan. "Agent" also includes, unless the context requires otherwise, the estate or personal representative of an "Agent."

B. "Proceeding" means any threatened, pending, or completed action or proceeding (such as a lawsuit), whether formal or informal. It could be for example, a civil suit, a criminal matter, or an administrative or investigative proceeding.

C. "Expenses" includes, but is not limited to, attorneys' fees and costs.

D. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable Expenses actually incurred with respect to a proceeding.

8.2 THE COMMUNITY ASSOCIATION WILL INDEMNIFY (REIMBURSE) ITS AGENTS. To the extent allowed by law, the Community Association must indemnify (which means that it will reimburse) each of its Agents with respect to any liability incurred by the Agent in any proceeding. The Hawaii Nonprofit Corporations Act defines how, when, and under what conditions the Community Association can make those reimbursements.

These Bylaws authorize and require the Community Association to make those reimbursements, and to make advances for expenses, to the full extent allowed by law. If available, the Community Association must buy insurance to cover the reimbursements. The Community Association may, but need not, buy insurance that provides for payment of liabilities of an Agent in circumstances where the Community Association does not have the power to indemnify the Agent for those liabilities.

9. ASSOCIATION RECORDS.

9.1 THE COMMUNITY ASSOCIATION'S BOOKS AND RECORDS.

A. WHAT THE COMMUNITY ASSOCIATION MUST KEEP. The Community Association must keep (i) correct and complete books and records of account of the Community Association; (ii) minutes of the meetings and all other proceedings of the Community Association, the Board, and any committee; (iii) all notices, objections, waivers, consents, dissents, and other matters related to these meetings; (iv) the original or a copy of all of the Project Documents; and (v) anything else required by law. The Community Association will keep at its principal office those records required to be kept there by law. The Board may keep all other books and records of the Community Association at the principal place of business of the Community Association or any other place or places selected by the Board.

B. MEMBER'S RIGHT TO INSPECT. The Members may inspect the Project Documents at any reasonable time during normal hours. Members may also buy copies of the Project Documents at a reasonable cost. Subject to the requirements of the Act and the Hawaii Nonprofit Corporations Act, and except as provided in Section 9.2, the books and records of account, minutes, papers and other books and records of the Community Association are open to inspection for any proper purpose at the written request of any Member. The inspection may be made at any reasonable time during normal business hours. The inspection may be made in person or by the Member's agent or attorney. Subject to the requirements of the Act and the Hawaii Nonprofit Corporations Act, and except as provided in Section 9.2, the right to inspect includes the right to copy and make extracts, at the Member's expense. Subject to the requirements of the Act and the Hawaii Nonprofit Corporations Act, and except as provided in Section 9.2, upon receipt of an authenticated request and any fee charged by the Board to pay copying costs, the Managing Agent will copy and send to the Owner a copy of any and all records requested. The Board may make reasonable

rules: (i) requiring notice to be given to the Managing Agent by the Member desiring to make the inspection or to get copies; (ii) limiting the hours and days of the week for inspection; and (iii) setting the costs of making copies of documents requested by a Member. The books, records and documents will be made available for inspection at the office where the records are maintained.

C. DIRECTOR'S RIGHT TO INSPECT. Subject to the requirements of the Act and the Hawaii Nonprofit Corporations Act, and except as provided in Section 9.2, each Director has the absolute right at any reasonable time to inspect the books and records of account, minutes, papers and other books, records and documents of the Community Association and the physical properties owned or controlled by the Community Association.

9.2 MEMBERSHIP LIST. The Community Association must at all times keep a current and accurate list of the names and mailing addresses of all Members of the Community Association. It must update this list at least monthly. This list is called the "Membership List."

A. The Community Association will furnish a copy of the Membership List within a reasonable time after any Member asks for it in writing, pays a reasonable fee (to be determined by the Board), and complies with all other requirements of the Declaration and any additional requirements of these Bylaws. The Declaration contains detailed requirements that must be satisfied before the Community Association is allowed (i) to provide access to or a copy of the Membership List, or any other documents from which a Membership List may be compiled, or (ii) to let anyone inspect or make copies or extracts of the Membership List or any other documents from which a Membership List may be compiled. In some cases, the Declaration prohibits the Community Association from furnishing the Membership List or provides an alternative means for a Member to mail information to other Members. The provisions of the Declaration governing Membership Lists are made a part of these Bylaws, just as if they were repeated here.

B. The Community Association will furnish a copy of the Membership List to the Developer promptly after the Developer asks for it. The requirements of the Declaration governing release of the Membership List to the Members do not apply to the Developer or companies related to the Developer.

C. The Board may impose other reasonable conditions intended to assure the confidentiality of the Membership List of Members and that the Membership List is not used (i) for commercial purposes by anyone other than the Developer or companies related to the

Developer, (ii) in any way that violates state or federal law, or (iii) for any other improper purpose.

9.3 CERTIFICATE OF MEMBERSHIP. The Board may, but is not obligated to, issue to the Members certificates of membership in the Community Association in any form the Board chooses.

10. MISCELLANEOUS.

10.1 WHO CAN SIGN CHECKS AND SO ON. All checks, drafts or other orders for payment of money, notes, or similar documents issued by the Community Association must be signed or endorsed as stated in a resolution adopted by the Board. If no resolution is adopted, they must be signed by any two of the President, Vice President, Secretary or Treasurer, or by the Managing Agent. The same rule applies to signing and delivering other documents authorized by the Project Documents or by action of the Board or the Community Association.

10.2 WHO CAN SIGN CONTRACTS AND OTHER DOCUMENTS. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or sign any document for the Community Association. This authority may be general or it may be limited to specific things. Unless authorized by the Board, no officer, agent or employee has any power or authority to bind the Community Association or to pledge its credit or to make it liable for any purpose or for any amount.

10.3 AMENDMENTS.

A. THE COMMUNITY ASSOCIATION'S RIGHTS.

These Bylaws may be "amended" (changed) from time to time if (1) the amendment is approved by the vote of a Majority of the Owners Voting, and (2) if the Developer owns, or holds a mortgage on, any Project Ownership Interest, the Developer gives its written consent and it signs the amendment. There is an exception to this rule: some parts of the Project Documents require the approval of a Majority of the Owners or more than a Majority of the Owners (a "*Super-Majority*") before taking certain actions. Such a provision cannot be amended unless (1) the number of votes cast by Owners voting in favor of that amendment equals or exceeds the number of votes required to take action under that provision (i.e., a Majority of Owners or a Super-Majority), and (2) if the Developer holds a mortgage on or owns any Project Ownership Interest, the Developer gives its written consent and signs the amendment. No amendment under this Subsection 10.3A will take effect until it is signed by any two officers of the Community Association and recorded.

B. THE DEVELOPER'S RIGHTS. The Developer's Reserved Rights include the right to change these Bylaws without the consent or approval of any person, including any Owner and anyone having a contract to buy a Project Ownership Interest, as follows:

1) It may change them in any way and for any purpose before the date when the Developer first records a First Deed, other conveyance document or Agreement of Sale transferring a Project Ownership Interest to someone other than (i) the Developer, (ii) any company related to the Developer, (iii) a bulk transferee, or (iv) any Lender.

2) It may change them to comply with the laws and regulations in effect in the State of Hawai'i, or the requirements of any government agency in Hawai'i (for example, the Hawai'i Department of Commerce and Consumer Affairs).

3) It may change them to comply with the laws or regulations of any place (for example, the State of New York) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of the (i) Project, (ii) any Vacation Plan that includes one or more Units, or (iii) any Fractional Plan that includes one or more Units, to permit the sale of Units, Vacation Interests, or Fractional Interests there.

4) It may change them to satisfy requests for changes made by any title insurance company issuing a title insurance policy on the Project or any Project Ownership Interest.

5) It may change them to satisfy requests for changes made by or requirements for making or purchasing mortgage loans on Project Ownership Interests by (i) any institutional lender lending funds on the security of the Project Ownership Interest, (ii) any investor in mortgages initially made in favor of the Developer, or (iii) any governmental or quasi-governmental agency including, but not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration.

6) It may change them to facilitate the operation and management of the Project, or any Vacation Plan or Fractional Plan that includes one or more Project Ownership Interests.

7) It may change them to correct any errors or mistakes reflected in any of the Project Documents.

For example, the Developer can amend these Bylaws to correct a mistake in the legal description of the Property, to add any missing words, to delete words that should have been deleted, to state the correct Ownership Share, and so on.

An amendment made by the Developer under this Subsection B takes effect when it is signed by the Developer and recorded. It does not have to be signed by anyone else.

C. CAPTIONS. The Developer has tried to divide these Bylaws into useful Sections and to provide captions describing each Section. The Developer has also included a table of contents. The captions and table of contents are here only for convenience and as a matter of reference. They do not define, limit or describe the scope or intent of the provisions of these Bylaws. Members must read with care each and every part of these Bylaws, not just the captions or the table of contents.

10.4 PRONOUNS. Pronouns (for example, "his" or "her") used in the Project Documents include the male,

female, and neuter genders and include the singular and plural numbers, as the case may be.

10.5 ENFORCEMENT. A violation of any part of these Bylaws by one person does not excuse that person or anyone else from his or her duty to obey that and all other parts of these Bylaws. Any failure to enforce any provision of these Bylaws does not limit or take away the right to enforce that provision later. This will be true no matter how many times a violation is overlooked.

10.6 INTERPRETATION. These Bylaws should be liberally interpreted to carry out the purpose of creating a uniform plan for sharing the ownership, expenses and use of the Property under which the Community Association carries out and pays for the operation and maintenance of the Property.

10.7 EFFECT OF INVALID PROVISIONS. The provisions of these Bylaws are "*severable*". This means that if any part of them is not legal or valid, that part can be ignored. But the rest of these Bylaws will remain in effect and everyone must obey them.

END OF BYLAWS

End of Exhibit "E"

EXHIBIT "F"

RULES AND REGULATIONS OF NANEA OCEAN VILLAS

Welcome to the Westin Nanea Ocean Villas. We want your use of the Villas and the Nanea Ocean Resort to be a satisfying experience. The following Rules and Regulations have been established for the benefit of all Owners. These Rules and Regulations supplement the Villas Declaration and Vacation Documents, as they may be amended from time to time, but do not change your obligations as an Owner under either the Nanea Ocean Villas Vacation Ownership Plan ("Plan") or the Vacation Documents. These Rules and Regulations may be amended from time to time by the Board of Directors ("Villas Board") of the Villas Association (the "Villas Association").

The Villas are part of the Nanea Ocean Resort, a master planned community (the "Project"). The Project is operated by the Nanea Ocean Resort Community Association, Inc., ("Project Association") and its Board of Directors ("Project Board"). The Project Board has also adopted these Rules and Regulations as its Rules and Regulations which will govern Owners of Vacation Ownership Interests in the Project. For purposes of these Rules and Regulations, Owner shall mean the Owners of Vacation Ownership Interests.

Compliance by you, your family, guests and permitted users with these Rules and Regulations will permit the Plan, the Villas and the Project to operate smoothly and efficiently.

Each Owner shall be governed by and shall comply with these Rules and Regulations, the Master Declaration, the Vacation Documents (as defined in the Villas Declaration) and the Starwood Vacation Network Documents. These documents are collectively referred to as the Governing Documents. Please note that failure by you or your guests to comply with these documents shall entitle the Villas Association and the Project Association to pursue any and all legal and equitable remedies to enforce the rules and may result in the suspension of your rights and privileges as an Owner.

Antennas. No antennas of any type shall be allowed on the Project, except as may be provided by the Project Board to serve as a master antenna for the benefit and use of the Resort Units, Commercial Units and Parking Units within the Project. No electrical or other equipment may be operated on the Project which interferes with television signal reception.

Barbecue Grills. No barbecue grills may be used on the Project, except in areas, if any, specifically designated by the Villas Board or the Project Board.

Biennial VOI. Owners of biennial Vacation Ownership Interests may be required to pay a \$20.00 bookkeeping charge per year to offset the Villas Association's extra processing costs.

Children. Owners are responsible for the conduct of their children or children in their care. Children are not permitted to play in corridors, parking areas, the lobby, pool areas, spas or any other common areas not designed for children's recreation. Children under thirteen (13) years of age must be accompanied by an adult around the Project. Owners will be held financially responsible for

disturbance or damage caused by their minor children or children under their care. Failure to pay for damages caused by such behavior may affect the Owner's use privileges.

Common Areas. Common Areas of the Project shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of and use by the Owners and others as permitted by the Governing Documents.

Damage. No Owner or guest, invitee, or lessee of such Owner shall deface, mar, or otherwise damage any part of the Project. In the event of such damage, the Owner shall be liable for the cost of repair. If a Vacation Unit or facility is rendered unusable due to the intentional or negligent act or omission of an Owner, guest, invitee, or lessee of such Owner, the Owner also shall be responsible for the cost of securing alternative accommodations or facilities of comparable quality and location until the damaged accommodations or facilities are repaired.

Decoration of Vacation Units; Additions, Alterations, and Renovations. No Owner, guest, invitee, or lessee shall alter the furnishings, appliances, personal property, or decor of any Vacation Unit. No Owner, guest, invitee, or lessee shall paint or otherwise decorate or change the appearance of any portion of the Project. The Villas Board shall determine the interior color scheme, decor, and furnishings of each Vacation Unit as well as the proper time for redecorating and renovating such Vacation Unit and its contents. No Owner, guest, invitee, or lessee shall make any additions, alterations, or renovations to any part of the Project.

No Domiciliary Intent. No person may enter, stay, or dwell on or about a Vacation Unit with the intent or desire to be or become a legal domiciliary of the State of Hawaii or any political subdivision thereof, and all persons waive, release, and remise any such intent or desire. No person may enter, stay, or dwell on or about a Vacation Unit with the intent that the Vacation Unit be or become that person's principal dwelling, and all persons shall maintain a principal dwelling at all times at a location other than within a Vacation Unit.

Emergencies and Fire Safety. In the event of an emergency, contact the Project Operator by dialing "0," or contact the appropriate authority by dialing "9" for an outside line, then dialing "911" or by dialing "911". After dialing "911," contact the Manager so that emergency vehicles can be directed appropriately. The Villas Association has posted in conspicuous places in the Vacation Units, fire regulations that must be adhered to by Owners and guests during their stay at the Villas and Project. The Project Association has also posted in conspicuous places in the Common Areas, fire regulations that must be adhered to by Owners and guests during their stay at the Villas and Project. Your conscientious compliance with these rules and regulations will help maintain the safety of the Villas and Project.

Enforcement of Rules. The Villas Association expects all Owners and their guests to adhere to the requirements set forth in the Rules and Regulations and the Villas Declaration. To assist the Villas Association in the enforcement of the provisions of these two documents, the Villas Association has delegated enforcement authority to the Manager. Any Owner or guest who has been advised by the Manager that they are in violation of the Rules and Regulations or the Villas Declaration must immediately cease that activity.

If any Owner or his guest, after being notified by the Manager that he or she is in violation of the Rules and Regulations or Villas Declaration, fails to comply with the Manager's direction, the matter will be

referred to the Villas Board for consideration of the assessment of penalties by reason of such person's non-compliance. The Owner against whom such action is proposed to be taken has the right to appear before the Villas Board at its next regularly scheduled meeting to contest such action, all as provided in the Bylaws and the Villas Declaration.

Guests. You may permit another person to occupy your reserved Vacation Period without charge by the Association subject to the following restrictions: (i) the maximum allowable occupancy limits may not be exceeded, (ii) guests must observe the Check-In and Check-Out procedures. If you intend for a person other than yourself to use your Vacation Period you must provide the Manager with the name and address of such person(s) in writing not less than three days prior to commencement of the Vacation Period. You will be responsible for all personal charges and/or damages to the occupied Vacation Unit resulting from use by your guests. Persons under twenty-one (21) years of age must be accompanied by you or a guest twenty-one (21) years of age or older.

Holdover Owners. If any Owner or the guest, invitee, or lessee of such Owner fails to vacate a Vacation Unit at the expiration of the reserved Vacation Period, such Owner shall be deemed a "holdover owner." The Association shall take steps as may be necessary to remove a holdover owner from the Vacation Unit. The Association also shall assist the holder of a subsequent reservation who may be affected by the holdover owner's failure to vacate, in finding alternate accommodations during such holdover period.

In addition to such other remedies as may be available to it, the Villas Association shall use reasonable efforts to remove the holdover owner and/or secure, at its expense, alternate accommodations for any holder of a subsequent reserved use period who may not occupy the Vacation Unit due to the failure to vacate of any holdover owner. Such accommodations shall be as near in value as possible to the Vacation Unit owned. The holdover owner shall be charged for the cost of such alternate accommodations, any other costs incurred due to his failure to vacate, and a fine during this period of holding over. In the event it is necessary that the Villas Association contract for a period greater than the actual period of holding over in order to secure alternate accommodations as set forth above, the entire period shall be the responsibility of the holdover owner, although the fine shall cease on actual vacating by the holdover owner, or the guest, invitee, or lessee of such Owner. The Villas Association shall submit a bill to the holdover owner in accordance with the Villas Declaration.

The foregoing provisions shall not abridge the Villas Association's right to take such other action against a holdover owner as is permitted by law including eviction proceedings. Further, the foregoing provisions shall not limit the Villas Association's right to take any action permitted by Hawaii law against trespassers who are not Owners.

Housekeeping. The time between Check-Out Time and Check-In Time is reserved exclusively for the cleaning, inventory, repair and maintenance of units by the housekeeping and maintenance personnel. Currently, a full cleaning will be provided prior to Check-In. Additional cleaning charges will be assessed as part of each additional reserved Vacation Period as further detailed in the Reservation Rules. Additional housekeeping services are available by contacting the front desk. A charge for additional housekeeping services will be made and must be paid prior to your departure.

Lawful Use. No immoral, improper, offensive or unlawful use shall be made on or of the Villas or Project, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

Nuisances. No nuisance shall be allowed in the Villas or on the Project, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the Project by the Owners. All parts of the Villas and Project shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. All common areas shall be kept free for their intended use, and shall in no event be used as storage areas, either on a temporary or permanent basis. No clothing towels, bedding, or other similar items may be dried or aired in any outdoor area or hung over or on balconies. No Owner shall make or cause to be made any noises, or use musical instruments, radios, televisions, amplifiers or other such equipment in a manner that may tend to disturb other Owners. No Owner shall permit any use of the Villas, Vacation Property or Project that will increase the cost of insurance for such areas.

Occupancy and Check-In/Check-Out. Check-In begins at 4:00 p.m. on the first day of a reserved Vacation Period and Check-Out is at 10:00 a.m. on the last day of the reserved Vacation Period. In addition to these times, the Villas Board reserves the right to designate an alternative Check-In time for specific Vacation Units. No Owner shall be admitted into a Vacation Unit until the Check-In process is complete at the reception desk designated for such purpose. The Villas Board may from time to time change the Check-In/Check-Out times, and such change shall not require an amendment to the Villas Declaration.

The maximum occupancy for a Three Bedroom Vacation Unit is 8 persons.

The maximum occupancy for a Two Bedroom Vacation Unit is 6 persons.

The maximum occupancy for a One Bedroom Vacation Unit is 4 persons.

Parking. Commercial trucks, oversized vehicles, trailers, motorcycles, and bicycles shall not be parked on the Project except in those areas, if any, designated by the Project Board.

Personal Charges. The Villas Association will charge a minimum fee of \$10.00 for any Personal Charges required to be billed to an Owner after Check-Out. All Personal Charges, including, but not limited to, extra services or damages, for guests are considered the responsibility of the Owner who requested access for such guest and must be paid for at the time goods or services are purchased. Any unpaid Personal Charges payable to the Villas Association will bear interest at the maximum rate specified in the Villas Declaration or the collection policy adopted by the Villas Board.

Personal Use Restriction. Each Vacation Unit shall be occupied only as vacation accommodations. No Owner may occupy a Vacation Unit or use any facilities of the Project at any time other than during the reserved Vacation Period in accordance with the Vacation Documents. Use of all Vacation Units and the facilities of the Project by Owners is limited solely to the personal use of Owners, their guests, invitees, and lessees and for recreational uses by corporations and other entities owning Vacation Ownership Interests. Use of Vacation Units or the facilities of the Project by Owners for commercial purposes or any purposes other than the personal use described in the Governing Documents is expressly prohibited. "Commercial purpose" includes a pattern of rental activity or other occupancy by an Owner that the Villas Association, in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. This paragraph shall not apply to Vacation Ownership Interests and reserved Vacation Periods owned by the Developer or to Commercial Units or Parking Units.

The Villas Board reserves the right to charge a fee for Permitted Users to utilize the Project's Resort Limited Common Area amenities on a daily basis during the hours established by the Villas Board for such day use privileges. The Villas Board, in its sole and absolute discretion, may promulgate rules and regulations regarding day use of the Resort Limited Common Area amenities, as well as delegate the responsibility for enforcing the rules and regulations to such third parties as the Villas Board sees fit from time to time.

Pets. No pets of any type are allowed on the Project, including the Villas, unless required pursuant to the Americans With Disabilities Act or applicable State law.

Reservation Procedures. Your use rights depend on the type of Vacation Ownership Interest you own as specified on your grant deed. Please refer to the Reservation Rules for the Plan and the Vacation Documents for further information on reservation procedures.

Signs. No sign, notice, other display, or advertising may be posted, displayed, maintained, inscribed, painted, or affixed on any part of the Project without the prior written approval of the Project Board, except for those displayed by or on behalf of Developer in accordance with the Declaration.

Smoking. No owner, tenant, invitee, guest, friend, family member, occupant, or any other person is allowed to smoke within the Project or in the Villas except as set forth herein. Smoking is prohibited everywhere within the Project, including, but not limited to, within individual Villas, patios, balconies, and similar structures, grounds, parking areas, pool decks, all enclosed and open pool and recreation areas, all children's play and activity areas, and all other property, except those areas specifically designated and marked as an approved smoking area. Smoking shall include the inhaling, breathing, carrying, or possession of any lighted cigarette, cigar, pipe, other product containing any amount of tobacco, or any other type of heated or lit product. The use of electronic cigarettes is also prohibited. Owners who violate this rule are subject to additional cleaning charges as determined by the Manager or the Villas Board.

Solicitation. No solicitation of any kind, whether commercial, religious, educational, or otherwise, shall be conducted anywhere on the Project unless specifically authorized in advance and in writing by the Villas Board, except for the activity permitted to be performed by Developer or its designees in accordance with the Villas Declaration.

Telephone. Each Villa is furnished with a private telephone. A record of all calls will be maintained by the Villas Association. Any calls made during an Owner's reserved Vacation Period which are not charged as directed above, will be charged to the Owner at Check-Out. The Villas Association may impose reasonable charges for local and long-distance telephone calls, whether or not such calls are collect, billed to a credit card, billed to your home phone or billed to your business number.

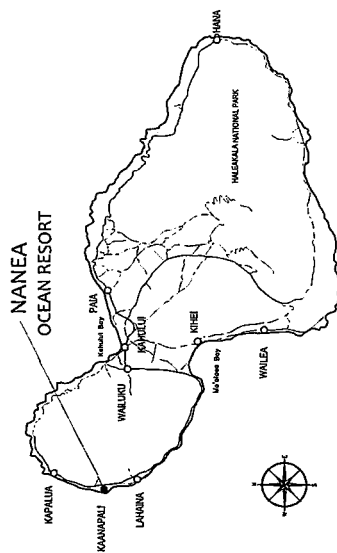
Watercraft. No boats, jet skis, wave runners, or other watercraft of any kind whatsoever shall be used, stored, or brought onto the Project without the prior written consent of the Project Board, and, if such consent is given, shall only be placed in the those areas designated by the Project Board for such time as designated by the Project Board.

END OF EXHIBIT "F"

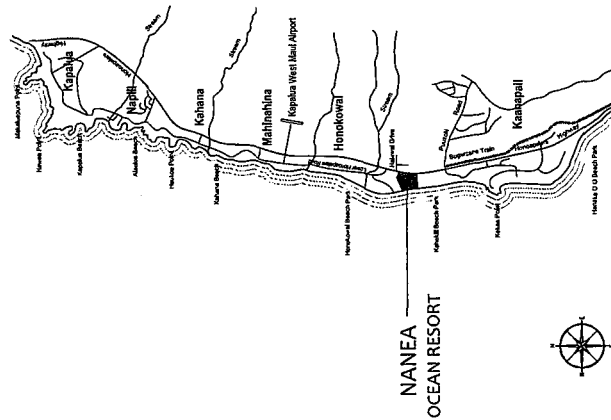
EXHIBIT "G"

PROJECT PLAN

IMPORTANT NOTE: THE FLOOR AREAS FOR THE RESORT UNITS, COMMERCIAL UNITS AND PARKING UNITS AS SHOWN IN THIS EXHIBIT ARE ALL APPROXIMATE. THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACTUAL AREAS OF ANY PARTICULAR UNIT. THE AREAS OF THE PARTICULAR UNITS ARE LIKELY TO VARY.



Island of Maui, Hawaii



NANEA OCEAN RESORT

North Beach, Ka'anapali, Maui, Hawaii 96761

DRAWING INDEX

- CM-0.0 COVER SHEET & DRAWING INDEX
- CM-0.1 OVERALL SITE PLAN
- CM-0.1B POSSIBLE WITHDRAWAL SITE PLAN
- CM-0.2 GROUND LEVEL - OVERALL FLOOR PLAN
- CM-0.3 BUILDING 1, 3 & 5 - BUILDING ELEVATIONS
- CM-0.4 BUILDING 1, 2, 3 & 4 - BUILDING ELEVATIONS
- CM-0.5 BUILDING 1, 3 & 4 - BUILDING ELEVATIONS
- CM-0.6 BUILDING 4 & 5 - BUILDING ELEVATIONS
- CM-0.7 BUILDING 2 - BUILDING ELEVATIONS
- CM-0.8 BUILDING 3 - BUILDING ELEVATIONS
- CM-0.9 PARKING UNIT 1 - BUILDING ELEVATIONS
- CM-0.10 PARKING UNIT 2 - BUILDING ELEVATIONS
- CM-1.0 PARKING UNIT 1 - FLOOR & ROOF PLANS
- CM-1.1 PARKING UNIT 2 - FLOOR & ROOF PLANS
- CM-1.2 BASEMENT LEVEL FLOOR PLAN
- CM-1.3 GROUND LEVEL - BUILDING 3 SHARED AREAS
- CM-1.4 Not Used
- CM-1.5 Not Used
- CM-1.6 GROUND LEVEL - BUILDING 1 & PARTIAL BUILDING 4 FLOOR PLAN
- CM-1.7 SECOND LEVEL - BUILDING 1 FLOOR PLAN
- CM-1.8 THIRD LEVEL - BUILDING 1 FLOOR PLAN
- CM-1.9 FOURTH LEVEL - BUILDING 1 FLOOR PLAN
- CM-1.10 FIFTH LEVEL - BUILDING 1 FLOOR PLAN
- CM-1.11 SIXTH LEVEL - BUILDING 1 FLOOR PLAN
- CM-1.12 GROUND LEVEL - BUILDINGS 2, 3 & PARTIAL BUILDING 4 FLOOR PLAN
- CM-1.13 SECOND LEVEL - BUILDINGS 2, 3 & 4 FLOOR PLAN
- CM-1.14 THIRD LEVEL - BUILDINGS 2, 3 & 4 FLOOR PLAN
- CM-1.15 FOURTH LEVEL - BUILDINGS 2, 3 & 4 FLOOR PLAN
- CM-1.16 FIFTH LEVEL - BUILDINGS 2, 3 & 4 FLOOR PLAN
- CM-1.17 SIXTH LEVEL - BUILDINGS 2, 3 & 4 FLOOR PLAN

DRAWING INDEX

- CM-1.18 GROUND LEVEL - BUILDINGS 5, 8 & PARTIAL BUILDING 7 FLOOR PLAN
- CM-1.19 SECOND LEVEL - BUILDINGS 5, 8 & PARTIAL BUILDING 7 FLOOR PLAN
- CM-1.20 THIRD LEVEL - BUILDINGS 5, 8 & PARTIAL BUILDING 7 FLOOR PLAN
- CM-1.21 FOURTH LEVEL - BUILDINGS 5, 8 & PARTIAL BUILDING 7 FLOOR PLAN
- CM-1.22 FIFTH LEVEL - BUILDINGS 5, 8 & PARTIAL BUILDING 7 FLOOR PLAN
- CM-1.23 SIXTH LEVEL - BUILDINGS 5, 8 & PARTIAL BUILDING 7 FLOOR PLAN
- CM-1.24 GROUND LEVEL - BUILDINGS 7 & 8 FLOOR PLAN
- CM-1.25 SECOND LEVEL - BUILDINGS 7 & 8 FLOOR PLAN
- CM-1.26 THIRD LEVEL - BUILDINGS 7 & 8 FLOOR PLAN
- CM-1.27 FOURTH LEVEL - BUILDINGS 7 & 8 FLOOR PLAN
- CM-1.28 FIFTH LEVEL - BUILDINGS 7 & 8 FLOOR PLAN
- CM-1.29 SIXTH LEVEL - BUILDINGS 7 & 8 FLOOR PLAN
- CM-2.1 ONE-BEDROOM - UNIT TYPE A & TWO-BEDROOM - UNIT TYPE B FLOOR PLANS
- CM-2.2 TWO-BEDROOM - UNIT TYPE A1 FLOOR PLAN
- CM-2.3 THREE-BEDROOM - UNIT TYPE C1 FLOOR PLAN
- CM-2.4 THREE-BEDROOM - UNIT TYPE C2 FLOOR PLAN
- CM-2.5 ONE-BEDROOM - UNIT TYPE D FLOOR PLAN
- CM-2.6 TWO-BEDROOM - UNIT TYPE E FLOOR PLAN
- CM-2.7 ONE-BEDROOM - UNIT TYPE A (ADA) FLOOR PLANS
- CM-2.8 TWO-BEDROOM - UNIT TYPE B (ADA) FLOOR PLANS
- CM-2.9 THREE-BEDROOM - UNIT TYPE C (ADA) FLOOR PLANS
- CM-3.1 KEKA'IA PARK RESTROOM - PLANS & BUILDING ELEVATIONS

TMK: (2) 4-4-014: 005

June 5, 2015

OWNER
SVO PACIFIC, INC.
45 Kai Malina Parkway
Lahaina, Maui, Hawaii 96761

ARCHITECT
WCIT ARCHITECTURE
725 KAPIOLANI BLVD, SUITE C400
HONOLULU, HI 96813

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North Beach, Ka'anapali, Maui, Hawaii

CM-0.0



WCI ARCHITECTURE

PROJECT ARCHITECTURE: CM-0.1
PROJECT NO: 14108FS
DATE: June 8, 2015

**NANEA
OCEAN RESOR**
Kalaheka, Maui, Hawaii 96764

TMK: (2) 4-4-014 : 005

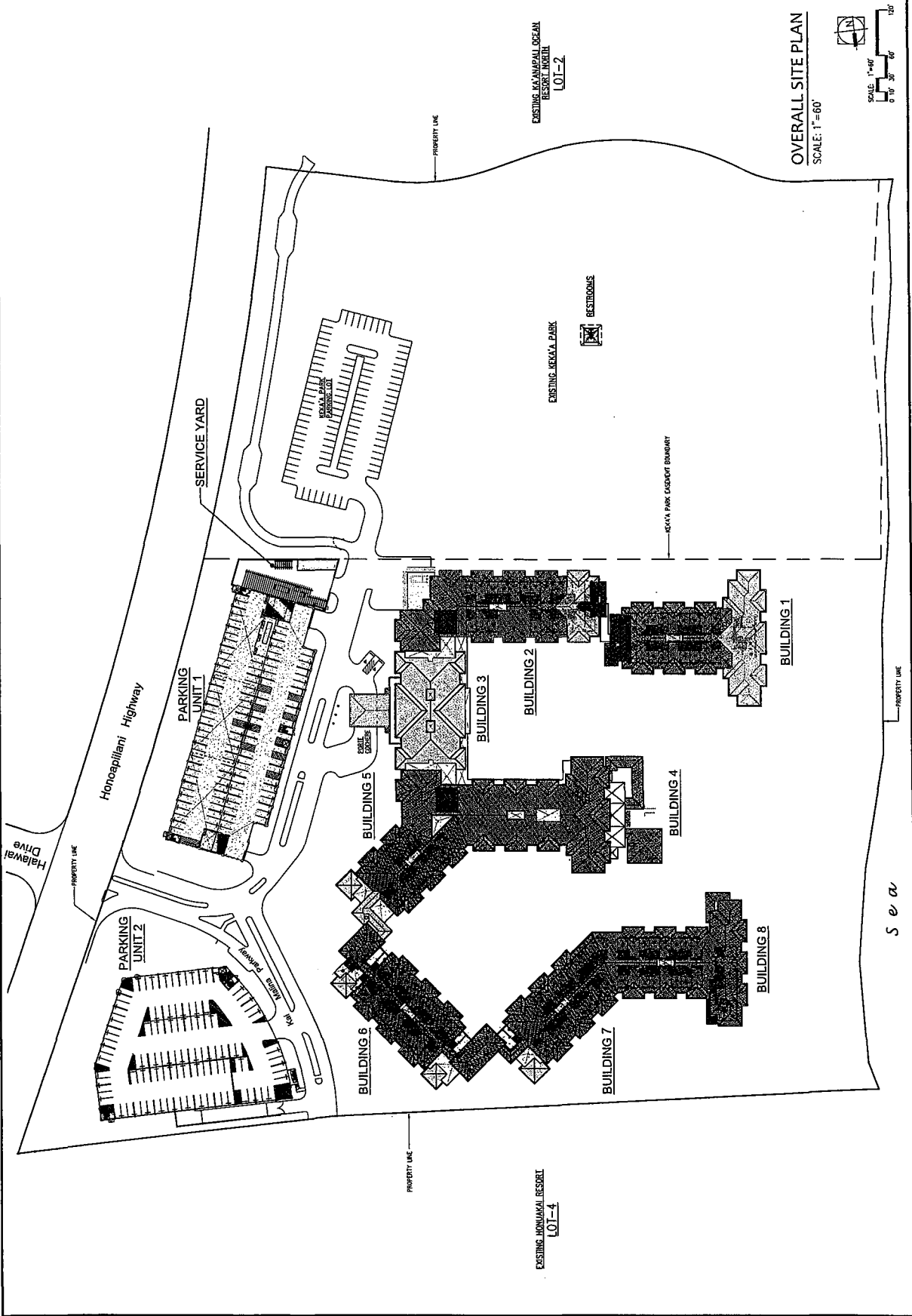
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PLAN
JOB NUMBER: 14108FS
DATE: June 8, 2015
DRAWN BY: [signature]

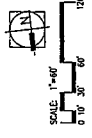
**OVERALL
SITE PLAN**

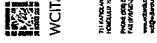
SHEET NUMBER

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OVERALL SITE PLAN
SCALE: 1" = 60'





WCT ARCHITECTURE

7140 W. SHERWOOD DRIVE, SUITE 100
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DATE

JOB NUMBER 14188FS

DATE June 5, 2015

DESIGNED BY

POSSIBLE WITHDRAWAL SITE PLAN

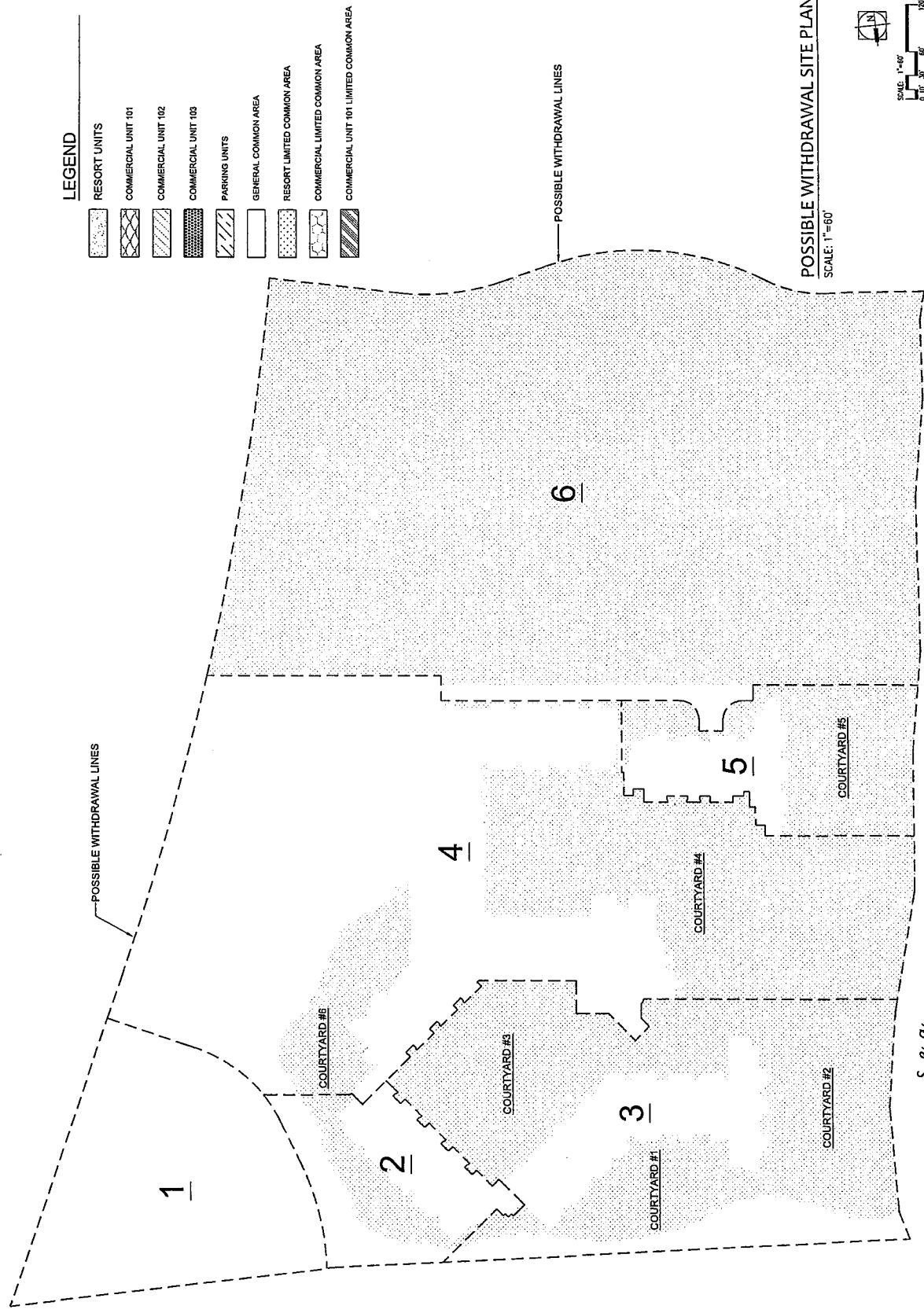
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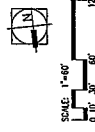
LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA

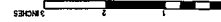
POSSIBLE WITHDRAWAL LINES



POSSIBLE WITHDRAWAL SITE PLAN
SCALE: 1"=60'



THE ORIGINAL SIZE OF THE DRAWING IS 11" X 17"





WCT ARCHITECTURE

1100 SOUTH KALEA DRIVE, SUITE 100
HONOLULU, HAWAII 96813
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PROJECT

NANA OCEAN RESORT
1450 Kapiolani, Hialeah, Hawaii

TRAK: (2) 4-4-014 : 005

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DATE

June 5, 2015

JOB NUMBER

1408FS

SCALE

GROUND LEVEL OVERALL SITE PLAN

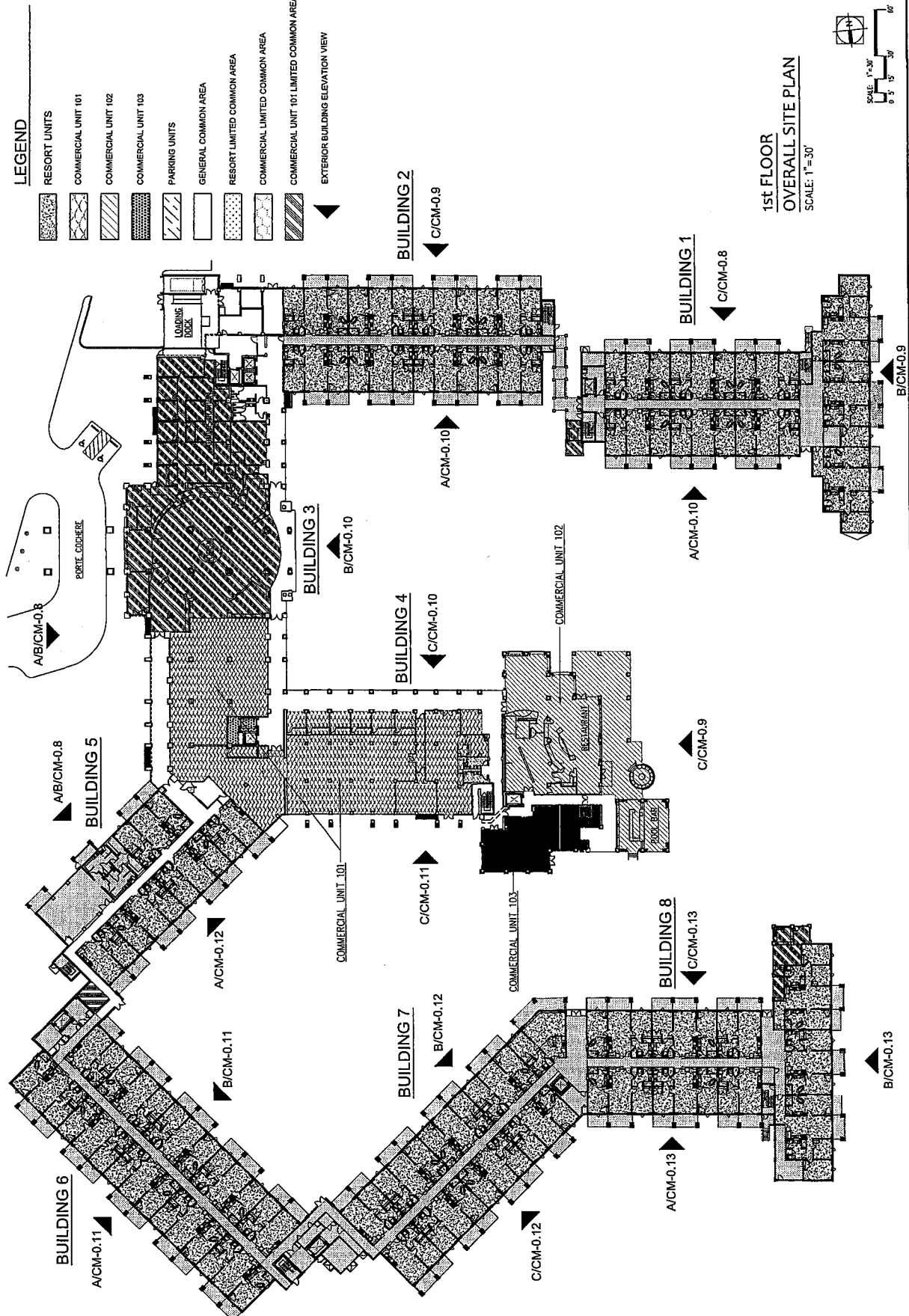
Sheet Number

CM-0.2

LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA

EXTERIOR BUILDING ELEVATION VIEW



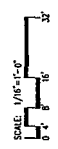
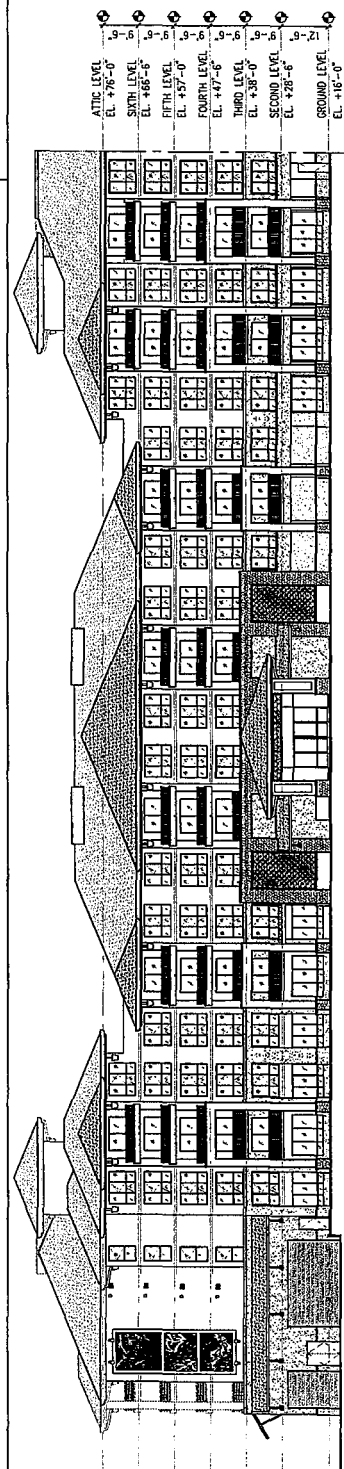
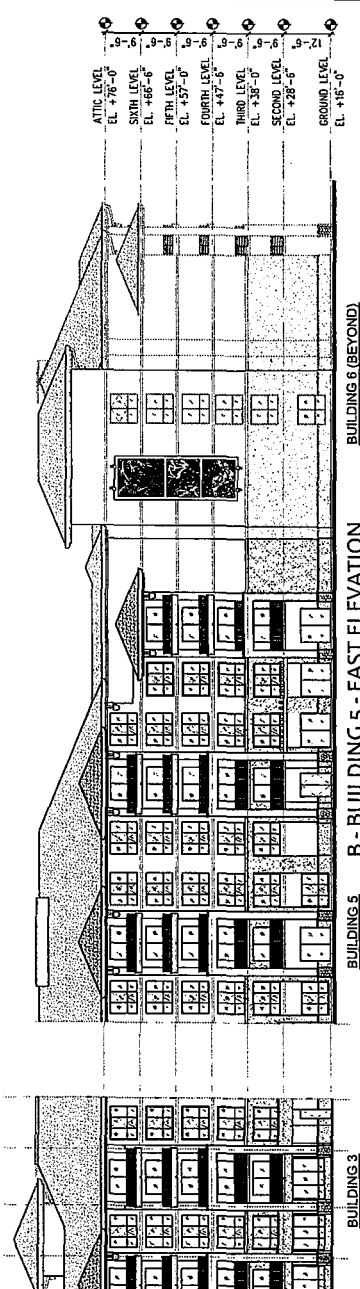
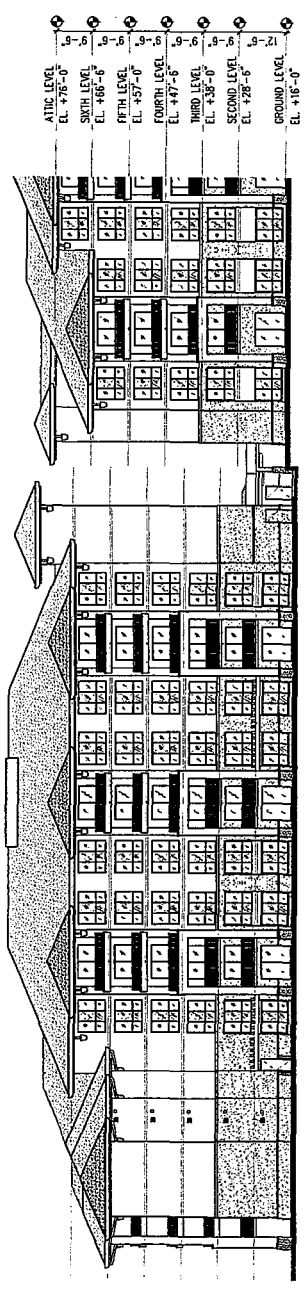
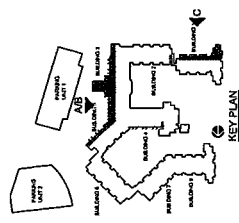
1st FLOOR OVERALL SITE PLAN
SCALE: 1"=30'

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DATE: 14.08.2015
 SHEET: 01 OF 05
 DRAWING NO.

**BUILDINGS 1, 3 & 5
 ELEVATIONS**

SCALE: 1/16" = 1'-0"
 NORTH





WOTARCHITECTURE

1111 UNIVERSITY AVENUE, SUITE 605
ANN ARBOR, MI 48106
TEL: 734.769.1111
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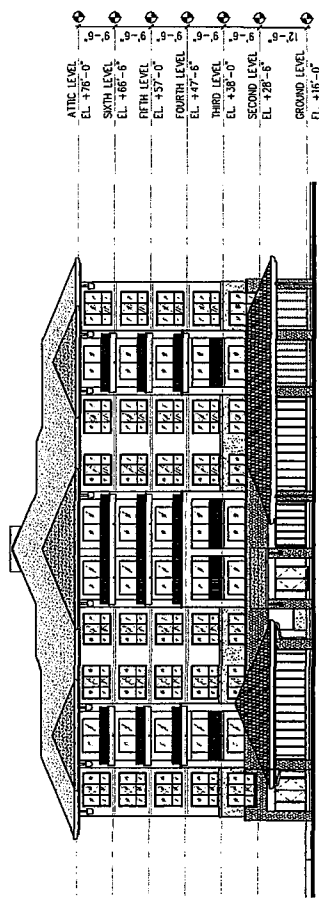
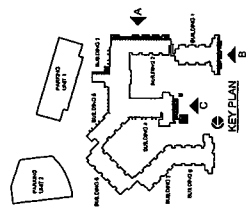
NANEA OCEAN RESOR

121 Airport, Miami, Florida 33141

TMK: (2) 4-4-014 : 005

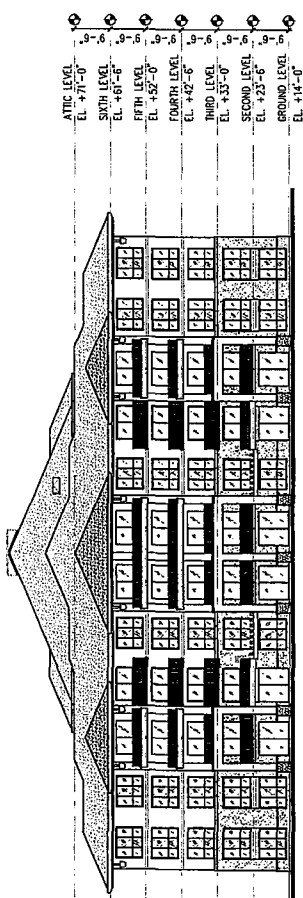
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PLAN No. 141085
DATE June 5, 2015



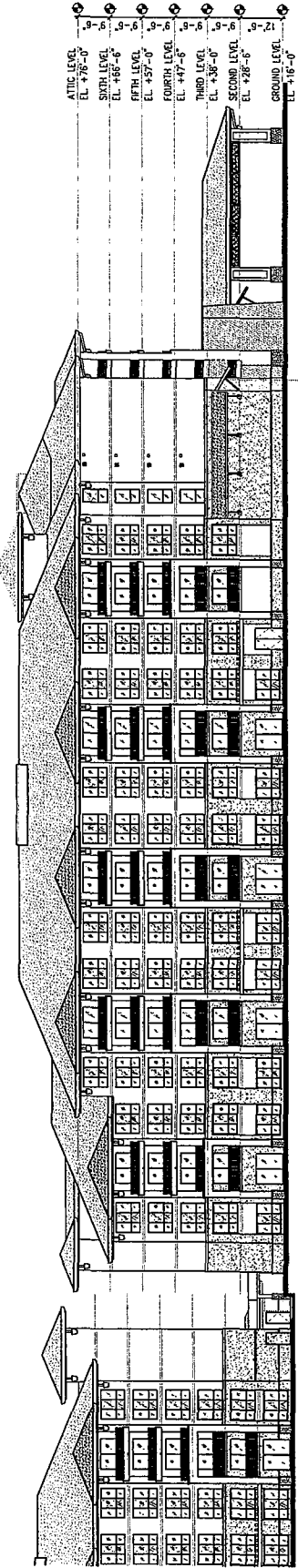
C - BUILDING 4 - WEST ELEVATION

SCALE: 1/16" = 1'-0"



B - BUILDING 1 - WEST ELEVATION

SCALE: 1/16" = 1'-0"



PORTE COCHERE

BUILDING 2

BUILDING 3

BUILDING 4

BUILDING 1

A - BUILDING 2 & BUILDING 3 - SOUTH ELEVATION

SCALE: 1/16" = 1'-0"

SCALE: 1/16" = 1'-0"

CM-0.4

BUILDINGS 1, 2, 3 & 4 ELEVATIONS



WOT ARCHITECTURE
 1000 AVENUE OF THE STARS, SUITE 1000
 FORT MYERS, FLORIDA 33902
 TEL: 888.242.8888
 WWW.WOTARCHITECTURE.COM

NANEA OCEAN RESOR

12000 Airport Road, Tampa 33611

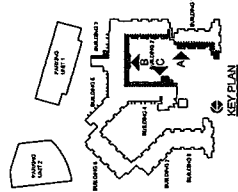
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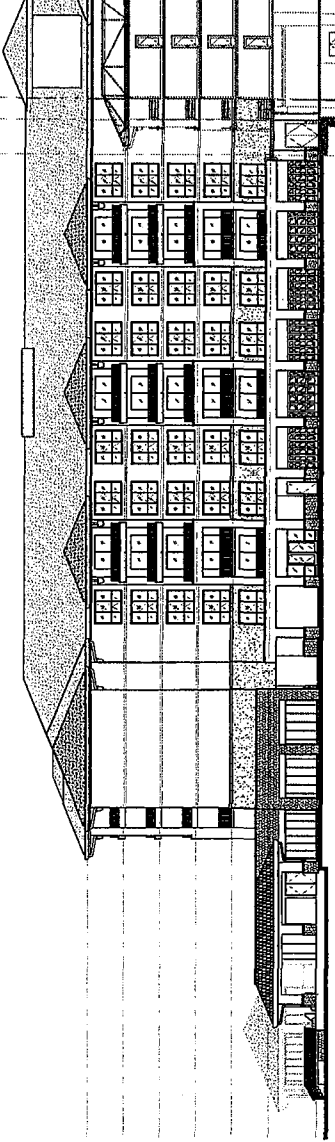
Project No: 14108FS
 Date: June 5, 2015

BUILDINGS 1, 3 & 4 ELEVATIONS

Sheet Number: **CM-0.5**

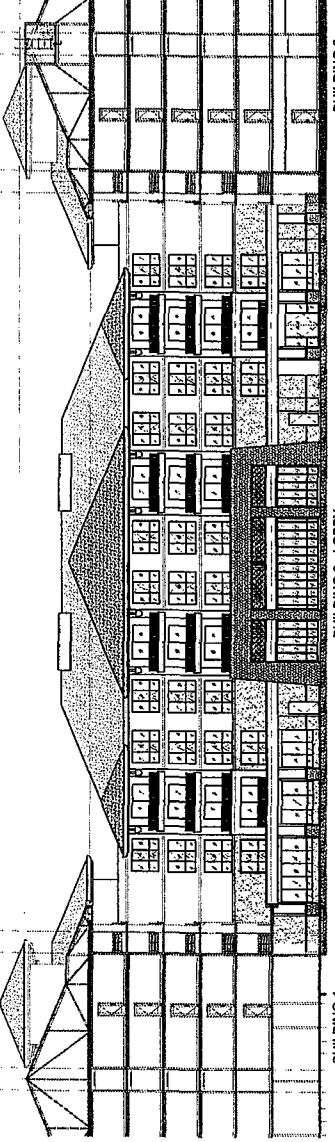


ATTIC LEVEL EL. +76'-0"
 SIXTH LEVEL EL. +65'-6"
 FIFTH LEVEL EL. +57'-0"
 FOURTH LEVEL EL. +47'-6"
 THIRD LEVEL EL. +38'-0"
 SECOND LEVEL EL. +28'-6"
 GROUND LEVEL EL. +16'-0"



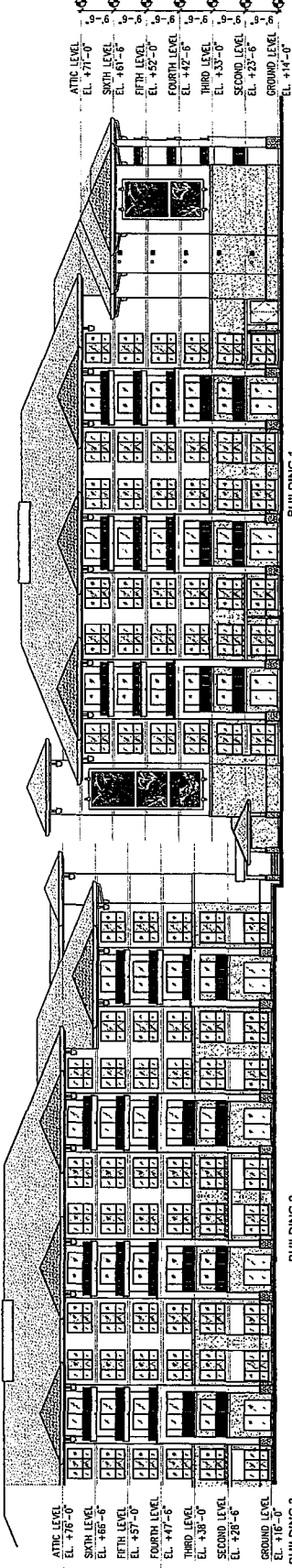
C - BUILDING 4 - SOUTH ELEVATION
 SCALE: 1/16"=1'-0"

ATTIC LEVEL EL. +76'-0"
 SIXTH LEVEL EL. +65'-6"
 FIFTH LEVEL EL. +57'-0"
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 SECOND LEVEL EL. +28'-6"
 GROUND LEVEL EL. +16'-0"

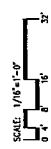


B - BUILDING 3 - WEST ELEVATION
 SCALE: 1/16"=1'-0"

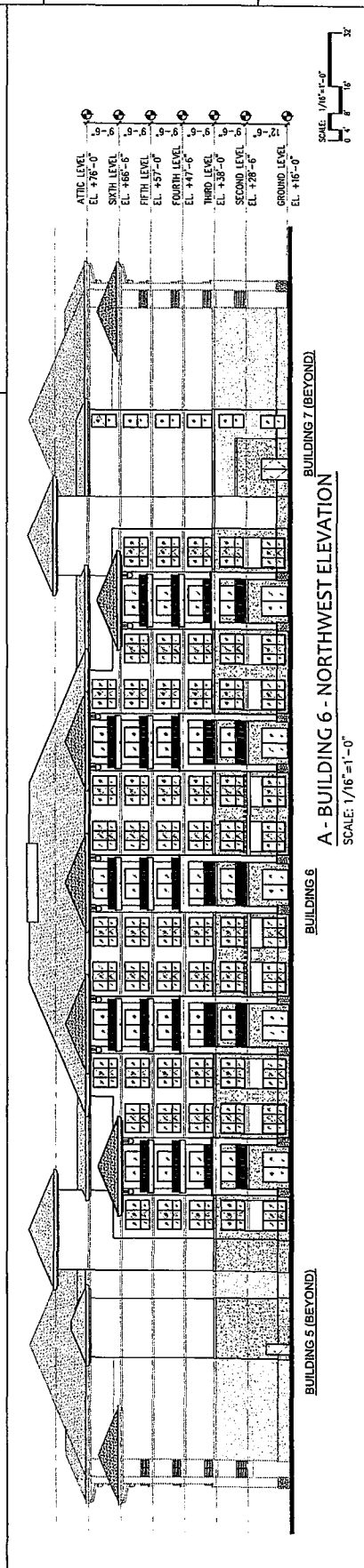
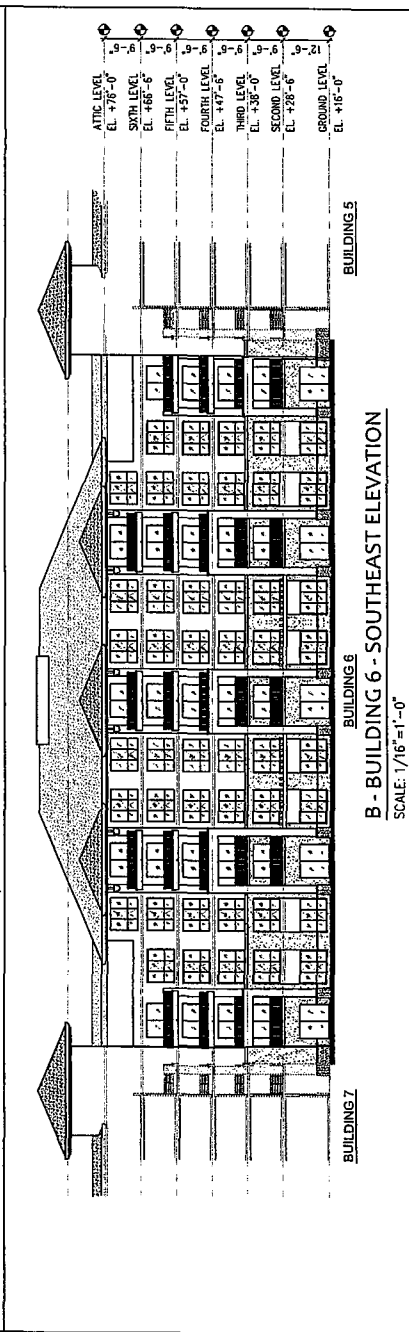
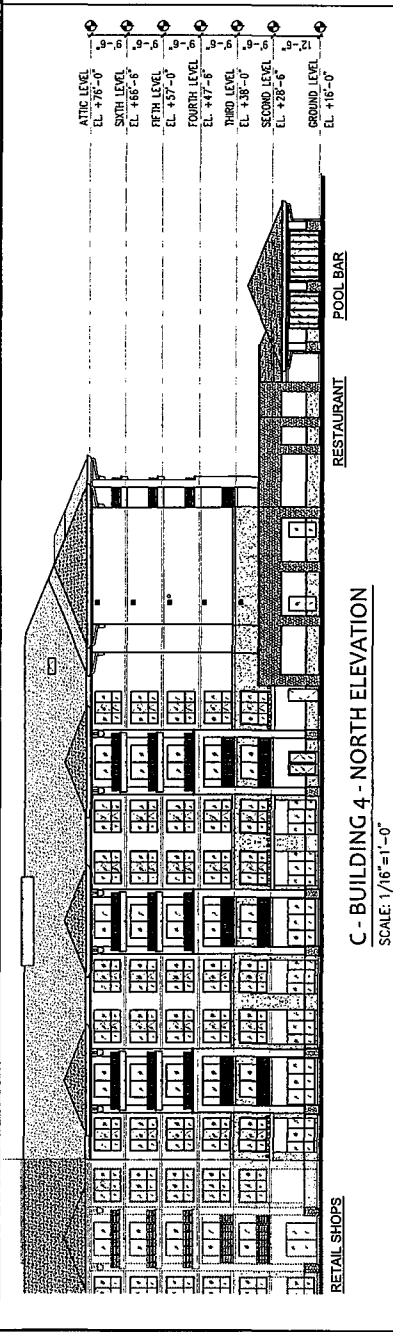
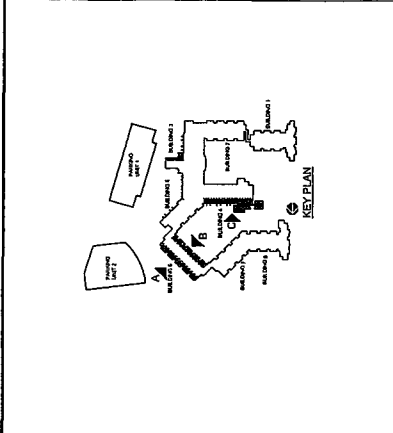
ATTIC LEVEL EL. +77'-0"
 SIXTH LEVEL EL. +61'-6"
 FIFTH LEVEL EL. +52'-0"
 FOURTH LEVEL EL. +42'-6"
 THIRD LEVEL EL. +33'-0"
 SECOND LEVEL EL. +23'-6"
 GROUND LEVEL EL. +14'-0"

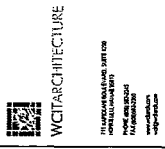


A - BUILDING 1 & BUILDING 2 - NORTH ELEVATION
 SCALE: 1/16"=1'-0"



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NANEA OCEAN RESOR
Kalaheini, Maui, Hawaii 96751

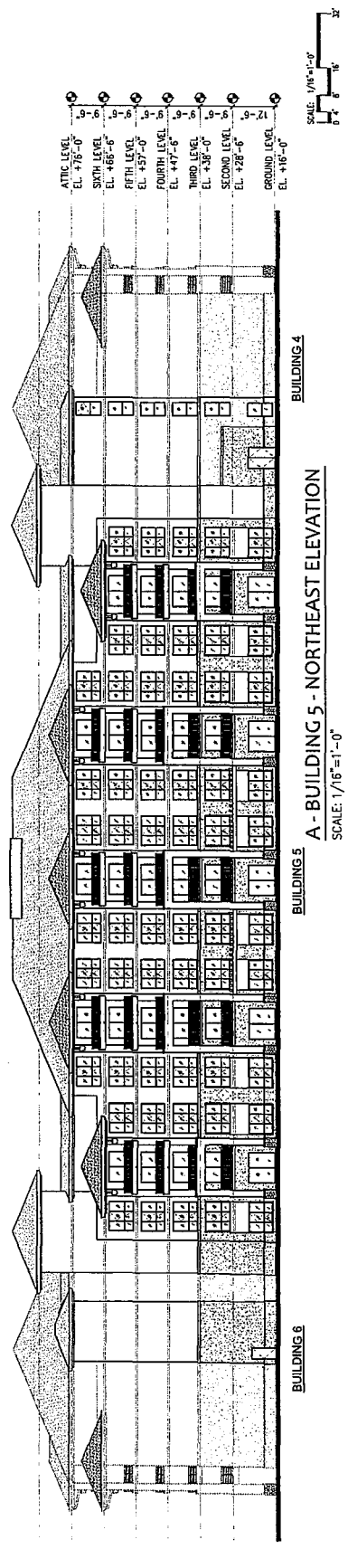
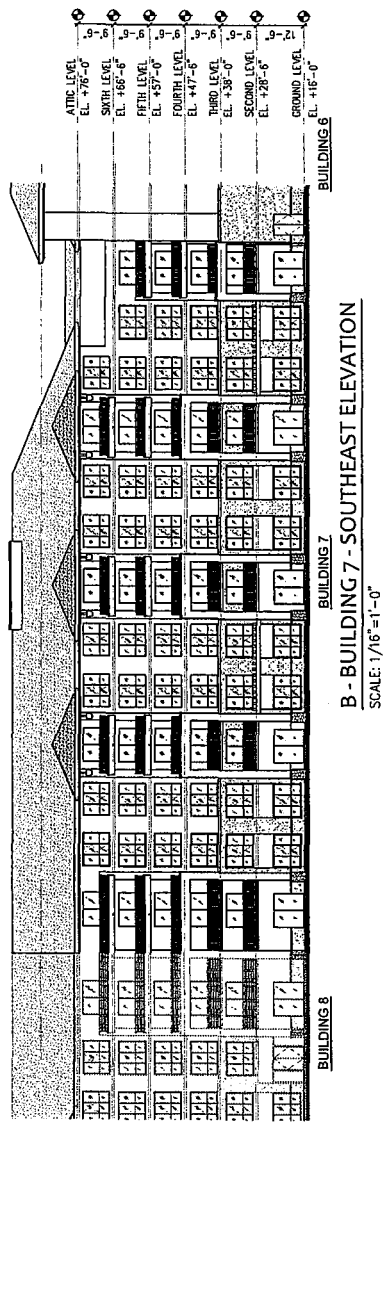
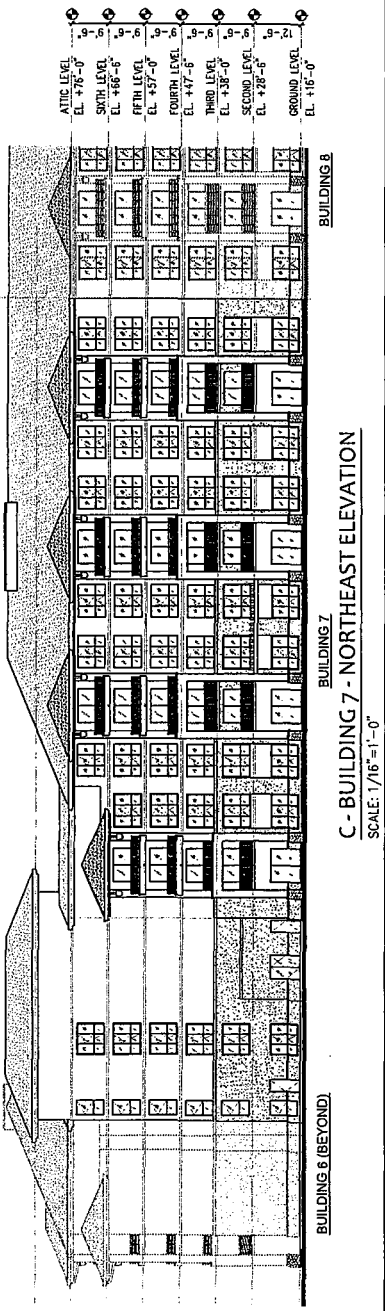
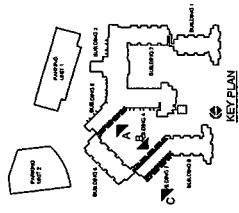
PROJECT
TMK: (2) 4-4-014 : 005

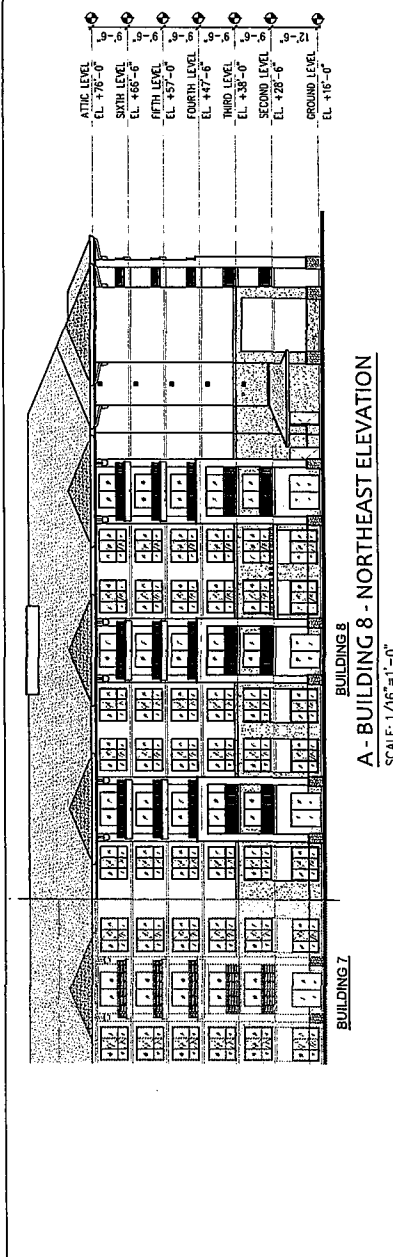
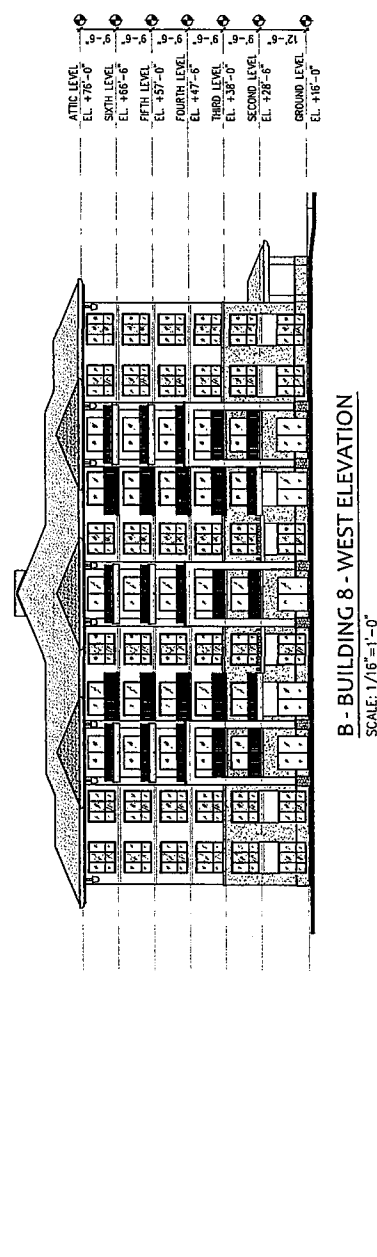
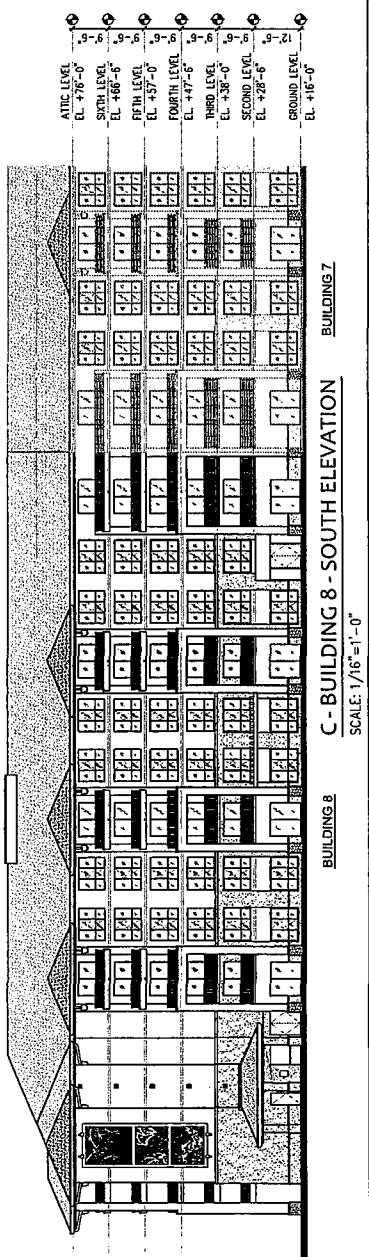
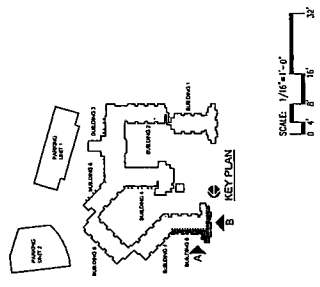
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DATE: June 5, 2015
DRAWING NO.: 14108FS

BUILDINGS 5 & 7 ELEVATIONS

SCALE: 1/16" = 1'-0"
CM-0.7



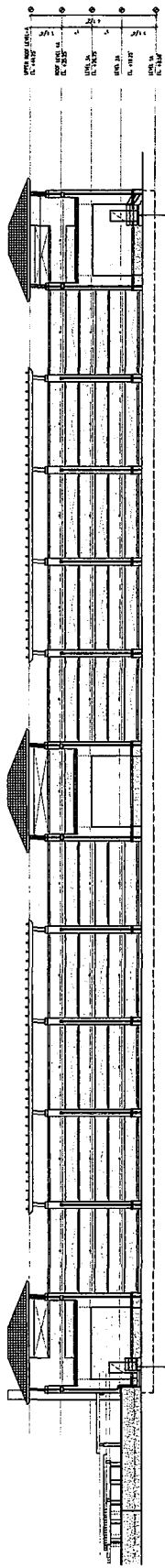


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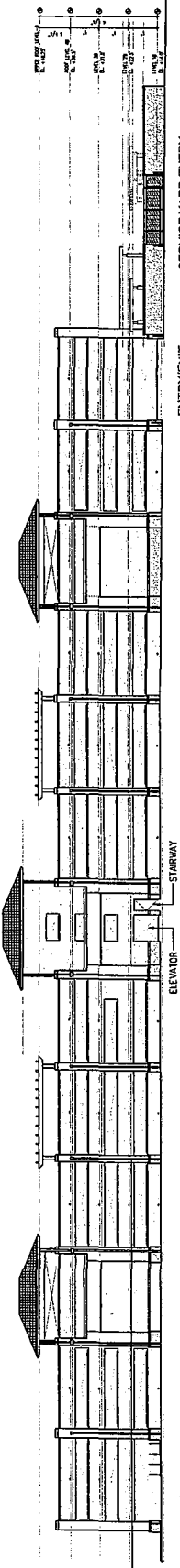
Plan
 Job number 14100FS
 date June 5, 2015
 Drawing for

PARKING UNIT 1
ELEVATIONS

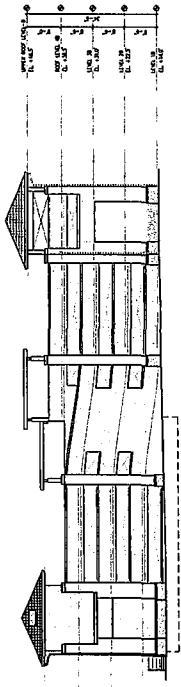
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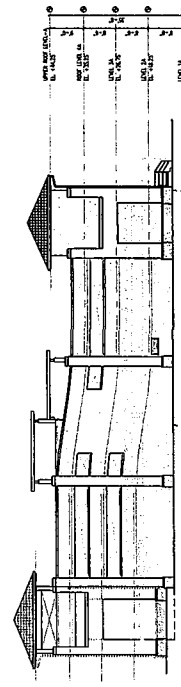
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 SCALE: 1/16" = 1'-0"



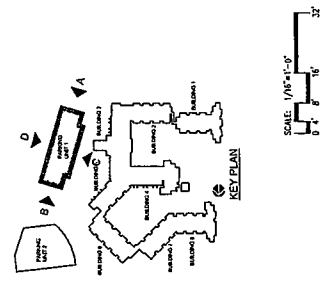
C - PARKING UNIT 1 - WEST ELEVATION
 SCALE: 1/16" = 1'-0"



B - PARKING UNIT 1 - NORTH ELEVATION
 SCALE: 1/16" = 1'-0"



A - PARKING UNIT 1 - SOUTH ELEVATION
 SCALE: 1/16" = 1'-0"

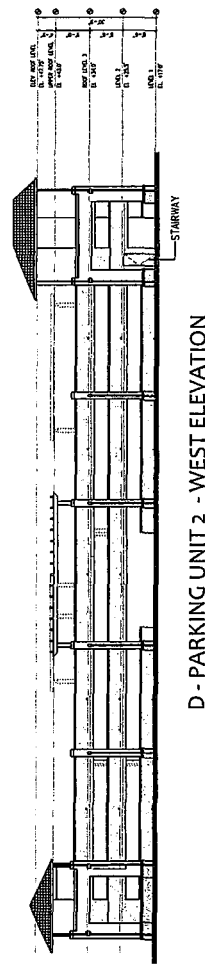


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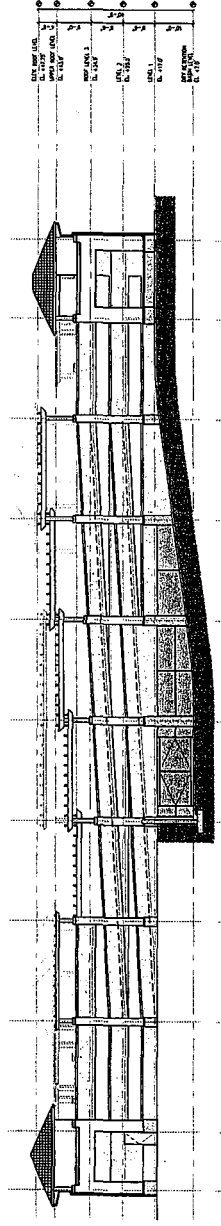
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 DATE: June 5, 2015
 DRAWING TITLE

PARKING UNIT 2
ELEVATIONS

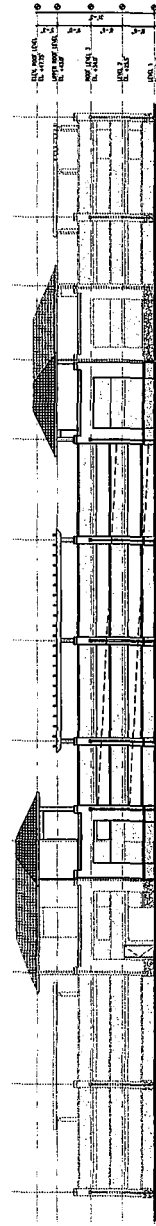
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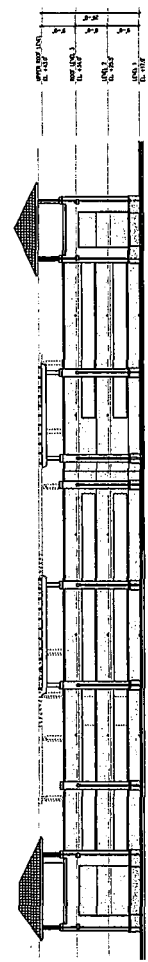
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 SCALE: 1/16" = 1'-0"



C - PARKING UNIT 2 - NORTH ELEVATION
 SCALE: 1/16" = 1'-0"



B - PARKING UNIT 2 - SOUTH ELEVATION
 SCALE: 1/16" = 1'-0"



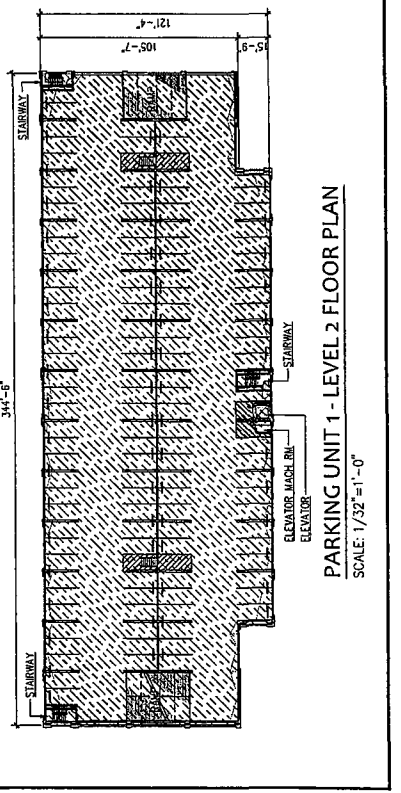
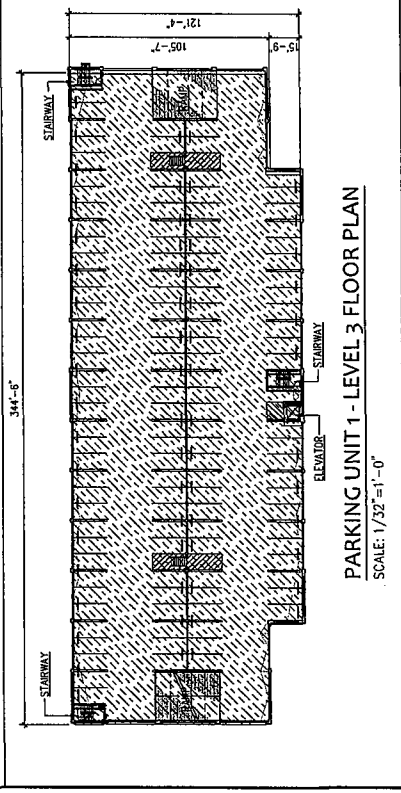
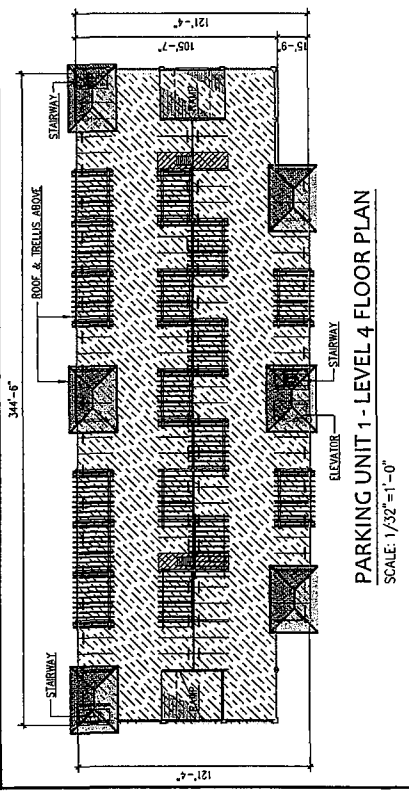
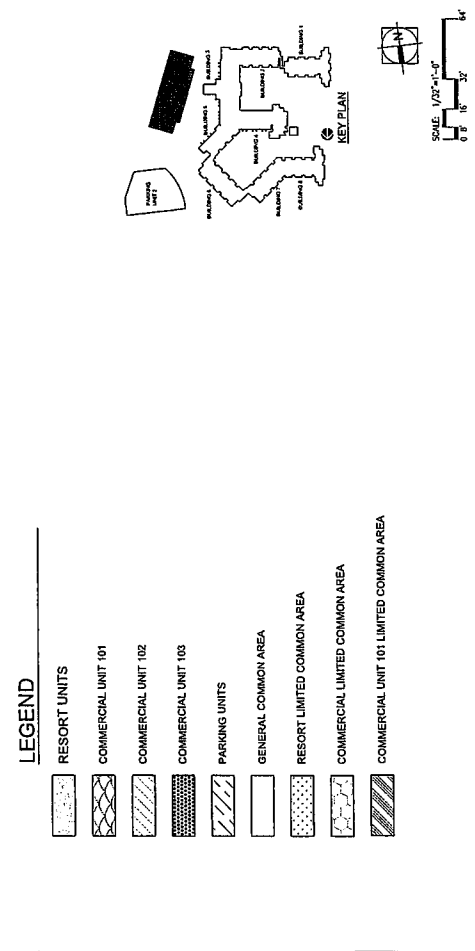
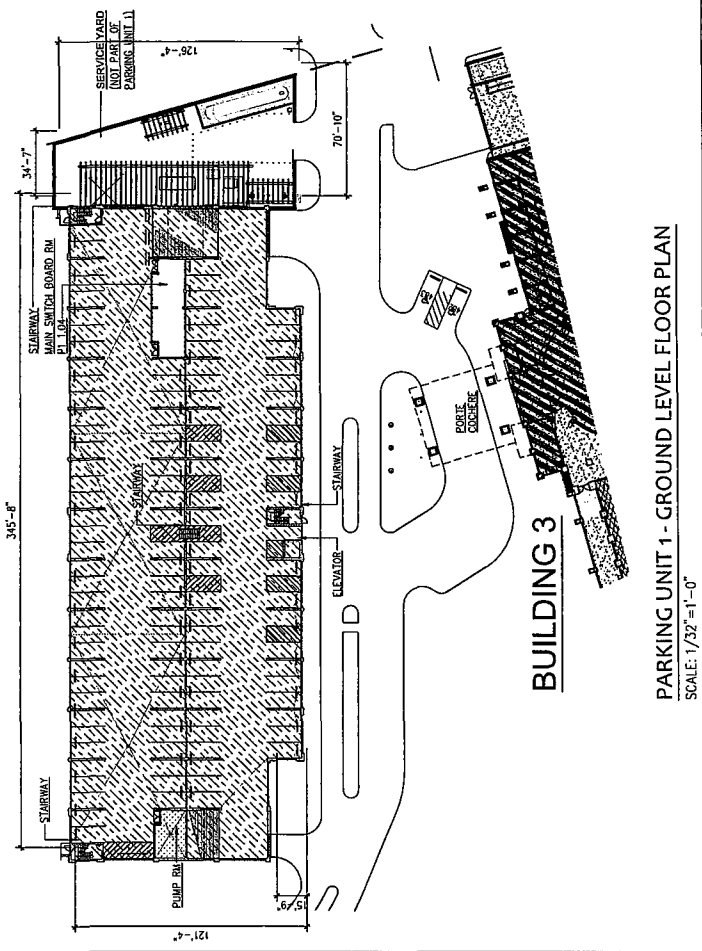
A - PARKING UNIT 2 - EAST ELEVATION
 SCALE: 1/16" = 1'-0"

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Plan No. 14188F3
 Date: June 5, 2015

PARKING UNIT 1 LEVELS
GROUND 2ND, 3RD & 4TH FLOOR PLANS

Sheet No. **CM-1.0**





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 THE ARCHITECTURAL FIRM OF
 HAZEL H. WOODS
 1000 BAYVIEW DRIVE
 SUITE 100
 OCEAN RESORT, FLORIDA 33445
 WWW.WCAARCHITECTURE.COM

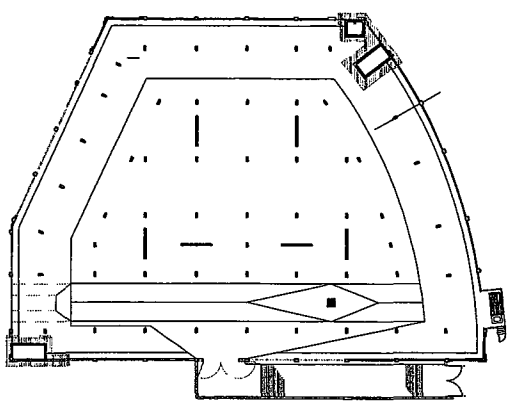
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OCEAN RESORT
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 TMK: (2) 4-4-014 - 005

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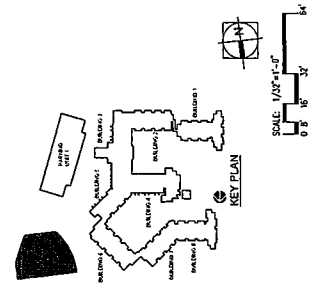
sheet
 job number: 14108FS
 date: June 8, 2015
 drawing title:

**PARKING UNIT 2
 RETENTION
 BASIN,
 BASIN,
 GROUND thru
 ROOF FLOOR
 PLANS**

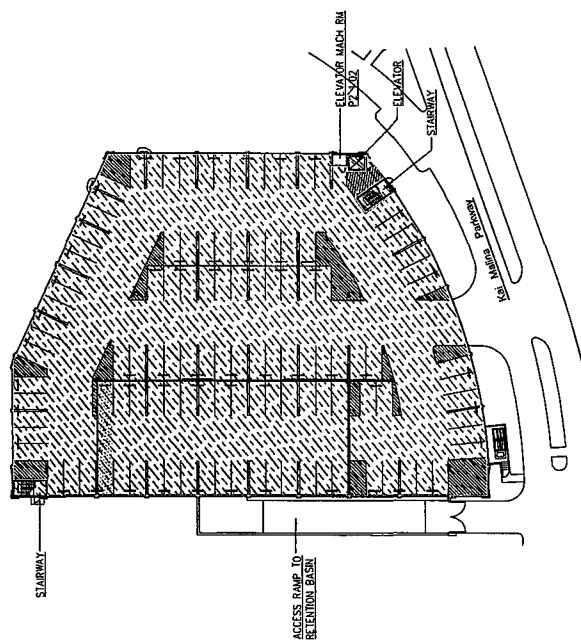
sheet number
CM-1.1



RETENTION BASIN
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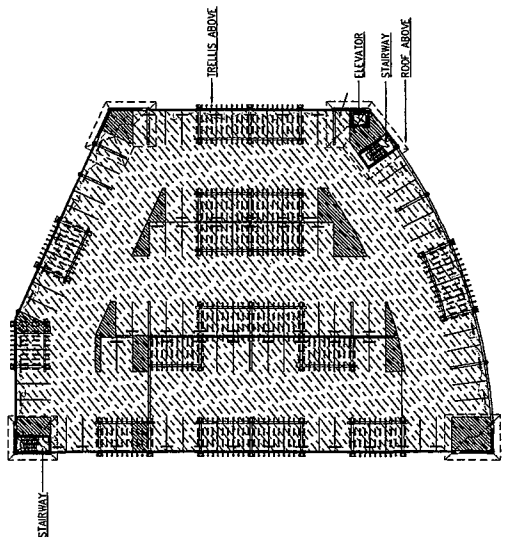
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 1" = 32'



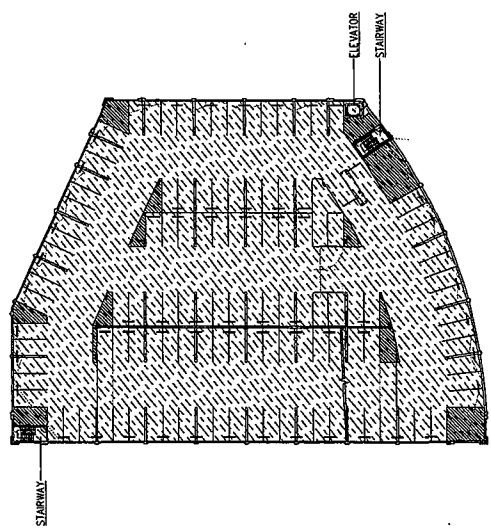
PARKING UNIT 2 - GROUND LEVEL
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LEGEND

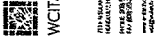
- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA



PARKING UNIT 2 - LEVEL 3 FLOOR PLAN
 SCALE: 1/32" = 1'-0"



PARKING UNIT 2 - LEVEL 2 FLOOR PLAN
 SCALE: 1/32" = 1'-0"



WCT ARCHITECTURE

1711 KALANANAKUHAU DRIVE, SUITE 100
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TEL: 808-551-1111
WWW.WCTARCHITECTURE.COM

Project

**NANEA
OCEAN RESORT**
Kalaheo, Kauai, Hawaii 96951

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Phase

Job Number 14108FS

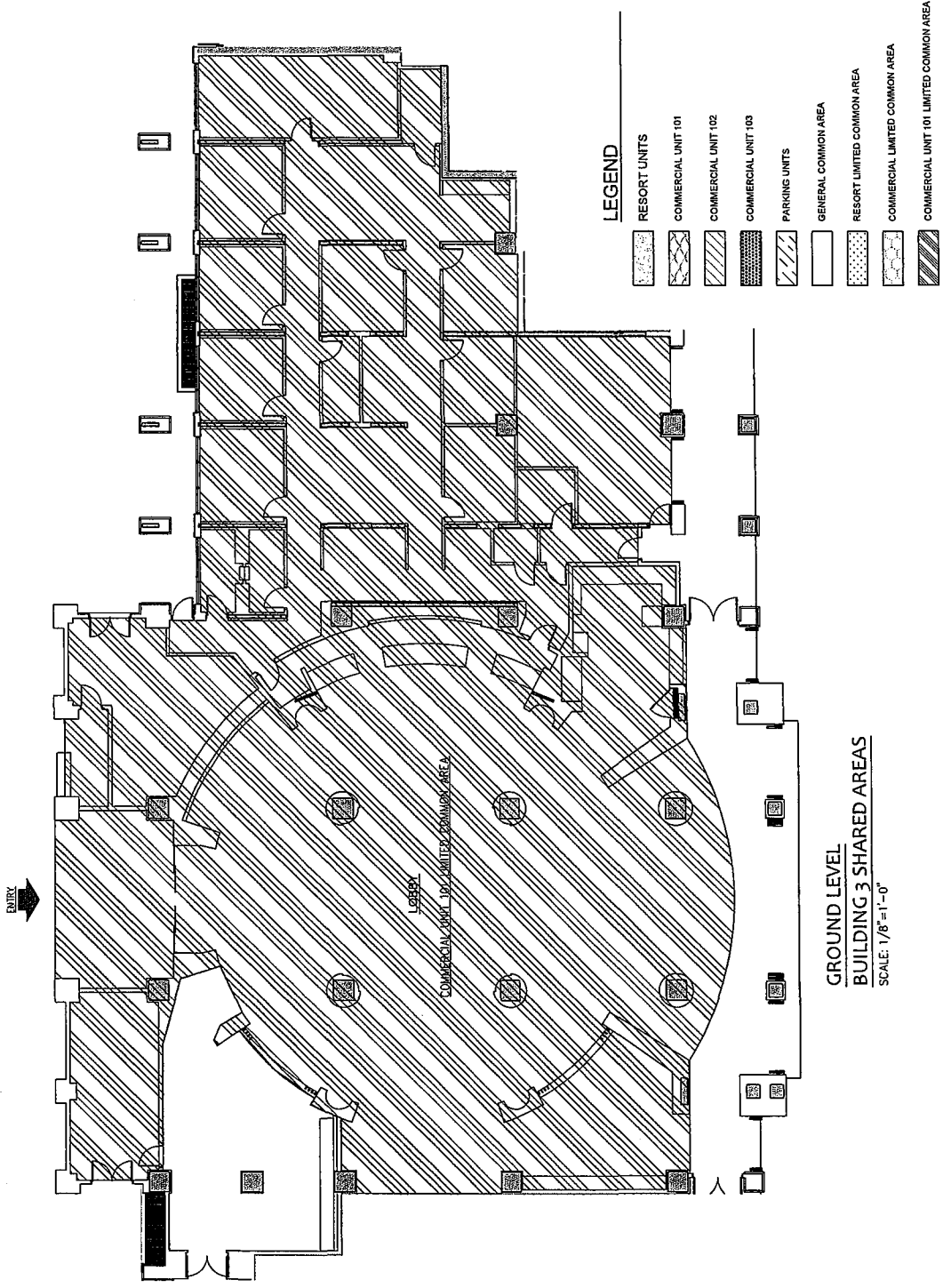
Date June 3, 2015

Drawing No.

**GROUND LEVEL
BUILDING 3
SHARED
AREAS**

Sheet Number

CM-1.3

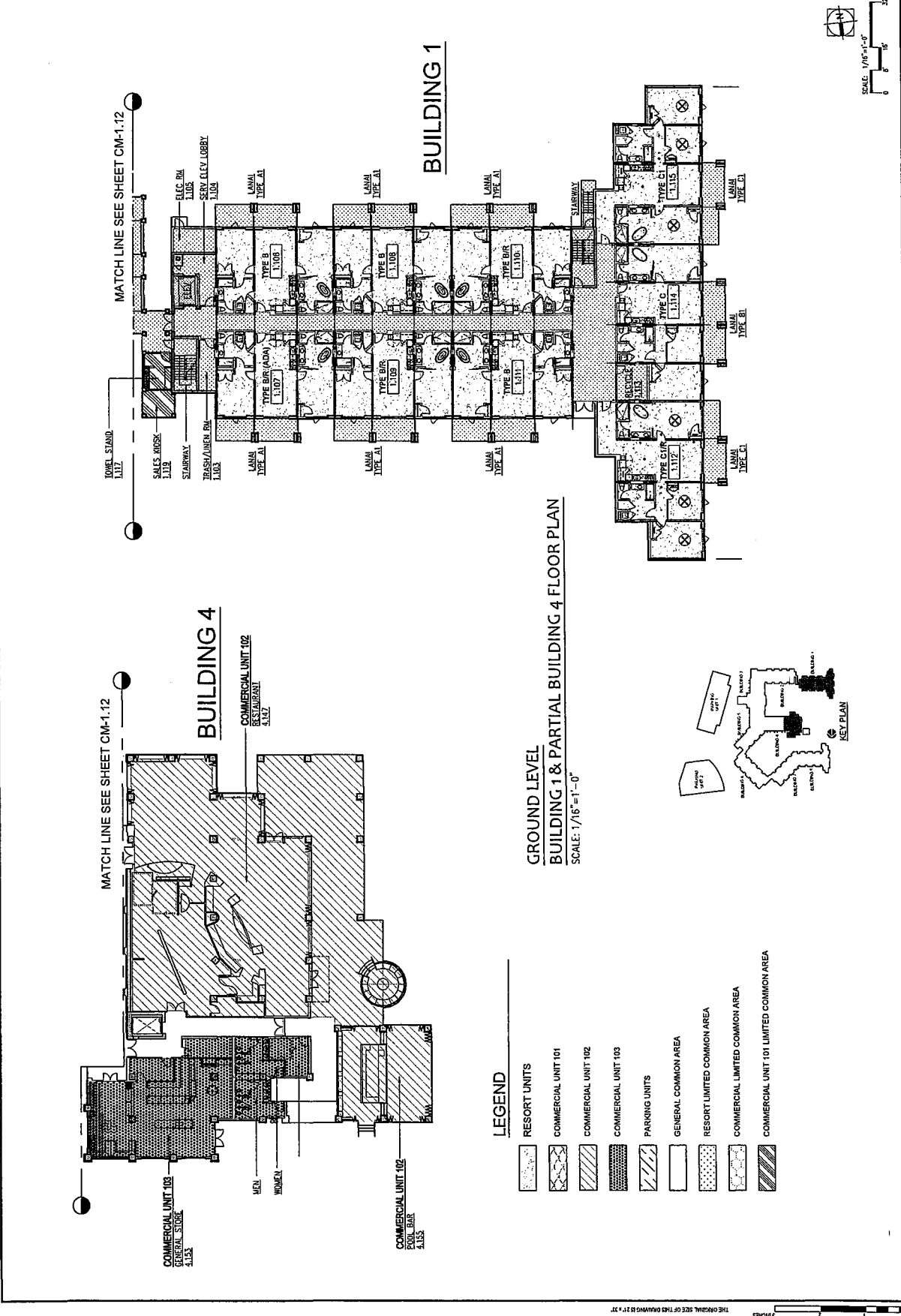


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Job number: 14106FS
 Date: June 5, 2015
 Drawing: 04

**GROUND LEVEL
 BUILDING 1
 & PARTIAL
 BUILDING 4
 FLOOR PLAN**

Sheet number: **CM-1.6**



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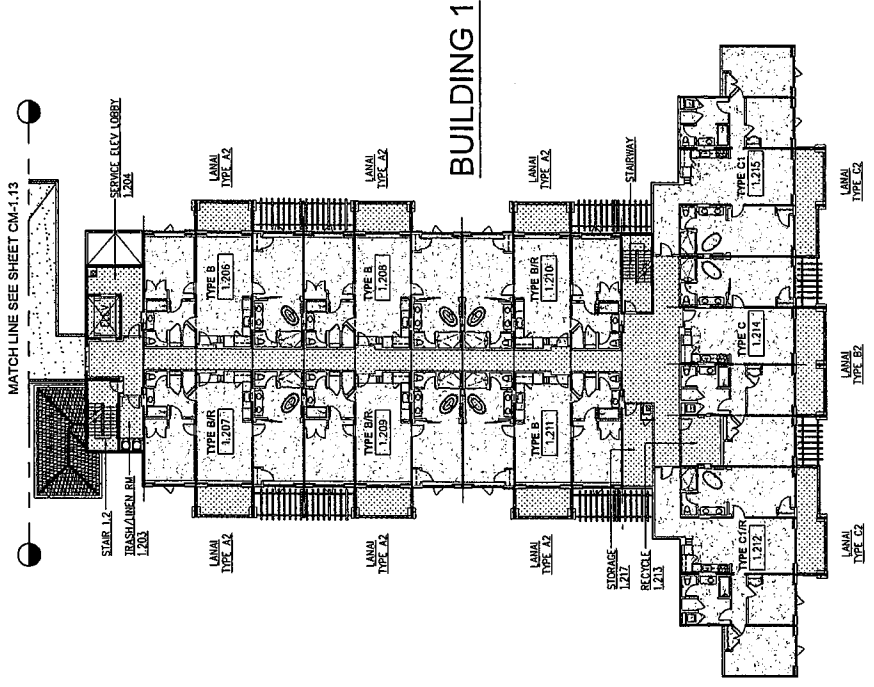
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2nd LEVEL BUILDING 1 FLOOR PLAN

Sheet number
CM-1.7

LEGEND

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[Pattern]	RESORT LIMITED COMMON AREA
[Pattern]	COMMERCIAL LIMITED COMMON AREA
[Pattern]	COMMERCIAL UNIT 101 LIMITED COMMON AREA



2nd LEVEL BUILDING 1 FLOOR PLAN
 SCALE: 1/16" = 1'-0"

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 2145 WILSON ROAD, SUITE 107
 WASHINGTON, DC 20037
 TEL: (202) 333-3200
 WWW.WCITARCH.COM

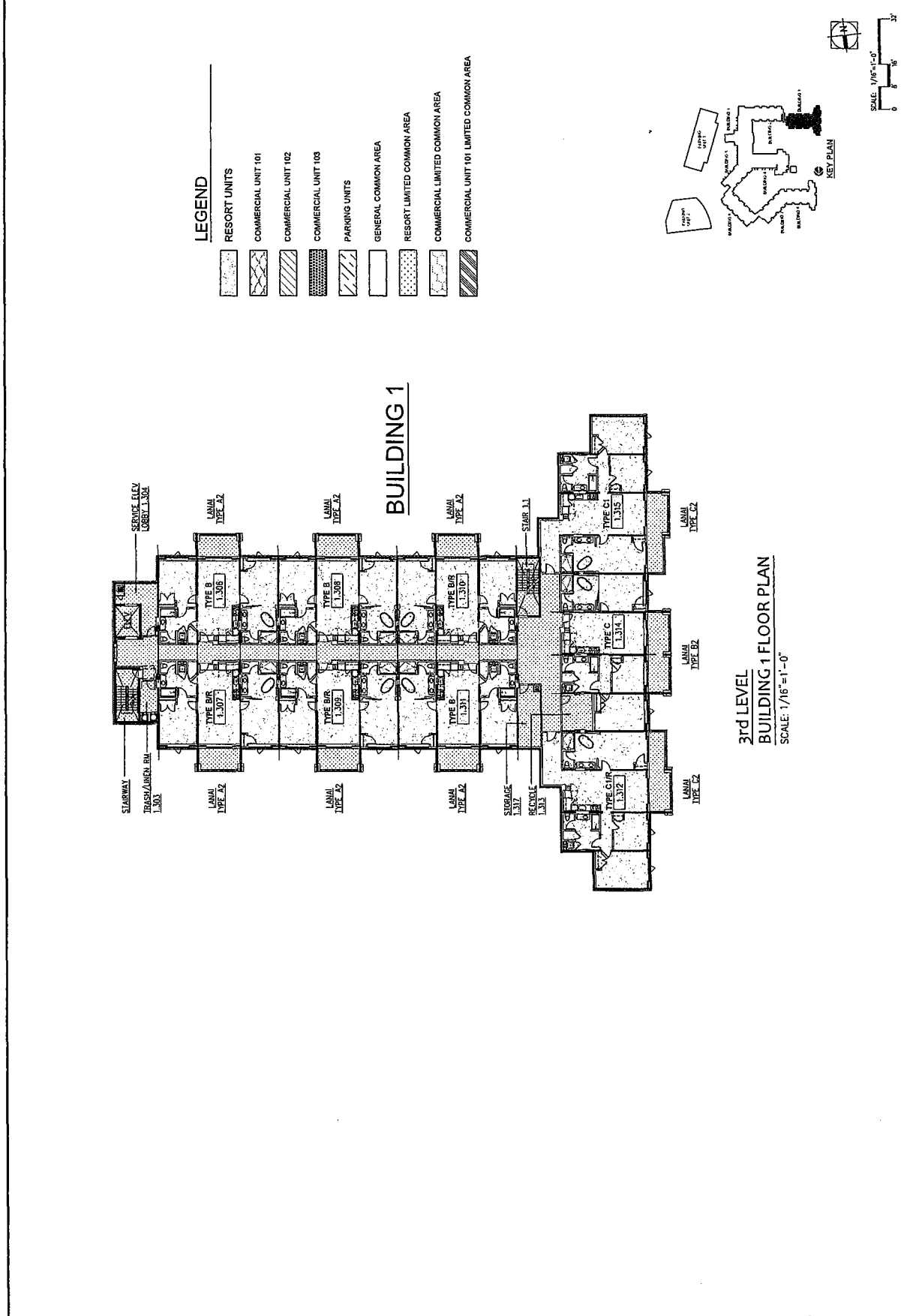
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plan number 14108FS
 date June 5, 2015
 drawing title

3rd LEVEL
BUILDING 1
FLOOR PLAN

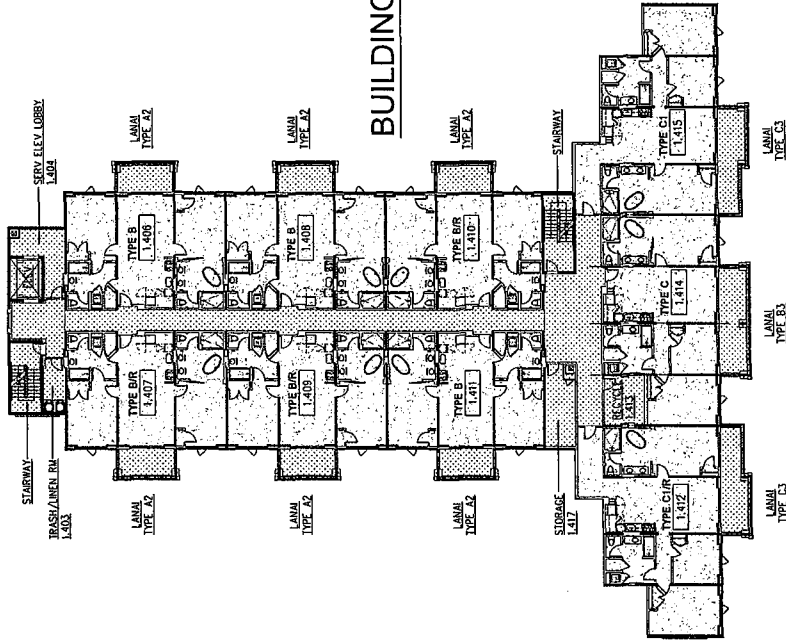
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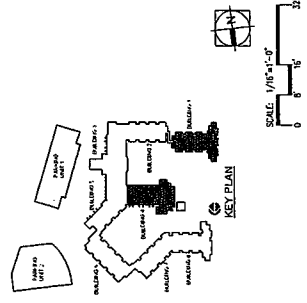
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- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
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- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA

BUILDING 1

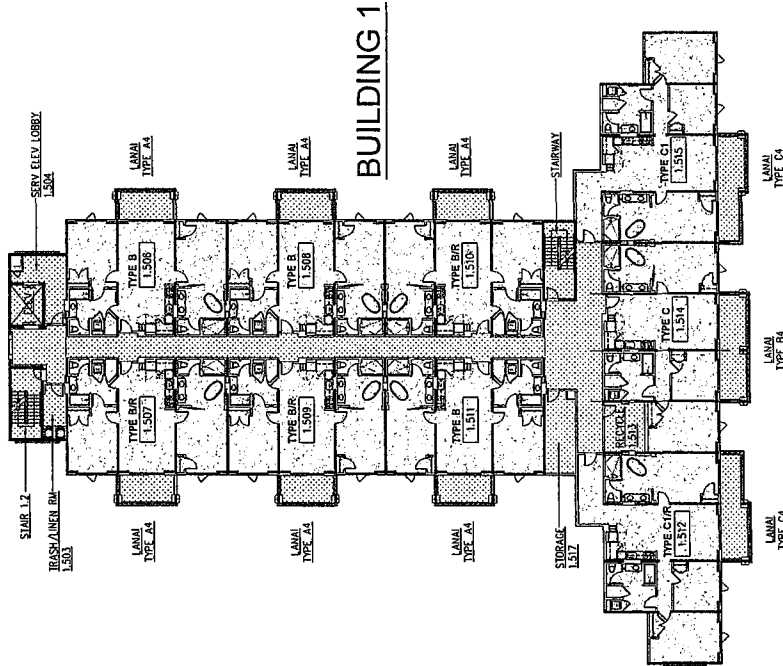


4th LEVEL BUILDING 1 FLOOR PLAN
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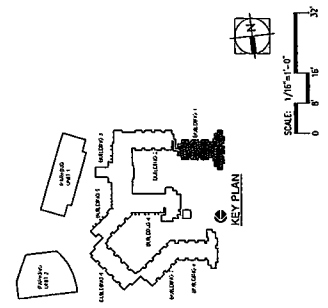


LEGEND

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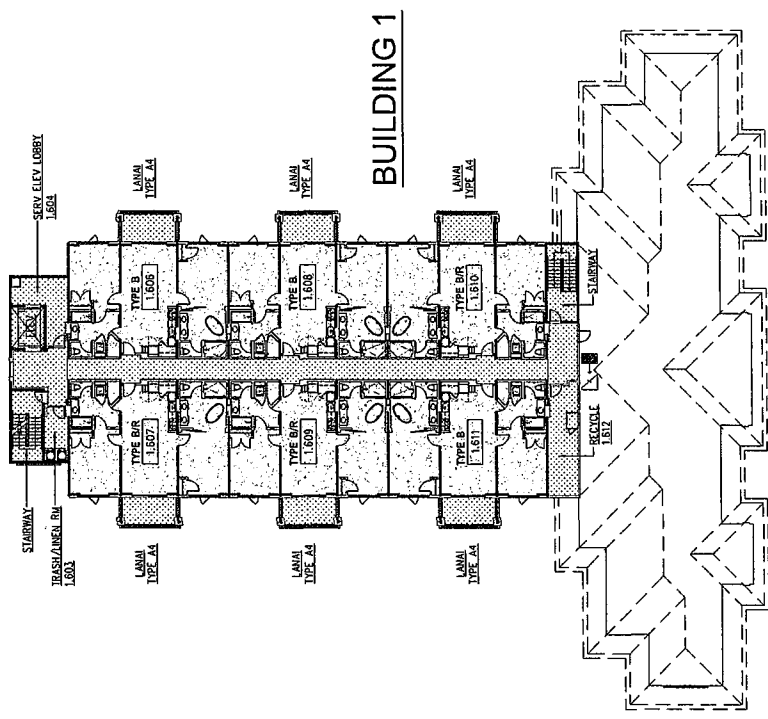
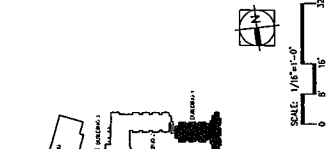
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 BUILDING 1 FLOOR PLAN**
 SCALE: 1/16"=1'-0"

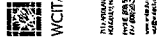


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LEGEND

	RESORT UNITS
	COMMERCIAL UNIT 101
	COMMERCIAL UNIT 102
	COMMERCIAL UNIT 103
	PARKING UNITS
	GENERAL COMMON AREA
	RESORT LIMITED COMMON AREA
	COMMERCIAL LIMITED COMMON AREA
	COMMERCIAL UNIT 101 LIMITED COMMON AREA





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 1710 KANAWHA DRIVE, SUITE 100
 ALBUQUERQUE, NM 87102
 505.263.2500
 www.wctarch.com

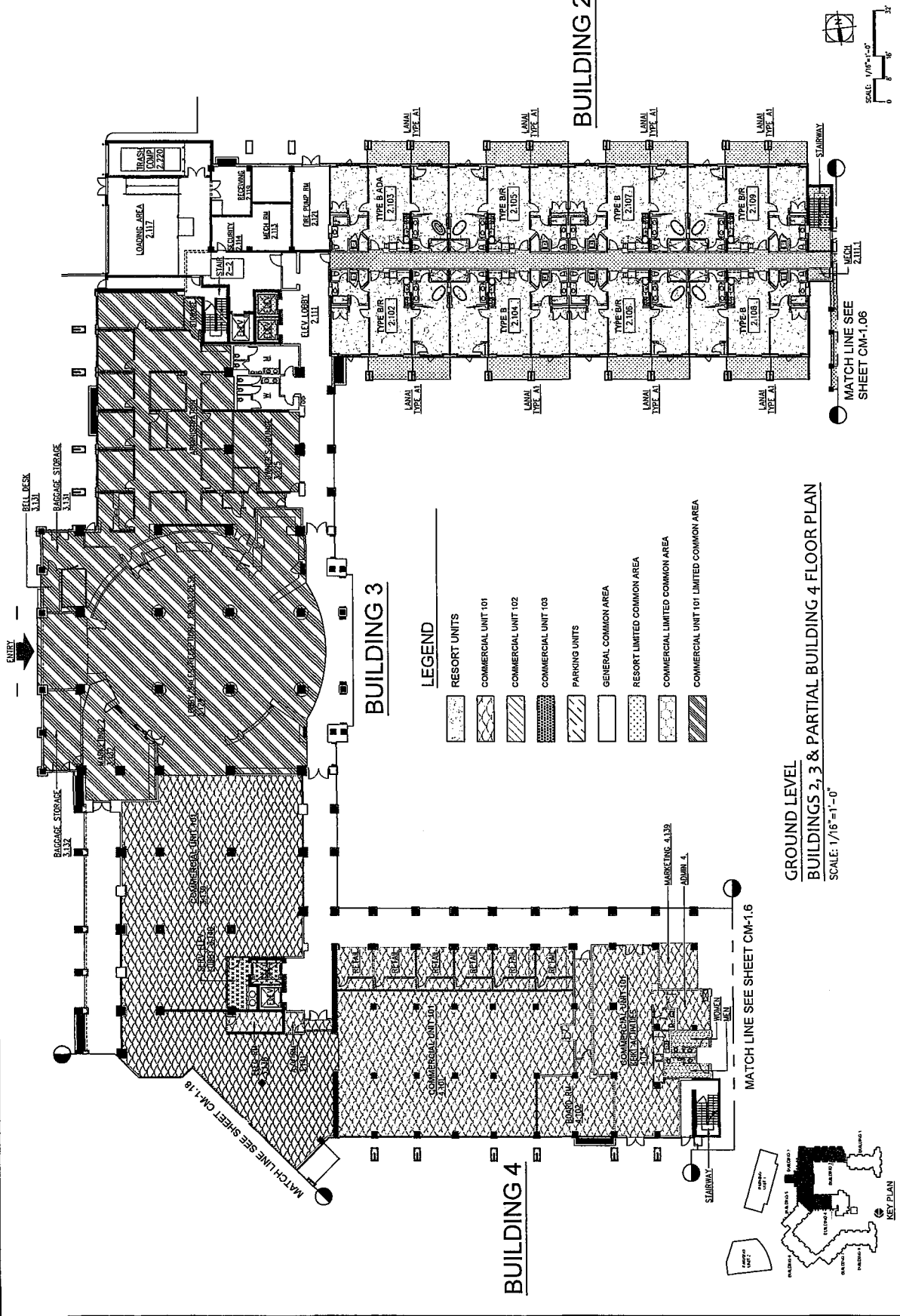
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 12750 W. ALBUQUERQUE, ALBUQUERQUE, NM 87124
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DATE
 14108FS
 June 5, 2015

PROJECT
 GROUND LEVEL
 BUILDINGS 2,
 3 & PARTIAL 4
 FLOOR PLAN

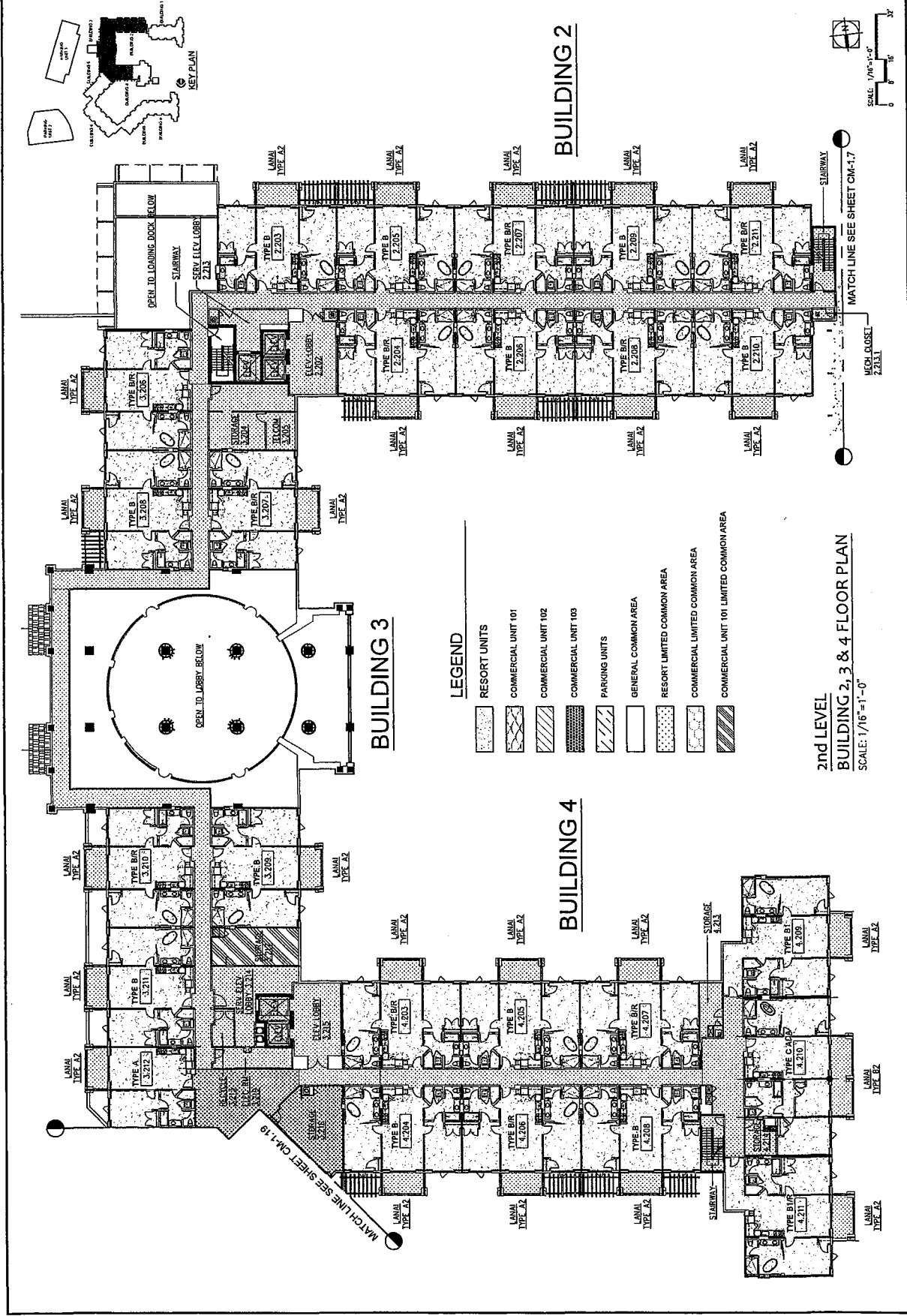
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2nd LEVEL BUILDINGS 2, 3 & 4 FLOOR PLAN

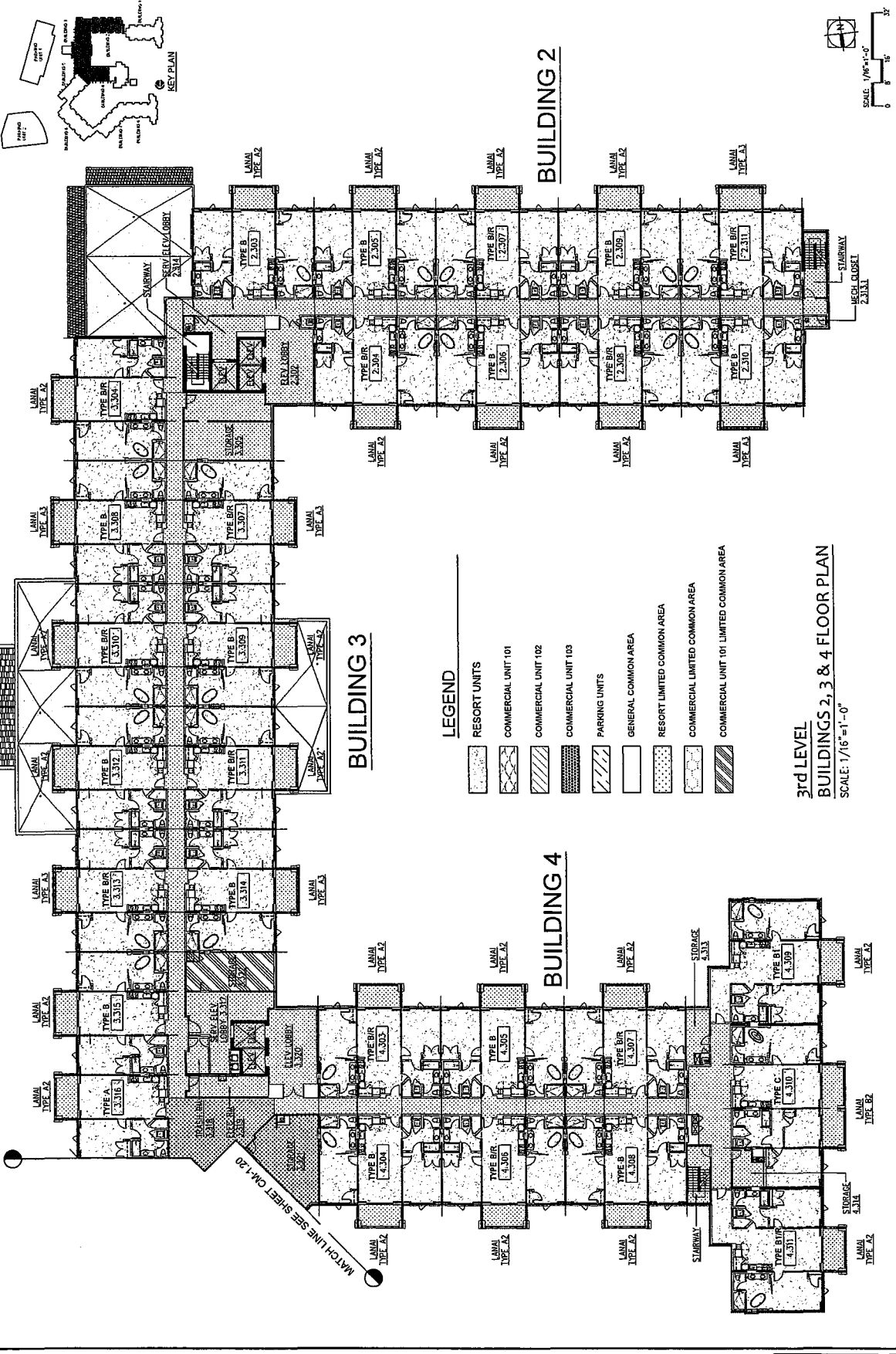
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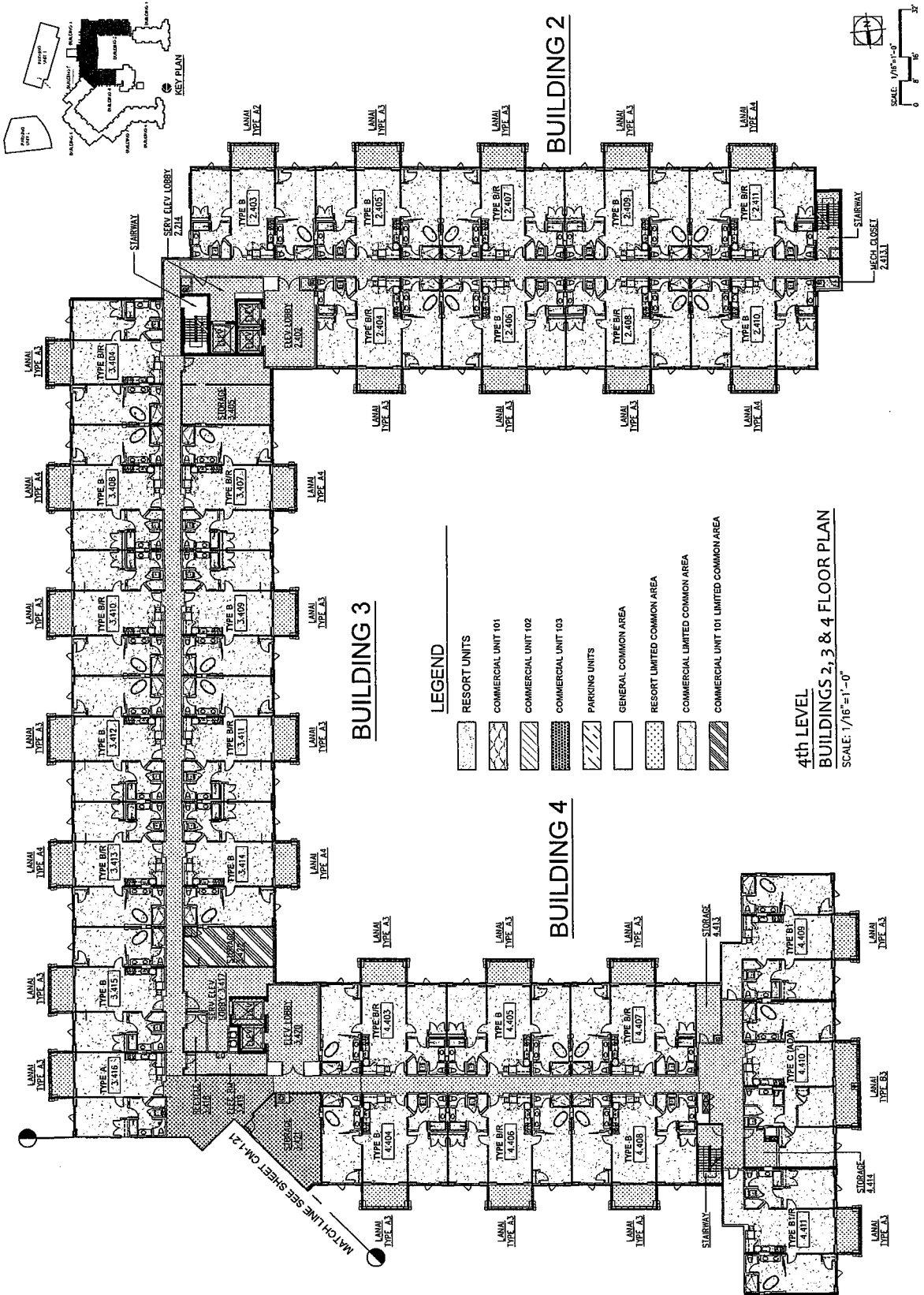
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3rd LEVEL BUILDINGS 2, 3 & 4 FLOOR PLAN

Sheet Number
CM-1.14



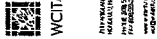
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LEGEND

[Symbol]	RESORT UNITS
[Symbol]	COMMERCIAL UNIT 101
[Symbol]	COMMERCIAL UNIT 102
[Symbol]	COMMERCIAL UNIT 103
[Symbol]	PARKING UNITS
[Symbol]	GENERAL COMMON AREA
[Symbol]	RESORT LIMITED COMMON AREA
[Symbol]	COMMERCIAL LIMITED COMMON AREA
[Symbol]	COMMERCIAL UNIT 101 LIMITED COMMON AREA

**4th LEVEL
 BUILDINGS 2, 3 & 4 FLOOR PLAN**
 SCALE: 1/16" = 1'-0"



WCT ARCHITECTURE
 4111 KAILUA DRIVE, SUITE 202
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 TEL: 808.531.1234
 WWW.WCTARCHITECTURE.COM

NANEA
OCEAN RESORT
 Kapaemahu, Waialae, Hawaii 96761

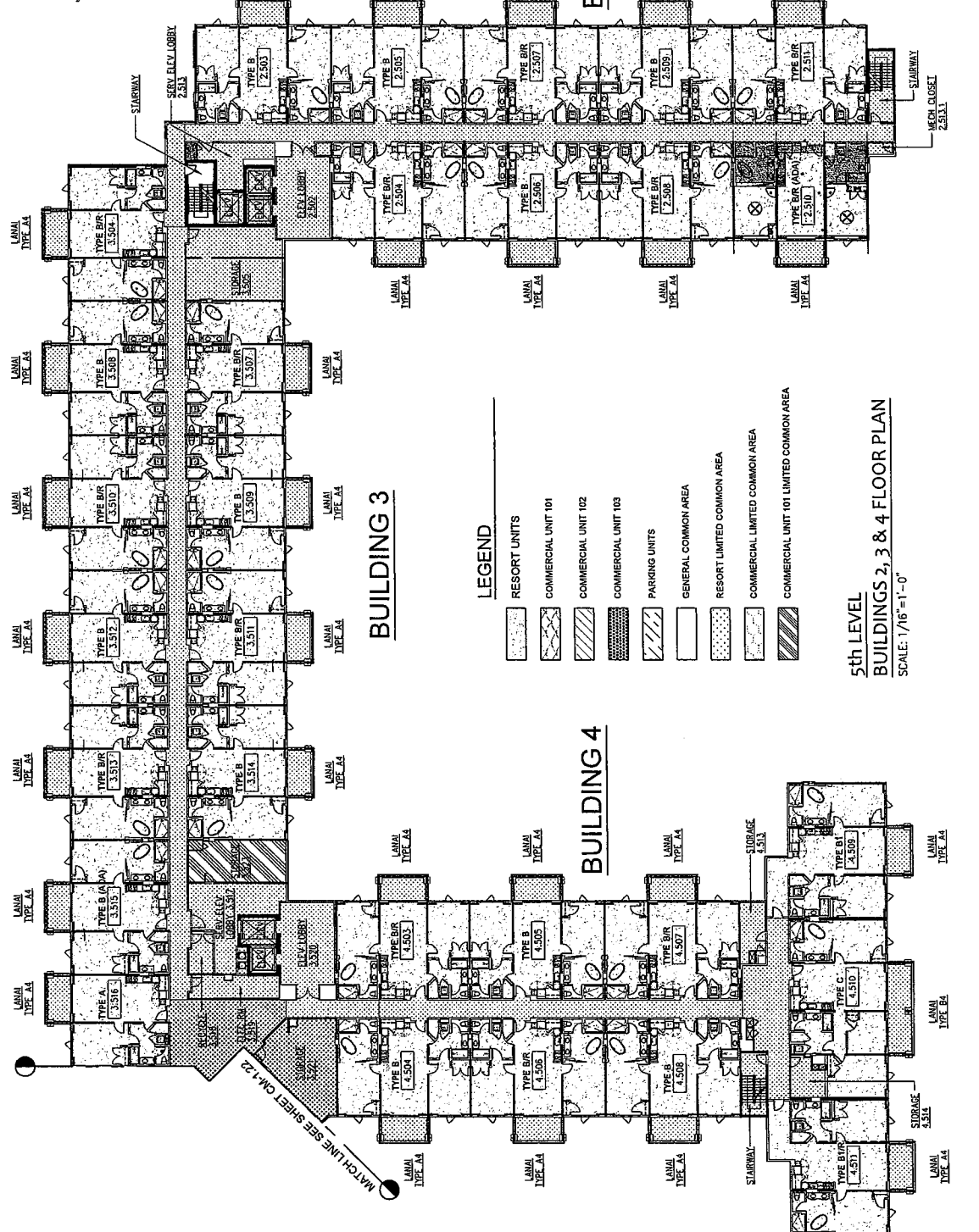
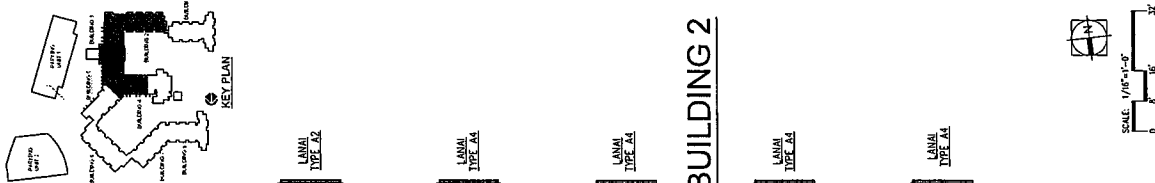
TRAK: (2) 4-4-014 : 005

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DATE: June 2, 2015
 PROJECT NO: 14108FS
 DRAWING NO: CM-1.16

5th LEVEL
BUILDINGS 2,
3 & 4 FLOOR
PLAN

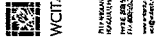
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[Pattern]	GENERAL COMMON AREA
[Pattern]	RESORT LIMITED COMMON AREA
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[Pattern]	COMMERCIAL UNIT 101 LIMITED COMMON AREA

5th LEVEL
BUILDINGS 2, 3 & 4 FLOOR PLAN
 SCALE: 1/16"=1'-0"



WCI ARCHITECTURE
 1715 HANALEI AVENUE, SUITE 100
 HONOLULU, HAWAII 96813
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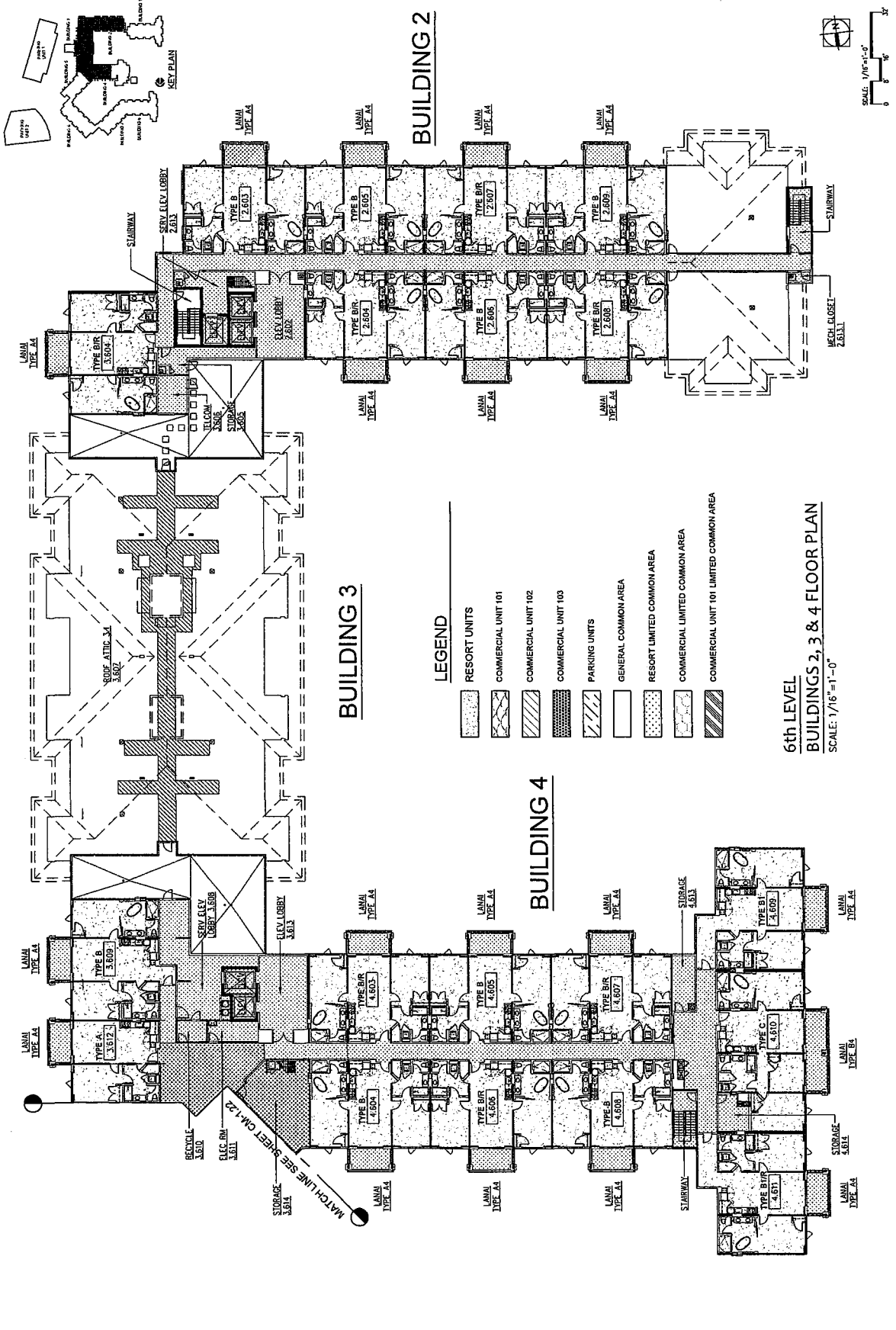
NANEA
OCEAN RESOR
 Kalahelei, Kauai, Hawaii 96961
 TMK (2) 4-4-014 : 005

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PLAN
 PER NUMBER 14108FS
 DATE June 5, 2015
 DRAWING NO.

8th LEVEL
BUILDINGS 2,
3 & 4 FLOOR
PLAN

Sheet Number
CM-1.17



BUILDING 2

BUILDING 3

BUILDING 4

LEGEND

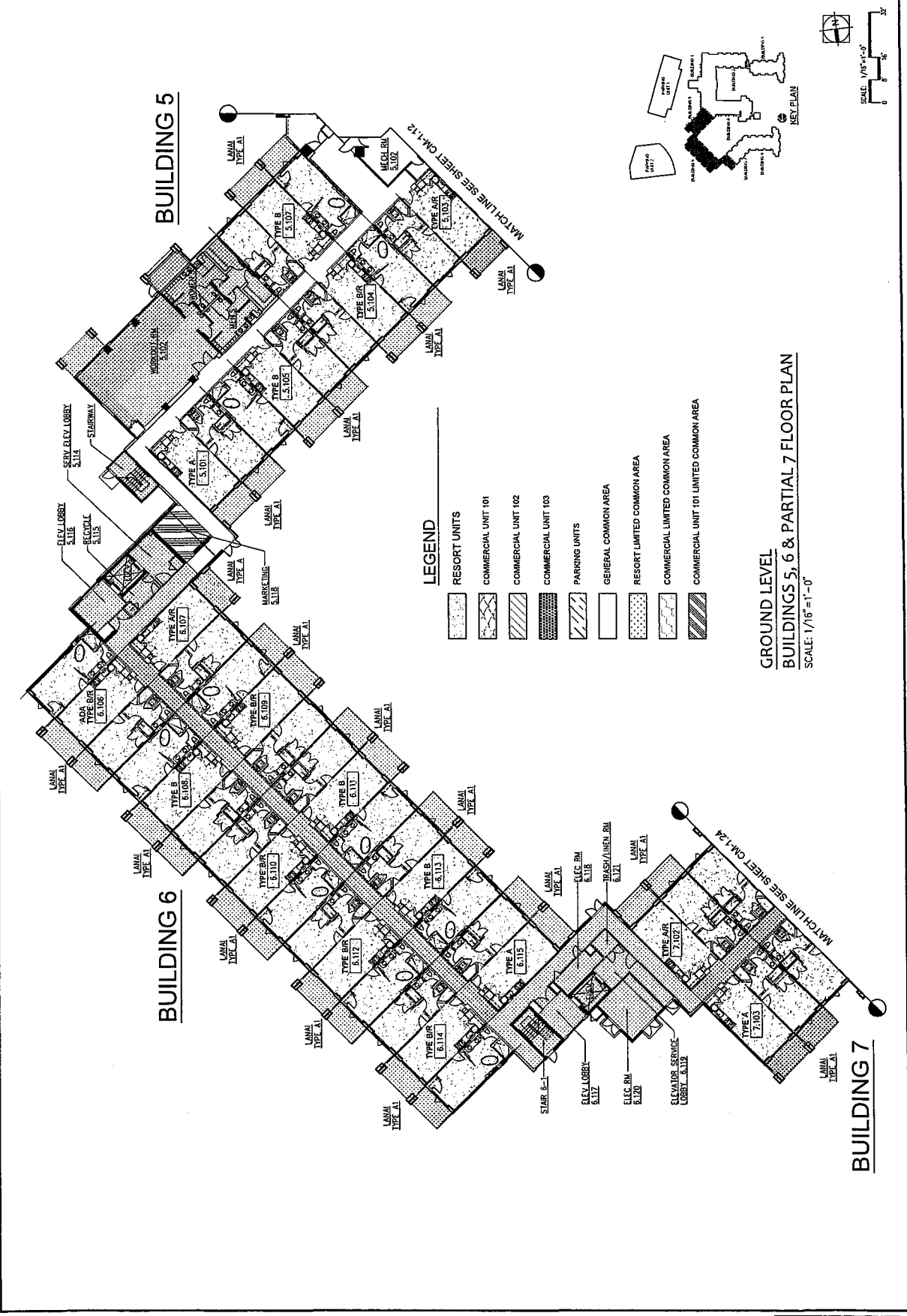
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- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA

6th LEVEL
BUILDINGS 2, 3 & 4 FLOOR PLAN
 SCALE: 1/16"=1'-0"

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**GROUND LEVEL
 BUILDINGS 5,
 6 & PARTIAL 7
 FLOOR PLAN**

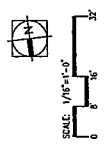
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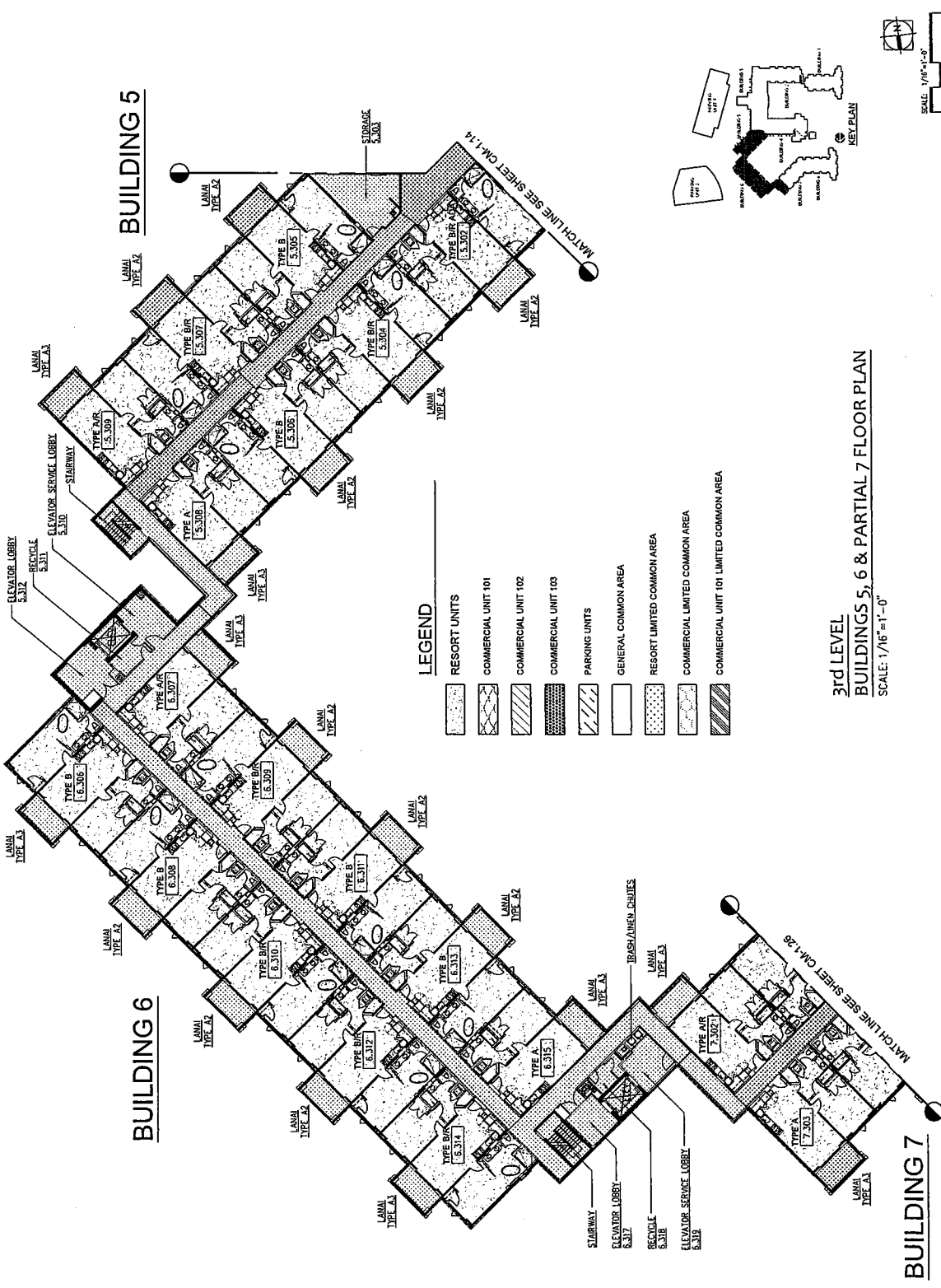
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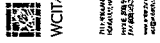
**GROUND LEVEL
 BUILDINGS 5, 6 & PARTIAL 7 FLOOR PLAN**
 SCALE: 1/16" = 1'-0"



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**3rd LEVEL
 BUILDINGS 5, 6 & PARTIAL 7 FLOOR PLAN**
 SCALE: 1/16"=1'-0"



WCT ARCHITECTURE

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project

**NANEA
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Kingswell, Aventura, Florida 9976

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sheet

sheet number 14108FS

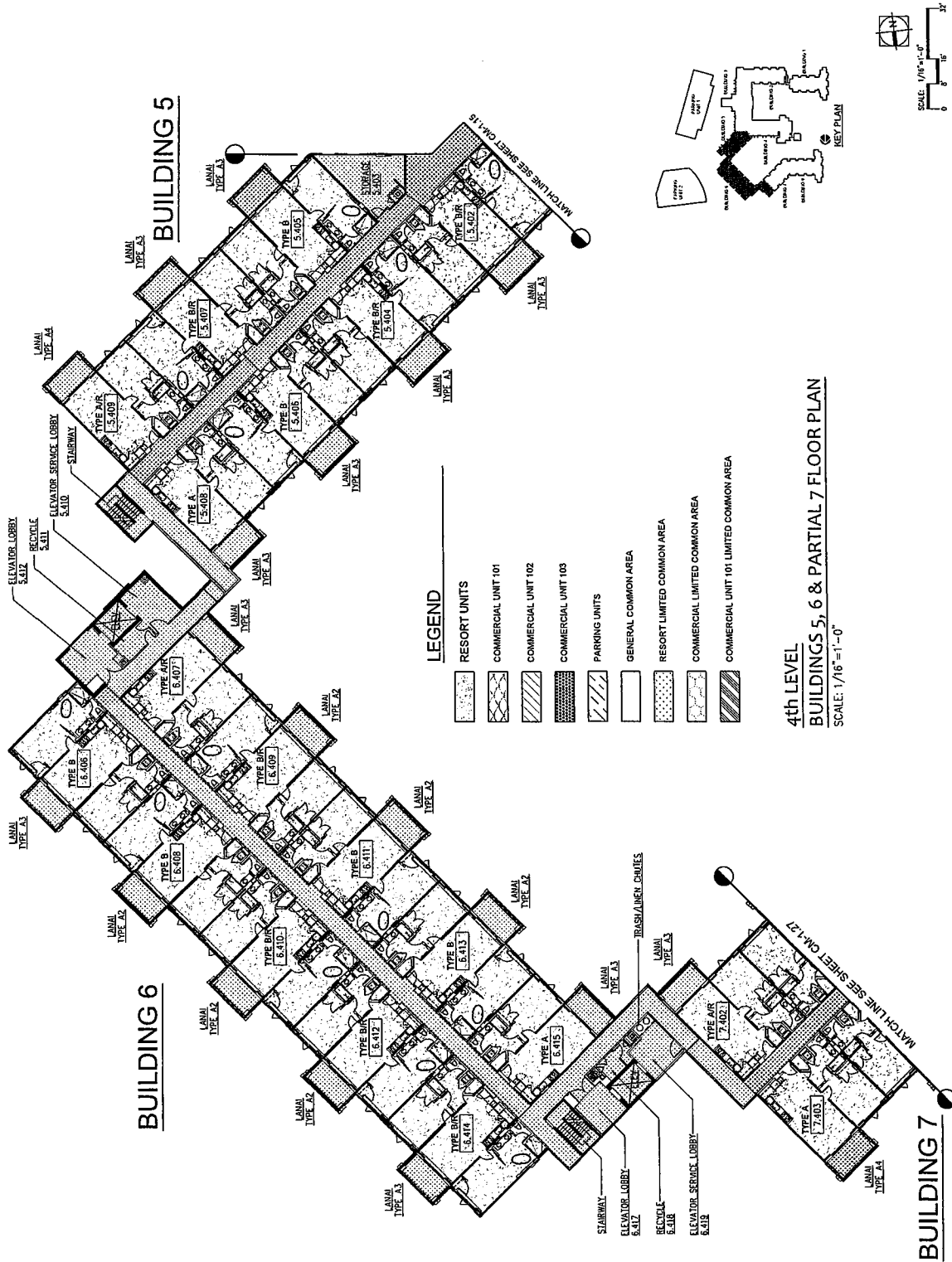
date June 5, 2015

drawing title

4th LEVEL
BUILDINGS 5,
6 & PARTIAL 7
FLOOR PLAN

sheet number

CM-1.21

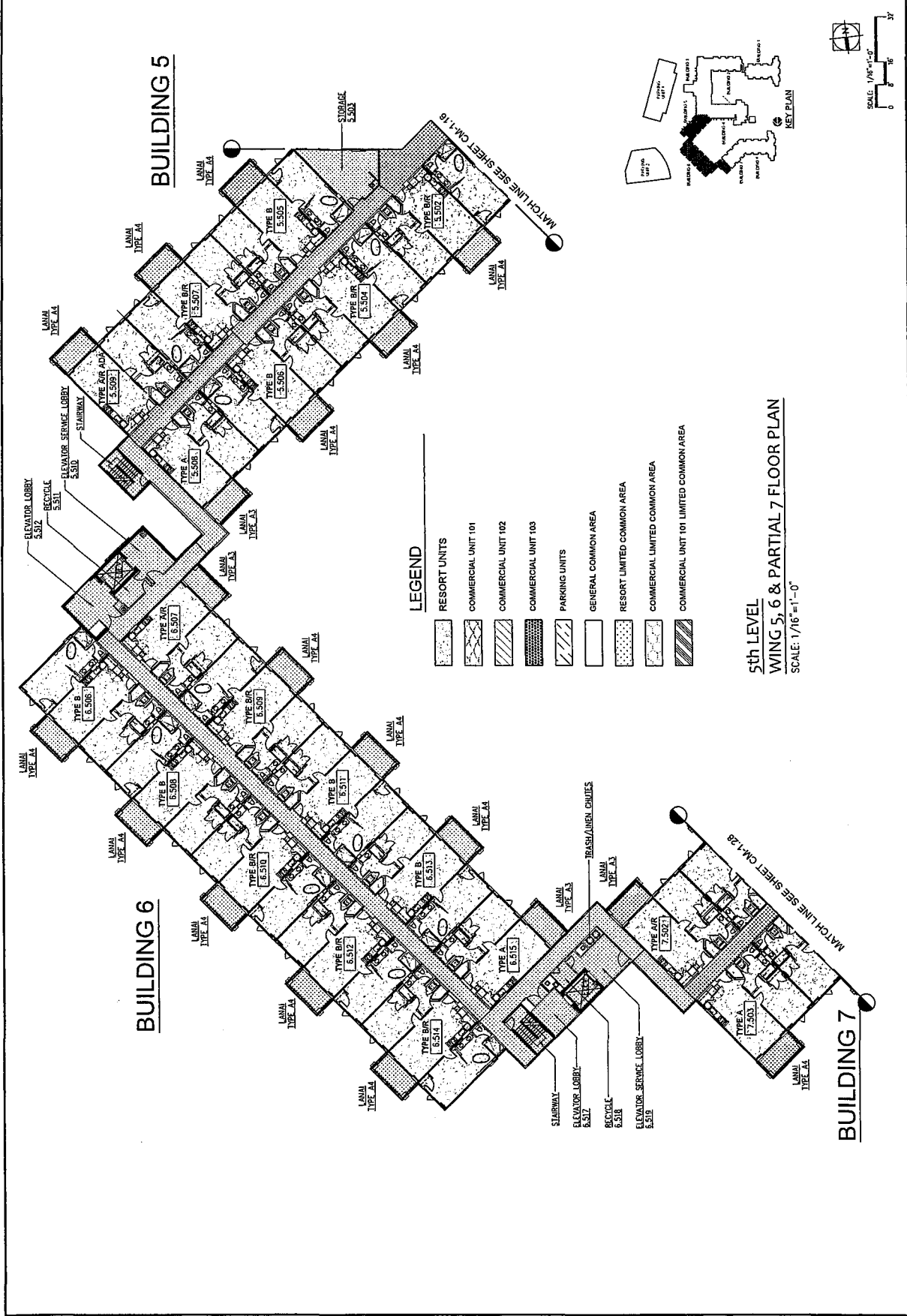


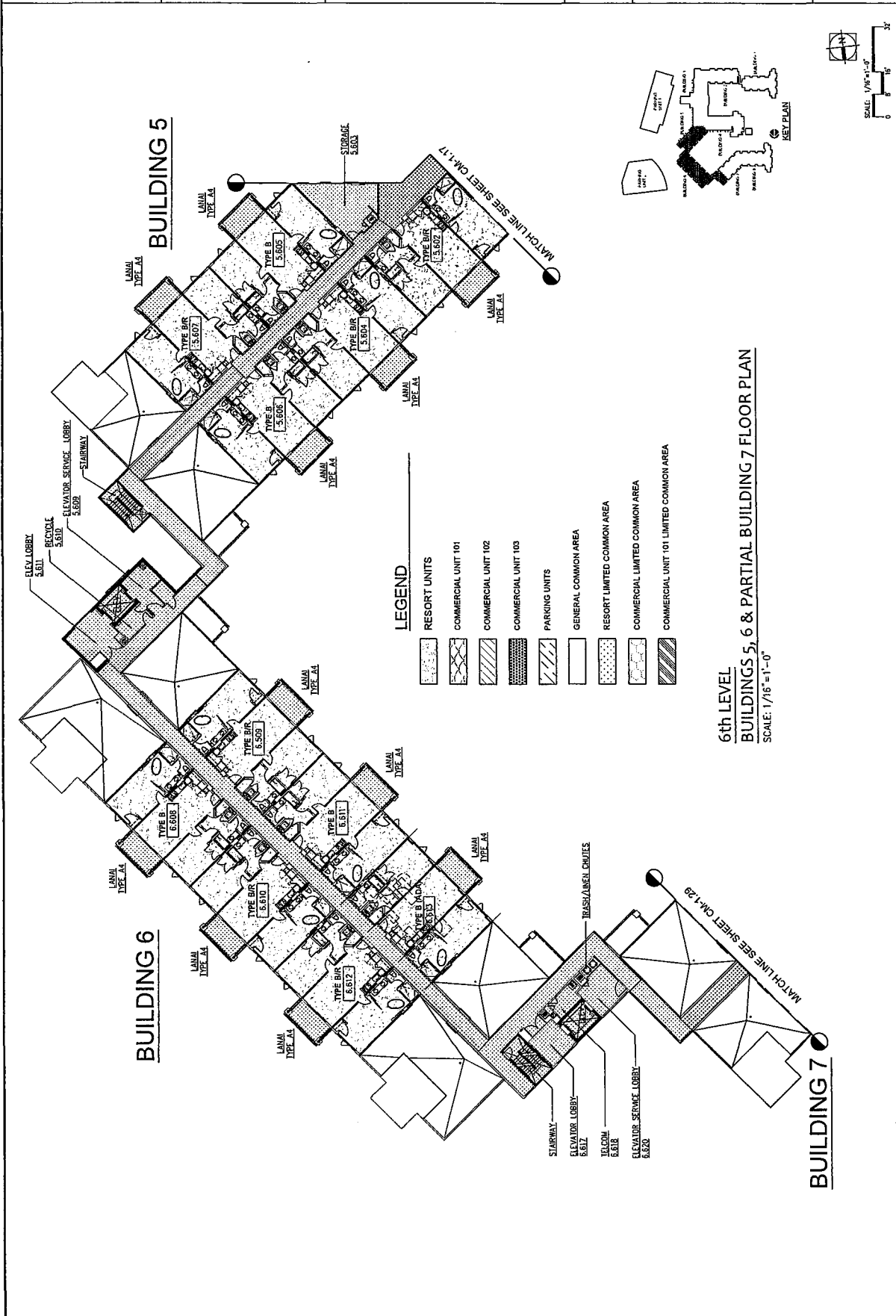
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DATE: 14108FS
 JUN 5, 2015

5th LEVEL BUILDINGS 5, 6 & PARTIAL 7 FLOOR PLAN

CM-1.22







WCT ARCHITECTURE
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PROJECT

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 OCEAN RESORT**
 12750 Jettway, Miami, Hawaii 99764

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PHASE

PROJECT NUMBER: 1409FS

DATE: JUNE 5, 2015

DESIGNER

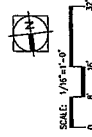
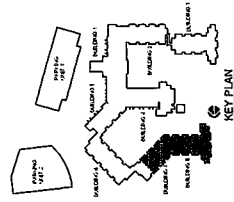
**GROUND LEVEL
 BUILDINGS 7
 & 8 FLOOR
 PLAN**

SHEET NUMBER

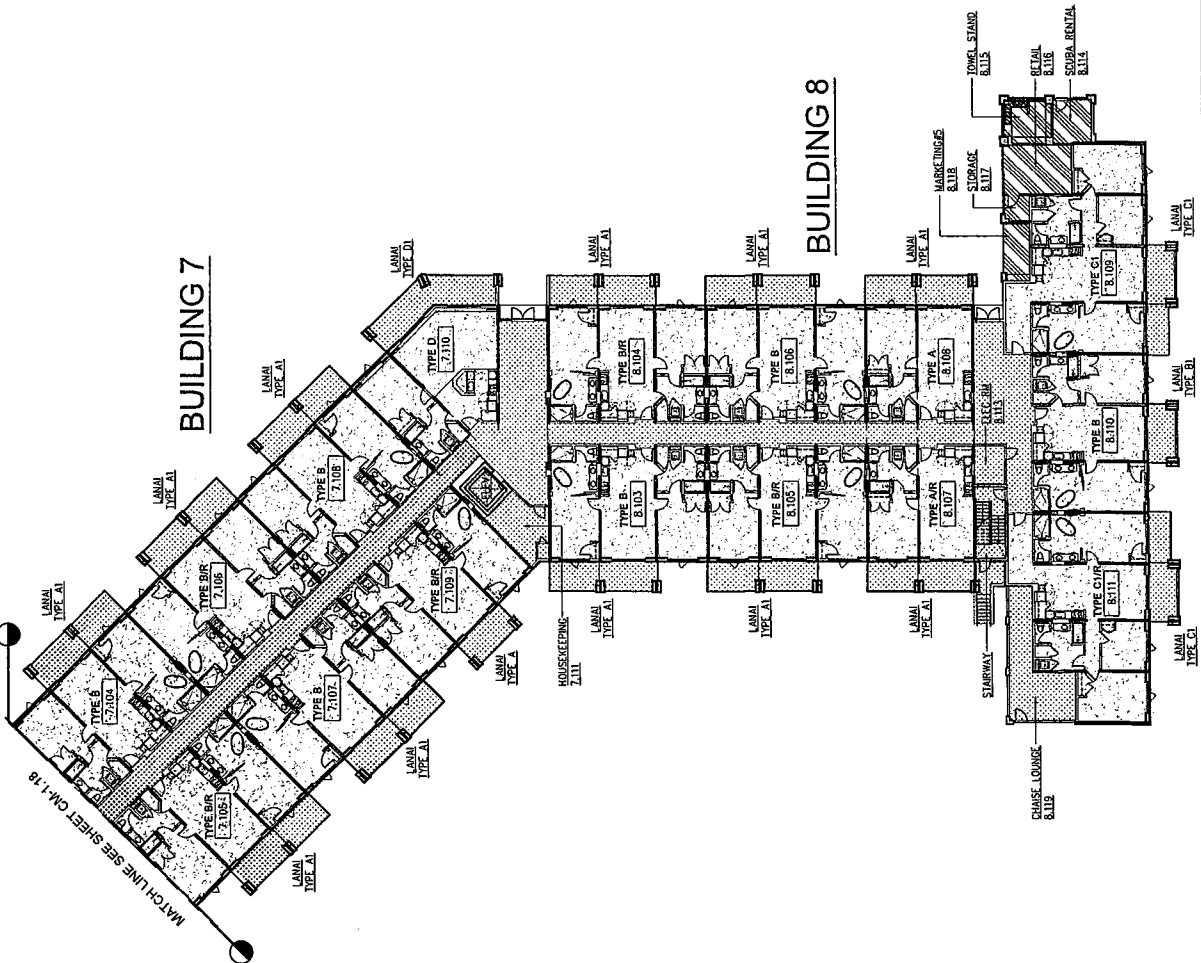
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LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA



**GROUND LEVEL
 BUILDINGS 7 & 8 FLOOR PLAN**
 SCALE: 1/16"=1'-0"

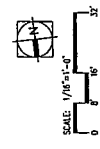
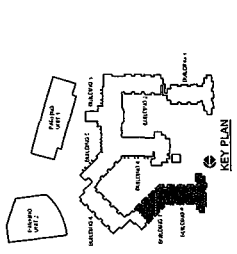


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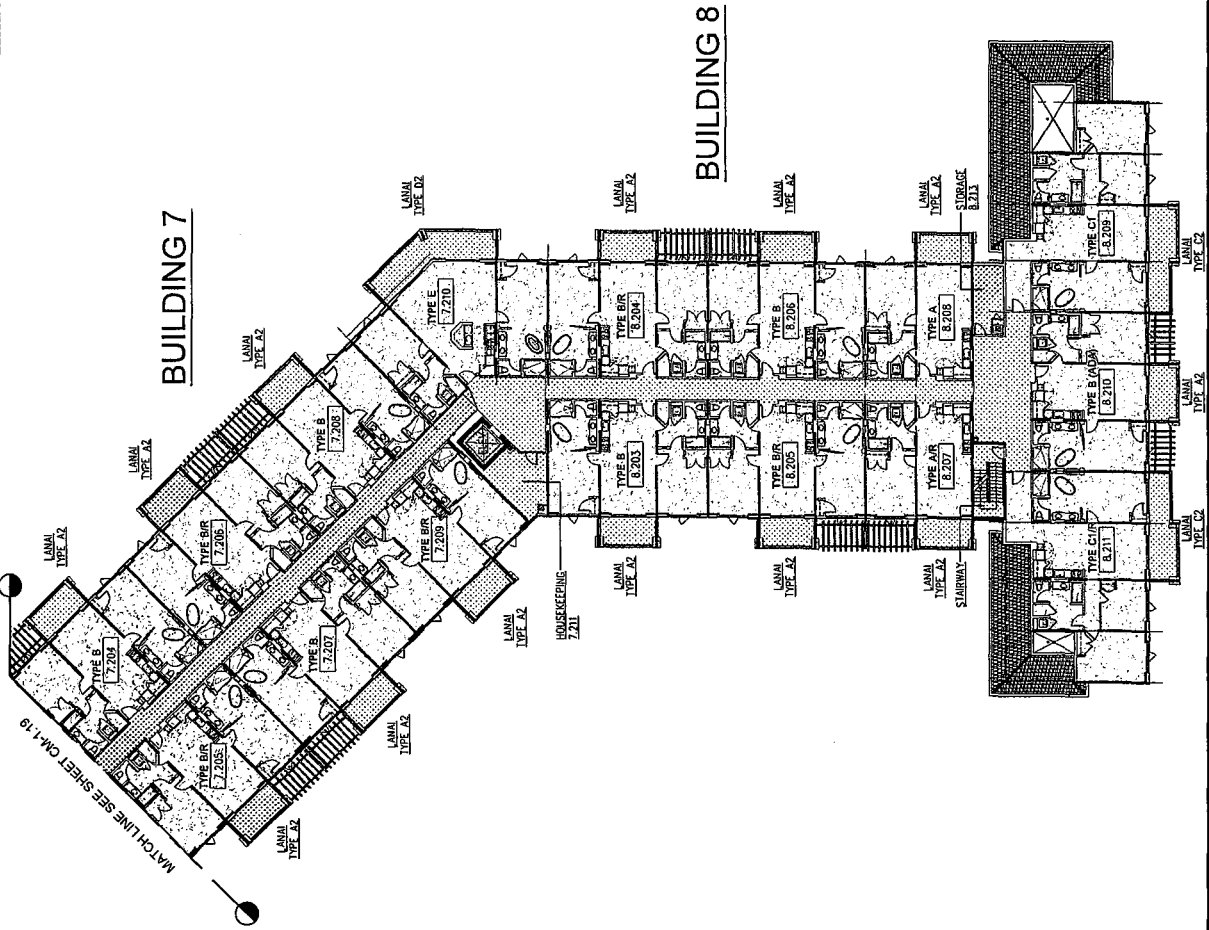
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LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA



2nd LEVEL BUILDINGS 7 & 8 FLOOR PLAN
 SCALE: 1/16" = 1'-0"



MATCH LINE SEE SHEET CM-1.19



WOTR ARCHITECTURE
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 HALENUI, HAWAII 96721
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 FAX: (808) 933-3333
 WWW: WWW.WOTR.COM
 WOTR@WOTR.COM

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NANEA OCEAN RESORT
 Kaneohe, Maui, Hawaii 96741
 TMK: (2) 4-4-014 : 005

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PLAN
 PLAN NUMBER: 14108FS
 DATE: June 5, 2015
 DRAWN BY:

3rd LEVEL BUILDINGS 7 & 8 FLOOR PLAN

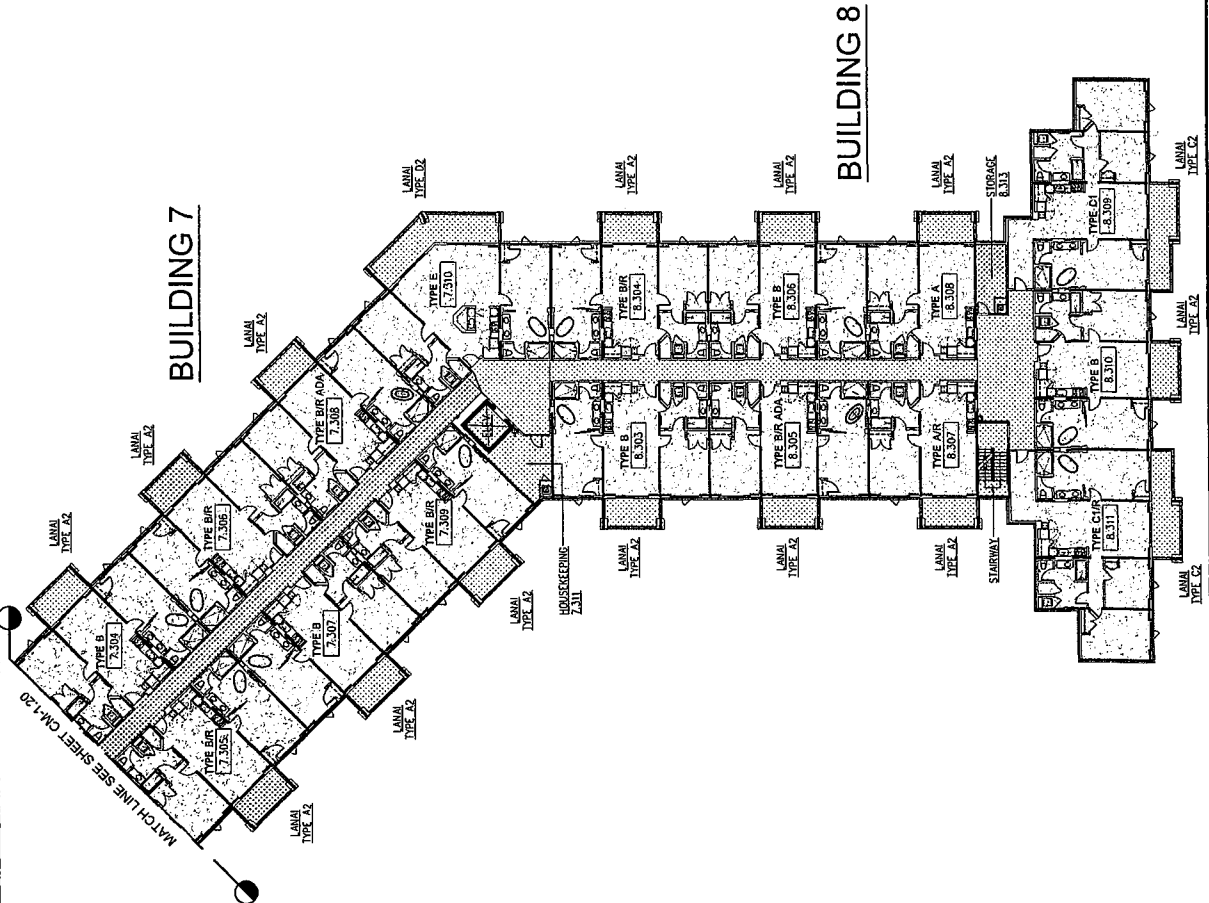
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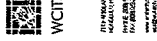
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- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA



3rd LEVEL BUILDINGS 7 & 8 FLOOR PLAN
 SCALE: 1/16"=1'-0"



MATCH LINE SEE SHEET CM-1.25



WCI ARCHITECTURE

1775 KALANANAKUHIWA DRIVE, SUITE 202
HONOLULU, HAWAII 96815
PHONE: 808.551.1234
WWW.WCIARCH.COM
HONOLULU OFFICE

PROJECT

NANEA
OCEAN RESORT
Kapaemahu, Aiea, Hawaii 96961
TMK: (2) 4-4-014 : 005

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PLAN

PLAN NUMBER: 14108FS
DATE: JUNE 5, 2015

DRAWING NO.

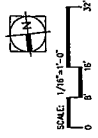
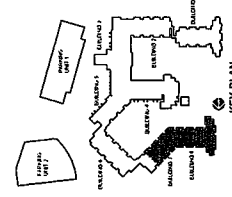
4th LEVEL
BUILDINGS 7
& 8 FLOOR
PLAN

SHEET NUMBER

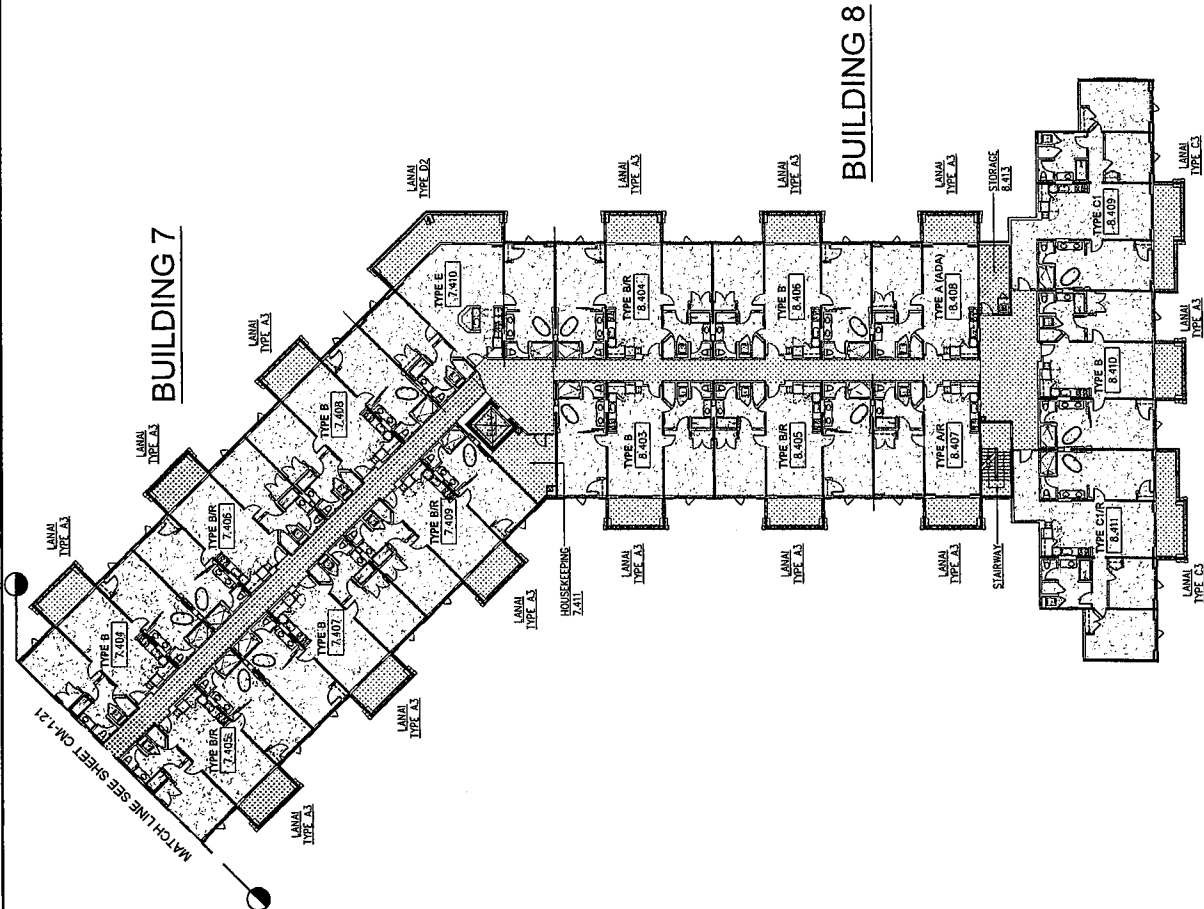
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LEGEND

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- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA



4th LEVEL
BUILDINGS 7 & 8 FLOOR PLAN
SCALE: 1/16"=1'-0"



THE ORIGINAL SIZE OF THIS DRAWING IS 24\"/>

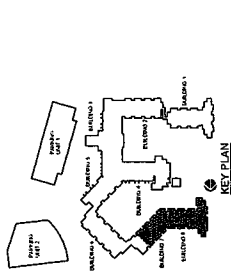
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**5th LEVEL
 BUILDINGS 7
 & 8 FLOOR
 PLAN**

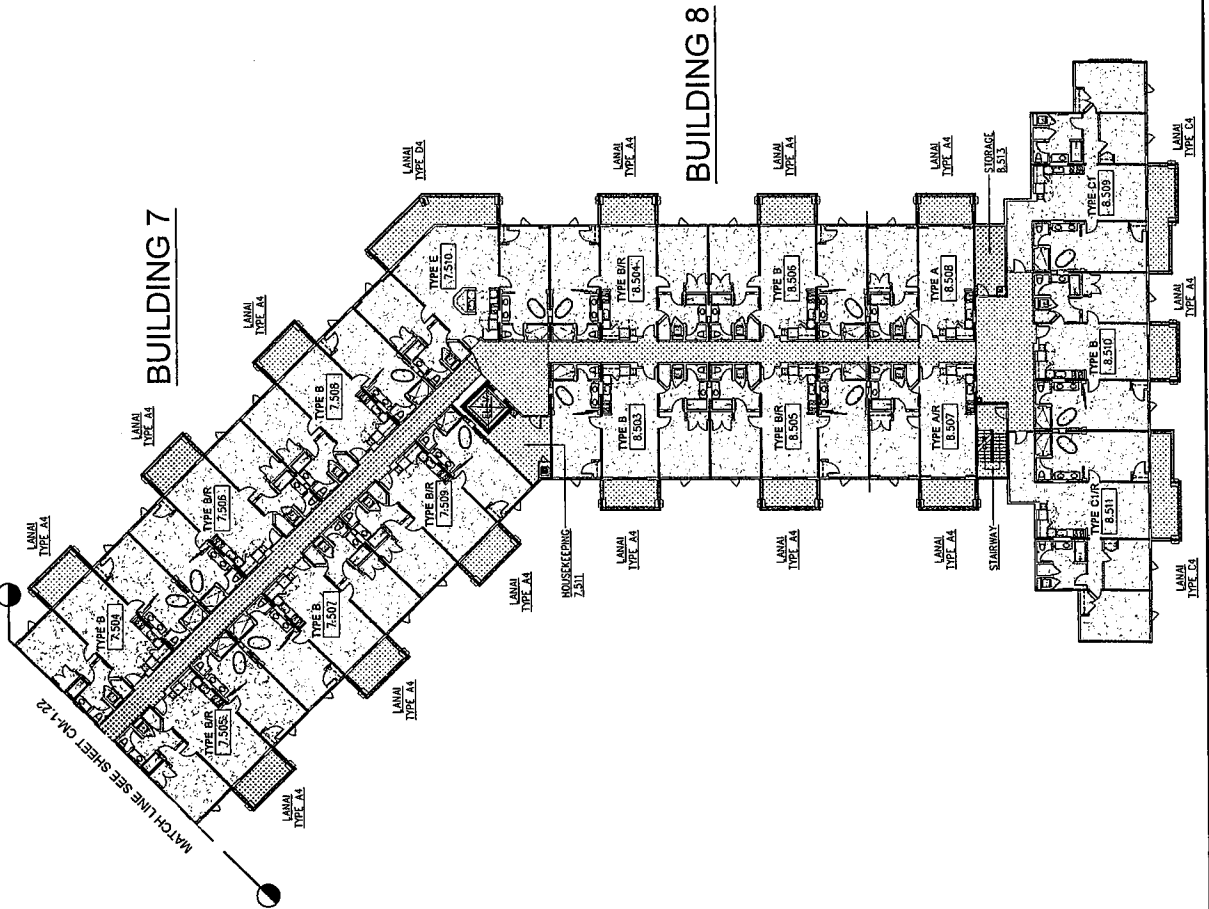
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LEGEND

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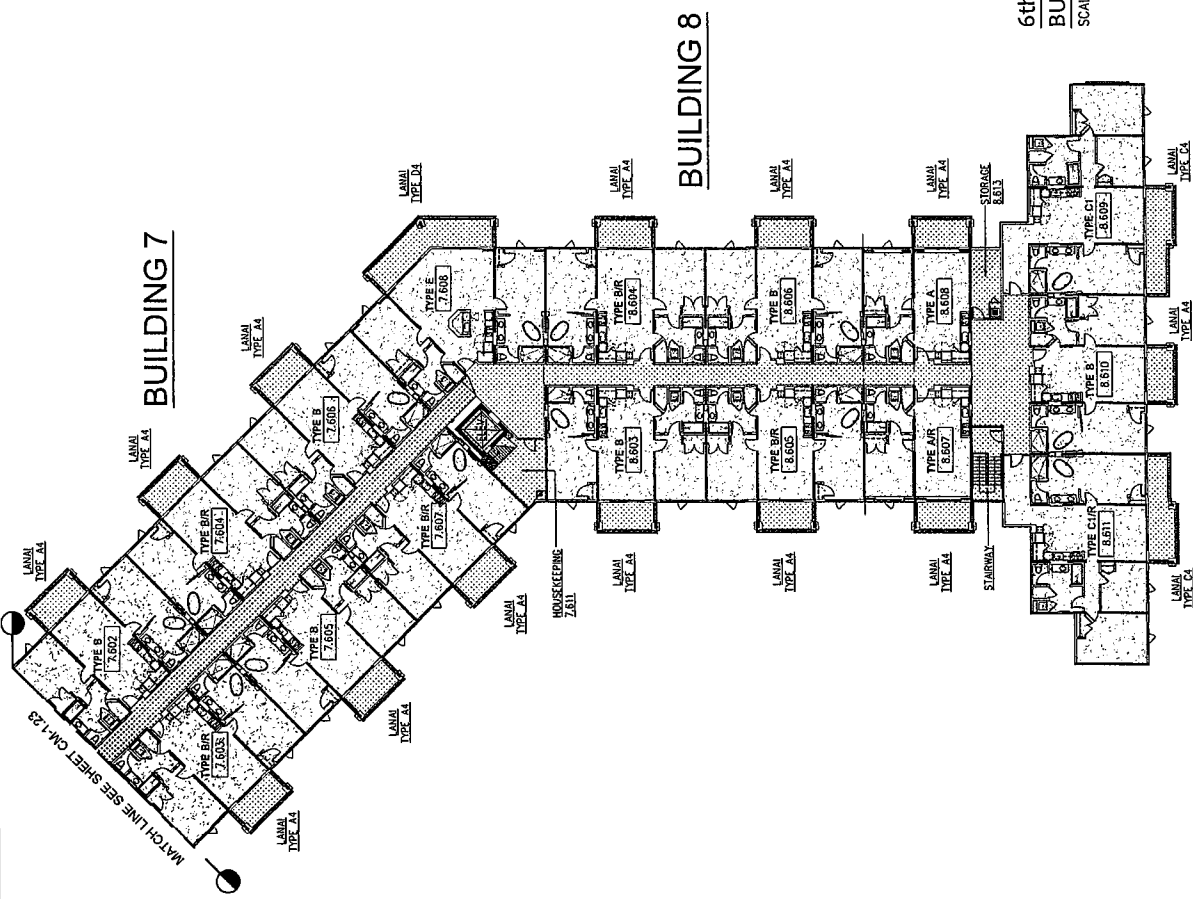
**5th LEVEL
 BUILDINGS 7 & 8 FLOOR PLAN**
 SCALE: 1/16"=1'-0"



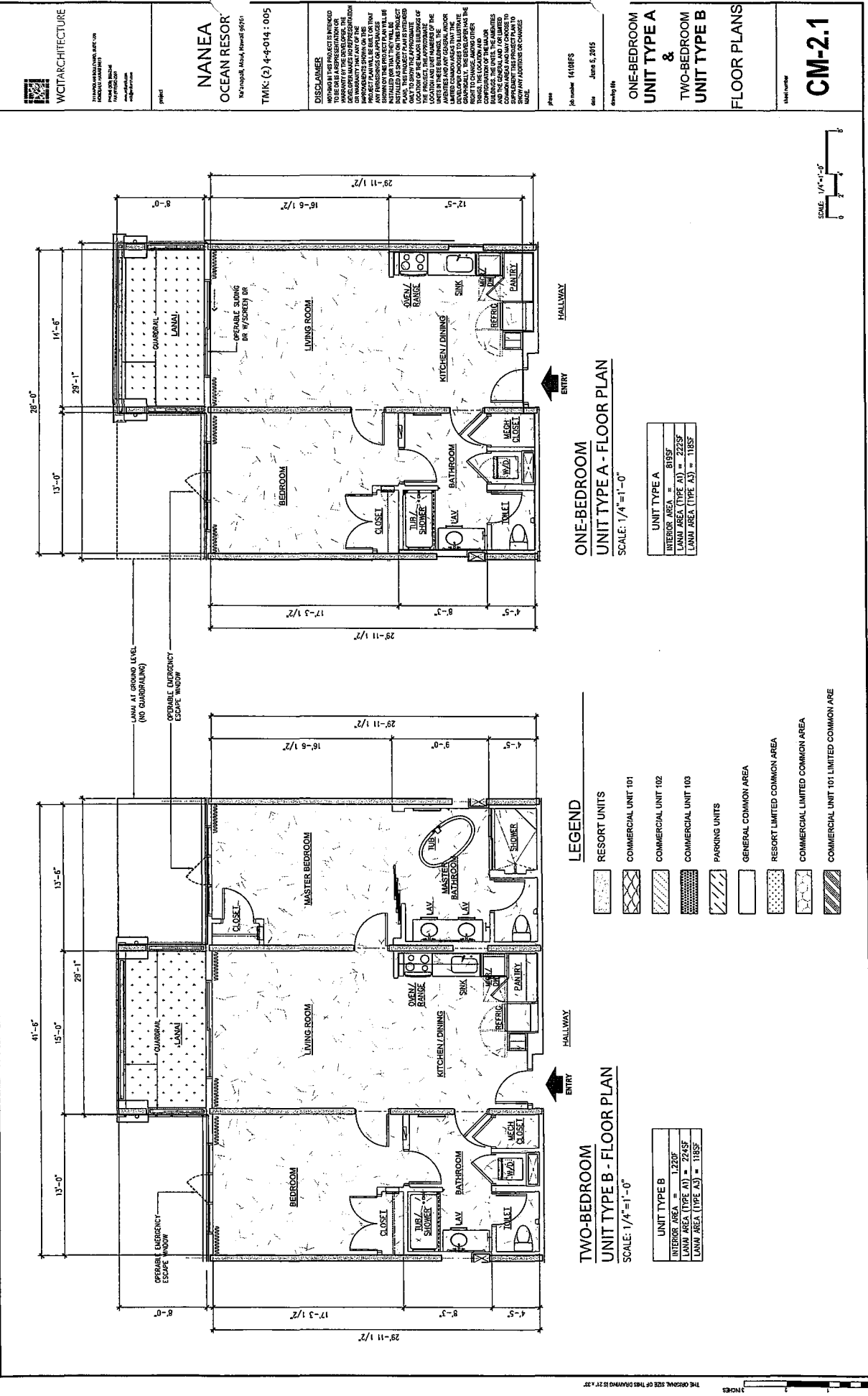
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LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA



THE ORIGINAL SIZE OF THIS DRAWING IS 37" X 47"



NANEA
OCEAN RESOR
 3000 W. OCEAN BLVD., SUITE 200
 FORT LAUDERDALE, FL 33304
 PHONE: 954.575.8800

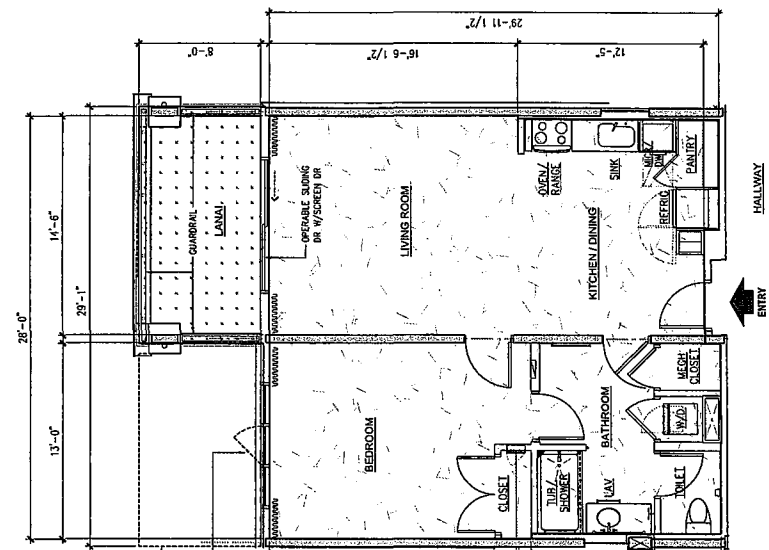
PROJECT: **NANEA OCEAN RESOR**
 CLIENT: **MANA REALTY**
 DATE: **14 APR 2015**

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Sheet number: **14 BRFS**
 Date: **June 5, 2015**
 Drawing title: **FLOOR PLANS**

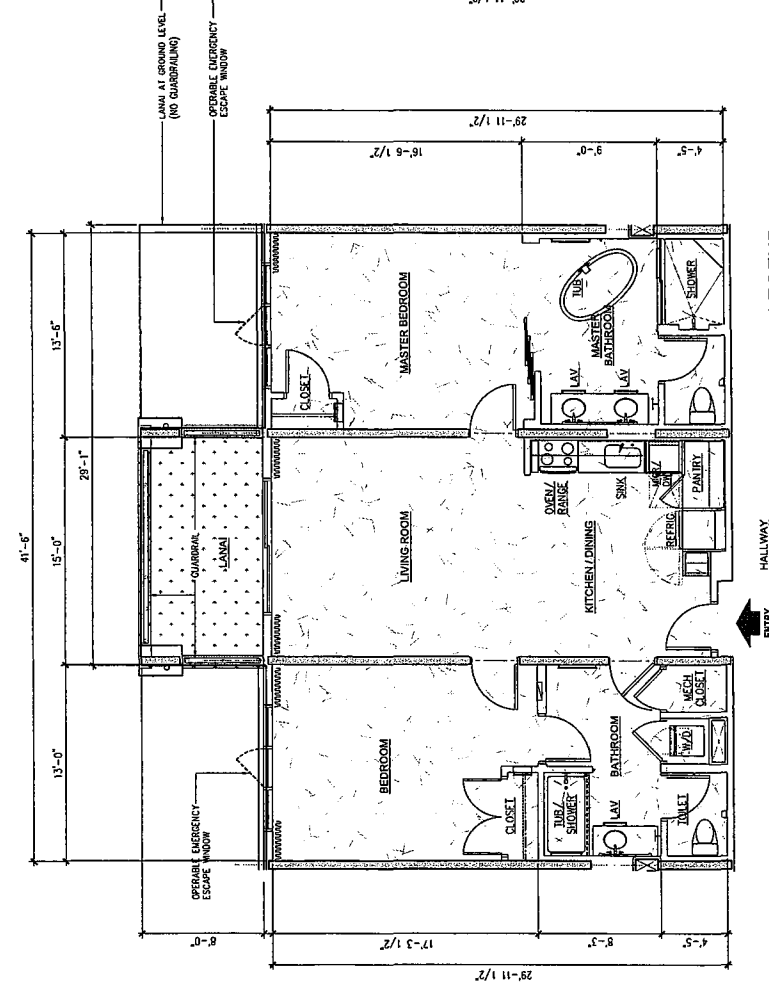
ONE-BEDROOM UNIT TYPE A & TWO-BEDROOM UNIT TYPE B

Sheet number: **CM-2.1**



ONE-BEDROOM
UNIT TYPE A - FLOOR PLAN
 SCALE: 1/4" = 1'-0"

UNIT TYPE A	
INTERIOR AREA	= 818SF
LANAI AREA (TYPE A1)	= 222SF
LANAI AREA (TYPE A3)	= 118SF

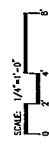


TWO-BEDROOM
UNIT TYPE B - FLOOR PLAN
 SCALE: 1/4" = 1'-0"

UNIT TYPE B	
INTERIOR AREA	= 1,220SF
LANAI AREA (TYPE B1)	= 224SF
LANAI AREA (TYPE B3)	= 118SF

LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA



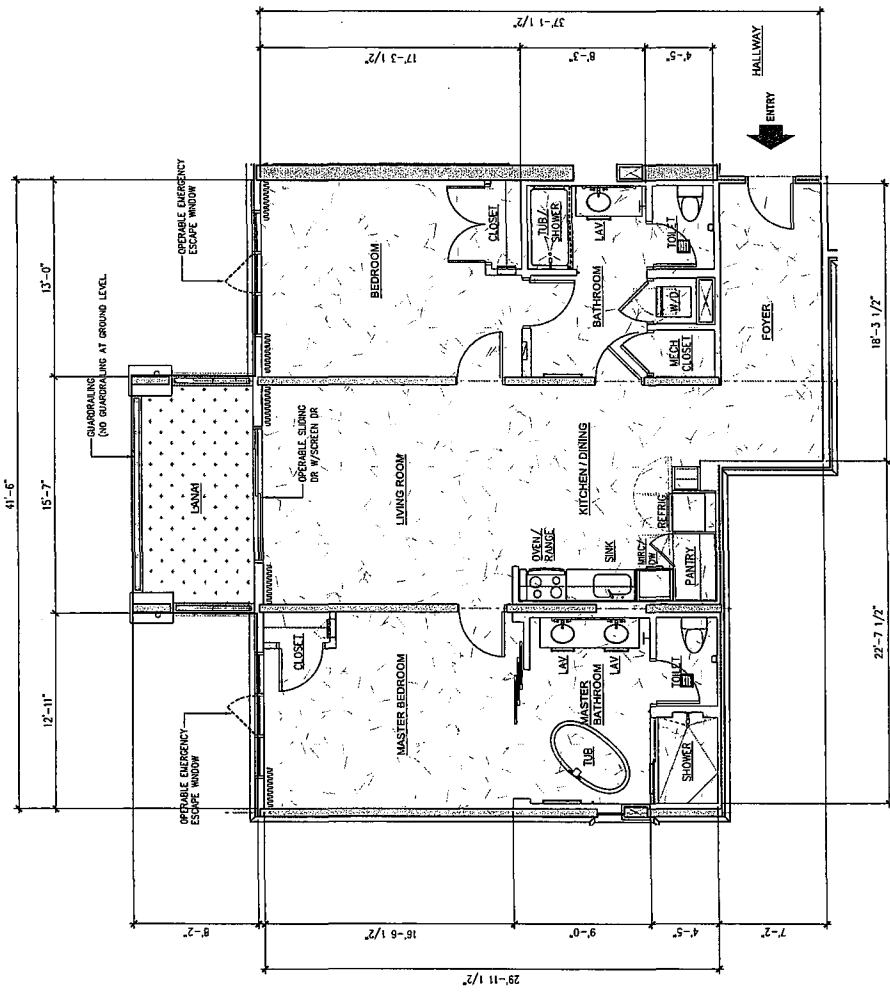
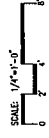
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TWO-BEDROOM UNIT TYPE B1 FLOOR PLANS

UNIT NUMBER
CM-2.2

LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA

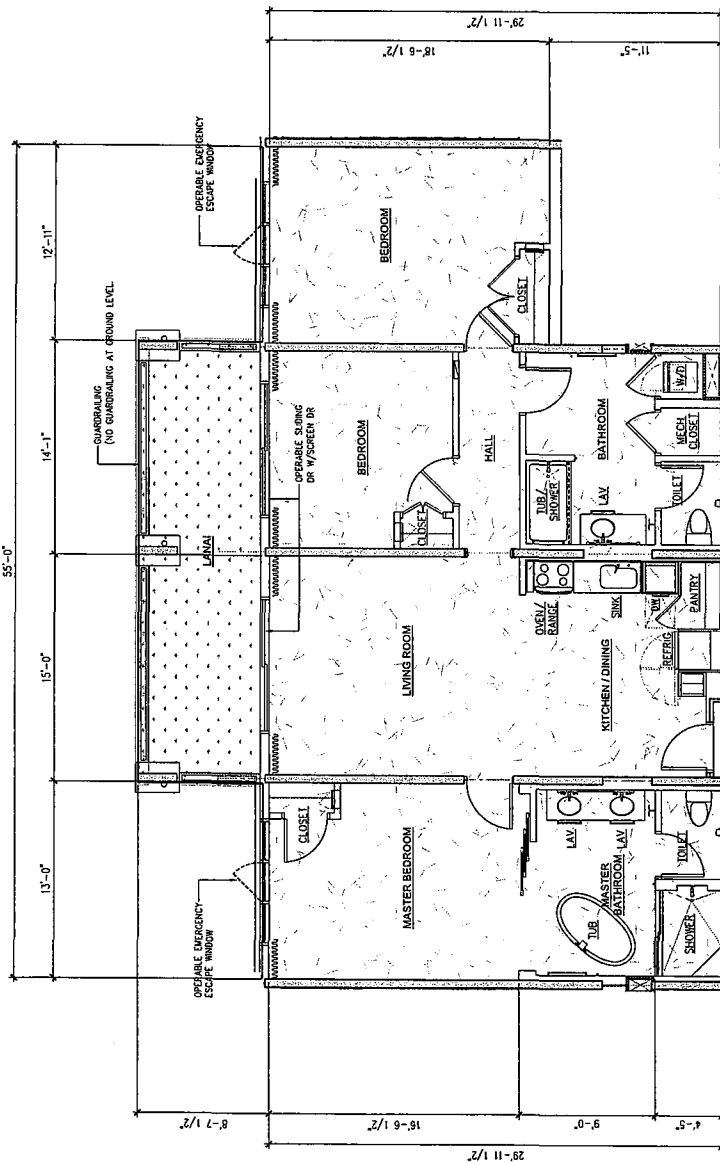


TWO-BEDROOM UNIT TYPE B1 - FLOOR PLAN
 SCALE: 1/4" = 1'-0"

UNIT TYPE B1	
INTERIOR AREA	= 1,361SF
LANAI AREA (TYPE A2)	= 1,185SF
LANAI AREA (TYPE A3)	= 1,185SF
LANAI AREA (TYPE A4)	= 1,185SF

LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA



UNIT TYPE C	
INTERIOR AREA	= 1,477SF
LANAI AREA (TYPE B1)	= 221SF
LANAI AREA (TYPE B2)	= 221SF
LANAI AREA (TYPE B3)	= 221SF
LANAI AREA (TYPE B4)	= 221SF

THREE-BEDROOM UNIT TYPE C - FLOOR PLAN
 SCALE: 1/4"=1'-0"

SCALE: 1/4"=1'-0"

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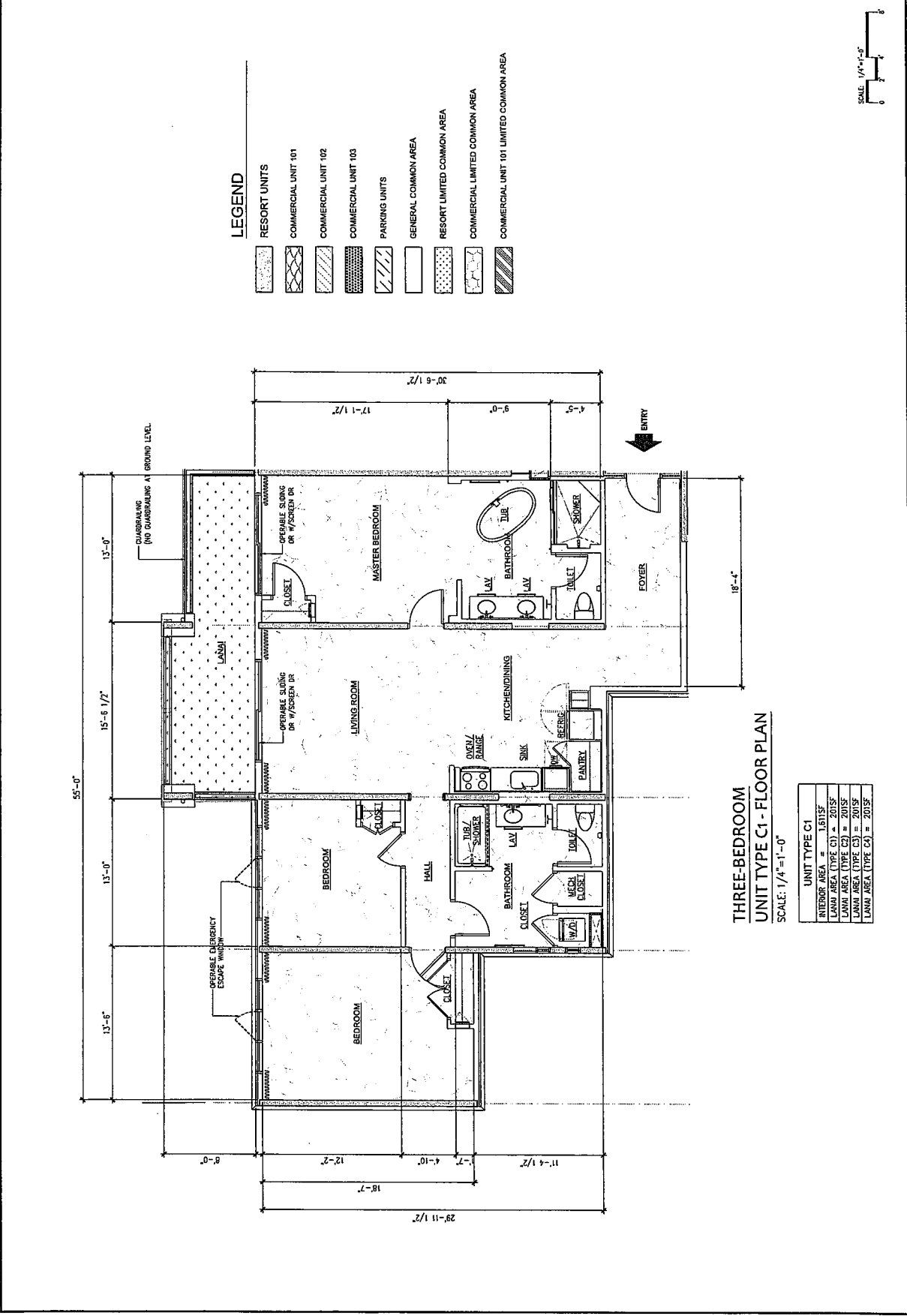
PLAN
 1410BFS
 DATE: June 5, 2015
 SHEET: 01

THREE-BEDROOM UNIT TYPE C1 FLOOR PLAN

CM-2.4

LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA



THREE-BEDROOM UNIT TYPE C1 - FLOOR PLAN
 SCALE: 1/4"=1'-0"

UNIT TYPE C1	
INTERIOR AREA	= 1815 SF
LIVING AREA (TYPE C1)	= 2015 SF
LIVING AREA (TYPE C2)	= 2015 SF
LIVING AREA (TYPE C3)	= 2015 SF
LIVING AREA (TYPE C4)	= 2015 SF

WCT ARCHITECTURE
111 HAINES ROAD, SUITE 104
HOUSTON, TEXAS 77055
713-862-1300
www.wctarchitecture.com

PROJECT
NANEA
OCEAN RESOR
3275 South Main, Island 9596
TMK: (2) 4-4-014 : 005

DISCLAIMER
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HAS NOT BEEN ADVISED THAT THE DEVELOPER
SHOULD OBTAIN PROFESSIONAL SERVICES
CONCERNING THE PROJECT. THE DEVELOPER
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Phase
Phase number: 14100FS
Date: June 5, 2015
Drawing No:

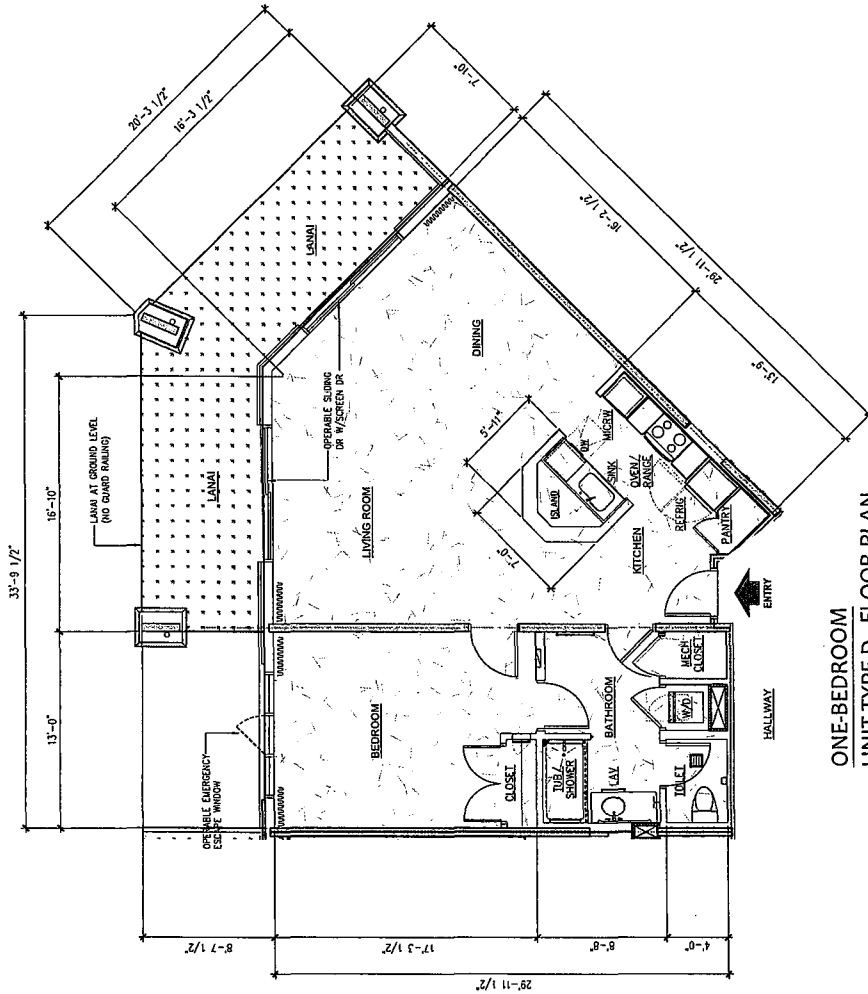
**ONE-BEDROOM
UNIT TYPE D
FLOOR PLAN**

CM-2.5

LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA

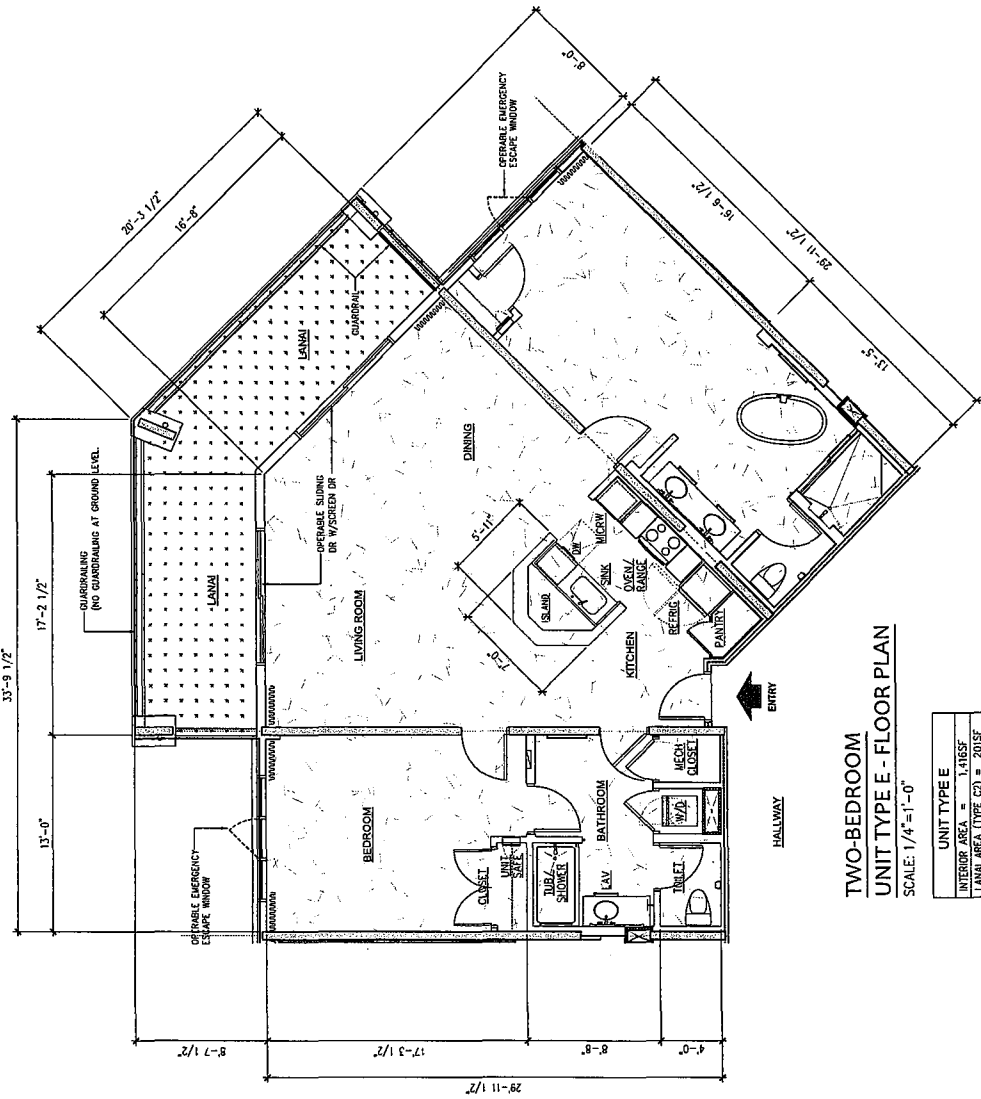
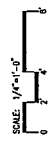
SCALE: 1/4" = 1'-0"



**ONE-BEDROOM
UNIT TYPE D - FLOOR PLAN**
SCALE: 1/4" = 1'-0"

UNIT TYPE D
INTERIOR AREA = 1,015SF
LANAI AREA (TYPE D) = 281SF

- LEGEND**
- RESORT UNITS
 - COMMERCIAL UNIT 101
 - COMMERCIAL UNIT 102
 - COMMERCIAL UNIT 103
 - PARKING UNITS
 - GENERAL COMMON AREA
 - RESORT LIMITED COMMON AREA
 - COMMERCIAL LIMITED COMMON AREA
 - COMMERCIAL UNIT 101 LIMITED COMMON AREA



TWO-BEDROOM UNIT TYPE E - FLOOR PLAN
SCALE: 1/4"=1'-0"

UNIT TYPE E	
INTERIOR AREA	= 1,165SF
LANAI AREA (TYPE C2)	= 201SF
LANAI AREA (TYPE C3)	= 201SF
LANAI AREA (TYPE C4)	= 201SF

LEGEND

- RESORT UNITS
- COMMERCIAL UNIT 101
- COMMERCIAL UNIT 102
- COMMERCIAL UNIT 103
- PARKING UNITS
- GENERAL COMMON AREA
- RESORT LIMITED COMMON AREA
- COMMERCIAL LIMITED COMMON AREA
- COMMERCIAL UNIT 101 LIMITED COMMON AREA

ACCESSIBLE DISABILITY UNITS (ADA)			REFERENCE
WING	BEDROOM TYPE (UNIT #)	LEVEL	SHEET
WING 1	1.107	GROUND	CM-1-16
WING 2	2.103	GROUND	CM-1-12
WING 3	3.515	5th	CM-1-16
WING 4	4.410	4th	CM-1-15
WING 5	5.202	2nd	CM-1-19
WING 6	6.613	5th	CM-1-22
WING 7	7.308	5th	CM-1-23
WING 8	8.210	2nd	CM-1-25
	8.305	3th	CM-1-26
	8.408	4th	CM-1-27

WCTARCHITECTURE
 1000 W. MILWAUKEE AVENUE, SUITE 100
 MILWAUKEE, WI 53233
 PHONE: 414.224.8800
 FAX: 414.224.8801
 WWW.WCTARCHITECTURE.COM

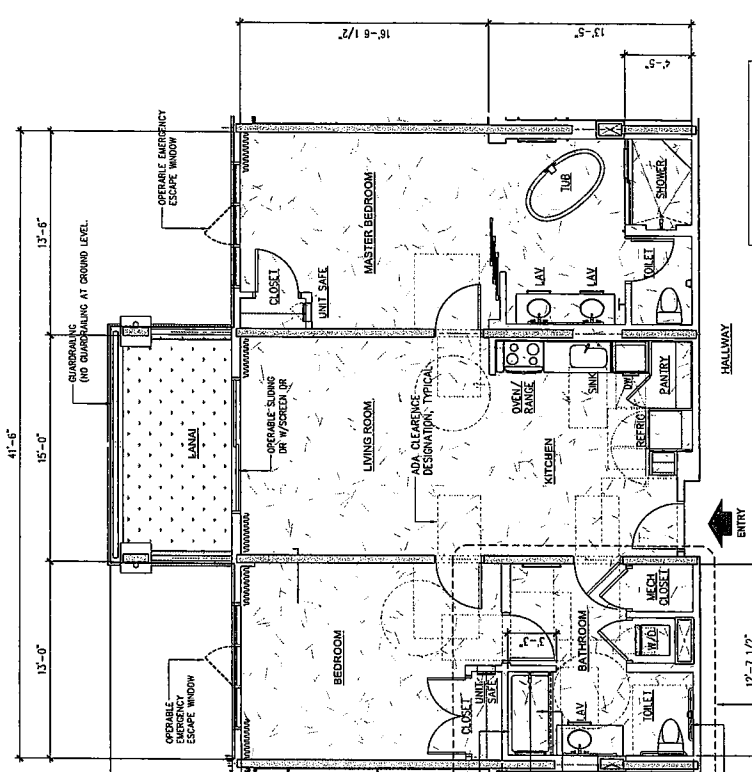
NANEA OCEAN RESORT
 3450 W. MILWAUKEE AVENUE, SUITE 100
 MILWAUKEE, WI 53233
 PHONE: 414.224.8800
 FAX: 414.224.8801
 WWW.NANEA.COM

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PHASE
 No. 14100FS
 date June 6, 2015
 drawing 04

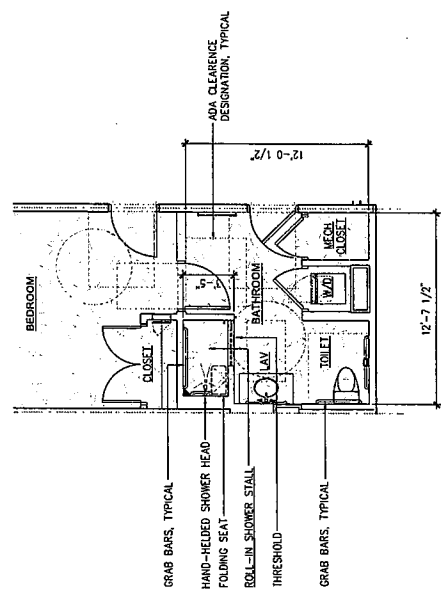
TWO-BEDROOM UNIT TYPE B (ADA) FLOOR PLAN

CM-2.8

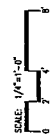


UNIT TYPE B (ADA)	
INTERIOR AREA	= 1,270SF
LAND AREA (TYPE A1)	= 213SF
LAND AREA (TYPE A2)	= 118SF
LAND AREA (TYPE A3)	= 118SF

TWO-BEDROOM UNIT TYPE B (ADA) - FLOOR PLAN
 SCALE: 1/4" = 1'-0"



ROLL-IN SHOWER STALL UNIT TYPE B (ADA) - PARTIAL FLOOR PLAN
 SCALE: 1/4" = 1'-0"



LEGEND

RESORT UNITS

COMMERCIAL UNIT 101

COMMERCIAL UNIT 102

COMMERCIAL UNIT 103

PARKING UNITS

GENERAL COMMON AREA

RESORT LIMITED COMMON AREA

COMMERCIAL LIMITED COMMON AREA

COMMERCIAL UNIT 101 LIMITED COMMON AREA

ACCESSIBLE DISABILITY UNITS (ADA)		REFERENCE		
WING	UNIT #	1	2	3
WING 1	1.107	GROUND	CM-1.6	
WING 2	2.103	GROUND	CM-1.12	
WING 3	3.515	5th	CM-1.16	
WING 4	3.515	5th	CM-1.16	
WING 5	5.202	4th	CM-1.15	
WING 6	6.813	2nd	CM-1.19	
WING 7	7.308	6th	CM-1.22	
WING 8	8.210	3rd	CM-1.23	
	8.305	2nd	CM-1.25	
	8.408	3th	CM-1.26	
		4th	CM-1.27	

WCITARCHITECTURE
 1000 W. UNIVERSITY AVENUE, SUITE 100
 ANAHEIM, CALIFORNIA 92801
 PHONE: 714.771.1111
 FAX: 714.771.1112
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NANEA
OCEAN RESORT
 4000 Pacific Avenue, Torrance 90501

PROJECT

DATE

CM-2.9

14108FS

June 5, 2015

Sheet

14108FS

June 5, 2015

Scale

1/4" = 1'-0"

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1/4" = 1'-0"

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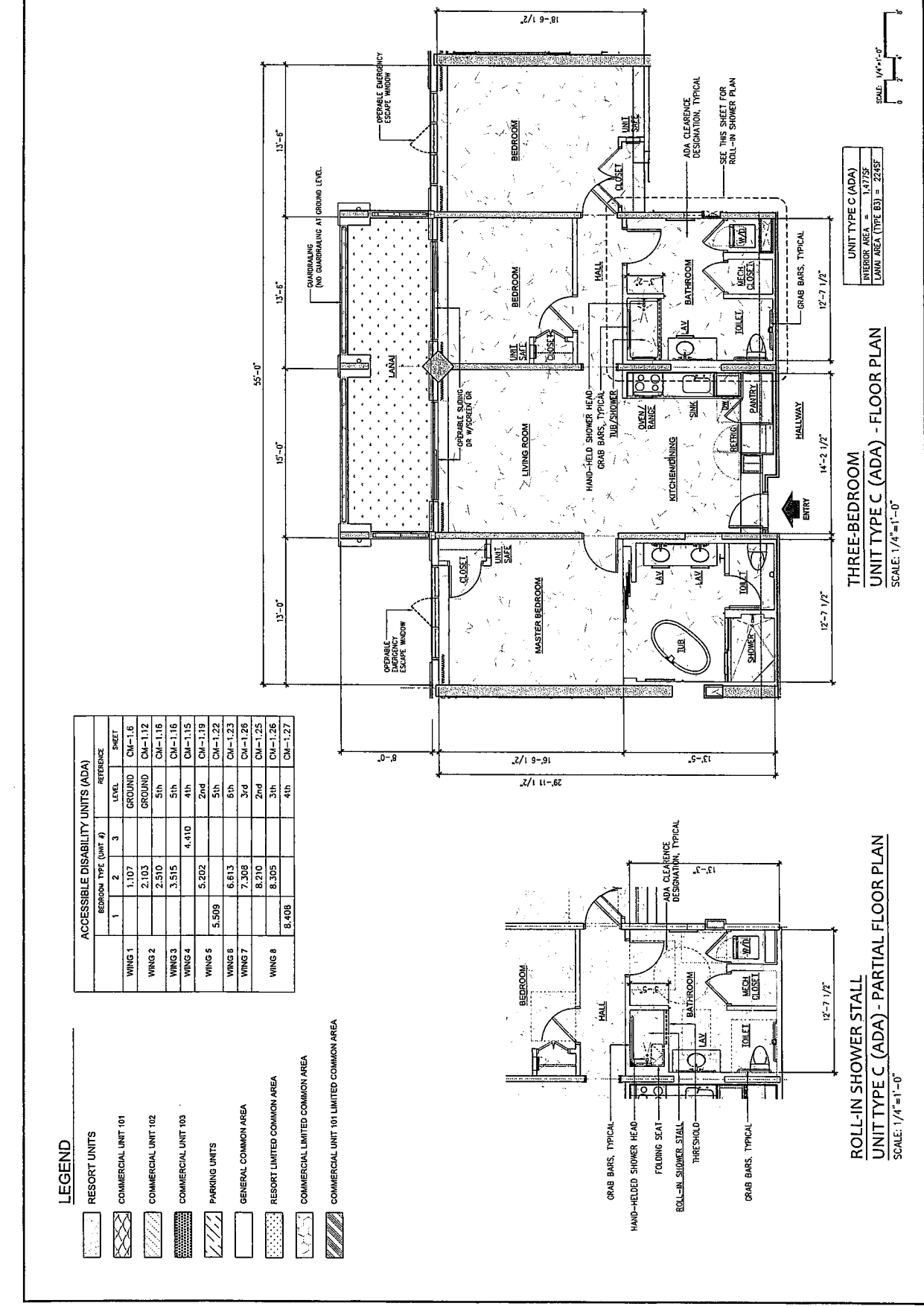
1/4" = 1'-0"

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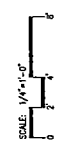
1/4" = 1'-0"



UNIT TYPE C (ADA)	INTERIOR AREA = 1,477SF
LANAI AREA (TYPE B3) = 224SF	

THREE-BEDROOM
UNIT TYPE C (ADA) - FLOOR PLAN
 SCALE: 1/4" = 1'-0"

ROLL-IN SHOWER STALL
UNIT TYPE C (ADA) - PARTIAL FLOOR PLAN
 SCALE: 1/4" = 1'-0"



THE ORIGINAL SIZE OF THIS DOCUMENT IS 27.1" X 37.1" INCHES



WCI ARCHITECTURE

11100 WILLOW PARKWAY, SUITE 200
DALLAS, TEXAS 75243
PHONE: 972.382.2222
WWW.WCIARCHITECTURE.COM

PROJECT

NANEA
OCEAN RESORT

Kaunapali, Maui, Hawaii 96751

TMK: (2) 4-4-014; 005

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DATE

1410855

DATE

June 5, 2015

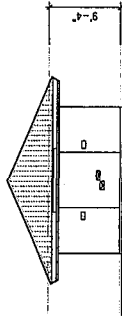
DESCRIPTION

KEKAYA PARK
PUBLIC RESTROOM

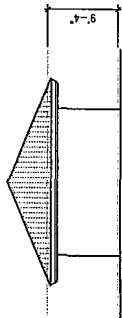
**FLOOR
PLAN &
ELEVATIONS**

Sheet Number

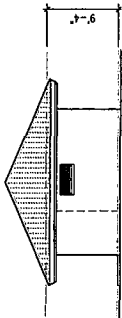
CM-3.1



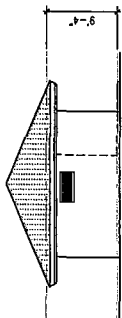
D - NORTH ELEVATION
SCALE: 1/8"=1'-0"



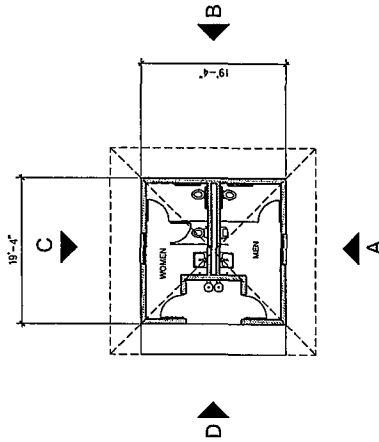
B - SOUTH ELEVATION
SCALE: 1/8"=1'-0"



C - WEST ELEVATION
SCALE: 1/8"=1'-0"



A - EAST ELEVATION
SCALE: 1/8"=1'-0"



KEKAYA PARK RESTROOMS FLOOR PLAN
SCALE: 1/8"=1'-0"



EXHIBIT "H"

NATURE OF DEVELOPER'S RESERVED RIGHTS FOR DEVELOPMENT OF THE PROJECT

No matter what else the Project Documents say, the Developer has the following rights to develop the Project, and they are among the Developer's Reserved Rights:

1. DEVELOPER'S RESERVED RIGHT TO DEVELOP THE PROJECT.

No matter what else the Project Documents say, the Developer reserves the right to design, develop, construct, install, add, and complete the Improvements of the Project. This includes not only the Improvements shown on the Project Plan but also any additional Improvements that the Developer chooses, including but not limited to water lines, sewer lines, electrical lines, outbuildings, support buildings, parking areas, parking structures, roadways, driveways, delivery areas, walkways, pathways, amenities, booths, and anything else. The Developer intends to convey Project Ownership Interests before construction of all Improvements is completed. **No matter what else the Project Documents say, the Developer reserves the exclusive right to control, manage, arrange and/or conduct the design, development, construction, installation, addition, and completion of the Improvements on the Land even after it deeds Project Ownership Interests to others.**

1.1 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 1 of this Exhibit H are subject to these terms and conditions:

A. PLANS AND SPECIFICATIONS. A licensed architect or engineer must prepare plans and specifications for the Improvements. The plans and specifications must be approved by the officer of the County of Maui having jurisdiction over the issuance of building permits except to the extent that County approval is not required. The plans and specifications must be designed so that the Improvements will be substantially consistent throughout the Project in terms of quality of construction and finish, as determined by the Developer in its sole, absolute and unfettered discretion. The Developer must build the Improvements substantially in accordance with the plans and specifications as determined by the Developer in its sole, absolute and unfettered discretion.

B. BONDS. The Developer must arrange and pay for a performance bond and a labor and materials payment bond. The bonds must cover at least 100% of

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324043.29

the estimated remaining cost of construction of the Improvements being constructed under the construction contract to which the bonds relate. Instead of posting a performance bond and a labor and materials payment bond, the Developer may post a completion bond assuring completion of construction of the Improvements being constructed under the construction contract to which the bonds relate.

C. CHANGES TO EXISTING IMPROVEMENTS. The plans and specifications cannot require any material adverse change to, or the demolition of: (i) the Assigned Unit of any existing Commercial Owner, Parking Owner or Lodging Owner or any Vacation Unit that is not a Developer Unit, or (ii) any material building or structure of the Project; provided that:

1) The Developer has right to connect to, use, relocate and/or realign existing, and/or to develop additional central and appurtenant installations for electricity, hot and cold water, air conditioning, cogeneration plan, and other utilities and services. It may also designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Areas as necessary or desirable in connection therewith. The Developer must do this in a way that does not cause any interruption, other than a temporary interruption, in the service of utilities to any occupied part of the Project.

2) The Developer can change or demolish all or any part of an existing Developer Unit or if no other Owner has that Unit as his or her Assigned Unit. It may also do so with the written consent of (i) a Commercial Owner, Parking Owner, or Lodging Owner if the Unit is that Owner's Assigned Unit, (ii) the Vacation Owners Association in the case of a Vacation Unit other than a Developer Unit. The Developer cannot use its power of attorney under Section 25.3 to give this consent on behalf of the Owner or the Vacation Owners Association.

3) The Developer can change or demolish all or any part of an existing Limited Common Area of any Project Ownership Interest owned by the Developer. It may also do so with the written consent of (i) a Commercial Owner or Lodging Owner if the Limited Common Area is appurtenant to their Interest, or (ii) the Vacation Owners Association if the Limited Common

Area is appurtenant to one or more Vacation Ownership Interests. Despite the prior statements, no consent is required for the Developer to change or demolish any Resort Limited Common Areas; provided that any material adverse change to the lanais of a Lodging Unit shall require the written consent of the Lodging Owner, and any material adverse change to the lanai of a Vacation Unit that is not a Developer Unit shall require the consent of the Vacation Owners Association. If a Limited Common Area is appurtenant to more than one Commercial Ownership Interest, Parking Ownership Interest, or Lodging Ownership Interest, then the consent of the Owners of all of those Interests is necessary. The Developer cannot use its power of attorney under Section 25.3 to give this consent on behalf of the Owners.

4) The Developer can change, add or remove any roads, driveways, parking areas (other than the parking areas located within the Parking Units), and the like so long as there is reasonable and adequate access from the public streets and highways to the Parking Units and to the entries to the buildings of the Project.

5) The Developer can relocate or replace any utility buildings and installations and the like so long as the plans and specifications provide for replacements that provide comparable services. The Developer must do this in a way that does not cause any interruption, other than a temporary interruption, in the service of utilities to any other part of the Project that is occupied.

6) The Developer has the right to remove or change parking stalls located within the Parking Units provided that the Developer has the consent of the Parking Owner whose Assigned Unit is being changed, and that the Project has enough parking stalls to meet the requirements of law and any Land Use Permits.

D. COST AND TIME FOR COMPLETION.

1) The Developer must pay all costs to design, develop, install and build the initial Improvements.

2) The Developer may decide to build the foundations of some or all of the buildings in advance of the time when it intends to finish building them. The Developer might do this so that construction of the foundations of those buildings (including excavation and driving any piles) will not disturb Owners and other Occupants of any completed parts of the Project or perhaps because the Developer will save money by doing so. As a result, construction of those buildings may stop after construction of the foundations and perhaps the first floor slabs of those buildings and certain related Improvements. The Developer makes no promise as to when construction of the remainder of those buildings

will resume and be completed. Until construction of those buildings is complete, the Developer will be solely responsible to pay all costs to maintain and repair the foundations and first floor slabs of the buildings. For safety and other reasons, the Developer intends to fence off, seal, or otherwise secure those Improvements. Each Owner and every other Interested Person: (i) agrees to stay out of those Improvements and any related fenced areas until the construction of them is finished and the County of Maui has issued a certificate of occupancy, and to see that his or her Representatives, licensees and invitees also do so; (ii) accepts that such buildings may not be completed and that this may detract from the appearance of the Project; and (iii) gives up (in legal terms, "waives") any rights, claims or actions he or she may have arising from or with respect to these things, as against the Developer and its Representatives, and each of their respective successors and assigns.

3) Except as provided in Section 1.1D.2) of this Exhibit H, (i) the Developer must complete each building and its related Improvements within forty-eight (48) months after it starts constructing it, and (ii) the Developer must finish building any other Improvements within a reasonable time after it starts constructing them. In either case, if there is a delay for reasons beyond the reasonable control of the Developer or its contractors, the construction must be completed in the additional time reasonably needed to finish it by working on it diligently. Nothing in this paragraph negates any contractual obligation of the Developer to complete construction of a particular Unit or other portion of the Project in a shorter period as provided in the Owner's purchase contract.

E. EXPENSES. The Developer must repair any damage to the Common Areas caused by its construction contractors.

F. INSURANCE. The Developer must arrange and pay for builder's risk insurance. The insurance must stay in effect during the entire course of the construction. Subject to Section 1.1D.2) of this Exhibit H, the insurance must cover at least 100% of the estimated remaining cost of construction. The insurance policy must name the Community Association and the Managing Agent as additional insureds (persons protected by the insurance). The Developer must deposit evidence of the insurance with the Board and the Managing Agent.

G. ENCUMBRANCE OF INTERESTS. The Developer can mortgage or assign its Project Ownership Interests as security for a loan. It may do this even before construction of the Improvements containing the Assigned Unit is complete. This might happen, for example, if the Developer borrows money to pay the cost of building some of the Improvements. The Developer cannot mortgage any Project Ownership Interest that it

does not own. Likewise, the Developer cannot put any other encumbrance on any Project Ownership Interest that it does not own unless this Declaration permits it. For an example of express permission, see the Developer's Reserved Rights to grant easements under Section 7.4.

1.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 1.1, the Developer's Reserved Rights in this Section 1 of this Exhibit H include the right to do anything necessary or convenient to design, develop, install, build, add, and complete Improvements on the Land. For example, the Developer has these rights:

A. It can develop, install, construct and complete Improvements on the Project.

B. It can remove, change or add Common Areas.

C. It can build and install Improvements that the Developer intends to designate as Units or Limited Common Areas pursuant to Section 4.

D. It can change, add, or remove parking stalls subject to the requirements of Section 1.1C.6) of this Exhibit H.

E. It can connect the new Improvements to utilities of the Project.

F. It can build a fence around the construction area. If it does this, it will have the exclusive use and control of the area enclosed by the fence. This includes the right to make all Owners stay out of that area until the construction is finished and the County of Maui has issued a certificate of occupancy.

G. It has the exclusive right to do anything necessary or convenient to control, manage, arrange, and/or conduct the design, development, construction, installation, addition, and completion of Improvements on the Land. It will still have this right even after it deeds Project Ownership Interests to others. This right includes, for example, the right to do each of the following things:

1) It has the right to obtain all permits, licenses, and approvals necessary or convenient to the development, construction, installation, completion, and/or operation and use of the Project.

2) It also has the right to coordinate the work and activities of the contractors, subcontractors, architects, engineers, laborers, suppliers, and others to complete the Project in accordance with the Developer's objectives on time, costs and quality.

3) It has the right to exercise all rights and make all decisions of the "owner" or the "developer" or

similar contracting party with respect to all contracts now or later made in connection with the development, installation, and construction of the Improvements. This includes, for example, the following contracts:

- Any contract for architectural or engineering services.
- Any contract for landscape architectural services.
- Any contract for soils engineering services.
- Any contract for site work.
- The construction contract.
- The builder's risk insurance policy.
- Any performance and payment bond and any completion bond; provided that if the Community Association is named as an additional obligee on the bond, then the Developer may not do anything that adversely affects the Community Association's rights under the bond in a material way.
- All subcontracts and materials and equipment supplies contracts and subcontracts related to the construction and development of the Project.
- Any construction management contract.
- All other contracts to furnish labor, materials and/or services in connection with the development, installation, and construction of the Improvements.

The Developer has, among other rights, all rights and the authority to make all decisions with respect to litigation and arbitration of claims arising under or in connection with any of these contracts and the compromise of any disputes arising under any of them.

4) The Developer also has the right to review and approve necessary or desirable changes and requests for changes and change orders with respect to the Improvements.

5) It also has the right to file the notice of substantial completion under Chapter 507, Part II, H.R.S.

6) It has the right to seek and obtain temporary and/or permanent certificates of occupancy from the appropriate authorities of the County of Maui.

7) It has the right to approve and direct the replacement of any Improvements that are under construction and that are damaged by fire or something else. This includes the right to settle any insurance claims

made under any insurance policy that the Developer buys or arranges.

H. The Developer can also amend the Project Documents and/or Project Plan as necessary or convenient to describe the Improvements.

I. The Developer has the right to amend any recorded deed or other document conveying or encumbering a Project Ownership Interest so that it conforms to the revised Project Documents. It can also record a new deed or conveyance document for that purpose.

J. The Developer has the right to use any of the other Developer's Reserved Rights as may be necessary or convenient to design, develop, install, build, add, and complete the Improvements of the Project. For example, the Developer may do these things:

- It may come onto the Project and authorize others to do so using its rights under Section 7.1H.
- It may make noise, dust, and so on using its rights under Section 7.2.
- It may use its rights to deal with easements under Section 7.4.
- It may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 25.3.

1.3 DEVELOPER'S RESERVED RIGHT TO ACT AS PROXY HOLDER. Each Owner and every other Interested

Person, by acquiring any interest based on the Improvements in a given phase of the Project, gives the Developer a special power of attorney and a proxy to receive notice of and attend any and all meetings of the Community Association, and any continuation or adjournment of them, and to vote and otherwise act on behalf of the Owner at the meetings, in the same manner and to the same extent and with the same effect as if the Owner was personally present and doing the same things. This special power of attorney and proxy may be exercised by the Developer on behalf of any given Owner only if the Owner is not present, in person or by proxy. The Developer has "*full power of substitution.*" This means that the Developer may let someone else act in its place as a substitute attorney-in-fact and proxy holder. This power of attorney and proxy relate only to issues arising with respect to any uncompleted Buildings and Improvements, and will remain in effect only until 45 days after the "date of completion" (as that term is defined in Section 507-43(f), Hawai'i Revised Statutes) of the Building or Improvement. The Owner cannot revoke the power of attorney or the proxy before then.

1.4 OWNERS' OBLIGATIONS. During the construction period, each Owner must: (1) remain outside of any fenced construction area; (2) not directly or indirectly do or attempt to do anything that would or could affect or interfere with the design, development, installation, construction, and completion of the Improvements in the manner determined by the Developer in its sole, absolute and unfettered discretion.

END OF EXHIBIT "H"

EXHIBIT "I"

MANNER OF DETERMINING FAIR SHARE OF PROJECT EXPENSES

The Fair Share of the Project Expenses for each Project Ownership Interest will be equal to the sum of each of the amounts to be charged that particular Project Ownership Interest as follows:

A. All Project Ownership Interests for which Assessments have begun under Section 11.3 must pay a share of the General Common Expenses. The share for each Project Ownership Interest is equal to the total amount of the General Common Expenses multiplied by the following fraction:

$$\frac{\text{The Ownership Share of that Project Ownership Interest}}{\text{The Sum of the Ownership Shares}} \\ \text{For All Project Ownership Interests for Which} \\ \text{Assessments Have Begun under Section 11.3}$$

B. All Resort Ownership Interests for which Assessments have begun under Section 11.3 must pay a share of the Resort Limited Common Expenses and the Shared Area Expenses. The share for each Resort Ownership Interest is equal to the total amount of the Resort Limited Common Expenses and Shared Area Expenses multiplied by the following fraction:

$$\frac{\text{The Ownership Share of that Resort Ownership Interest}}{\text{The Sum of the Ownership Shares}} \\ \text{For All Resort Ownership Interests for Which} \\ \text{Assessments Have Begun under Section 11.3}$$

C. All Commercial Ownership Interests for which Assessments have begun under Section 11.3 and whose Assigned Unit is located in Building 4 must pay a share of the Commercial Limited Common Expenses. The share for each such Commercial Ownership Interest is equal to the total amount of the Commercial Limited Common Expenses multiplied by the following fraction:

$$\frac{\text{The Ownership Share of that Commercial Ownership Interest}}{\text{The Sum of the Ownership Shares}} \\ \text{For All Commercial Ownership Interests} \\ \text{Whose Assigned Unit is in Building 4 and} \\ \text{For Which Assessments Have Begun under Section 11.3}$$

D. If any Limited Common Area (other than the Resort Limited Common Areas or the Commercial Limited Common Areas) is appurtenant to an individual Project Ownership Interest for which Assessments have begun under Section 11.3, then the Owner of the Project Ownership Interest to which that Limited Common Area is appurtenant must pay the Limited Common Expenses of that Limited Common Area. If a Limited Common Area (other than the Resort Limited Common Areas or the Commercial Limited Common Areas) is appurtenant to more than one Project Ownership Interest for which Assessments have begun under Section 11.3, then each such Project Ownership Interest must pay a share of the Limited Common Expenses. The share for each such Project Ownership Interest is equal to the total amount of the Limited Common Expenses of that Limited Common Area multiplied by the following fraction:

$$\frac{\text{The Ownership Share of that Project Ownership Interest}}{\text{The Sum of the Ownership Shares}} \\ \text{For All Project Ownership Interests to Which} \\ \text{That Limited Common Area is Appurtenant and} \\ \text{For Which Assessments Have Begun under Section 11.3}$$

E. All Vacation Ownership Interests for which Assessments have begun under Section 11.3 must pay a share of the Vacation Unit Expenses. The share for each Vacation Ownership Interest is equal to the total amount of the Vacation Unit Expenses multiplied by the following fraction:

The Ownership Share of that Vacation Ownership Interest
The Sum of the Ownership Shares
For All Vacation Ownership Interests for Which
Assessments Have Begun under Section 11.3

F. All Commercial Ownership Interests for which Assessments have begun under Section 11.3 must pay the Commercial Unit Expenses for the Owner's Assigned Unit.

G. All Parking Ownership Interests for which Assessments have begun under Section 11.3 must pay the Parking Unit Expenses for the Owner's Assigned Unit.

H. All Lodging Ownership Interests for which Assessments have begun under Section 11.3 must pay the Lodging Unit Expenses for the Owner's Assigned Unit.

I. In addition to the foregoing amounts, the Fair Share for a Biennial Vacation Ownership Interest may include a yearly service or bookkeeping fee in an amount set by the Board from time to time.

J. Special Rules for Utilities.

(1) The cost of utilities to the Commercial Units and/or the Limited Common Areas of the corresponding Commercial Ownership Interests may be separately metered and/or the Board may authorize the installation of sub-meters or check meters to determine the actual use of utilities by certain or each of the Commercial Units and/or the corresponding Limited Common Areas. In either such event, (i) the cost of such utility service will be added to the Assessment for Project Expenses for the corresponding Commercial Ownership Interests, and (ii) the Assessments charged to each such Commercial Ownership Interest will be adjusted as necessary to avoid any duplication of charges for such utilities. If the cost of a utility service is to be allocated to more than one Commercial Ownership Interest and the use by each such Commercial Unit or its Limited Common Areas is not individually and separately metered or check metered, then the Board will fairly and equitably allocate the cost among the affected Commercial Ownership Interests based upon estimated consumption and cost of utilities.

(2) The cost of utilities to the Parking Units and/or the Limited Common Areas of the corresponding Parking Ownership Interests may be separately metered and/or the Board may authorize the installation of sub-meters or check meters to determine the actual use of utilities by certain or each of the Parking Units and/or the corresponding Limited Common Areas. In either such event, (i) the cost of such utility service will be added to the Assessment for Project Expenses for the corresponding Parking Ownership Interests, and (ii) the Assessments charged to each such Parking Ownership Interest will be adjusted as necessary to avoid any duplication of charges for such utilities. If the cost of a utility service is to be allocated to more than one Parking Ownership Interest and the use by each such Parking Unit or the corresponding Limited Common Areas is not individually and separately metered or check metered, then the Board will fairly and equitably allocate the cost among the affected Parking Ownership Interests based upon estimated consumption and cost of utilities.

K. Special Rule for Parking Units. With the exception of the retention basin located beneath Parking Unit 2, most structural components of the parking structures fall within the boundaries of the Parking Units. These include things like the floors, ceilings, exterior and interior walls of the parking structures, the stairways, elevators and elevator machine rooms of the parking structures, the roofs of the parking structures, various load-bearing walls and columns, the foundation of the parking structure containing Parking Unit 1, and various other structural components of the parking structures. Upon request by the Owner of a Parking Unit, and if the Developer provides its written consent, the Board will adjust the Budget as necessary to fairly and equitably allocate the costs and expenses (including reserves) of any structural components of Buildings 1 – 8 solely to the Interests having Units located within such Buildings. In such event, the Parking Owners will have no obligation to pay the costs and expenses of the structural components of Buildings 1 – 8 as part of their Assessments, but will continue to have the obligation to pay the costs and expenses of the structural components of the parking structures located within the boundaries of their respective Parking Units as part of the Assessments for their respective Parking Units.

END OF EXHIBIT "I"

EXHIBIT "J"

LIMITED SUBSIDY AGREEMENT

THIS AGREEMENT, made this _____ day of _____ 20___, by and between the NANEA OCEAN RESORT COMMUNITY ASSOCIATION, INC., a Hawaii non-profit corporation (the "Community Association"), and SVO PACIFIC, INC., a Florida corporation (the "Developer").

BACKGROUND

A. The Developer is the developer of Nanea Ocean Resort, a master planned community located at 45 Kai Malina Parkway, Lahaina, Maui, Hawaii 96761 (the "Project").

B. The Project is governed by certain legal documents, called the "Project Documents," as follows:

- The Nanea Ocean Resort Declaration of Covenants, Conditions, Easements and Restrictions dated _____, 20___, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. _____ (herein with any amendments called the "Declaration").
- The Articles of Incorporation of the Community Association (herein with any amendments called the "Articles").
- The Bylaws of the Community Association (herein with any amendments called the "Bylaws").
- Any other rules and regulations adopted pursuant to the Declaration (herein with any amendments called the "Community Association Rules").

Except as otherwise expressly provided in this Agreement, terms defined in the Project Documents have the same meaning in this Agreement.

C. The Project Documents provide a plan for sharing the ownership and use of the Project and for sharing the costs and expenses of owning and maintaining the Project, and operating the Project and the Community Association.

D. Under the Project Documents, each Owner of each Project Ownership Interest must pay a share of the Project Expenses.

E. The Developer must pay the share of Project Expenses for each Project Ownership Interest while the Developer is the Owner of it. Instead of doing so, however, the Developer may enter into a "Subsidy Contract" with the Community Association in which the Developer agrees to pay to the Community Association the difference between the actual expenses incurred by the Community Association and the Assessments collected from the other Owners.

F. This Agreement is a Subsidy Contract as that term is defined in the Project Documents. It is intended to set forth in greater detail the manner and extent to which the Developer will be responsible to pay to the Community Association the difference between the actual expenses incurred by the Community Association and the Assessments collected from the other Owners.

TERMS AND CONDITIONS

1. Additional Definitions.

For the purposes of this Agreement, the following terms shall have the following meanings:

1.1 "Actual Costs" means, for any given Fiscal Year, the total amount of the Project Expenses actually incurred and that must be paid by the Community Association during that Fiscal Year. For purposes of this Agreement:

A. Reserve Expenses will be included in the Actual Costs for that Fiscal Year; and

B. Actual Costs will not include the amount of any Special Assessments approved by the Board and, if necessary, the Owners, for capital expenditures, insurance policy deductibles, underinsured losses, or uninsured losses. Actual Costs also will not include any increase in the Project Expenses resulting from (i) any new category of imposition that comes into effect after the date of this Agreement which is levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in the real property taxes.

1.2 "Assessments Collected" means, for any given Fiscal Year, the cumulative total amount of (i) all Regular Assessments paid to the Community Association by Owners other than the Developer, and (ii) all other amounts paid to the Community Association by anyone other than the Developer.

1.3 "Fiscal Year" means a Fiscal Year as that term is defined in the Project Documents; provided that if this Agreement terminates prior to the end of a full Fiscal Year, then "Fiscal Year" shall mean the period from the beginning of that Fiscal Year until the date of termination of this Agreement, pro-rated daily.

1.4 "Reserve Expenses" means those amounts which, under the Community Association's Budget for any given Fiscal Year, are to be deposited in the Community Association's Reserve Accounts in that Fiscal Year. Notwithstanding the foregoing, Reserve Expenses shall not include any expense set forth in the Budget which is not actually incurred by Community Association. For example, if the Project is intended to include eight buildings, but only two buildings are constructed and have a roof at the beginning of a Fiscal Year, Reserve Expenses would include reserves for replacements for the roofs for the two constructed buildings which accrue between the Commencement Date and the end of such Fiscal Year, and not for the six unbuilt buildings that do not have a roof, notwithstanding the provision in the Budget for reserves for roofs for all eight buildings. In the foregoing example, Reserve Expenses would include reserves for the entire Fiscal Year for all other depreciable items which are subject to maintenance and replacement by the Community Association.

1.5 "Subsidy Amount" means, for any given Fiscal Year, the difference between the Actual Costs and the Assessments Collected.

2. Payment by Developer of Subsidy Amount. The Developer agrees to pay the Subsidy Amount to the Community Association upon the following terms and conditions:

2.1. The Developer shall make the first payment of the Subsidy Amount (excluding any portion of the Subsidy Amount for Reserve Expenses) within forty-five (45) days after the end of the calendar quarter during which the Commencement Date occurs. Such payment shall include the portion of the Subsidy Amount (other than Reserve Expenses) due with respect to the period between the Commencement Date and the last day of the calendar quarter in which the Commencement Date occurs.

2.2. The Developer shall make subsequent payments of the Subsidy Amount (excluding any portion of the Subsidy Amount for Reserve Expenses) within forty-five (45) days after the end of each calendar quarter. Each such payment shall include the portion of the Subsidy Amount (other than Reserve Expenses) due with respect to the preceding calendar quarter.

2.3. On or before the last business day of the Fiscal Year, the Developer shall pay the portion of the Subsidy Amount payable for Reserve Expenses. Nothing in this Agreement shall entitle the Developer to pay, for each Project Ownership Interest that it owns, less than a Fair Share of the Reserve Expenses for the applicable Fiscal Year.

2.4. Within forty-five (45) days after the end of each Fiscal Year, the Community Association shall reimburse Developer for the amount, if any, by which the total of all sums paid by Developer to the Community Association during that Fiscal Year as and for the Subsidy Amount exceeds the cumulative total amount of all Assessments which would otherwise have been payable by Developer for such Fiscal Year in the absence of this Agreement with respect to the Project Ownership Interests owned by Developer.

3. Assignment. The Community Association hereby assigns to Developer each and every right of the Community Association to pursue any of its remedies against a delinquent Owner (other than the Developer) whose delinquent Assessments or Personal Charges are paid by the Developer. The Community Association shall execute such further documentation as Developer shall reasonably request from time to time to perfect this assignment and/or to enforce such remedies as necessary or useful to recover the amount paid by the Developer plus costs, legal fees and costs, and other costs of collection.

4. Term. The term of this Agreement shall commence on _____ (the "Commencement Date") and shall terminate on _____; provided that, the term of this Agreement shall be automatically renewed for a one-year period unless either party provides 30 days' prior written notice of its intention to terminate this Agreement. Termination of this Agreement shall not prevent the Developer from requiring that the Community Association enter into a new Subsidy Contract pursuant to the terms of the Project Documents.

5. Bond. In the event that the Project is registered for sale in California, then the Developer shall furnish to the Community Association a surety bond ("Bond") in an amount sufficient to secure the Developer's obligations to pay the Subsidy Amount. The Developer and the Community Association agree that the Bond shall be delivered to First American Title Company pursuant to the terms and provisions contained in the escrow instructions (the "Instructions") substantially in the form of Exhibit "A" attached hereto and made a part hereof.

6. Effect of Limited Subsidy Agreement Upon Developer's Assessment Obligations. Provided that the Developer is not in default in the performance of any of its obligations hereunder, the Developer shall not be required to pay to the Community Association the Assessments attributable to Project Ownership Interests owned by the Developer pursuant to the terms and provisions of the Project Documents. In the event that the Developer shall default in the performance of any of its obligations hereunder and such default shall not have been cured within 30 days after notice of default is given to the Developer by the Community Association, (a) the Developer's obligations to pay to the Community Association the Regular Assessments attributable to the Project Ownership Interests owned by Developer shall resume, (b) Developer's default hereunder shall be deemed a default in the payment of Assessments under Declaration, which default shall be deemed to have occurred on the date of expiration of the grace period set forth herein or any longer grace period allowed by the Board, and (c) the Community Association shall have the right to exercise each and all of the rights and remedies set forth herein and in the Declaration with respect to the non-payment of the Regular Assessments by the Developer as the Owner of Project Ownership Interests, and as provided under the Bonds; provided, however, that notwithstanding the Developer's failure to cure any default hereunder within the time period specified, the Developer shall have the right thereafter to cure such default, and upon so doing, the Developer may notify the Community Association of the Developer's intention thereafter to comply with the terms of this Agreement and, if necessary, to reinstate the Bonds, in which case all of the rights, duties and obligations of the Developer and the Community Association hereunder shall continue unabated and any Regular Assessments paid by the Developer shall be treated as having been paid with respect to Developer's obligations under this Agreement.

7. Miscellaneous.

7.1 Notices. Delivery of all notices described in this Agreement shall be made by overnight or same-day commercial delivery service or by United States mail, certified or registered, postage prepaid. All such notices shall be deemed delivered, given and received: (a) the day of sending via same-day commercial delivery service; (b) the following business day after sending via overnight commercial delivery service; or (c) three (3) calendar days after deposit in the United States mail. All such notices shall be addressed as follows:

If to the Community Association:

Nanea Ocean Resort Community Association, Inc.
45 Kai Malina Parkway
Lahaina, Maui Hawaii 96761
Attn: President

If to the Developer:

SVO Pacific, Inc.
9002 San Marco Court
Orlando, Florida 32819
Attn: Robin Suarez, Vice President

The addresses and addressees for the purpose of this paragraph may be changed by giving notice of such change in the manner herein provided for giving notice. Unless and until such notice is received, the last address and addressee stated by notice, or as provided herein if no notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

7.2 Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of such provision or of any other provisions hereof.

7.3 Merger. All understandings and agreements heretofore had between the parties respecting the subsidization contemplated by this Agreement are merged by this Agreement and the exhibits attached hereto, all of which fully and completely express the agreement of the parties. There are no agreements except as specifically set forth in this Agreement or to be set forth in the instruments or other documents delivered or to be delivered hereunder.

7.4 Amendments.

A. Except as provided in Sections 2.2C. and 7.1, above, no change in or addition to, or waiver or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of each of the parties hereto.

B. The parties agree to change this Agreement as requested by the Developer at any time and from time to time:

1. To comply with the laws and regulations of the State of Hawaii or any political subdivision thereof;

2. To comply with the laws of any place (for example, the State of New York) or the requirements of any governmental agency (such as the California Bureau of Real Estate) in connection with the registration of the Project to permit the sale of Project Ownership Interests there.

C. The Developer must give written notice of any amendment (and a copy of the amendment) made pursuant to Subparagraphs 7.4B.2 or 7.4B.3. to each governmental authority having authority over the Project as a result of the registration of the Project with that governmental authority.

7.5 Paragraph Headings. The paragraph headings herein contained are for the purposes of identification only and shall not be considered in construing this Agreement.

7.6 Successors and Assigns. All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and each of their respective successors and assigns.

7.7 Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality shall not affect the validity of the remainder of this Agreement.

7.8 Delivery of Limited Subsidy Agreement and Instructions. The Developer shall furnish to the Community Association an executed copy of this Agreement and the Instructions along with a copy of the Bond no later than ten (10) days after the Commencement Date.

7.9 Regulations and Laws. Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and whenever there is a conflict between any provision of this Agreement and any

statute, law, ordinance, or regulation (whether now existing or adopted after the date hereof) contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law. This Agreement shall be construed and governed by the laws of the State of Hawaii. Any action to interpret or enforce this Agreement shall be commenced and conducted in Honolulu, Hawaii.

7.10 Counterparts. This Agreement and the Instructions may be executed in counterparts, and all counterparts together shall be construed as one document.

IN WITNESS WHEREOF, the parties hereto have executed this Limited Subsidy Agreement as of the date first above written.

“COMMUNITY ASSOCIATION”

“DEVELOPER”

NANEA OCEAN RESORT COMMUNITY
ASSOCIATION, INC.,
a Hawaii non-profit corporation

SVO PACIFIC, INC.
a Florida corporation

By: _____
Its _____

By: _____
Its _____

END OF EXHIBIT “J”

EXHIBIT "K"

RETURN BY MAIL () PICK-UP () TO:

This document contains
___ pages

TMK No. (4) 4-4-14-05

ID No.(s): _____

SPECIAL POWER OF ATTORNEY

By signing below, you appoint _____, with its principal place of business and post office address at _____ (the "Developer"), as your true and lawful attorney-in-fact to do any and all acts and things that the Developer deems necessary or convenient to the exercise by the Developer of the Developer's Reserved Rights under the Project Documents and/or Vacation Plan Documents. Any capitalized terms not defined in this Special Power of Attorney will have the meaning given to them in the Project Declaration

1. DEFINITIONS. In this document, the following terms have these special meanings:

A. "Record," "Recorded," and "Recording" refer to recording in the Bureau of Conveyances of the State of Hawaii. All document numbers are Bureau of Conveyances document numbers unless otherwise stated.

B. "Project" means Nanea Ocean Resort. It is located at 45 Kai Malina Parkway, Lahaina, Hawai'i 96761 and consists of the Land identified by the Tax Map Key Nos. listed above and more particularly described in the Project Declaration referred to below, the improvements on that land, and all related rights and interests.

C. "Project Documents" means the following documents and all changes and additional properly made to any of them from time to time: (1) the "Nanea Ocean Resort Declaration of Covenants, Conditions, Easements and Restrictions" recorded as Document No. _____ (the "Project Declaration"); (2) the Articles of Incorporation of the Nanea Ocean Resort Community Association, Inc., a Hawaii nonprofit corporation; (3) the Bylaws of the Nanea Ocean Resort Community Association, Inc.; and (4) any rules and regulations of the Nanea Ocean Villas. The description of the "Land" contained in the Project Declaration, as it may be amended from time to time, is hereby made a part of this document.

D. "Vacation Ownership Plan" or "Plan" means the time share plan created by and existing under the Vacation Plan Document.

E. "Vacation Plan Documents" means the legal documents used to establish the Project and all changes and additional properly made to any of them from time to time. They are likely to include: (1) a "Declaration of Covenants, Conditions,

Easement and Restrictions for Vacation Ownership Plan” (the “Vacation Plan Declaration”); (2) the Article of Incorporation of the Vacation Owners Association; (3) the Bylaws of the Association of the Vacation Owners Association (“Vacation Owners Association Bylaws”); and (4) any Rules and Regulations adopted by the Vacation Owners Association from time to time.

F. “Developer’s Reserved Rights” means the rights and interests described as the “Developer’s Reserved Rights” in (i) the Project Documents, and (ii) the Vacation Plan Documents. Those definitions are made a part of this power of attorney.

2. DESCRIPTION OF DEVELOPER’S RESERVED RIGHTS.

A. Rights Reserved under the Project Documents. The term “Developer’s Reserved Rights” is defined in the Project Declaration. That description is made a part of this Power of Attorney. With respect to the Project Developer’s Reserved Rights are set forth in the Project Documents. For example, under the Project Documents, Developer has reserved the right to do, among other things, the following: (1) to annex into the Project any Adjacent Parcel and any Improvements on the Adjacent Parcel (Section 19); (2) to subdivide the Land of the Project and/or to consolidate the Land of the Project with any Adjacent Parcel (Section 20); (3) to withdraw and delete from the Project all or any part of the Possible Deletion Areas (Section 21); (4) to change the Units, the General Common Areas, the Limited Common Areas and/or to amend the Project Documents as required to comply with any laws that apply to the Project or to the Community Association, the Vacation Owners Association, any Fractional Owners Association or the Developer (Section 22); (5) to do all things necessary or convenient to satisfy the requirements of the Project’s Land Use Permits, and any zoning or other land use requirements that apply to the Project (Section 23); (6) to establish a condominium with respect to all or any portion of the Project (Section 24); (7) to recalculate the Ownership Share for the Project Ownership Interests (Section 26); (8) the right to change the name of the Project and/or the Community Association (Section 29.1D); (9) the right to use any Unit appurtenant to any Interest that it owns for promotional purposes or in connection with the initial sale and/or any resale or other conveyance of Project Ownership Interests, Vacation Interests, Fractional Interests, and/or condominium units developed, marketed, offered or sold by the Developer or a related company (Section 6.9); (10) to convert Lodging Units to Vacation Units (Section 17); and (11) to convert Vacation Units to Lodging Units (Section 17). Note: Developer’s Reserved Rights may include rights not listed above and some of the Developer’s Reserved Rights may be used more than once.

B. Rights Reserved for Addition and Completion of Improvements. No matter what else the Project Documents say, the Developer’s Reserved Rights include the exclusive right to control, manage, arrange and/or conduct the design, development, construction, installation, addition, and completion of the Improvements on the Land even after it deeds Project Ownership Interests or Vacation Ownership Interests to others. The Developer’s Reserved Rights associated with this exclusive right include, but are not limited to, the right: (1) to, use, relocate and/or realign existing, and/or to develop additional central and appurtenant installations for electricity, hot and cold water, air conditioning, cogeneration plant, and other utilities and services; (2) to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Areas as necessary or desirable in connection therewith; (3) to change or demolish all or any part of an existing Developer Unit or if no other Owner has that Unit as his or her Assigned Unit; (4) to change or demolish all or any part of an existing Limited Common Area of any Project Ownership Interest owned by the Developer; (5) to change, add or remove any roads, driveways, parking areas (other than the parking areas located within the Parking Units), and the like; (6) to relocate or replace any utility buildings and installations and the like; (7) to remove or change parking stalls located within the Parking Units provided that the Developer has the consent of the Parking Owner whose Assigned Unit is being changed, and that the Project has enough parking stalls to meet the requirements of law and any Land Use Permits; (8) to do anything necessary or convenient to design, develop, install, build, add, and complete Improvements on the Land; (9) to do anything necessary or convenient to control, manage, arrange, and/or conduct the design, development, construction, installation, addition, and completion of Improvements on the Land; (10) to construct a fence around the construction area, and to have exclusive possession of the construction area, and to exclude all owners and other persons from it until the construction is finished and the County of Maui issues a certificate of occupancy; (11) to coordinate the work and activities of the contractors, subcontractors, architects, engineers, laborers, suppliers, and others to complete the Project in accordance with the Developer’s objectives on time, costs and quality; (12) to exercise all rights and make all decisions of the “owner” or the “developer” or similar contracting party with respect to all contracts now or later made in connection with the development, installation, and construction of the Improvements; (13) to review and approve necessary or desirable changes and requests for changes and change orders with respect to the Improvements; (14) to file the notice of substantial completion under Chapter 507, Part II, H.R.S.; (15) to seek and obtain temporary and/or permanent certificates of occupancy from the appropriate authorities of the County of Maui; (16) to approve and direct the replacement of any Improvements that are under construction and that are damaged by fire or something else; (17) to amend the Project

Documents and/or Project Plan as necessary or convenient to describe the Improvements; (18) to amend any recorded deed or other document conveying or encumbering a Project Ownership Interest so that it conforms to the revised Project Documents; (19) to record a new deed or conveyance document so that it conforms to the revised Project Documents; (20) to use any of the other Developer's Reserved Rights as may be necessary or convenient to design, develop, install, build, add, and complete the Improvements of the Project; (21) to make noise, dust, and so on using its rights under Section 7.2 of the Project Declaration; (22) to deal with easements under Section 7.4 of the Project Declaration; and (23) to sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 25.3 of the Project Declaration (Ex. H). Note: Developer's Reserved Rights may include rights not listed above and some of the Developer's Reserved Rights may be used more than once.

C. Rights Reserved under the Vacation Plan Documents. The term "Developer's Reserved Rights" is defined in the Vacation Plan Declaration. That description is made a part of this Power of Attorney. For example, under the Vacation Plan Documents, the Developer has reserved the right to do, among other things, the following: (1) to add more Units to the Vacation Ownership Plan at any time and without the consent of any Owner or anyone else (Sec. 18.1); (2) to identify new Villa Types in the Declaration of Annexation for Project Ownership Interests being added to the Vacation Ownership Plan (Sec. 3.3); (3) to remove Villas from the Plan (Sec. 18.4); (4) to amend the Vacation Plan Documents (Sec. 19.1); (5) to change the name of the Plan and/or the Association at any time (Sec. 19.1C); (6) to change the Villa Type of a Unit, or the number of Points assigned to the Villa, to correct an error in this Declaration or in a Declaration of Annexation (Sec. 4.6); (7) to change the Villa Type of a Villa, or the number of Points assigned to the Villa: (i) if it is required to do so by a governmental agency or a court order, or (ii) in order to comply with the law of Hawai'i, or (iii) to comply with the laws of any other place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of the Project or the Plan to permit the sale of Vacation Ownership Interests there (Sec. 4.6); (8) to record a document reflecting any change or cancellation of Identification Numbers for Vacation Ownership Interests deeded back to the Developer (Sec. 5.10A); (9) to correct a mistake in a First Deed by recording a new First Deed for that Vacation Ownership Interest (Sec. 5.10C); (10) to solicit Owners and Occupants staying in the Villas (Sec. 8.8); (11) to place signs and other marketing materials at the front desk or in any parts of the Project under the control of the Association or the Plan Manager (Sec. 8.8); (12) to use one channel of any cable television or similar system for distributing television signals to the Villas for the purpose of running television commercials and advertising programs on a periodic or continuous basis provided that the Developer pays all costs of doing so (Sec. 8.8); and (13) to leave messages on the voice mail for the Villas without being charged for this (Sec. 8.8). Note: Developer's Reserved Rights may include rights not listed above and some of the Developer's Reserved Rights may be used more than once.

3. LIMITATIONS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights are limited in the Project Documents, the Vacation Plan Documents, and this power of attorney is subject to the same limits. .

4. TRANSFER OF RESERVED RIGHTS. The Developer may transfer its rights as the "Developer" under the Project Documents and/or the Vacation Plan Documents. If so, you: (i) agree and consent to the transfer of the special rights of the "Developer", and (ii) agree to recognize the person to whom the rights are transferred as a "Developer" to the extent provided in the recorded document transferring those rights; and (iii) agree to recognize such person as the "Developer" under this power of attorney.

5. NATURE OF THE POWER OF ATTORNEY.

You give and grant to the Developer full power, authority and discretion to do and perform any and all acts and things whatsoever that the Developer alone may deem necessary or convenient in connection with the exercise of the Developer's Reserved Rights, all as fully for all intents and purposes as you might or could do if your were personally present. You here and now approve, ratify and confirm all that the Developer lawfully does or causes to be done using this power of attorney.

Without limiting the general description of the Developer's powers and authority, you expressly give the Developer full power to sign, deliver and record all documents that the Developer deems necessary or convenient to the exercise of the Developer's Reserved Rights. This includes but is not limited to signing and recording one or more amendments to the Project Documents and/or any Vacation Plan Documents, or to any deed. It also includes signing and recording documents that designate, grant, lease, convey, transfer, cancel, relocate or otherwise deal with any easements over, under, across or through the Common Areas of the Project, or that transfer, cancel, relocate and otherwise deal with any easement

or license in favor of the Project or the Land. It also includes adding a property description to this document and making other changes to this power of attorney if necessary or convenient to have it recorded.

This power of attorney will be effective when you sign it. It is coupled with an interest and cannot be revoked. It will not be affected by your disability. If more than one person signs as "you", it will not be affected by the disability of any or all of them. You give the Developer "full power of substitution." This means that the Developer may substitute someone else for the Developer as your attorney-in-fact.

By signing below, you agree to all of the things stated above.

"You"

STATE OF HAWAII)
) ss:
CITY AND COUNTY OF HONOLULU)

On this ___ day of _____, 20___, before me personally appeared _____, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

NOTARY CERTIFICATION: The foregoing in identified or described as Special Power of Attorney is dated _____, 20__ and contained ___ pages at the time of this acknowledgement/certification in First Circuit of the State of Hawai'i.

Name: _____
Notary Public, State of Hawai'i
My Commission expires: _____

Notary Out-of-State:

STATE OF _____)
) ss:
COUNTY OF _____)

On this ___ day of _____, 20___, before me personally appeared _____, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Name: _____
Notary Public, State of _____
My Commission expires: _____

END OF EXHIBIT "K"

Starwood Vacation Exchange Company Disclosure Guide

For Members of the Starwood Vacation Network

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION REGARDING THE EXCHANGE PROGRAM OWNED AND OPERATED BY STARWOOD VACATION EXCHANGE COMPANY IN ACCORDANCE WITH APPLICABLE LAW.

This does not constitute an offer to sell nor a solicitation of an offer to buy securities or any interest in real estate. For further information, please contact:

**STARWOOD VACATION EXCHANGE COMPANY
9002 San Marco Court
Orlando, Florida 32819**

I. Definitions

The capitalized terms used in this Disclosure Guide shall have the same meaning as the identical terms defined in the Starwood Vacation Network Rules and Regulations attached as Exhibit "A" unless the context otherwise requires.

II. Information about SVN Operator

The SVN Operator, Starwood Vacation Exchange Company, is a Delaware corporation with principal offices located at 9002 San Marco Court, Orlando, Florida 32819. The sole shareholder of SVN Operator is Starwood Hotels & Resorts Worldwide, Inc., a Maryland corporation ("Parent"). The officers and directors of SVN Operator are as listed on the attached Exhibit "B." SVN Operator has no legal or beneficial interest in any developer, seller, or managing entity for any vacation ownership plan participating in SVN. However, one or more of the developers, sellers, or managing entities for SVN Resorts may also be subsidiaries or affiliates of the Parent. None of the officers and directors of SVN Operator have any legal or beneficial interest in any developer, seller, or managing entity for any vacation ownership plan participating in SVN, although one or more of them may also be an officer or director of such entities and/or a stockholder of the Parent. SVN Operator and its shareholder, officers, and directors reserve the right to act as developers or sellers of vacation ownership plans and multisite vacation ownership plans for future resorts which plans may or may not be affiliated with SVN.

III. Membership in SVN

To use and enjoy benefits of membership in SVN, a purchaser of a Vacation Ownership Interest at an SVN Resort must be enrolled by SVN Operator, which will require the execution of an Owner Membership Agreement and the payment of any applicable fee, as determined by SVN Operator. The terms and conditions of such membership also may be set forth in the Resort Documents for that SVN Resort. Such SVN Member's decision to use SVN by reserving a Vacation Period at an SVN Resort, or otherwise using StarOptions after the expiration of the Home Resort Reservation Period is voluntary. For so long as such SVN Member remains an SVN Member, such SVN Member's ability to reserve use of the Vacation Period related to the SVN Member's VOI, or any other SVN accommodations, is subject to the SVN Rules. Membership in SVN automatically terminates if the SVN Member voluntarily or involuntarily transfers the SVN Member's VOI and owns no other VOI, or if the SVN Member's Home Resort ceases to be an SVN Resort. SVN Membership is not transferable.

IV. SVN Procedures and Obligations

The terms and conditions of the purchaser's contractual relationship with SVN Operator and the procedures for using the SVN exchange program are set forth in the SVN Rules attached to this Disclosure Guide as Exhibit "A."

The terms and conditions of this Disclosure Guide and the SVN Rules, including fees, benefits, and reservation procedures, are subject to change by SVN Operator without advance notice.

Among the changes in these SVN Rules is the addition of an Arbitration Provision.

PLEASE READ THE ARBITRATION PROVISION CAREFULLY. IT PROVIDES THAT EITHER PARTY CAN REQUIRE THAT CERTAIN DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, A DISPUTE IS RESOLVED BY A NEUTRAL ARBITRATOR INSTEAD OF A JUDGE OR JURY. ARBITRATION

PROCEDURES ARE SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT.

EXCEPT AS SET FORTH IN THE ARBITRATION PROVISION, THE TERMS AND CONDITIONS OF MEMBERSHIP IN SVN WILL BE GOVERNED EXCLUSIVELY BY THE LAWS OF THE STATE OF FLORIDA. ANY ACTION AT LAW OR IN EQUITY BY AN SVN MEMBER TO CHALLENGE OR ENFORCE THE TERMS AND CONDITIONS OF MEMBERSHIP IN SVN MUST BE SUBMITTED EXCLUSIVELY TO THE JURISDICTION OF THE COURTS OF ORANGE COUNTY, FLORIDA, AND BY MAINTAINING MEMBERSHIP WITH SVN, EACH SVN MEMBER CONSENTS TO THE PERSONAL JURISDICTION OF THOSE COURTS. IF AN ACTION AT LAW OR IN EQUITY IS INITIATED BY EITHER AN SVN MEMBER OR SVN OPERATOR, THE LOSING PARTY SHALL PAY ALL COSTS INCURRED BY THE PREVAILING PARTY IN DEFENDING SUCH ACTION, INCLUDING REASONABLE ATTORNEYS' FEES AND LEGAL COSTS.

Each SVN Member recognizes and acknowledges that:

1. SVN Operator does not sell, lease, or otherwise convey any interest in real property;
2. Because not all owners of vacation ownership interests in all SVN Resorts will become members of SVN, only a limited number of Vacation Periods at such SVN Resorts, if any, will be available from time to time for reservation by SVN Members. Consequently, purchasers should not rely on the status of a particular resort as an SVN Resort in determining whether to purchase a VOI in an SVN Resort;
3. SVN Resort accommodations and facilities vary by location and resort. In addition, VOI accommodations that have been reserved may differ in unit size, design, furnishing, or amenities from the VOI accommodations a particular SVN Member owns due to variations between resorts;
4. Fees, if any, incurred by an SVN Member for the use of amenities at a host SVN Resort are determined and collected by the host SVN Resort;
5. An SVN Member is responsible for payment of any personal expenses incurred while occupying a Unit received through a reservation confirmation, as well as for any damage, theft, or loss caused by the SVN Member or the SVN Member's guests;
6. If the Unit for which a reservation confirmation is provided becomes unavailable due to natural disaster, act of God, war, insurrection, or any other reason beyond SVN Operator's control, the SVN Member waives any and all claims against SVN Operator; and
7. SVN Operator is not liable for any claim or loss incurred in connection with participation in SVN or with respect to ownership of a VOI.

V. Fees

SVN Members will be required to pay all SVN Membership Fees charged against them in accordance with the SVN Documents and the Resort Documents for each SVN Member's respective Home Resort. SVN Members are charged SVN Membership Fees directly by SVN Operator or through the Managing Entity of the SVN Resort, depending on the terms and conditions pursuant to which the SVN Resort became affiliated with SVN. These fees are listed on the attached Exhibit "C." A Biennial VOI shall be subject to the yearly SVN Membership Fee every fiscal year, not just in alternate years. An SVN Member who uses SVN to make a reservation other than a reservation during the Home Resort Reservation Period shall be liable for any transaction fees charged by SVN Operator from time to time, as referenced in the SVN Fees Chart as may be amended by SVN Operator from time to time in its sole discretion. Use of StarOptions may be restricted by

SVN Operator if the SVN Member is not current in the payment of the SVN Member's Home Resort maintenance fees and taxes, all applicable SVN Membership Fees, or Vacation Ownership Interest mortgage or purchase money payments. SVN Operator also will require advance payment of estimated maintenance fees and taxes to the SVN Member's Home Resort Managing Entity and estimated SVN Membership Fees to SVN Operator before permitting use of StarOptions.

VI. SVN Resorts

SVN Members may make reservations in accordance with the SVN Documents for any SVN Resort that is affiliated with SVN from time to time by SVN Operator. The names and addresses of all SVN Resorts currently participating in SVN are as follows:

Resorts with 21-50 Units

<u>Name and Address</u>	<u>Number of Units</u>	<u>SVN Members</u>
Lakeside Terrace Condominium 340 Lake Street Avon, Colorado 81620	23	538
Village North Condominium 8700 Vistana Court Port St. Lucie, Florida 34986	42	1,198
Steamboat Villas Condominium 2200 Village Inn Court Steamboat Springs, Colorado 80477	21	316

Resorts with over 51 Units

<u>Name and Address</u>	<u>Number of Units</u>	<u>SVN Members</u>
Bella Florida Condominium 12401 International Drive Orlando, Florida 32821	340	20,525
Key West Condominium 12401 International Dr Orlando, Florida 32821	170	8,120
Amelia Resort Condominium 12401 International Drive Orlando, Florida 32821	155	6,278
St. Augustine Resort Condominium 12401 International Drive Orlando, Florida 32821	374	12,716
Bay Vista Condominium Great Cruz Bay St. John, U.S. Virgin Islands 00830	54	3,170
Coral Vista Vacation Ownership Plan Great Cruz Bay St. John, U.S. Virgin Islands 00830	54	2,114
Virgin Grand Villas- St. John Condominium Great Cruz Bay St. John, U.S. Virgin Islands 00830	92	4,238
Mountain Vista Condominium Benchmark Road and West Beaver Creek Boulevard Avon, Colorado	170	4,652
Riverfront Mountain Villas Condominium 218 Riverfront Lane Avon, Colorado 81620	68	2,270
Desert Willow Resort Condominium 39-500 Portola Avenue Palm Desert, California 92260	156	8,961

Mission Hills Villas 71777 Dinah Shore Drive Rancho Mirage, California 92270	158	9,351
Scottsdale Pinnacle Condominium 17700 N. Hayden Road Scottsdale, Arizona 86225	228	7,862
Scottsdale Sonoran Villas Condominium (Kierland Villas) 15620 North Clubgate Drive Phoenix, Arizona 85254	298	11,123
Broadway Palmetto Horizontal Property Regime 3301 Robert M. Grissom Parkway Myrtle Beach, South Carolina 29577	108	4,658
Broadway Plantation Horizontal Property Regime 3301 Robert M. Grissom Parkway Myrtle Beach, South Carolina 29577	312	11,655
Harborside Resort Condominium I Paradise Island Nassau, The Bahamas	64	5,849
Harborside Resort Condominium II Paradise Island Nassau, The Bahamas	228	10,597
Vistana's Beach Club Condominium 10740 South Highway A1A Jensen Beach, Florida 34957	76	2,080
Vistana Cascades Condominium 13800 State Road 535 Orlando, Florida 32821	426	15,466
Vistana Lakes Condominium 13800 State Road 535 Orlando, Florida 32821	216	6,019
Vistana Fountains Condominium 13800 State Road 535 Orlando, Florida 32821	234	4,870
Vistana Fountains II Condominium 13800 State Road 535 Orlando, Florida 32821	138	4,152
Vistana Falls Condominium 13800 State Road 535 Orlando, Florida 32821	112	2,072
Vistana Springs Condominium 13800 State Road 535 Orlando, Florida 32821	102	1,904
Vistana Spa Condominium 13800 State Road 535 Orlando, Florida 32821	248	5,065

Vistana Condominium 13800 State Road 535 Orlando, Florida 32821	98	1,365
Ocean Resort Villas Six Kai Ala Drive Lahaina, Maui Hawaii 96761	280	17,512
Ocean Resort Villas North 170 Kai Ala Drive Lahaina, Maui Hawaii 96761	258	17,367
Nanea Ocean Villas Vacation Ownership Plan 45 Kai Malina Pkwy. Lahaina, Maui, Hawaii 96761	190	-0-
<i>(Occupancy of Phase 1 will begin no sooner than August 2017)</i>		
Princeville Ocean Resort Villas 3838 Wyllie Road Princeville, Kauai, Hawaii 96722	179	12,185
The Lagunamar Ocean Resort 12.5 Boulevard-Zona Hotelera Cancun, Quintana Roo 77500 Mexico	592	23,317

As of December 31, 2014, there were 249,565 SVN Members enrolled in SVN. If required by applicable law, an independent audit of SVN operations will be performed and reported through the period ending December 31st each year. The SVN Operator calculates the number of SVN Members based on the number of VOIs enrolled in SVN at each SVN Resort.

For the calendar year ending December 31, 2014, the percentage of confirmed exchanges (which is the number of reservations confirmed by SVN Operator divided by the number of reservation requests properly applied for) was 93.0% as shown on the annual audit report.

All exchanges are based on availability. The SVN Operator receives improperly submitted exchange requests in the normal course of business. Exchange requests cannot be honored if the SVN Member does not follow SVN's procedures by either improperly completing an exchange request form or failing to submit an exchange request within the minimum time required. Accordingly, SVN does not guarantee that SVN Members will receive a specific exchange choice. In order to exchange a Vacation Period, an SVN Member must: (a) pay all delinquent Home Resort maintenance fees, taxes, SVN Membership Fees, and VOI mortgage or purchase money payments attributable to the SVN Member's VOI; (b) not have placed the Vacation Period with another exchange company or program; and (c) the Vacation Period to be obtained must be within the same calendar year as the Vacation Period to be exchanged. An SVN Member may have limited rights to bank all or a portion of the SVN Member's StarOptions for use in succeeding use years subject to restrictions. StarOptions that are unused or have expired are not automatically banked by SVN Operator. The use of banked StarOptions is subject to availability, limited reservation windows and is not guaranteed by SVN Operator.

The percentage of confirmed reservations contained in any annual audit report will be only a summary of the reservation requests entered in the year reported, and such percentage should not be relied on as an indication of the probability of an SVN Member being confirmed to any specific choice or range of choices.

Exhibit "A"

Starwood Vacation Network Rules and Regulations

These SVN Rules are binding on all SVN Members, their guests, invitees, lessees, licensees, and designees.

I. Definitions and Abbreviations

The following terms have the meaning set forth below unless the context requires a different meaning:

Bank, Banking or Banked means the act of depositing the SVN Member's StarOptions from the current Use Year with SVN Operator in order to save them for use in the next two succeeding Use Years.

Banked StarOptions means StarOptions which have been Banked by the SVN Member and are subject to the provisions of Section 3.6. Unless otherwise noted in these SVN Rules, all terms and restrictions which apply to StarOptions shall apply to Banked StarOptions.

Biennial Vacation Ownership Interest means a VOI in which the SVN Member's Use Year occurs every other year. Biennial VOI may not exist at every SVN Resort.

Borrow means to use the SVN Member's StarOptions from the next succeeding Use Year in a preceding Use Year.

Check-in Day means the first day of use of a given Vacation Period. All SVN Resorts have one or more established Check-in Day. SVN Points Resorts may establish every day of the week as a permitted Check-in Day.

Designated Representative means the person or persons designated by the Primary Contact who are authorized to make reservations on behalf of the Owners and who may receive information about the VOI.

Disclosure Guide means the Starwood Vacation Exchange Company Disclosure Guide promulgated by SVN Operator from time to time.

Even Year Biennial Vacation Ownership Interest means a Biennial VOI in which the Vacation Period associated with the SVN Member's VOI only occurs in calendar years ending in an even digit or zero.

Event Vacation Ownership Interest means a VOI for which a particular SVN Member has the right to use or receive a confirmed reservation for a 7-day Vacation Period during a special event, holiday, or similar occasion at the SVN Member's Home Resort as set forth in the Resort Documents for the SVN Member's Home Resort and in accordance with the SVN Rules. Event VOIs may not exist in every SVN Resort.

Event Period or Event Vacation Period means a 7-day Vacation Period occurring during a special event, holiday or similar occasion at an SVN Resort as set forth in the Resort Documents for the particular Home Resort.

External Exchange Company means any company that provides services to SVN or to SVN Members under an External Exchange Program.

External Exchange Program means the contractual arrangement pursuant to which an SVN Member may exchange the use of a Vacation Period, under certain conditions, for the use of accommodations in resorts other than SVN Resorts.

Fixed Vacation Ownership Interest means a VOI for which a particular SVN Member has the right to reserve the use of a Fixed Vacation Period in either a specific Unit or Unit type at the SVN Member's Home Resort in accordance with the SVN Rules and the Resort Documents. Fixed Vacation Ownership Interests may not exist at every SVN Resort.

Fixed Vacation Period means a specific Vacation Period within either a specific Unit or Unit type, the exclusive use and occupancy of which may only be reserved by a particular SVN Member during the Home Resort Fixed Priority Period, subject to the Resort Documents and the SVN Rules.

Floating Vacation Ownership Interest means a VOI for which a particular SVN Member has the right to reserve the use of a Floating Vacation Period at the SVN Member's Home Resort in accordance with the SVN Rules.

Floating Vacation Period means a Vacation Period within a specific Unit type and Season, the exclusive use and occupancy of which may be reserved by a particular group of SVN Members at an SVN Resort on a space available, first-come, first-served basis during the Home Resort Reservation Period, subject to the Resort Documents and the SVN Rules.

Home Options means the name given to Ownership Points at certain SVN Points Resort(s).

Home Resort means one or more SVN Resorts where Accommodations in a vacation ownership plan are located and in which SVN Members in that vacation ownership plan have their VOI and derive their use rights. During the Home Resort Reservation Period, SVN Members may request reservations of Accommodations comprising the Home Resort.

Home Resort Reservation Period means the four (4)-month period beginning twelve (12) months and ending eight (8) months prior to the Check-in Day of the Vacation Period. The Home Resort Reservation Period is comprised of the Home Resort Fixed Priority Period (12-10 months) and the Home Resort Float Period.

Home Resort Fixed Priority Period means the two (2)-month period beginning twelve (12) months and ending ten (10) months prior to the Check-in Day of the Vacation Period, during which each SVN Member owning a Fixed VOI has the exclusive right to reserve the SVN Member's Fixed Vacation Period without competition from other SVN Members, while each SVN Member owning a Floating VOI competes exclusively with other Owners of VOIs at the SVN Member's Home Resort to reserve Floating Vacation Periods within such Member's Season and Unit type at the Member's Home Resort, each subject to any limitations in the Resort Documents and the SVN Rules. Not all SVN Resorts will have a Home Resort Fixed Priority Period.

Home Resort Float Period means the period during which all SVN Members owning VOIs at a particular Home Resort have the exclusive right to compete to reserve the use of Vacation Periods within their Season and Unit type at their Home Resort, subject to the Resort Documents and the SVN Rules.

Lock-Off Unit means a Unit which allows the occupancy of less than the entire Unit during a Vacation Period such that an SVN Member may occupy a part of a Unit for a Vacation Period with the remaining part of the Unit being "locked off" and being subject to exclusive use by others.

Managing Entity means the condominium or owners' association, management company, or other entity responsible for operating and maintaining a given SVN Resort.

Odd Year Biennial Vacation Ownership Interest means a Biennial VOI in which the Vacation Period associated with the SVN Member's VOI only occurs in calendar years ending in an odd digit.

Owner means the owner of a VOI. During any period of time in which a purchaser has entered into a valid contract for the purchase of a VOI with a developer of an SVN Resort, has passed any applicable rescission period, and has not defaulted, such purchaser shall be considered an Owner.

Owner Membership Agreement means an agreement executed by an Owner and SVN Operator, pursuant to which agreement the Owner becomes an SVN Member on a voluntary basis in accordance with the terms of such agreement and the other SVN Documents.

Ownership Points means the unit of measurement assigned to each Vacation Ownership Interest at an SVN Points Resort which expresses the equity ownership of the Owner and reflects the Owner's reservation rights at the Home Resort.

Owner Services means the division of SVN Operator that handles and processes reservation requests and other SVN Member services from time to time.

Primary Contact means the individual designated by the multiple Owners of a single VOI to represent them in dealing with Owner Services.

Reservation Window means the annually recurring twelve (12) month period beginning one year prior to the first day of use of each Vacation Period. The Reservation Window consists of the Home Resort Reservation Period, followed by the SVN Float Period, followed by the SVN Priority Period.

Reserved Periods means Ultra Premium Vacation Periods, Event Vacation Periods, Fixed Vacation Periods, Specific Week Periods and Event Periods.

Resort Documents means all of the documents, other than the SVN Documents, that create and govern the VOI of the SVN Member at their particular Home Resort and govern the use and operation of that SVN Resort.

Season means that certain segment of a year within which a Vacation Period occurs. There may be one or more Seasons at any particular SVN Resort. Different Seasons indicate different levels of values and desirability. The Season of each Vacation Period during the Home Resort Reservation Period is established by the Resort Documents. The Season of each Vacation Period also is one of the factors used by SVN Operator in assigning StarOptions as set forth in Section 3.1.

Specific Week Period means a designated period of seven (7) consecutive days in each calendar year, numbered 1 through 52, for which an Owner of a VOI at a SVN Points Resort has the right to receive an automatic confirmed reservation.

Specific Week Rights means the appurtenant reservation right designated for certain Vacation Ownership Interests at SVN Points Resorts entitling the SVN Member owning such Vacation Ownership Interest to receive an automatic, confirmed reservation of the designated Specific Week Period.

StarOption means the symbolic unit of use comparison assigned annually to an SVN Member's VOI by SVN Operator which enables the SVN Member to access SVN services and benefits. SVN Operator reserves the right to implement SVN tiers, pursuant to which SVN Operator could assign a tier or level for each VOI.

StarOptions Chart means the current chart detailing the StarOptions required to reserve the use of a given Vacation Period, as may be amended by SVN Operator from time to time.

Starpoints means the symbolic unit of use medium that enables an eligible SVN Member to access the Starwood Preferred Guest Program.

Starwood means Starwood Hotels & Resorts Worldwide, Inc., a Maryland corporation.

Starwood Preferred Guest[®] Program means the vacation and travel benefits program created by Starwood, as more particularly set forth in the Terms & Conditions for the Starwood Preferred Guest Program. The Starwood Preferred Guest Program is a separate program and is not part of SVN. Eligible SVN Members may access the Starwood Preferred Guest Program through the Starpoints Conversion Program described in Section VII.

SVN means the Starwood Vacation Network, the service name given to the variety of exchange and reservation services and vacation and travel benefits currently offered and the restrictions currently imposed by SVN Operator for SVN Resorts. SVN is an exchange program offered by SVN Operator, an exchange company. SVN Members reserve the use of the Units through SVN, which may or may not include access to an External Exchange Program, as set forth in the applicable SVN Documents. SVN is not a legal entity or association of any kind.

SVN Affiliation Agreement means an agreement setting forth the terms and conditions that SVN Operator establishes from time to time, to make membership in SVN available to owners in SVN Resorts.

SVN Documents means those instruments governing the use and operation of SVN, including each SVN Affiliation Agreement, Owner Membership Agreement, if applicable, the Disclosure Guide, and the SVN Rules, as promulgated, executed, or amended by SVN Operator from time to time.

SVN Float Period means the period beginning eight (8) months prior to the Check-in Day for a given Vacation Period and ending sixty (60) days prior to the Check-in Day, during which all SVN Members compete for reservations on a space available, first-come, first-served basis to reserve the use of one or more Vacation Periods for which the SVN Member holds sufficient StarOptions, subject to the SVN Rules. The SVN Float Period begins immediately after the Home Resort Reservation Period.

SVN Member means an Owner who meets all of the terms and conditions for membership in SVN as determined by SVN Operator from time to time.

SVN Membership Fees means the charges of SVN Operator assessed to each SVN Member or SVN Resort each calendar year.

SVN Operator means Starwood Vacation Exchange Company, a Delaware corporation, its successors and permitted assigns.

SVN Points Resort means a SVN Resort which permits the reservation and use of Vacation Periods by Owners using Ownership Points at the Home Resort during the Home Resort Reservation Period.

SVN Priority Period means the sixty (60)-day period immediately preceding the Check-in Day of a given Vacation Period, during which SVN Members have limited rights to reserve one or more Vacation Periods, subject to the SVN Rules.

SVN Resort means a resort that is affiliated with SVN. Unless the context provides otherwise, SVN Resort shall mean both a SVN Points Resort and an SVN Weeks Resort.

SVN Rules means the Starwood Vacation Network Rules and Regulations governing the reservation and use of Units and SVN Resort facilities, as promulgated, adopted, or amended from time to time by SVN Operator pursuant to the SVN Documents.

SVN Weeks Resort means a SVN Resort in which the Resort Documents permit the reservation and use of only 7-day Vacation Periods using Unit Weeks by Owners at the Home Resort during the Home Resort Reservation Period.

Ultra Premium Vacation Ownership Interest means a VOI for which a particular SVN Member has an automatic, confirmed reservation of a specified Vacation Period in either a specific Unit or Unit type at the SVN Member's Home Resort as set forth in the Resort Documents and in accordance with these SVN Rules. Ultra Premium VOIs may not exist in every SVN Resort.

Ultra Premium Vacation Period means the Vacation Period attributable to the Owner's Ultra Premium VOI.

Unit means an accommodation of an SVN Resort that is subject to exclusive occupancy by one or more persons pursuant to the Resort Documents and SVN Documents and available for reservation by SVN Members.

Unit Weeks means the period of ownership assigned to each Vacation Ownership Interest at an SVN Weeks Resort which consists of seven consecutive days beginning on the assigned Check-in Day and reflects the Owner's reservation rights at the Home Resort. .

Use Year means the annually recurring twelve (12) month period beginning on the first Check-In Day of every Year and ending on the day before the first Check-In Day of the following Use Year or as otherwise agreed in writing by SVN Operator from time to time, during which each Vacation Period occurs once. SVN Members owning a Biennial VOI will have a Use Year that occurs every other year.

Vacation Ownership Interest or VOI means the vacation ownership estate or other real or personal ownership interest in a Unit that entitles the Owner to reserve a Vacation Period. Unless the context dictates otherwise, the term will include Biennial VOIs.

Vacation Period means a period of consecutive days during which an SVN Member with a reservation confirmation is entitled to the possession and use of a Unit. For SVN Weeks Resorts only Vacation Periods of seven (7) days may be reserved beginning on an established Check-In Day during the Home Resort Reservation Period. For SVN Points Resorts the length of a Vacation Period and any required Check-In Days during the Home Resort Reservation Period will be determined by the reservation rules of the applicable Home Resort. During the SVN Float Period and the SVN Priority Period, SVN Operator reserves the right to limit the length of reserved Vacation Periods in its sole discretion.

II. SVN Operation

2.1 Membership. To use and enjoy benefits of membership in SVN, a VOI purchaser must be enrolled by SVN Operator, which will require the execution of an Owner Membership Agreement and the payment of any applicable

fee, as determined by SVN Operator. Only Owners who acquire their Vacation Ownership Interest directly from the Seller of an SVN Resort or from resales brokered by an authorized resale company of Seller, a subsidiary or affiliated company of such Seller, or transferees of such Owners by will or intestate succession, or present or future children of such Owners who have otherwise succeeded to their parents' interest are eligible to become members of SVN. In addition, SVN Operator may, in its sole discretion and in some circumstances, transfer SVN membership to an Owner's immediate family member if the Owner has transferred title to the Vacation Ownership Interest directly to that immediate family member. Immediate family members mean the Owner's spouse, domestic partner, children, brother, sister, parents and parent-in-laws. SVN Operator reserves the right to expand or reduce the list of eligible Owners who may participate in SVN in its sole discretion. For so long as such SVN Member remains an SVN Member, such SVN Member's ability to reserve use of the Vacation Period related to the SVN Member's VOI, or any other SVN accommodations, is subject to the SVN Rules. Such Membership in SVN automatically terminates if the SVN Member voluntarily or involuntarily transfers the SVN Member's VOI and owns no other VOI, or if the SVN Member's Home Resort ceases to be an SVN Resort. SVN Membership is not transferable. In the event an SVN Member voluntarily terminates the Owner Membership Agreement, the SVN Member must terminate the Owner Membership Agreement on or before March 1 of the calendar year in which the termination is to apply in order to avoid paying the SVN Membership fees for that calendar year. Otherwise, if an SVN Member terminates the Owner Membership Agreement after March 1, the termination will apply to the following calendar year and the SVN Member will be obligated to pay the current SVN Membership Fee.

2.2 Management. SVN is operated and managed by SVN Operator pursuant to the SVN Documents. SVN Operator expressly is authorized to take such actions as it deems necessary or appropriate for the operation of SVN, including the implementation of all exchange program and reservation duties as outlined in the SVN Rules.

2.3 Primary Contact and Designated Representative. The Owners of each VOI which is owned by more than one person or by a business entity must designate a Primary Contact from time to time by notifying Owner Services of same through a writing executed by all individuals holding the membership or by an authorized representative of the business entity. The Primary Contact will be the primary individual with whom Owner Services will deal with respect to making reservations, sending confirmations, and providing other services. A Primary Contact may designate one or more persons who are authorized to make reservations on behalf of the Owners and who may receive information about the VOI. Owner Services may charge an administrative fee to change a Primary Contact or Designated Representative. The SVN Operator will defer to the Primary Contact in the event of any conflict among the Owners regarding use of the VOI.

2.4 SVN Membership Fees.

a. SVN Resorts. Charges incurred by SVN Operator in connection with the operation of the exchange program and the delivery of other SVN services and benefits at SVN Resorts will be charged as SVN Membership Fees to individual SVN Members or each SVN Resort, as more specifically provided in the applicable SVN Affiliation Agreement or Owner Membership Agreement.

b. Restrictions on Use of StarOptions. Use of StarOptions may be restricted by SVN Operator if the SVN Member is not current in the payment of the SVN Member's Home Resort maintenance fees and taxes, all applicable SVN Membership Fees, and other financial obligations attributable to the SVN Member's VOI (or has not paid such estimated payments for the current Use Year in accordance with Article VI). Except as otherwise provided in the Resort Documents, an SVN Member who uses SVN to make a reservation -- other than a reservation for a Vacation Period during the applicable Home Resort Reservation Period -- will be liable for any transaction fees charged by SVN Operator from time to time.

2.5 Transaction Fees. In addition to SVN Membership Fees, SVN Operator has 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 additional reservation request fees, cancellation fees, borrowing fees, Banking fees, rental fees, SVN exchange fees, Starwood Preferred Guest conversion fees, daily use fees, fees for additional housekeeping, and such other items as provided in the SVN Fees Chart as may be amended by SVN Operator from time to time in its sole discretion. Daily housekeeping may be made available to guests on request subject to the payment of a fee to the Managing Entity of the SVN Resort in an amount to be published from time to time. SVN Members should inquire as to the amount of the current housekeeping fees with the Managing Entity at the time of check-in.

Currently, the only transaction fees charged by SVN Operator are listed on the SVN Fees Chart as may be amended by SVN Operator from time to time in its sole discretion.

These fees include those for the cancellation of a reservation as described in Section 4.7, Banking StarOptions as described in Section 3.6 and the SVN Fees Chart, a Starpoints Conversion Program conversion fee as described on the SVN Fees Chart, fees for additional housekeeping as described in Sections 3.4, 4.2.d and 4.3, daily housekeeping fees as described in this Article, and such other items shown on the SVN Fees Chart as may be amended by SVN Operator from time to time in its sole discretion.

2.6 Basis for Addition. SVN Operator may decide to affiliate additional resorts with SVN from time to time. The affiliation of additional SVN Resorts is not subject to the approval of the SVN Members. SVN Operator will make any decision to associate resorts with SVN, including the terms and conditions under which such resorts are affiliated, in its sole discretion.

2.7 Availability of SVN Resorts. Availability of Units in an SVN Resort, other than an SVN Member's Home Resort, is dependent on the number of Owners in such SVN Resort who become SVN Members from time to time, the continued affiliation of each SVN Resort with SVN, and the number of Vacation Periods available for reservation in such SVN Resort during the SVN Float Period and the SVN Priority Period.

III. StarOptions

3.1 Assignment of StarOptions. For administrative convenience in the operation of SVN and in the determination of the respective rights of SVN Members to enjoy the benefits of membership in SVN, each SVN Member will receive an assigned number of StarOptions representing the reservation power of the SVN Member's VOI in relation to the other VOI currently participating in SVN. SVN Operator will assign StarOptions to each SVN Member for the SVN Member's Use Year. StarOptions will be assigned at the beginning of the SVN Float Period.

The number of StarOptions assigned represents the reservation power of a given Vacation Ownership Interest within SVN, based on such factors as relative SVN Member demand for the particular SVN Resort, seasonality of the VOI, Unit type assigned to the VOI, Use Rights associated with the VOI, SVN Resort type, SVN Member use patterns, and availability of Vacation Periods for reservation at the particular SVN Resort ("Assignment Factors"). SVN Operator reserves the right, in its sole discretion, to revise the number of StarOptions required for reservations within SVN annually, each without SVN Member consent. However, in making any revisions, SVN Operator will take into account the Assignment Factors.

In those calendar years when Vacation Period 53 occurs (as defined in the Resort Documents for a given SVN Resort), Vacation Period 53 may be reserved for use by the person to whom such use is assigned pursuant to the SVN Affiliation Agreement or the Resort Documents. It may also be assigned to an External Exchange company; however, Vacation Period 53 may not be deposited with SVN, no StarOptions will be assigned to Vacation Period 53, and it may not be converted to Starpoints.

3.2 StarOptions Chart and Use of StarOptions. The number of StarOptions required to reserve the use of a given Vacation Period during the SVN Float Period is set forth in the StarOptions Chart. SVN Members may use StarOptions to reserve available Vacation Periods at SVN Resorts or Bank or Borrow StarOptions during the SVN Float Period pursuant to the SVN Rules. StarOptions are valid for immediate use as soon as the StarOptions are assigned to the SVN Member, subject to the SVN Rules. The StarOptions Chart is subject to change at the discretion of the SVN Operator.

StarOptions that have not been Banked are valid until the end of the Use Year for which the StarOptions are assigned, and may only be used to reserve Vacation Periods that occur before the end of such Use Year. If an SVN Member fails to use any or all of the SVN Member's StarOptions for Vacation Periods that occur before the end of the assigned Use Year, the StarOptions automatically will expire. StarOptions may be Banked to reserve Vacation Periods that occur during succeeding Use Years subject to the rules regarding Banking set forth in Section 3.6. SVN Members owning Biennial VOIs will be assigned StarOptions only for their Even or Odd Use Year. StarOptions

assigned to the SVN Member owning more than one VOI will be allocated for reservation purposes to the Vacation Period with the shortest remaining time availability for the Use Year in which the reservation is being requested, subject to the SVN Rules.

3.3 Additional StarOptions. If an SVN Member does not have sufficient StarOptions to make a desired reservation or access desired SVN benefits during a given Use Year, the SVN Member may Borrow StarOptions from the next Use Year as set forth in Section 3.5; or, if available, may reserve using Banked StarOptions as set forth in Section 3.6. In addition, if available, an SVN Member may purchase an additional VOI to supplement the SVN Member's total StarOptions. SVN Members may not be able to rent or buy StarOptions for one-time use. The assignment or transfer by one SVN Member of the use of the SVN Member's StarOptions to another SVN Member is prohibited.

3.4 Use of Remaining StarOptions. After an SVN Member has used a portion of the SVN Member's StarOptions during a given Use Year, the balance of the SVN Member's StarOptions will remain available until the end of the Use Year for the SVN Member's use in reserving additional Vacation Periods or accessing SVN benefits. Additional housekeeping fees will apply for additional Vacation Periods reserved during such Use Year. At the end of such Use Year, any unused StarOptions automatically will expire unless those StarOptions have been Banked pursuant to Section 3.6.

3.5 Borrowing StarOptions. During the SVN Float Period, an SVN Member may Borrow all or a portion of the SVN Member's StarOptions from the succeeding Use Year for use in the current Use Year. StarOptions may not be Borrowed during the Home Resort Reservation Period. The Borrowing of StarOptions is subject to the following restrictions:

a. An SVN Member may not Borrow StarOptions to make a reservation through an External Exchange Program or to convert to Starpoints.

b. An SVN Member at an SVN Weeks Resort relinquishes the Member's priority rights during the following Use Year's Home Resort Reservation Period whenever the SVN Member Borrows StarOptions from such Use Year.

c. An SVN Member may only Borrow StarOptions at the time a reservation request is made. Only the number of StarOptions actually needed to confirm the requested reservation may be Borrowed.

d. If an SVN Member intends to Borrow all or a portion of the StarOptions from the SVN Member's next Use Year, the SVN Member must first pay, at the time of reservation, the SVN Member's total estimated Home Resort maintenance fees, taxes, and SVN Membership Fees for the following Use Year to SVN Operator, and if required by applicable law, SVN Operator will escrow such estimated maintenance fees, taxes, and SVN Membership Fees for the benefit of the Home Resort Managing Entity or the SVN Member.

e. SVN Operator reserves the right to prohibit an SVN Member from Borrowing the SVN Member's StarOptions during the first two (2) years of the term of any purchase-money financing related to the SVN Member's VOI.

f. An SVN Member will not be permitted to Borrow StarOptions any time the SVN Member is delinquent in the payment of SVN Membership Fees, Home Resort maintenance fees or taxes, or other financial obligations attributable to the SVN Member's VOI.

g. SVN Operator reserves the right, in its sole discretion, to revise the SVN Rules with regard to Borrowing at any time, and from time to time, including suspending or expanding the Borrowing activity.

h. An SVN Member who owns a Biennial VOI may only Borrow StarOptions during the Use Year associated with such Biennial VOI.

i. Borrowing is subject to the availability of StarOptions. SVN Operator may limit, in its sole and absolute discretion, the amount of StarOptions for a given Use Year that may be borrowed by SVN Members.

3.6 Banking StarOptions. An SVN Member has limited rights to Bank all or a portion of the SVN Member's StarOptions for use in succeeding Use Years subject to the following restrictions:

a. StarOptions that are unused or have expired do not automatically carry over to the next Use Year and are not automatically banked by SVN Operator. An SVN Member interested in Banking StarOptions must notify Owner Services by the deadlines set forth herein and comply with all Banking terms and conditions.

b. In order to be eligible for Banking, the SVN Member may not be delinquent or late in the payment of SVN Membership Fees, Home Resort maintenance fees or taxes, or other financial obligations attributable to the SVN Member's VOI.

c. An SVN Member may Bank StarOptions at the beginning of the SVN Float Period of the preceding Use Year associated with the Banked StarOptions. For example, if an SVN Member wishes to Bank the StarOptions associated with their 2016 Use Year, they may make this request at the beginning of the 2015 SVN Float Period. SVN Operator reserves the right to modify, change or alter Banking deadlines from time to time, in its sole discretion and without notice to SVN Members.

d. Banked StarOptions may only be used to make reservations during the SVN Float Period and cannot be used to make reservations during any Home Resort Reservation Period. Reservations requested using Banked StarOptions are subject to availability and are not guaranteed.

e. Banked StarOptions expire at the end of the second Use Year following the Use Year associated with the Banked StarOptions. By way of example, StarOptions banked in 2015 are valid until December 31, 2017.

f. Banking is a final transaction and cannot be reversed or canceled and SVN Operator will not issue a refund of any fees, including but not limited to maintenance fees and/or Banking Fees, if Banked StarOptions expire or are unused.

g. Banked StarOptions are only valid for reservations at SVN Resorts, are subject to all SVN Rules, and cannot be used to make a reservation for an External Exchange. In addition, Banked StarOptions are not eligible for Starpoints Conversion Program.

h. An SVN Member must pay the applicable Banking fees as set forth in the SVN Fees Chart, at the time of Banking and such fees are charged per Banking transaction. In addition, other fees including but not limited to additional housekeeping fees, may be assessed.

i. Banked StarOptions automatically expire if an SVN Member voluntarily or involuntarily transfers the ownership of the SVN Member's VOI.

j. SVN Operator reserves the right, in its sole discretion, to revise the SVN Rules with regard to Banking at any time, and from time to time, including suspending or expanding the Banking activity, with or without notice.

IV. Reservations

4.1 Making a Reservation.

a. Reservation Window; First-Come, First-Served. Each SVN Member will be permitted to use a Vacation Period during such SVN Member's Use Year, subject to availability. SVN Members who own Biennial VOIs have a Use Year that occurs every other year. Prior to the beginning of the Home Resort Reservation Period, SVN Operator will automatically reserve Ultra Premium Vacation Periods, Fixed Vacation Periods, Specific Week Periods and Event Vacation Periods as further described in Section 4.2. These periods are collectively referred to as Reserved Periods. All of the Reserved Periods, except for Fixed Reserved Periods will be held until the Check-In Day for the applicable Reserved Period, unless released by the Owner as further described in Section 4.2 below. Other than the Reserved Periods, all reservation requests for a particular Vacation Period will be taken on a first-come, first-served basis within the Vacation Period's Reservation Window, in accordance with the reservation periods set forth below. An SVN Member may only make a reservation for an available Vacation Period during that Vacation Period's Reservation Window.

b. Biennial Restrictions. Each SVN Member owning a Biennial VOI may request use of assigned StarOptions and be granted a confirmed reservation only for occupancy of a Vacation Period occurring during such SVN Member's Use Year, which occurs every other year. During the Home Resort Fixed Priority Period, (a) an SVN Member owning an Even Year Biennial VOI can only reserve occupancy of such SVN Member's Fixed Vacation Period which occurs in calendar years ending in an even number or zero; and (b) an SVN Member

owning an Odd Year Biennial VOI can only reserve occupancy of the such SVN Member's Fixed Vacation Period in calendar years ending in an odd number.

c. Submitting a Reservation Request. The SVN Member must submit a reservation request to SVN Operator in writing, by telephone, e-mail, or such other electronic means acceptable to SVN Operator from time to time. SVN Members who engage in verbal abuse or display verbal aggression towards the employees or agents of SVN Operator, will be required to submit reservation requests to SVN Operator only by electronic means. SVN Members may not make a reservation request that is received by SVN Operator earlier than the beginning of the Reservation Window for a particular Vacation Period. SVN Operator, on receipt of a valid reservation request, will assign the SVN Member the use of a designated Vacation Period if the Vacation Period requested is available. An SVN Member has no right to make a reservation unless the SVN Member has paid all Home Resort maintenance fees, SVN Membership Fees, taxes, and VOI mortgage or purchase money payments. As provided in Article VI, SVN Operator may require the advance payment of the estimated current Use Year's maintenance fee assessment and tax assessment which ultimately will become due to the Managing Entity and payment of the current Use Year's estimated SVN Membership Fees to SVN Operator, as a condition to acceptance by SVN Operator of a reservation request. An SVN Member may make a reservation in the name of a guest provided that reservation is not a rental for commercial purposes. SVN Members are prohibited from reserving Vacation Periods for commercial purposes, including without limitation rental purposes as described in Section 8.1.

4.2 Reservation Window Priorities.

Reservation requests for Vacation Periods will be taken on a first-come, first-served basis, subject to the reservation priorities listed below. Since availability will vary, SVN Operator cannot guarantee confirmation of a reservation for any specific Vacation Period at any specific SVN Resort at any time. The earlier a reservation request is submitted, the better the chance that a reservation confirmation can be secured.

Reservation requests are subject to the following priorities:

a. Ultra Premium Vacation Periods, Event Vacation Periods, and Specific Week Periods.

(1) Ultra Premium Vacation Periods. SVN Members owning Ultra Premium VOIs have the exclusive right to receive confirmed reservations of their Ultra Premium Vacation Periods without competition from other SVN Members, subject to any limitations in the Resort Documents and the SVN Rules. Each Ultra Premium Vacation Period will be automatically reserved prior to the beginning of the Home Resort Reservation Period for the use of the Owner of the corresponding Ultra Premium VOI within either a specific Unit or Unit type, as set forth in the Resort Documents for the SVN Member's Home Resort. During the Home Resort Reservation Period, SVN Members owning Ultra Premium VOIs may voluntarily give up their rights to use their Ultra Premium Vacation Periods and reserve available Floating Vacation Periods within their Season and Unit type at their Home Resort. During the SVN Float Period and the SVN Priority Period, SVN Members owning Ultra Premium VOIs may voluntarily give up their rights to use their Ultra Premium Vacation Period and use StarOptions to reserve available Vacation Periods.

(2) Event Vacation Periods. SVN Members owning Event VOIs have the exclusive right to use their Event Vacation Periods without competition from other SVN Members, subject to any limitations in the Resort Documents and the SVN Rules. Each Event Vacation Period will be automatically reserved prior to the beginning of the Home Resort Reservation Period for the use of the Owner of the corresponding Event VOI within either a specific Unit or Unit type, as set forth in the Resort Documents for the SVN Member's Home Resort. During the Home Resort Reservation Period, SVN Members owning Event VOIs may voluntarily give up their rights to use their Event Vacation Period and reserve available Floating Vacation Periods within their Season and Unit type at their Home Resort. During the SVN Float Period and the SVN Priority Period, SVN Members owning Event VOIs may give up their rights to use their Event Vacation Period and use StarOptions to reserve available Vacation Periods. Because the actual dates of the events on which some of the Event Vacation Periods are based are determined by each Home Resort, the dates on which certain Vacation Periods are designated as Event Vacation Periods may vary. Event Week reservations are generally only accessible to SVN Members who own an Event VOI, depending upon the specific Resort Documents. SVN Members who do not own an Event VOI should not expect to reserve an Event Period during the Home Resort Reservation Period.

(3). Event Period and Specific Week Rights. SVN Members who own Ownership Points with Event Period Rights or Specific Week Rights have the exclusive right to receive confirmed reservation of the Event

Period or Specific Week Period associated with their VOI without competition from other SVN Members, subject to any limitations in the Resort Documents and the SVN Rules. Each Event Period or Specific Week Period will be automatically reserved prior to the beginning of the Home Resort Reservation Period for the use of the Owner of the corresponding VOI within either a specific Unit or Unit type, as set forth in the Resort Documents for the SVN Member's Home Resort. During the Home Resort Reservation Period, SVN Members owning VOIs with Event Period Rights or Specific Week Rights may voluntarily give up their rights to use their reserved Vacation Periods and use their Ownership Points to reserve available Vacation Periods at their Home Resort. During the SVN Float Period and SVN Priority Period, SVN Members owning VOIs with Event Period Rights or Specific Week Rights may voluntarily give up their rights to use their reserved Vacation Periods and use StarOptions to reserve available Vacation Periods.

b. Home Resort Reservation Period. The Home Resort Reservation Period begins twelve (12) months and ends eight (8) months prior to the Check-in Day of a given Vacation Period. The Home Resort Reservation Period is comprised of the Home Resort Fixed Priority Period (12-10 months) and the Home Resort Float Period. At an SVN Weeks Resort, during the Home Resort Reservation Period only 7-day Vacation Periods beginning on an established Check-In Day may be reserved, and no SVN Member may reserve a Vacation Period in a Season or Unit type different from the Season and Unit type of the SVN Member's VOI. The 7-day Vacation Period and Unit type restriction does not apply at SVN Points Resorts. However, Owners at SVN Points Resorts may be required to reserve Vacation Periods in certain designated seasons, depending on the use rights associated with their Ownership Points and as may be required by the Resort Documents. **SVN Points Resorts currently have a Home Resort Reservation Period which does not contain a Home Resort Fixed Priority Period or a Home Resort Float Period.**

(1) Home Resort Fixed Priority Period for SVN Weeks Resorts. At SVN Weeks Resorts, during the Home Resort Fixed Priority Period, SVN Members owning Fixed VOIs have the exclusive right to reserve their Fixed Vacation Periods without competition from other SVN Members, subject to any limitations in the Resort Documents and the SVN Rules. Unconfirmed reservations for Fixed Vacation Periods will be automatically cancelled by the SVN Operator at the end of the Fixed Priority Period and, thereafter, such Fixed VOI shall be treated as Floating VOI. During the Home Resort Fixed Priority Period, an SVN Member owning a Fixed VOI in a Lock-Off Unit may exercise a priority right to reserve the use of either portion of the Lock-Off Unit during the SVN Member's Fixed Vacation Period. Reservation requests for the remaining unreserved portion of the Lock-Off Unit will continue to be subject to the Reservation Window priorities. During the Home Resort Fixed Priority Period, SVN Members owning Floating VOIs have the exclusive right to compete with other SVN Members to reserve Floating Vacation Periods within their Season and Unit type at their Home Resorts, subject to any limitations in the Resort Documents and the SVN Rules. During the Home Resort Fixed Priority Period, an SVN Member owning a Floating VOI in a Lock-Off Unit may exercise a priority right to reserve the use of either portion of the Lock-Off Unit during a Floating Vacation Period. Reservation requests for the remaining unreserved portion of the Lock-Off Unit will continue to be subject to the Reservation Window priorities. During the Home Resort Reservation Period, SVN Members owning Ultra Premium VOIs or Event VOIs may voluntarily give up their rights to use their Vacation Periods and compete with other SVN Members at their Home Resort to reserve Vacation Periods within their Season and Unit type at their Home Resort.

(2) Home Resort Float Period for SVN Weeks Resorts. At SVN Weeks Resorts, during the Home Resort Float Period, SVN Members have the exclusive right to reserve a Vacation Period in their Home Resorts without competition from SVN Members in other SVN Resorts, subject to any limitations in the Resort Documents. During the Home Resort Float Period, SVN Members must compete with other SVN Members owning VOIs in the SVN Members' Home Resorts for reservations on a first-come, first-served basis for a reservation for any available Vacation Period that the SVN Member has the right to reserve within the Member's Season and Unit type at the Member's Home Resorts. During the Home Resort Float Period, an SVN Member owning a VOI in a Lock-Off Unit may exercise a priority right to reserve the use of either portion of a Lock-Off Unit in the SVN Member's Home Resort during any available Vacation Period that the SVN Member has the right to reserve. Reservation requests for the remaining unreserved portion of the Lock-Off Unit will continue to be subject to the Reservation Window priorities. During the Home Resort Float Period, SVN Members owning Ultra Premium VOIs or Event VOIs may voluntarily give up their rights to use their Vacation Periods and compete with SVN Members owning VOIs at their Home Resort to reserve Vacation Periods within their Season and Unit type at their Home Resort.

(3) Home Resort Reservation Period and Restrictions

(a) On receiving a reservation confirmation for a Vacation Period during the Home Resort Reservation Period, an SVN Member may use the Vacation Period for personal use or for use by a guest.

(b) An SVN Member relinquishes the SVN Member's Home Resort Reservation Period rights whenever the SVN Member voluntarily enters the SVN Float Period without obtaining a confirmed reservation during the Home Resort Reservation Period.

(c) An SVN Member relinquishes the SVN Member's Home Resort Reservation Period rights when the SVN Member voluntarily seeks access to an External Exchange Program and the requested external exchange is confirmed.

(d) If an SVN Member cancels a reserved Vacation Period during the Home Resort Reservation Period, the SVN Member may be required to relinquish the SVN Member's Home Resort Reservation Period rights and enter the SVN Float Period. If an SVN Member desires to reserve a Vacation Period after such a cancellation, the SVN Member will compete with other SVN Members for such reservation on a first-come, first-served basis.

(e) SVN Operator has the right to affiliate resorts that have Home Resort Reservation Periods, Home Resort Fixed Priority Periods, Home Resort Float Periods of varying lengths or Home Resort Reservation Periods which do not contain a Home Resort Fixed Priority Period or a Home Resort Float Period.

c. Bulk Banking for Anticipated External and Starwood Preferred Guest Program Exchanges. SVN Operator has the right, but not the obligation, to reserve a number of Floating Vacation Periods from time to time at any time after the beginning of the Home Resort Reservation Period, and any unreserved Vacation Period after the Home Resort Reservation Period, for the purpose of depositing the reserved Vacation Periods with an External Exchange Program on behalf of SVN Members based on SVN Operator's determination, in its sole discretion, of anticipated SVN Member demand to access an External Exchange Program or the Starwood Preferred Guest Program. SVN Members may request an external exchange company assignment based upon the resort, unit and season being assigned by the SVN Member for an external exchange request.

d. SVN Float Period. The SVN Float Period begins eight (8) months prior to the Check-in Day for a given Vacation Period and ends sixty (60) days prior to the Check-in Day. It follows the Home Resort Reservation Period for a given Vacation Period and precedes the SVN Priority Period. During the SVN Float Period, all SVN Members must compete with other SVN Members for reservations on a first-come, first-served basis for a reservation for any available Vacation Period that the SVN Member has sufficient StarOptions to reserve. Due to the automatic reservation of Reserved Periods as described in Section 4.2.a (2), the availability of such Vacation Periods may be limited.

SVN Members also will compete with SVN Operator for reservations during the SVN Float Period with respect to SVN Operator's rights to make reservations for bulk banking for external exchange and anticipating SVN Member demand to access the Starwood Preferred Guest Program as discussed above.

Banked StarOptions may be used to reserve a Vacation Period during the SVN Float Period as permitted in Section 3.6. StarOptions may also be Borrowed to reserve a Vacation Period during the SVN Float Period. Additional housekeeping fees may apply.

e. SVN Priority Period. The SVN Priority Period is the sixty (60)-day period immediately preceding the Check-in Day of a given Vacation Period. If a reservation request for a given Vacation Period has not been received by Owner Services by the beginning of the SVN Priority Period, Owner Services' ability to confirm a subsequent reservation request for the Vacation Period will be limited by and subject to the following:

(1) Any reservations made available by SVN Operator to the Managing Entity for maintenance purposes;

(2) Any reservations used by SVN Operator for rental to SVN Members; and

(3) Any reservations used by SVN Operator for its own purposes including exchange, promotional use, rental to third parties, or any other purpose as SVN Operator determines in its sole discretion.

4.3 Vacation Periods Less than Seven Days. During the SVN Float Period and the SVN Priority Period, SVN Members will be permitted to reserve Vacation Periods of less than seven days as permitted by SVN Operator from time to time. All such reservations are subject to the reservation request priorities for the Vacation Period containing the days in question, including those set forth in the Resort Documents. SVN Operator reserves the right in its sole discretion to restrict those Vacation Periods in which daily reservations will be permitted to be reserved from time to

time. The StarOptions required to reserve a Vacation Period of less than seven days are subject to change by SVN Operator from time to time pursuant to Article III. Additional housekeeping fees may apply as described on the SVN Fees Chart.

4.4 Failure to Make a Timely Reservation. If an SVN Member fails to make a reservation for a Vacation Period that occurs during the SVN Member's Use Year, the SVN Member's right to make a reservation for that Use Year automatically will expire and the StarOptions assigned for that Use Year automatically will expire. On the first day of each new Use Year, the SVN Member will again have the right to reserve a Vacation Period for use during that new Use Year in accordance with the SVN Rules. An SVN Member unable to use any available Vacation Period is not relieved of the obligation to pay all SVN Membership Fees, maintenance fee assessments and taxes, and mortgage or purchase money payments associated with ownership of a VOI. SVN Operator shall have the right to rent or otherwise use all such unreserved Vacation Periods during the SVN Priority Period.

4.5 Owner Rental. Before an SVN Member may rent the SVN Member's Vacation Period, the SVN Member must receive a reservation confirmation for the SVN Member's Vacation Period at the SVN Member's Home Resort.

4.6 Confirmations; Accommodation Preferences. Confirmations will be provided to the Primary Contact for each SVN Member by Owner Services to confirm all reservations. Except for Owners who have a right to receive a reservation for a specific Unit, Owner Services will not assign a specific Unit until the time of check-in. Special Unit assignments, such as ground level Units, cannot be guaranteed, but will be noted as a preference in the reservation system. Accommodation preference requests will be taken no sooner than at the beginning of the Home Resort Reservation Period and will be honored, subject to availability, in the order received.

4.7 Cancellations, Additional Reservation Requests, and No-Shows.

An SVN Member may cancel a confirmed reservation by notifying SVN Operator prior to the Check-in Day of the assigned Vacation Period. Charges for cancellations are set forth on the SVN Fees Chart as amended by SVN Operator from time to time in its sole discretion.

Cancellations or changes in reservations made more than sixty (60) days prior to the Check-in Day for a reserved Vacation Period will result in the restoration of the associated StarOptions used by the SVN Member for the reserved Vacation Period. However, an SVN Member must use the restored StarOptions before the end of the Use Year. In addition, the SVN Member's related Home Resort Reservation Period rights will not be restored.

An SVN Member who cancels or changes a reservation less than sixty (60) days prior to the Check-in Day will result in the restoration of the associated StarOptions used to reserve the Vacation Period. However, the SVN Member will incur a financial penalty as listed on the SVN Fees Chart. In addition, the restored StarOptions must be used before the end of the Use Year and may only be used to reserve available Vacation Periods with Check-in Days occurring within sixty (60) days from the date the reservation is made. The restored StarOptions may not be exchange or converted to any other program, including an Exchange Program or for Starwood Preferred Guest points.

SVN Members who fail to arrive on the Check-in Day of the reserved Vacation Period must notify SVN Operator that they will be arriving subsequent to such Check-in Day or risk losing the reservation. An SVN Member must cancel a reservation confirmation by notifying SVN Operator by telephone prior to the Check-in Day of the assigned Vacation Period. An SVN Member's StarOptions will not be restored to the SVN Member for further use if the SVN Member fails to cancel a reservation prior to the Check-in Day for a reserved Vacation Period. Borrowed StarOptions that were used to make a cancelled reservation will be returned to the succeeding Use Year without penalty if cancelled within 61 days or more in advance of reservation; however, no refund of advance payment of estimated maintenance fees, taxes, and SVN Membership Fees will be made, and Home Resort Reservation Period rights associated with such Use Year will not be restored.

4.8 Multiple Reservation List. SVN Operator may, in its sole discretion, institute a service whereby it will maintain a list for Owners of multiple VOIs who wish to reserve multiple Vacation Periods in a given Use Year. Such Owners may notify SVN Operator of the requested Vacation Periods to be reserved no sooner than the beginning of the Reservation Window for the earliest Vacation Period requested. Reservation requests for all such Vacation Periods for which Reservation Windows have not yet begun will be held on the multiple reservation list. SVN Operator will make reservations for Vacation Periods on the multiple reservation list in accordance with the applicable Reservation Window for each Vacation Period. Reservations for requested Vacation Periods, if available in accordance with the SVN Rules, will be made by the SVN Operator during the beginning of SVN

Operator's business hours on the first calendar day of the Reservation Window for the Vacation Period requested. SVN Operator will provide the Primary Contact for such multiple VOIs with confirmation of each reserved Vacation Period after each such reservation has been made by the SVN Operator, or will promptly notify such Primary Contact if any such Vacation Period is not available.

V. External Exchange Program

In order to increase the range of options available to SVN Members, SVN Operator has made arrangements for each SVN Member to have access to an External Exchange Program. All external exchange requests will be handled by SVN Operator and the External Exchange Company provider. An SVN Member who is interested in an external exchange must contact Owner Services and indicate the SVN Member's preference for an exchange. An SVN Member may make an external exchange request up to one year in advance of the SVN Member's Season or VOI, or at any time prior to the end of the SVN Member's Use Year, subject to the limitations in Section 4.7 above. Following verification of the identity of the SVN Member and verification that the SVN Member is in good standing, an Owner Services representative will note the SVN Member's desired exchange request including specific time, destination, and type of room type along with any other special requests. The SVN Member may also be asked to designate more than one alternative set of exchange requests, in order to increase the SVN Member's chances of getting a desired exchange. SVN Member participation in an External Exchange Program will be governed by the terms and conditions of the External Exchange Program and the following:

(1) In identifying the SVN Member's VOI being assigned for external exchange, the SVN Member acknowledges that he/she has relinquished all other use rights for that particular VOI or the designated number of StarOptions or Ownership Points allocated to VOI.

(2) All rules and regulations that apply to the use of Units and SVN facilities by SVN Members also will apply to users of such Units and facilities through the External Exchange Program.

(3) If an SVN Member intends to assign a current or future use year to an External Exchange Company, the SVN Operator will require the SVN Member to pay in advance, at the time of assignment, the SVN Member's total estimated maintenance fees, taxes, and SVN Membership fees for the Use Year being assigned provided that SVN Operator shall be obligated to remit such estimated maintenance fees, taxes, and SVN Membership Fees to the Home Resort as required by applicable law.

(4) The External Exchange Company provider will charge a SVN Member an exchange fee for each confirmed exchange through the External Exchange Program.

(5) SVN Members participate in a customized exchange method that is offered by the current External Exchange Provider to Starwood Vacation Owners. As a result, there may be differences in the way SVN members access external exchange benefits from the standard exchange methods that may be generally published by external exchange companies to non-SVN members.

(6) Each Use Year, an SVN Member shall be permitted to request an External Exchange Company assignment for each eligible VOI owned by the SVN Member, regardless of the number of Vacation Periods such Member may be entitled to reserve in SVN through the use of StarOptions. An SVN Member owning a VOI in a Lock-Off Unit may request an exchange assignment for one or both portions of the Lock-Off Unit with the External Exchange Company and shall be permitted one external exchange per exchange assignment requested. Reservation requests for any remaining unassigned portion of the Lock-Off Unit will continue to be subject to the SVN Reservation Window priorities.

(7) With the exception of Vacation Periods reserved at the Home Resort, SVN Members are prohibited from renting to a third party any accommodation reserved through the SVN's exchange program, including accommodations of the External Exchange Program.

(8) Availability of accommodations within the External Exchange Program is dependent on the vacation ownership interests from various External Exchange Program member resorts that are deposited into it by other members of the External Exchange Program from time to time. An SVN Member can have no assurance that an External Exchange Company will be able to provide the SVN Member with an accommodation that meets the SVN Member's needs and desires when the SVN Member wants it or at a particular time. The exchange accommodation received may or may not be comparable in size, layout, furnishings, services, or amenities to those in SVN Resorts.

(9) External exchange assignments are valid for travel for up to 36 months from January of the use year of the assignment. As an example, an SVN Member requesting an external exchange assignment in January 2015 may travel on the deposit through December 31, 2017. An SVN Member requesting an external exchange assignment in August 2015 may travel on the deposit through December 31, 2017.

(10) External exchange assignments may be cancelled no later than December 1st of the occupancy year. An SVN Member's use right will be reinstated based on availability at the time the exchange assignment is cancelled, and an SVN Member is not guaranteed availability at the Home Resort or an SVN resort.

VI. Delinquency

SVN Operator reserves the right not to accept a reservation request from an SVN Member if the SVN Member is not current in the payment of all of the SVN Member's Home Resort maintenance fees, taxes, SVN Membership Fees, and VOI mortgage or purchase money payments attributable to the SVN Member's VOI. An SVN Member who is delinquent in the payment of any maintenance fee assessment, tax assessment, SVN Membership Fees, or VOI mortgage or purchase money payment shall have no right to reserve a Vacation Period through SVN Operator or any External Exchange Company, and any previously confirmed Vacation Period reservation may be cancelled, until the delinquency is satisfied in full. SVN Operator may collect any delinquent maintenance fee assessments, tax assessments, SVN Membership Fees, or VOI mortgage or purchase money payments by credit card. Furthermore, SVN Operator may require the advance payment of the estimated current Use Year's maintenance fee assessment and tax assessment which ultimately will become due to the Managing Entity and payment of the current Use Year's estimated SVN Membership Fees, as a condition to acceptance by SVN Operator of a reservation request, provided that any such prepaid maintenance fee and taxes for SVN Resorts are held in escrow if required by applicable law.

VII. Starpoints Conversion Program

In order to increase the range of available options, certain SVN Members may have the ability to exchange their reserved Vacation Period for Starpoints and to use these Starpoints to access the hotels and other benefits and services available through the Starwood Preferred Guest Program by means of the Starpoints Conversion Program. In addition to exchanging their reserved Vacation Period for Starpoints, certain SVN Members at SVN Points Resorts may also have the ability to exchange a portion of the Ownership Points associated with their VOI for Starpoints. Starpoints are the symbolic unit of use medium that enables an eligible SVN Member to access the Starwood Preferred Guest Program. SVN Members who participate in the Starpoints Conversion Program must comply with the terms and conditions of this program, as set forth in the Starpoints Disclosure Statement and Starwood Preferred Guest Program terms and conditions. The Starwood Preferred Guest Program and the Starpoints Conversion Program are separate programs and are not part of SVN. Access to the Starpoints Conversion Program is not transferable and the terms of both the Starwood Preferred Guest Program and the Starpoints Conversion Program are subject to change at any time and without notice.

VIII. Miscellaneous Provisions

8.1 Personal Use; Commercial Purposes. Use of the Units and facilities associated with SVN is limited solely to the personal use of SVN Members, their guests, invitees, exchangers, and lessees and for recreational use by corporations or other similar business entities owning VOIs. Purchase of a VOI or use of Units and facilities associated with SVN for commercial purposes including without limitation rental purposes, for contribution to or use in a different vacation ownership plan or vacation club (except as expressly permitted in the SVN Documents), or for any purpose other than the personal use described above is prohibited. Violations of this Section may result in the suspension of an SVN Member's reservation and/or ability to make future reservations.

8.2 SVN Member Rentals. An SVN Member may reserve a Vacation Period at the SVN Member's Home Resort and rent it on the SVN Member's own account. All renters must comply with the rules and regulations of the Resort Documents affecting occupancy, and the renting SVN Member will be responsible for the acts or omissions of the SVN Member's renters or any other person or persons permitted by the SVN Member to use the Unit. Rental by an SVN Member of Units reserved through SVN (other than a Vacation Period reserved at the SVN Member's Home Resort) is prohibited.

8.3 Amendment of the SVN Rules. Except as provided in the Resort Documents, SVN Operator expressly reserves the right to amend the SVN Rules, with respect to SVN Resorts in all respects, in its sole discretion, from time to time, without the consent of SVN Members, for any purpose, including permitting banking of Vacation Periods and creating SVN tiers. SVN Operator shall deliver notice of any amendment to each Primary Contact at the Primary Contact's last known address. Notice of amendments may be made by newsletter, annual mailings, facsimile, or e-mail.

8.4 Special Exchange Programs. SVN Operator reserves the right, from time to time, to enter into special exchange relationships with any entity other than an External Exchange Company pursuant to which SVN Members will have access to selected non-SVN resorts and non-SVN owners will have access to SVN accommodations after the Home Resort Reservation Period. Any special exchange programs will be governed by reservation rules and regulations similar to those governing an External Exchange Program.

8.5 Amendment of SVN Documents. Each SVN Member's participation in SVN will be governed by the SVN Documents, as amended from time to time by SVN Operator. SVN Operator shall have the right to amend any portions of the SVN Documents that SVN Operator in its sole discretion determines are necessary or desirable to amend from time to time, without the consent of SVN Members, except as provided in the Resort Documents. SVN Operator shall deliver notice of any amendment in the same manner as described in Section 8.3.

8.6 Termination. If the SVN Affiliation Agreement, Owner Membership Agreement, or other instrument that affiliates an SVN Resort with SVN is terminated or expires in accordance with its own terms, the terminated SVN Resort will no longer be affiliated as a part of SVN. However, on termination of such instrument, all confirmed reservations of SVN Members (from the terminating SVN Resort and from the non-terminating SVN Resorts) will be honored at both the terminating SVN Resort and at non-terminating SVN Resorts.

8.7 Severability and Conflict. The invalidity in whole or in part of any covenant or restriction, or any article, section, subsection, sentence, clause, phrase, word, or other provision of the SVN Documents shall not affect the validity of the remaining portions.

8.8 Include. The term "include" and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation.

8.9 Arbitration. Any dispute, controversy or claim ("Claim") between Owner and SVN Operator, whether preexisting, present or future, arising from or relating to the SVN Rules, Owner's VOI, the Resort or the Condominium shall, at the election of either party, be arbitrated on an individual basis before JAMS (www.jamsadr.org, 1-800-352-5267) pursuant to its Streamlined Rules. If JAMS cannot serve and the parties cannot agree on a substitute, a court with jurisdiction will select the arbitrator. The Federal Arbitration Act ("FAA"), 9 U.S.C. § 1, et seq., shall govern the interpretation and enforcement of this Section. A single neutral arbitrator shall be appointed. The arbitrator shall follow applicable substantive law consistent with the FAA, apply applicable statutes of limitations, honor valid claims of privilege, and issue a written reasoned decision which will be final and binding except for any review under the FAA. The arbitrator may award all remedies that would apply in an individual court action (subject to constitutional limits that would apply in court). Any in-person hearing will be held in Orange County, Florida unless otherwise agreed. If Owner initiates an individual arbitration, SVN Operator will pay all administrative and arbitrator fees exceeding \$250. Solely for purposes of this Provision, "SVN Operator" also means SVN Operator's parent companies, subsidiaries and affiliates; SVN Operator's and their employees, officers and directors; and any other person or entity named as a defendant or respondent in a Claim by Owner against SVN Operator. "Owner" also means Owner's heirs, successors and assigns and any other person or entity to which a VOI is subsequently resold or otherwise conveyed.

"**Claim**" shall be broadly construed and includes, without limitation, disputes concerning: purchase, financing, ownership or occupancy; breach, termination, cancellation or default; condition of the property; the Starwood Vacation Network or other exchange programs; Owner's VOI, the Resort or the Condominium; reservations, points

or rewards programs; applications and personal information; marketing or sales solicitations, representations, advertisements, promotions or disclosures; and collection of delinquent amounts and the manner of collection. "Claim" includes disputes based upon contract, tort, consumer rights, fraud and other intentional torts, constitution, statute, Uniform Commercial Code, regulation, ordinance, common law and equity. "Claim" does not include: (i) disputes about the validity, enforceability, coverage or scope of this Section or any part thereof, which are for a court to decide. But disputes about the validity or enforceability of the SVN Rules as a whole are for the arbitrator to decide; or (ii) any individual action by Owner in small claims or an equivalent court, unless that action is transferred, removed or appealed to a different court.

Class Action Waiver. If a Claim is arbitrated, neither Owner nor SVN Operator will have the right to (i) participate in a class action in court or in arbitration, either as a class representative or class member, (ii) act as a private attorney general in court or in arbitration, or (iii) join or consolidate Claims(s) with claims of any other person or entity. The arbitrator shall have no authority to conduct any class, private attorney general or multiple-party proceeding or to issue any relief that applies to any person or entity except Owner and SVN Operator individually.

An arbitration award may be enforced in any court with jurisdiction. This Section shall survive the breach, cancellation, termination or rescission of the SVN Rules, and any bankruptcy to the extent permitted by law. This Section governs if it conflicts with the SVN Rules or the arbitration rules. If any part of this Section other than the Class Action Waiver is declared unenforceable, the remainder shall be enforceable. If the Class Action Waiver is declared unenforceable in a proceeding between Owner and SVN Operator, without impairing the right to appeal such decision, this entire Section (except for this sentence) shall be null and void in such proceeding. SVN Operator will not amend this Section in a manner that adversely affects Owner's rights unless SVN Operator gives Owner a right to reject the amendment.

Right to Reject Arbitration Provision: Owner may reject this Section by sending SVN Operator a written notice which gives Owner's name and Agreement number and states that Owner rejects the Arbitration Provision. The rejection notice must be sent by certified mail, return receipt requested, to Starwood Vacation Exchange Company, 9002 San Marco Ct., Orlando, Florida 32819, Attn: Legal Department - Arbitration Rejection Notice. A rejection notice must be signed by Owner and received by SVN Operator within thirty (30) days after becoming a SVN Member or 30 days after these SVN Rules have been updated, whichever date is later. Rejection of arbitration will not affect any other term of this Agreement.

Each Owner has read, understands and voluntarily agrees to this Arbitration Provision and acknowledges that if a Claim is arbitrated, there will be no right to have a court or jury trial or participate in a class action.

Exhibit "B"

Officers and Directors of Starwood Vacation Exchange Company
(f/k/a Westin Vacation Exchange Company)

Officers

President, Chief Executive Officer
Senior Vice President, Chief Operating Officer
Senior Vice President
Senior Vice President, Assistant Secretary

Sergio D. Rivera
Stephen G. Williams
Thorp S. Thomas
Victoria H. Carter

Vice President, Secretary
Vice President, Assistant Secretary
Vice President, Assistant Secretary
Vice President, Treasurer
Vice President
Assistant Treasurer
Assistant Secretary

Angela K. Halladay
Robin L. Suarez
Barbara E. Overton
Lisa Cassin
Heather McGill
John Buckwalter
Jason Cohen

Directors:

Thorp S. Thomas
Stephen G. Williams
Barbara E. Overton

Exhibit "C"

Chart for Starwood Vacation Network Fees

Note: This chart provides a summary of the fees that may be charged for the use of the Starwood Vacation Network. For additional information, please see the Starwood Vacation Network Rules and Regulations.

Fees for Starwood Vacation Network Members

SVN Yearly Membership Fee ¹	US \$134	per year for the 1 st Vacation Ownership Interest (annual or biennial) in the Starwood Vacation Network
	US \$ 39	per year for the 2 nd Vacation Ownership Interest (annual or biennial) in the Starwood Vacation Network
	US \$ 0	for all additional owned Vacation Ownership Interests in the Starwood Vacation Network
International Surcharge ²	US \$ 25	per year
Starwood Preferred Guest [®] Program Conversion Fee ³	US \$130	per conversion
StarOptions Banking Fee ⁴	US \$99	per Banking transaction
Reservation Cancellation Fee ⁵	US \$ 0-75	per cancellation
Enrollment/Re-instatement Fee ⁶	US \$599	
Housekeeping Fees		Additional requests for housekeeping services will be assessed when appropriate, based upon the number of confirmed reservations. Splitting your vacation period into two or more segments may require the payment of additional housekeeping fees. Please consult your owner services representative for the specific amount of additional housekeeping fees, if any, at the time you make your reservation.

¹ For vacation ownership interests owned in the State of Hawaii, there is an additional 4.166% state tax added to the SVN fee amounts shown on this chart.

² The International Surcharge is charged to those owners living outside the U.S., Canada, Puerto Rico, Bermuda and most Caribbean Islands.

³ For SVN Elite 4-Star and 5-Star Members, SPG Conversion Fees are waived.

⁴ For SVN Elite 3-Star and 4-Star Members, Banking Fee is US \$79 and for SVN Elite 5-Star Members, Banking Fee is waived.

⁵ Cancellations made more than 60 days prior to arrival will receive no cancellation fee. Cancellations made between 60 days and 8 days prior to arrival will incur a \$50 fee. Cancellations made 7 days or less prior to arrival will incur a \$75 fee.

⁶ Re-enrollment in SVN will require the purchase of an additional VOI from a Starwood affiliated seller in addition to payment of the re-enrollment fee.



BUYERS' 2015 GUIDE

FOR MEMBERS
OF THE
STARWOOD
VACATION
NETWORK

This *Buyers' Guide to the Interval International® Exchange Program* contains important information concerning your exchange privilege. You should read this document prior to your purchase of a vacation interest. Unless otherwise stated, the information contained in this publication is correct as of May 31, 2015.

interval
INTERNATIONAL®

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*Accurate as of December 31, 2014

DISCLOSURE INFORMATION ABOUT THE INTERVAL INTERNATIONAL® EXCHANGE PROGRAM FOR STARWOOD VACATION OWNERSHIP AND MEMBERS OF THE STARWOOD VACATION NETWORK

This guide is provided to explain the Exchange Program made available to Starwood Vacation Ownership and members of the Starwood Vacation Network through Interval International, Inc. (“II”). You should review this information to ensure that you understand the terms and conditions of participation in the Exchange Program. The following are definitions of special terms which are included within the text of this guide.

DEFINITIONS

1. **“Host Resort”** or **“Host Accommodations”** means the resort into which the Network or Individual Member has been issued a Verified Confirmation (including Flexchange®, ShortStay Exchange®, and Getaway Confirmations, as well as E-Plus® retrades).
2. **“Individual Member”** means any person, persons, or entity who owns a vacation interest at one of the SVO Managed Resorts, and who by participating in the Exchange Program, agrees to be bound by these terms and conditions of II membership and exchange as amended from time to time. An Individual Member is said to be in good standing with II and/or SVO Management, Inc. when the Individual Member is current in the payment of all fees or assessments prescribed by II or SVO Management, Inc., and is in compliance with all II, SVO Management, Inc. and/or any SVO Managed Resort terms and conditions then in effect. The term “Individual Member” does not include any Network Member, where he or she participates in the Exchange Program by virtue of the corporate membership in the Exchange Program maintained by SVEC, as explained in “Membership,” Paragraph 1 below.
3. **“Interval Gold®”** and **“Interval Platinum®”** refer to the upgraded benefits packages available to Network Members and Individual Members in good standing upon payment of the applicable Interval Gold or Interval Platinum membership upgrade fee. Interval Gold or Interval Platinum status provides such Network Members and Individual Members with certain additional travel and leisure benefits not available through basic membership in the Exchange Program.
4. **“Interval International Resort Directory”** and **“Travel Planner”** means II’s online and print publications, respectively. Both publications include the Terms and Conditions of Individual Membership and Exchange as well as an overview of benefits of II membership and a descriptive listing of selected Member Resorts.
5. **“Member Resort”** means any resort, or vacation club membership program, for which a developer, homeowners’ association, or other third party has entered into a contract with II, pursuant to which accommodations and facilities may be made available to Network Members, Individual Members, and Other II Members, as well as any resort for which II provides exchange services directly to its owners. Member Resorts include Network Resorts and SVO Managed Resorts, except where expressly noted to the contrary.
6. **“Network”** means the STARWOOD VACATION NETWORK, which is the service name given to the variety of exchange and reservations services and vacation and travel benefits currently offered and the restrictions currently imposed through SVEC (defined hereunder), and which allows Network Members to reserve accommodations at any location included within the Network’s operations.
7. **“Network Deposit”** means the deposit with II by SVEC of accommodations from Network Resorts in one-week increments which SVEC makes, or will make, from time to time, on behalf of Network Members.
8. **“Network Member”** means the owner of record of a SVN Vacation Ownership Interest at a Network Resort, who has complied with all of the terms and conditions for membership in the Network as determined by SVEC for that Network Resort and who is enrolled with the Exchange Program. A Network Member is said to be in good standing with II when said Network Member is current in the payment of all fees prescribed by II and is in compliance with all II terms and conditions then in effect.
9. **“Network Resort”** means a SVN Resort which, from time to time, is owned by the Network or, becomes affiliated with the Network by virtue of the execution of a resort agreement between the developer and/or managing entity of such resort and SVEC. Current Network Resorts include Harborside Resort at Atlantis, Lakeside Terrace, Sheraton Broadway Plantation, Sheraton Desert Oasis, Sheraton Mountain Vista, Sheraton PGA Vacation Resort, Sheraton Steamboat Resort Villas, Sheraton Vistana Resort, Sheraton Vistana Villages, Vistana’s Beach Club, Westin Desert Willow Villas, Westin Ka’anapali Ocean Resort Villas, Westin Ka’anapali Ocean Resort Villas North, Westin Kierland Villas, Westin Lagunamar Ocean Resort, Westin Mission Hills Resort Villas, Westin Princeville Ocean Resort Villas, Westin Riverfront Mountain Villas, and Westin St. John Resort and Villas.
10. **“Network Rules”** means the Starwood Vacation Network Rules and Regulations governing the reservation and use of the Network accommodations and facilities, which rules and regulations have been promulgated and adopted by SVEC. The Network Rules are attached to the Starwood Vacation Exchange Company Exchange Program Disclosure Guide as Exhibit A thereto.
11. **“Other II Member”** means an owner of a vacation interest at a Member Resort, who is not an Individual Member or a participating member of Starwood Vacation Network, and who agrees to be bound by the terms and conditions of II membership and exchange.
12. **“Ownership Points”** refers to the unit of measurement assigned by SVEC to each points-based Vacation Ownership Interest and expresses the Network or Individual Member’s relative ability to request particular Host Accommodations in accordance with the terms and conditions of the II Exchange Program.
13. **“Resort Assignment”** means the code used collectively by SVO Management Inc., the Network, and II to identify the Network or SVO Managed Resort, season, unit size, and Use Year being relinquished by the Network Member or Individual Member for exchange.
14. **“Suspension”** or **“Suspended Resort”** means that a Member Resort is not in compliance with an II affiliation agreement, II policies and procedures, or is not otherwise in good standing with II. While a Member Resort is suspended, processing of new memberships, membership renewals, and exchange requests may be temporarily halted.
15. **“SVEC”** means Starwood Vacation Exchange Company, a Delaware corporation and its successors or assigns, the manager and operator of reservation services and vacation and travel benefits for the Network.
16. **“SVN Vacation Ownership Interest”** means a Vacation Ownership Interest in a Network Resort for which membership in the Network is made in accordance with SVEC from time to time.
17. **“SVO”** means Starwood Vacation Ownership and its successors and assigns.
18. **“SVO Deposit”** means the deposit with II by an SVO Managed Resort of accommodations in one-week increments, which SVO Management, Inc. makes, or will make, from time to time on behalf of Individual Members owning a floating SVO Vacation Ownership Interest.
19. **“SVO Managed Resorts”** means those Member Resorts for which the homeowners’ association maintains a management agreement with SVO Management, Inc. Certain owners at the SVO Managed Resorts are not Network Members and participate in the Exchange Program by virtue of an association affiliation agreement with II. SVO Managed Resorts include Sheraton Vistana Resort, Vistana’s Beach Club, Sheraton Broadway Plantation, Sheraton Desert Oasis, and Lakeside Terrace.
20. **“SVO Management, Inc.”** means the managing agent for the SVO Managed Resorts, which is responsible for the administration of the reservation system for the SVO Managed Resorts. This definition of “SVO Management, Inc.” shall also include any affiliates of SVO Management, Inc. and its successors and assigns.

21. **“TDI” or “Travel Demand Index”** means the seasonal indices that are updated periodically to reflect the cycles of relative weekly demand for a specific geographic area. The TDI is a vacation-planning tool offered by II to assist Network Members and Individual Members in determining which time periods offer the best opportunities for travel to a particular region and when accommodations are most likely to be available. The TDI is not an indication of the quality or desirability of vacationing in any specific resort, geographic area, or season, nor are they necessarily an indication of the availability of a particular week in the Exchange Program.
22. **“Verified Confirmation”** means a written or electronic acknowledgment from II that a request for accommodations has been fulfilled.

Network Members/Individual Members should consult the Network’s Program Disclosure Guide and the Network Rules and Regulations for the definitions of the terms Home Resort, Home Resort Preference Period, Reservation Services, Reservation Window, SVN Resort, Use Year, and Vacation Ownership Interest, and for further information, details, and explanations of the reservation and use of Network accommodations and facilities, and for other terms, conditions, and information regarding the Network; Individual Members should consult their respective association documents. II is not responsible for fulfilling any such terms and conditions, nor does II have any control over such terms and conditions. All information contained in these terms and conditions has been established by SVEC and SVO Management, Inc. and is subject to change by the parties.

THE TERMS AND CONDITIONS SET FORTH HEREIN ARE DIFFERENT FROM II’S STANDARD TERMS AND CONDITIONS OF INDIVIDUAL MEMBERSHIP AND EXCHANGE FOR OTHER II MEMBERS, WHICH STANDARD TERMS AND CONDITIONS ARE SET FORTH IN THE II TRAVEL PLANNER AND OTHER II PUBLICATIONS FROM TIME TO TIME. THE TERMS AND CONDITIONS SET FORTH HEREIN HAVE BEEN SPECIALLY AGREED UPON BY SVEC AND II FOR OBTAINING RESORT ACCOMMODATIONS THROUGH THE II EXCHANGE PROGRAM. THEREFORE, WHEN PLACING A REQUEST FOR ACCOMMODATIONS WITH II YOU SHOULD REFER TO THESE TERMS AND CONDITIONS AND NOT THE STANDARD TERMS AND CONDITIONS THAT ARE SET FORTH IN THE II TRAVEL PLANNER AND IN OTHER II PUBLICATIONS. IN THE EVENT OF A CONFLICT BETWEEN THESE TERMS AND CONDITIONS AND SUCH OTHER STANDARD TERMS AND CONDITIONS, THESE TERMS AND CONDITIONS SHALL PREVAIL.

WHO WE ARE

1. II is a Florida corporation offering an exchange service for use by Network Members and Other II Members, and in certain circumstances other travel and leisure benefits (the “Exchange Program”). II is a wholly owned subsidiary of Interval Holdings, Inc., a Delaware corporation. II’s corporate headquarters is located at:
P.O. Box 431920
6262 Sunset Drive
Miami, Florida 33243-1920
305.666.1861

The obligations of II, pursuant to the terms and conditions set forth in this guide, may be performed by II, its authorized representatives, or designated licensees.

2. II is an independent exchange service company and is not operated or managed by any developer, seller, managing entity, or marketer of any Member Resort. No developer of any Member Resort is an agent for or a joint venturer with II. II does not sell, lease, or otherwise convey an interest in any real property. Neither II, nor any of its officers or directors, has any legal or beneficial interest in SVEC or any developer or seller, of any resort participating in the Exchange Program. Related companies of II, HV Global Group, Inc. and its affiliates, own and manage the Hyatt Residence Club program, which includes a limited number of Member Resorts participating in the Exchange Program. II, through its subsidiaries, Trading Places International, LLC, and its subsidiary, TPI Management – Canada Inc.

(collectively, “TPI”), and Vacation Resorts International and its subsidiary, Owners’ Resorts and Exchange, Inc. (collectively, “VRI”), manages a limited number of the Member Resorts participating in the Exchange Program; which Member Resorts are designated on pages 11 through 45 with the symbol “∞” for TPI-managed resorts and with the symbol “◊” for VRI-managed resorts.

3. The following are the corporate officers and directors of II:

Craig M. Nash	Chairman, Chief Executive Officer, Director
David C. Gilbert	President
Jeanette E. Marbert	Executive Vice President, Chief Operating Officer, Director
John A. Galea	Senior Vice President, Chief Financial Officer, Director
William L. Harvey	Executive Vice President
Marie A. Lee	Senior Vice President and Chief Information Officer
Victoria J. Kincke	Senior Vice President, General Counsel, and Secretary
R. Marcos Agostini	Senior Vice President
Thomas A. Bell	Senior Vice President
Mary Cheddie	Senior Vice President
Raul E. Estrada	Senior Vice President
Darren Ettridge	Senior Vice President
Sharon C. Freed	Senior Vice President
Bryan Ten Broek	Senior Vice President

4. SVEC and II entered into a contract pursuant to which, among other things, II will provide its Exchange Program for use by Network Members, subject to the terms and conditions of membership in the Network and in accordance with the terms and conditions set forth herein.

MEMBERSHIP

1. The Network maintains a corporate membership in the Exchange Program, and each Network Member derives II membership benefits and exchange privileges through such corporate membership. The Network enrolls each Network Member in the Exchange Program. These terms and conditions of membership constitute the Network Member’s contract with II, which is a separate and distinct contract from the contract with the developer or seller of the SVN Vacation Ownership Interest. Enrollment in the Exchange Program commences upon II’s receipt and processing of the enrollment form and the applicable fee.
2. In subsequent years, the Network arranges for renewal of the corporate membership with II. At all times, participation in the Exchange Program by Network Members is voluntary.
3. Each Individual Member is responsible for maintaining his or her II membership. Individual Membership commences upon II’s receipt and processing of such purchaser’s membership application and applicable membership fee. In subsequent years, Individual Members are generally billed directly by II, and membership in the Exchange Program is voluntary.
4. A Network or Individual Member may independently upgrade his or her membership to Interval Gold or Interval Platinum status upon his or her payment of an upgrade fee, plus any applicable tax. Each Network Member acknowledges and agrees that membership in Interval Gold or Interval Platinum is separate and distinct from the corporate membership maintained on behalf of each Network Member by the Network, and each Network Member shall be responsible for his or her enrollment in and, where applicable, renewal of the Interval Gold or Interval Platinum membership.
5. **Membership benefits including, but not limited to, participation in Special Exchange Services and various incentive programs (which may be offered from time to time) will be provided so long as the Network or Individual Member, the Network, and the Network and SVO Managed Resorts are in good standing with II.** Additionally, the Network Member or Individual Member must be in good standing with the

Network or SVO Managed Resort (i.e., Network or Individual Member is current in all contract and operating fund payments to the Network or SVO Managed Resort). Membership benefits other than the exchange privilege, including certain Interval Gold and Interval Platinum benefits, are subject to separate terms and conditions. Said benefits, their providers, and their terms of use may be changed, substituted, or eliminated without prior notice. Where benefits are provided by independent third parties, II expressly disclaims responsibility for the acts or omissions of any persons or entities providing such benefits. Network and Individual Members are not required to utilize the exchange benefit or to use any other benefits provided through the Exchange Program.

6. Membership in II is conditioned upon the Network's continued adherence (and the adherence of Network Resorts and SVO Managed Resorts) to II's standards of service, appearance, management, and operation. The failure of the Network or Network Resorts or SVO Managed Resorts to maintain these standards or to timely renovate or construct vacation accommodations and/or amenities participating in, or committed to participate in, the Exchange Program, or the failure of the Network or SVO Managed Resorts to remain in good standing with II (e.g., failure to comply with contractual obligations, including the obligation to enroll purchasers and remit fees, the failure to honor Verified Confirmations, and/or the failure to otherwise comply with II policies and procedures), may result in suspension or termination of the Network or SVO Managed Resorts' affiliation with II. **A Network or SVO Managed Resort's suspension or termination from the Exchange Program may result in the loss of all or some of the membership benefits, including the exchange privilege for the resort's associated Network or Individual Members.**
7. Representations concerning Individual Membership and the Exchange Program are limited to materials supplied or otherwise approved by II in writing. All other representations are not valid or binding on II.
8. Not all Member Resorts are included in the *Interval International Resort Directory* or *Travel Planner*. The failure to picture a Member Resort in the *Resort Directory* or *Travel Planner*, however, does not necessarily mean that such Member Resort is not in good standing with II, or that its associated Network or Individual Members or Other II Members are not entitled to use the exchange privilege. Likewise, the inclusion of a Member Resort in the *Resort Directory* or *Travel Planner* does not necessarily mean that such Member Resort is in good standing with II, or that the associated Network or Individual Members or Other II Members are entitled to use the exchange privilege. All reasonable efforts are made to ensure that published resort information is accurate. II, however, expressly disclaims liability in the event of omission or error.
9. Network and Individual Members acknowledge that:
 - (a) Resort facilities, amenities, and services vary by country, location, and resort, and room accommodations vary in size, decor, and interior detail.
 - (b) The description and amenities symbols provided in the *Resort Directory* or *Travel Planner* for each Member Resort are representative of the features generally available at such Member Resort. However, unit amenities and views may vary from unit to unit within a Member Resort, and II cannot guarantee specific selection of any such elements with respect to the Host Accommodations or that all amenities will be available during any specific period of occupancy. Each Network and Individual Member should review the Verified Confirmation for specific information about his or her Host Accommodations.
 - (c) The exchange privilege should not be the primary reason for purchasing a vacation interest, and the relative demand indicated in a Travel Demand Index and assigned to each particular week should not be relied upon in determining the value of any week for exchange.
 - (d) II is not liable for any damage to, or loss or theft of personal property left in any Network or SVO Managed Resort accommodations; nor is II liable for any damage to or loss or theft of personal property that occurs through Network or Individual Members' use of Host Resort accommodations. II is not liable for any personal or bodily injury that occurs either at any Network or SVO Managed Resort or at a Host Resort.
- (e) II is not liable or responsible for any claim or loss incurred in connection with the purchase or ownership of a SVN Vacation Ownership Interest or your participation in the Network.
- (f) Upon each use of the Exchange Program, and to the extent allowed by applicable law, any and all claims against II are waived, and II is released from all liability, if any, arising out of participation that occurred prior to the use of same.
- (g) II's liability to a Network or Individual Member, if any, in connection with participation in the Exchange Program is limited to the annual membership and exchange fees paid to II by or on behalf of the Network or Individual Member.
- (h) All rules and regulations of the Host Resort, as well as these terms and conditions, must be adhered to. Violation of such rules or these terms and conditions may result in the loss of present and future occupancy rights at the Host Resort and/or the cancellation of membership without further obligation by II.
- (i) If a Vacation Ownership Interest is owned by a corporation, partnership, or trust, a corporate officer, partner, or trustee must be established as the primary contact or administrator to manage the membership.
- (j) Where multiple individuals are listed in a single membership record as the owners of a Vacation Ownership Interest(s), one individual and such individual's contact information must be designated as the primary contact where all Member materials, Confirmations, and communications will be sent. Contact information may also be included for all other owners. In order to be associated to a single membership record, each contact's information must reference the same country of residence. II may continue to provide membership and exchange benefits for all individuals listed until II receives verifiable documentation of any change of ownership of the vacation interest(s).
- (k) **Membership in II may be used only for personal and noncommercial purposes. Any other use of membership benefits may result in the suspension or termination of a Network or Individual Member's membership and/or exchange privileges, as well as cancellation of any existing Confirmations and loss of fees associated with all II memberships and Confirmations held by such Network or Individual Member.**
- (l) To the extent allowed by applicable law, telephone conversations between Network or Individual Members and II employees or representatives may be recorded and/or monitored.
- (m) If II should fail or be delayed or impaired in the performance of any obligation hereunder, including, but not limited to, providing exchange accommodations, due to causes beyond the control of and without the fault or negligence of II, then II shall be excused from further performance. Such causes may include, but are not limited to, acts of God or public enemy, fire, strikes, lock-out or other labor unrest, riot, explosion, civil disobedience, declared or undeclared war, revolution, insurrection, boycotts, acts of piracy, acts of terrorism, acts of public authorities, blockade, embargo, accident, epidemic or quarantine, labor shortages based on pandemics or widespread illness within a given servicing location, delays or defaults caused by public or common carriers, and/or other circumstances materially impacting travel to a particular region or in general.
- (n) Although II submits this disclosure statement for approval by regulatory agencies having jurisdiction over timeshare and exchange programs in various states, such approval should not be interpreted as applying to any travel, leisure, or other benefit, or service falling outside the jurisdiction of any such agency.

- (o) It is prohibited from doing business with certain entities and individuals residing in certain nationally sanctioned countries or otherwise set forth from time to time on any list maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control (collectively, "Blocked Parties"). If II receives an enrollment form for a Network or Individual Member defined as a Blocked Party, II will refuse membership for such purchaser. If a Network or Individual Member subsequently becomes or is determined to be a Blocked Party, II will cancel the membership without refund or other obligation.
10. Network and Individual Members acknowledge and agree that, to the extent allowed by applicable law, II may upon occasion offer various products and services relating to individual membership benefits, including exchange and travel benefits offered by II.
11. The terms and conditions of membership with II and the use of the Exchange Program shall be construed under the laws of the State of Florida. By remaining a member of the Exchange Program, Network and Individual Members consent to the exclusive subject matter and personal jurisdiction of the courts in Miami-Dade County, Florida. In the event of litigation between the parties, the prevailing party shall be entitled to all costs incurred, including reasonable attorneys' fees.
12. These Terms and Conditions of Individual Membership and Exchange, including any fees associated therewith may be changed by II at its sole discretion. Except where expressly noted otherwise, Network and Individual Members will be advised of any such changes through II's regular publications or on II's website, IntervalWorld.com.

POINTS-BASED EXCHANGE METHOD

(applicable to all Network and Individual Members who receive their exchange benefits based on the relinquishment of Ownership Points)

1. **These Network and Individual Members utilize an exchange method, often referred to as Request First, whereby they do not give up their Ownership Points until an exchange has been confirmed.**
2. **Other than exchanges made through the Flexchange program, exchange requests must be received by II at least 60 days in advance of the commencement date of the week requested.** An exchange fee, plus the applicable tax, is required when placing an exchange request for a Member Resort, other than a Network Resort.
3. Ownership Points
 - (a) For a Verified Confirmation to be issued, the following Ownership Points are required based on the exchange accommodations being requested:

SELECT POINTS CHARTS FULL-WEEK EXCHANGE VALUES

TDI Range	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
135 – 150	60,000	70,000	110,000	175,000	250,000
115 – 130	44,000	51,700	81,000	125,000	190,000
90 – 110	37,000	44,000	67,100	104,100	157,500
65 – 85	25,800	30,500	44,000	69,800	105,000
50 – 60	20,700	25,800	37,000	57,700	85,000

SHORTSTAY NIGHTLY EXCHANGE VALUES

TDI Range	Day of Week	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
135 – 150	SUN – THU	6,000	7,000	11,000	17,500	25,000
	FRI/SAT	15,000	17,500	27,500	43,750	62,500
115 – 130	SUN – THU	4,400	5,170	8,100	12,500	19,000
	FRI/SAT	11,000	12,925	20,250	31,250	47,500
90 – 110	SUN – THU	3,700	4,400	6,710	10,410	15,750
	FRI/SAT	9,250	11,000	16,775	26,025	39,375
65 – 85	SUN – THU	2,580	3,050	4,400	6,980	10,500
	FRI/SAT	6,450	7,625	11,000	17,450	26,250
50 – 60	SUN – THU	2,070	2,580	3,700	5,770	8,500
	FRI/SAT	5,175	6,450	9,250	14,425	21,250

When a Network or Individual Member places an exchange request, Ownership Points required for the highest-valued accommodations are placed on hold in such Network or Individual Member's Ownership Points account and will not be available for use during the pendency of such exchange request.

- (b) Once a Verified Confirmation has been issued, the Network or Individual Member will be deemed to have used the number of his or her Ownership Points applicable to such Verified Confirmation, and such Ownership Points will no longer be available to that Network or Individual Member, unless the Verified Confirmation is canceled in accordance with II's Exchange Cancellation Policy, as described below in General Exchange Procedures and Priorities, Paragraph 12.
 - (c) Where a given exchange request is not confirmed, the Ownership Points will be released to the Network or Individual Member's account. Alternatively, the Network or Individual Member may assign remaining or unused Ownership Points to II for a future exchange request in the subsequent Use Year by contacting the Owner Services Department no later than December 31 of the current Use Year.
4. Use of the Deposit First method, as explained in more detail in Week-Based Exchange Method, Paragraph 2 below, is not available to Network and Individual Members relinquishing Ownership Points, as II does not currently accept the deposit of Ownership Points.

WEEK-BASED EXCHANGE METHOD

(applicable to Network and Individual Members who receive exchange benefits from II based on the relinquishment of a Resort Assignment)

1. To submit a request for exchange accommodations, Network and Individual Members may first contact the Owner Services Department during the Reservation Window to secure a Resort Assignment for exchange. The Network or Individual Member may then contact II to place an exchange request. Your Owner Services Department will provide II with accommodations through the Network or SVO Deposits on behalf of the Network or Individual Member after an exchange has been confirmed. Requests may not be submitted more than 12 months prior to the commencement date of the week being requested. Network and Individual Members acknowledge that Owner Services will assign an expiration date to each Resort Assignment, and that this expiration date will be based upon the member's respective eligible Use Year as it relates to the timing of the particular request being placed. Further, Network and Individual Members acknowledge that the requested travel must be completed prior to such expiration date.
2. As an alternative, Network and Individual Members may also utilize the "Deposit First" method of exchange, whereby they may "deposit" the use and occupancy of their Resort Assignment with II. The Resort Assignment may be deposited with II as late as December 31 of the current Use Year. A deposit may be cancelled at any time, provided that the Network or Individual Member has not placed an exchange request or received Verified Confirmation from II for the current or a future Use Year.
3. Other than exchanges made through the Flexchange program, exchange requests must be received by II at least 60 days in advance of the commencement date of the week requested. An exchange fee, plus any applicable tax, is required when placing an exchange request.
4. No fee is required to deposit a Resort Assignment. An exchange fee, however, is required when placing an exchange request against the deposited Resort Assignment.
5. Upon receipt of a deposit, II will assign a deposit number which must be utilized when placing an exchange request. An exchange may be requested for the same amount of time as that deposited, except where the Network or Individual Member is requesting a ShortStay Exchange, as discussed in more detail below in Paragraph 4 under General Exchange Procedures and Priorities. The exchange request may be placed at the same time that the deposit is made or at any time after receipt of the deposit number, but no later than 24 months after the commencement

date of the deposited Resort Assignment. In addition, the requested travel dates must be no earlier than 12 months before the commencement date of the deposited Resort Assignment. Requests may not be submitted more than 24 months prior to the commencement date of the resort accommodations requested. All normal exchange procedures (as detailed below) must be adhered to when placing a request against the deposited Resort Assignment.

6. By using the Deposit Extension Option, Network and Individual Members may, upon the payment of an additional fee, extend the period in which they can utilize a particular deposit ("Redemption Window") for up to a period of one year. Any particular deposit may be extended a total of two times. The Deposit Extension Option must be exercised no later than three months after the date on which the original or extended Redemption Window expires. The extension begins on the date on which the original or extended Redemption Window expired. The exchange request placed within an extended Redemption Window must be placed through II's Flexchange service. **The Deposit Extension Option may not be used to extend the expiration date of an E-Plus Usage Window or a retrade of a Verified Confirmation using E-Plus, or to extend the time period in which Network or Individual Members may request substitute accommodations pursuant to II's Exchange Cancellation Policy, or request accommodations pursuant to the redemption of an accommodations certificate. All other terms and conditions of exchange apply.**
7. The Exchange Program is based upon the "Comparable Exchange" concept. Comparable Exchange attempts to parallel, to the greatest extent possible, the supply of and demand for the weeks comprising, or that will comprise (as agreed upon between II and SVEC), the Network or SVO Deposits with the supply of and demand for the vacation period being requested in exchange. Comparable Exchange also attempts to ensure that Network and Individual Members are confirmed, whenever possible, to resorts that are comparable in quality to the Network or SVO Managed Resorts.
8. II, therefore, in order to achieve its goal of providing the Network or Individual Member with an exchange experience comparable to that which SVEC or the SVO Managed Resort provides, assigns a priority to each request based on the following factors:
 - (a) **The supply of and demand for, within the Exchange Program, the vacation periods deposited from time to time by SVEC or SVO Management, Inc.**
 - (b) **The supply of and demand for, within the Exchange Program, the vacation periods and Member Resorts being requested in exchange.**
 - (c) **The quality, facilities, and overall experience offered by the Network or SVO Managed Resorts as compared to the quality, facilities, and overall experience of the Member Resorts being requested in exchange. This is based on evaluation forms received from exchange guests to Member Resorts, resort inspections and evaluations, and other information received by II regarding Network and SVO Managed Resorts.**
 - (d) **When the exchange request is received by II. The earlier of two identical requests for the same vacation period with identical relinquishment will receive priority.**
 - (e) **The amount of time in advance of the first date of occupancy at which the Network or SVO Deposit is made available to II.**
 - (f) **The unit type and private sleeping capacity of the Network or SVO Managed Resort accommodations associated with the Resort Assignment being relinquished as compared to the unit type and private sleeping capacity being requested.**

All of the above factors, with the exceptions of when the Network or SVO Deposit is made available to II, when a request is received, and the unit type and private sleeping capacity, are constantly changing and are updated by II on an ongoing basis.

GENERAL EXCHANGE PROCEDURES AND PRIORITIES

1. To utilize the exchange privilege pursuant to these terms and conditions, including Special Exchange Services, the Network or Individual Member must be in good standing with II and the Network or SVO Managed Resort from the time a request is placed through the actual travel dates. In addition, the Network or SVO Managed Resort must be in good standing with II. For example, SVEC or SVO Management, Inc. must comply with its obligations to timely and properly provide II with Network or SVO Deposits. **Failure to timely and properly make the Network Deposits and/or SVO Deposits may result in the loss of exchange privileges for the Network or Individual Member.**
2. To submit a valid exchange request, a minimum of three different resorts and one time period, three different time periods and one resort, or two resorts and two time periods must be requested. Network and Individual Members may be automatically confirmed into any resort or time period requested.
3. **Regular exchange requests must be received by II at least 60 days in advance of the commencement date of the week requested.** Flexchange is a service in which vacation exchange requests may be submitted from 59 days up until 24 hours in advance of the travel dates desired. Available Host Accommodations for the date requested will be offered and an instant Verified Confirmation will be issued if one of the availabilities offered at the time of the call is accepted. Holiday, summer, and other highly demanded weeks usually are not available through this late-request exchange service. All other terms and conditions of exchange apply to this service, except where expressly noted to the contrary. **Regardless of the methodology used, once an exchange request is submitted, it may be canceled only if notice of cancellation is received by II prior to Verified Confirmation of the request. Once issued, a Verified Confirmation may be canceled only in accordance with II's Exchange Cancellation Policy, as described in Paragraph 12 below.**
4. ShortStay Exchange ("ShortStay Exchange") is an exchange service offered by II to members in good standing of the Interval Gold and Interval Platinum membership programs, in which, upon payment of the appropriate fee and any applicable tax, Network or Individual Members can be confirmed to resort accommodations for periods of less than seven days. To participate in a ShortStay Exchange, a Network or Individual Member must be a participant in the Interval Gold or Interval Platinum membership program and must contact the Owner Services Department during the Reservation Window to secure a vacation period in order to secure up to two ShortStay Exchange Confirmations. Network and individual members who exchange with II based on the relinquishment of Ownership Points may confirm as many ShortStay Exchange Confirmations as their points will allow. A ShortStay Exchange Confirmation will not be issued until the Resort Assignment or availability of the required number of Ownership Points is verified. Holiday, summer, and other highly demanded travel periods usually will not be available through ShortStay Exchange. **II's Exchange Cancellation Policy does not apply to ShortStay Exchange Confirmations. A cancellation of a ShortStay Exchange Confirmation results in the loss of the Resort Assignment unit week or Ownership Points as well as the exchange fee paid to secure such Confirmation.** All other terms and conditions of the Exchange Program apply to this exchange service, except as noted to the contrary.
5. (a) For Network and Individual Members who wish to change their Host Accommodations subsequent to receiving a Verified Confirmation without canceling their Verified Confirmation, E-Plus is available to allow such members to "retrade" their original Verified Confirmation, up to a total of three times, upon the payment of an additional fee. The use of E-Plus may be purchased at any time commencing at the time an exchange request is initially placed and continuing up to five (5) days following the issuance of a Confirmation, so long as the purchase is prior to the first date of occupancy of the Host Accommodations and the Host Resort is in good standing with II.

- E-Plus may be used to secure up to three (3) retrades of the member's Host Accommodations and/or vacation periods, at any time up to 12 months after the first date of occupancy of the Host Accommodations of the original Verified Confirmation (the "E-Plus Usage Window"). Once established, the E-Plus Usage Window does not change upon any subsequent retrade.
- (b) When transacting an E-Plus retrade, the Network or Individual Member may view available Host Accommodations, and an E-Plus retrade will be instantly issued if the desired accommodations are available at the time the retrade is initiated. Retrade requests may be made online or by telephone.
- (c) (i) When the Network or Individual Member transacts an E-Plus retrade 60 days or more from the first date of occupancy of the original Verified Confirmation or, if applicable, previously-issued retrade, he or she will be entitled to select available accommodations with travel dates any time up to the expiration of the E-Plus Usage Window.
- (ii) When the Network or Individual Member requests an E-Plus retrade 59 days to 24 hours prior to the first date of occupancy of the original Verified Confirmation or, if applicable, initial retrade, the Member may only select from accommodations that have occupancy dates commencing up to 60 days after the first date of occupancy of the original Verified Confirmation or previously-issued retrade. Any subsequent retrade request may only be for Host Accommodations with occupancy dates 60 days or less prior to the first date of occupancy of the current retrade.
- (iii) **E-Plus may not be used to change Host Accommodations less than 24 hours prior to the first date of occupancy of the current Host Accommodations.**
- (d) Only one purchase of E-Plus may be made as to any particular Verified Confirmation.
- (e) **E-Plus may not be purchased for use with a ShortStay Exchange Confirmation, an Interval Options Confirmation, or with respect to the purchase of accommodations through the Getaway Program.**
- (f) **E-Plus may not be used to secure a retrade where the Host Accommodations have become unavailable for occupancy for any reason.** Where a Network or Individual Member secures a retrade for accommodations located in an area prone to damage or destruction due to adverse weather conditions, earthquakes, or other natural disasters, travel insurance is available through a third-party provider. Information about travel insurance is available at IntervalWorld.com.
- (g) II's Exchange Cancellation Policy does not apply to E-Plus retrades.
6. Requests for accommodations may be placed with II by telephone, or at II's website, IntervalWorld.com. After contacting your Owner Services Department, a request by telephone should be made by calling II's Starwood desk: 877.782.7088.
7. An exchange fee is required to be paid by the Network or Individual Member to II when placing an exchange request.
8. **Exchanges are arranged on a space-available basis. Neither II, SVEC, SVO Management, Inc. nor any developer or marketer can guarantee the fulfillment of a specific request, as weeks are received on a periodic basis throughout the year. Generally, II does not control the timing, location, or number of weeks available to the Exchange Program.**
9. Network and Individual Members may confirm as many exchanges as their Vacation Ownership Interest will support.
10. **Some Network and Individual Members may be restricted from exchanging into resorts located within the same geographical area as the Network Member's Home Resort accommodations. There are currently restrictions in Aruba; Barbados; Cabo San Lucas, Mexico; Cancún, Mexico; Cyprus; the Dominican Republic; Door County, Wisconsin; Eastern British Columbia; Gatlinburg/Pigeon Forge, Tennessee; Grand Bahama Island; Grand Cayman Island; Guatemala; Hawaii (the Big Island); Kauai, Hawaii; Maui, Hawaii; Hilton Head, South Carolina; Lake Tahoe, California; Las Vegas, Nevada; Madeira, Portugal; Malta; Marco Island, Florida; Mazatlán, Mexico; Naples, Florida; Okaloosa/Walton County, Florida; Orlando/Kissimmee, Florida; Palm Desert, California; Palm Springs, California; Phuket, Thailand; Puerto Vallarta, Mexico; Riviera Maya, Mexico; Riviera Nayarit, Mexico; St. Maarten; Stateline, Nevada; Summit County, Colorado; Virginia Beach, Virginia; and Williamsburg, Virginia. Generally, this restriction does not apply to Network Members requesting an exchange to another Network Resort in the same geographic area. Additional geographic areas may be restricted in the future.**
11. Only II can confirm vacation exchange requests, and only II written confirmations are valid. II will attempt to confirm a request until 48 hours before the latest travel dates requested; however, beginning on the 29th day prior to the latest travel dates requested, the Member will be contacted by telephone in order to obtain acceptance (or rejection) by the Network or Individual Member prior to issuing a Verified Confirmation. Verified Confirmations are sent to Members directly from II.
12. II Exchange Cancellation Policy
- (a) **The only circumstances under which a Network or Individual Member using the Exchange Program may lose the use of his or her Ownership Points or the use and occupancy of the Network or SVO Managed Resort accommodations without being provided Host Accommodations are if the Network or Individual Member: (i) cancels a Verified Confirmation seven days or more prior to the first date of occupancy of the Host Accommodations being canceled and fails to request substitute accommodations in accordance with II's Exchange Cancellation Policy; (ii) cancels a Verified Confirmation less than seven days prior to the first date of occupancy of the Host Accommodations being canceled; (iii) cancels or loses the use of a Verified Confirmation, at any time, due to the threatened or actual damage or destruction of the Host Accommodations; (iv) cancels a Verified Confirmation for substitute Host Accommodations that were previously issued to the Network or Individual Member under II's Exchange Cancellation Policy, or (v) where the use of the confirmed Network or SVO Managed Resort accommodations by II is lost or impaired due to circumstances beyond II's control.**
- (b) **Under II's Exchange Cancellation Policy, a Network or Individual Member is entitled to cancel a Verified Confirmation by notifying II of his or her desire to cancel such Verified Confirmation within the first 24 hours after the exchange request has been confirmed.** In such circumstances, the Network or Individual Member's exchange fee will be refunded, and the right to utilize the Resort Assignment shall revert to the Network or Individual Member.
- (c) **When a Network or Individual Member notifies II of his or her desire to cancel a Verified Confirmation seven days or more prior to the first date of occupancy of the Host Accommodations being canceled, the Network or Individual Member will be entitled to request substitute exchange accommodations, as long as the Network or Individual Member requests travel occurring no later than 12 months after the date on which the Network or Individual Member canceled said Verified Confirmation for the Host Accommodations. However, the time period in which such Network or Individual Member is entitled to request substitute exchange accommodations is limited, as follows:**
- (i) **When a Network or Individual Member notifies II of his or her desire to cancel the Verified Confirmation 60 days or more prior to the first date of occupancy of his or her Host Accommodations, the Network or Individual Member may request substitute exchange accommodations at any time from the date of cancellation up to**

- 24 hours prior to the first date of occupancy of such substitute exchange accommodations.
- (ii) Where the Network or Individual Member notifies II of his or her desire to cancel the Verified Confirmation 59 to 14 days prior to the first date of occupancy of his or her exchange accommodations, the Network or Individual Member may request substitute exchange accommodations 59 days to 24 hours prior to the first date of occupancy of such substitute exchange accommodations.
- (iii) When a Network or Individual Member notifies II of his or her desire to cancel the Verified Confirmation 13 to seven days prior to the first date of occupancy of his or her exchange accommodations, the Network or Individual Member may request substitute exchange accommodations from limited travel destinations 30 days to 24 hours prior to the first date of occupancy of such substitute exchange accommodations.
- (iv) II will retain the exchange fee paid initially to secure the canceled Verified Confirmation.
- (d) **Notwithstanding the foregoing, a Network or Individual Member may not request substitute exchange accommodations where he or she has canceled or has lost the use of a Verified Confirmation, as a result of the Host Accommodations being damaged or destroyed or where such damage or destruction is imminent.** Where a Network or Individual Member is issued a Verified Confirmation or a retrade to a Host Resort located in an area prone to damage or destruction due to adverse weather conditions, earthquakes, or other natural disasters, travel insurance is available through a third-party provider. Information about travel insurance is available at IntervalWorld.com. II reserves the right to deny a Network or Individual Member substitute exchange accommodations under II's Exchange Cancellation Policy where such member has received compensation for his or her canceled exchange accommodations pursuant to travel insurance or otherwise.
- (e) **In all instances that a Network or Individual Member requests substitute exchange accommodations pursuant to II's Exchange Cancellation Policy, the member will be entitled to request substitute Host Accommodations comparable in value to the Network or SVO Managed Resort accommodations or Ownership Points relinquished.**
- (f) **The date the Network or Individual Member cancels will be deemed the new date of relinquishment in determining a priority with respect to Paragraph 8(e) under Week-Based Exchange method.**
- (g) **Where a request for substitute exchange accommodations is allowed under II's Exchange Cancellation Policy, the Network or Individual Member will be required to pay an additional exchange fee at the time he or she requests substitute exchange accommodations.**
- (h) **II's Exchange Cancellation Policy does not apply to ShortStay Exchange Confirmations, E-Plus retrades, Getaway Confirmations, or Interval Options Confirmations. A cancellation of a ShortStay Exchange Confirmation or Interval Options Confirmation results in the loss of the Network or SVO Managed Resort accommodations or Ownership Points.**
13. **Irrespective of the calendar followed by any Network or SVO Managed Resorts, Network or Individual Members may be confirmed into a resort with weekly time periods beginning on any day of the week.**
14. Any accommodations provided to II through a Network or SVO Deposit that are not confirmed by II to a Network or Individual Member or Other II Member may be used by II for general commercial purposes.
15. **In addition to the above, priority in the exchange confirmation process is provided to:**
- (a) **Network, Individual, and Other II Members requesting an exchange to selected Member Resorts that are owned, or in certain instances branded, marketed, and/or managed in common with the home resort, and**
 - (b) **Network, Individual, and Other II Members who own a Vacation Interest at a Member Resort located in certain geographic regions including, but not limited to, Australia, New Zealand, and/or South Africa and are requesting an exchange to other Member Resorts that are located in the same geographic region as the member's home resort.**
16. **The Host Accommodations may be used only for personal and noncommercial purposes.** Network and Individual Members are expressly prohibited from exchanging or renting the Host Accommodations, including, but not limited to offering the Host Accommodations for sale or rent to third parties through the use of a Guest Certificate or otherwise. Failure to use the Host Accommodations will not entitle Network or Individual Members to recover any Resort Assignment. Verified Confirmations are issued only in the name of the Network or Individual Member placing the exchange request, and Host Accommodations may be used only by the Network or Individual Member and accompanying guests, unless a Guest Certificate is obtained from II. There is a fee for each week assigned via a Guest Certificate, and it must be paid, plus any applicable tax, when the certificate is requested. This Guest Certificate fee is in addition to the exchange fee required when the exchange request is placed. Notwithstanding the foregoing, Interval Platinum Members are not required to pay a Guest Certificate fee when requesting a Guest Certificate for their guests. **Guest Certificates may only be obtained for personal or noncommercial purposes. Failure to secure a Guest Certificate where required for a guest of the Network or Individual Member when the Network or Individual Member does not plan to occupy the Host Accommodations (including instances where the Network or Individual Member has been issued Verified Confirmations for multiple units having the same travel dates at the same Member Resort) or obtaining Guest Certificates that are used for commercial purposes may result in the termination of the membership and cancellation of any existing Confirmations, including those with future travel dates. Guests of Network or Individual Members who arrive at a Host Resort without a Guest Certificate will be denied access to the accommodations until the Network or Individual Member has purchased a Guest Certificate from II.**
17. The Network or Individual Member requesting the Guest Certificate is responsible for the acts and omissions of the individuals occupying the Host Accommodations, including any loss or damage to the Host Resort or the Host Accommodations. **Individuals under the age of 21 are not eligible to receive a Guest Certificate. Additionally, the issuance of a Guest Certificate and the use of the Host Accommodations are subject to any restrictions or limitations that may be imposed by the Host Resort. Network and Individual Members are expressly prohibited from selling or exchanging a Guest Certificate for cash, barter, or other consideration. In the event that any of the above terms are breached, II reserves the right to revoke the Guest Certificate, cancel the underlying Confirmation, and terminate the membership without further obligation by II or SVEC.**
18. By submitting an exchange request, Network and Individual Members represent and warrant that they have the right to use or assign the Resort Assignment or Ownership Points, and that all required maintenance fees and taxes, or similar charges, have been paid through the requested travel dates. **Exchange privileges may be denied if all such maintenance fee assessments or similar charges with the Network or SVO Managed Resort have not been paid. II reserves the right to cancel any previously issued Confirmation if it subsequently receives notice that a Network or Individual Member has not timely paid any outstanding fee, assessment, or other charge in a timely fashion.**

STARWOOD INTERNAL EXCHANGE PROCEDURES AND PRIORITIES

1. This Section, titled "Starwood Internal Exchange Procedures and Priorities" contains information relating to exchange procedures and priorities for Network Members when requesting an exchange to a Network Resort. **The procedures set forth herein are applicable only when all resorts requested for exchange are Network Resorts.**
2. To place a valid exchange request for use of accommodations at Network Resorts only, a minimum of one Network Resort and one time period (in one-week increments) must be requested. Additional Network Resorts and time periods may be specified, and you may be confirmed into any listed resort for any week specified.
3. **In addition to the priorities noted in Paragraph 8 under Week-Based Exchange Method and as set forth in Paragraph 15 under the Section titled General Exchange Procedures and Priorities above, Network Members requesting an exchange to their Network Resort will receive priority over other Network Members who do not own a vacation interest at such Network Resort; and Network Members requesting an exchange to other Network Resorts will receive priority over Individual Members and Other II Members who do not own a vacation interest at such Network Resorts when requesting an exchange into a Network Resort.**
4. The special Starwood Internal Exchange Fee for requests to Network Resorts is the then-current applicable exchange fee discounted by \$35, plus any applicable tax, per week exchanged. This exchange fee must be submitted at the time a request is made, and will only be refunded if the exchange request cannot be confirmed or if cancellation is received by II prior to the Verified Confirmation. Any exchange request that includes both Network Resorts and other Member Resorts must be submitted in accordance with the other terms and conditions set forth in this guide, including the payment of the standard applicable exchange fee. In the event such request is ultimately confirmed to a Network Resort, no portion of the fee paid to II will be refunded (i.e., the difference between the applicable exchange processing fee and the special Starwood Internal Exchange Fee).

SPECIAL EXCHANGE SERVICES

1. The Getaway Program is a special exchange service offered by II from time to time in which resort accommodations are confirmed to Network and Individual Members upon payment of a fee plus any applicable tax. The resort accommodations available through the Getaway Program include resort accommodations that have been deposited by the Network or SVO Management, Inc. or deposited or relinquished by Other II Members, but are not otherwise utilized by II, and resort accommodations made available to II directly by resort developers or other third parties. The fee charged to Members by II is based primarily upon the unit size confirmed, the location of the accommodations, and the occupancy date. **To participate in the Getaway Program, the Network or Individual Member is not required to secure a Resort Assignment. Interval Platinum Members are afforded "priority" Getaway viewing, which allows the Interval Platinum Members to view and reserve selected, newly added Getaway resort accommodations in advance of other members, provided, however, that priority Getaway viewing does not apply to any resort accommodations 59 days or less before their initial date of occupancy. Resort accommodations will be available to all members in good standing at that time. In certain circumstances, Network or Individual Members may not be confirmed through the Getaway Program into a Network or SVO Managed Resort. II reserves the right to limit the number of Getaway Confirmations issued to a particular Network or Individual Member in any particular year and to limit the number of units confirmed to a Network or Individual Member for any given Member Resort or for any given travel dates.**
2. The Interval Options® Program is an alternative exchange service offered by II to members of the Interval Gold and Interval Platinum membership programs, whereby said members are allowed to exchange their Home Resort accommodations for a credit against the purchase of cruise, spa, or

golf vacations, as well as tours and certain other travel services.

Participation in this Program requires the payment of an exchange fee, as designated by II at the time the request is placed, and a supplemental fee upon II's confirmation thereof. The amount of the supplemental fee is assessed on a per-person basis and varies depending on many factors, including, but not limited to, the alternative vacation selected, the itinerary and travel dates selected, the accommodations selected, and the Network or SVO Managed Resort accommodations (as represented by the Resort Assignment) relinquished. All Interval Options exchange requests must be placed at least 90 days prior to the initial occupancy date of the Network or SVO Managed Resort accommodations relinquished for such Interval Options exchange. The initial occupancy date of the requested Interval Options exchange may be prior to or subsequent to the occupancy date of the Network or SVO Managed Resort accommodations relinquished, but no later than the advance booking date of the alternative vacation component. Additionally, the commencement date of the Network or SVO Managed Resort accommodations relinquished may not be more than one year after the first occupancy date of the confirmed alternative vacation component.

3. **II's Exchange Cancellation Policy does not apply to Getaway and Interval Options Confirmations. Any cancellation of a Getaway Confirmation results in the loss of the Getaway resort accommodations and all fees paid. Getaway fees will not be refunded under any circumstances. The exchange fee associated with an Interval Options exchange request will be returned only if an exchange cannot be confirmed, or if cancellation of the applicable exchange request is received by II prior to Confirmation. In the event that a Confirmation made through the Interval Options Program is canceled, the supplemental fee shall be refunded in accordance with the refund policies of the provider(s) of the alternative vacation component(s). Where a Network or Individual Member receives a Getaway or Interval Options Confirmation for accommodations or an alternative vacation package located in an area prone to damage or destruction due to adverse weather conditions, earthquakes, or other natural disasters, travel insurance is available through a third-party provider. Information about travel insurance is available at IntervalWorld.com.**
4. **Getaway and Interval Options Confirmations may not be sold, bartered, or exchanged for other consideration.** However, where the Network or Individual Member will not be occupying the confirmed Getaway resort accommodations or utilizing the Interval Options alternative vacation package, a Guest Certificate may be obtained in accordance with the terms set forth in Paragraphs 16 and 17 under General Exchange Procedures and Priorities.
5. All other terms and conditions of the Exchange Program apply to these special services except where noted to the contrary.
6. II does not guarantee the continuation of either of these special services. Network and Individual Members will be advised in writing if either of these services is discontinued. The vacation opportunities available through the Getaway Program may vary, from time to time, and its terms of use may be changed without notice.

FEES

The fees set forth below are applicable for residents of the United States, Canada, and the Caribbean. Residents of other geographic areas are subject to different fees which are assessed by local servicing offices or representatives.

1. The Network maintains a corporate membership in the II Exchange Program, and each Network Member derives II membership benefits and exchange privileges through such corporate membership.
2. In subsequent years, the Network arranges for renewal of the corporate membership with II, but use of the Exchange Program by Network Members is voluntary.
3. Notwithstanding the provisions of the foregoing Paragraphs 1 and 2, where a Network Member also owns a vacation interest at a Member

Resort as well as that which supports his or her membership in the Network, and includes such other vacation interest in the Exchange Program, the Network Member must maintain his or her Individual Membership in the Exchange Program, separate and distinct from his or her participation in the corporate membership program offered by the Network.

4. Individual Members pay an annual membership fee of US\$89, plus any applicable tax. Where an Individual Member is enrolled in II's Automatic Renewal Option, annual renewal dues (including those for Interval Gold or Interval Platinum membership, where applicable) will be charged automatically to the credit card indicated, at the rate applicable at membership expiration, unless canceled in writing prior to the renewal date by contacting membership support services at your local II service office. II will provide each Individual Member not less than thirty (30) calendar days' written notice of renewal prior to processing such automatic charge. Individual Membership will continue from year to year for as long as the Individual Member is eligible for membership. Where an Individual Member purchases additional Vacation Ownership Interests, such Individual Member may include such additional Vacation Ownership Interests within his or her then-current Individual Membership upon the payment of an administrative fee of US\$39 per adjustment. Alternatively, upon the purchase of additional Vacation Ownership Interests, an Individual Member may elect to pay an additional annual Individual Membership fee of US\$89 at the time such Vacation Ownership Interests are included with the Individual Membership, whereupon II shall extend the term of said Member's then-current Individual Membership for an additional 12-month period per additional membership fee paid. **Individual Membership fees are refundable on a pro rata basis (based on the number of full months remaining in the applicable membership period) upon II's receipt of an Individual Member's request for cancellation of his or her membership and a refund.**
5. Any Network Member or Individual Member may independently upgrade his or her corporate membership to Interval Gold or Interval Platinum status upon his or her payment of an upgrade fee of: a) US\$59, plus any applicable tax, for Interval Gold, or b) US\$129, plus any applicable tax, for Interval Platinum. Each Network Member and Individual Member acknowledges and agrees that membership in Interval Gold and Interval Platinum is separate and distinct from the corporate membership maintained on behalf of each Network Member by the Network or the Individual Membership, as applicable, and each Network and Individual Member shall be responsible for his or her enrollment in and, where applicable, renewal of Interval Gold or Interval Platinum membership. **Interval Gold membership fees are refundable on a pro rata basis (based on the number of full months remaining in the applicable membership period) upon II's receipt of a Network Member's or Individual Member's request for cancellation of his or her membership and a refund; provided, however, that the Network Member or Individual Member also returns to II any Interval Gold membership card(s) that he or she has received. Upgrade fees for Interval Platinum are nonrefundable under any circumstances.** Failure to renew Interval Gold or Interval Platinum membership within 120 days from any expiration thereof may require payment of a readmission fee of US\$200 to reinstate membership.
6. **The exchange fee per week confirmed is US\$189 and is subject to any applicable tax which must be paid at the time an exchange request is placed.** Network or Individual Members who choose to utilize II's website at IntervalWorld.com to transact an exchange are eligible for a US\$15 discount on the applicable exchange fee, per week confirmed. If the request is made by telephone, the exchange fee may be paid by a credit card acceptable to II or by check. (Where the exchange fee is paid by check, however, confirmation will not occur until said check has been received and processed by II. Accommodations will be held for five (5) calendar days pending receipt of a check for an exchange fee. In addition, in any instance in which a Network or Individual Member pays a fee by check, II reserves the right to collect an administrative fee where such check is returned to II. Checks are not accepted for Confirmations with

occupancy commencement dates of thirty days or less). Exchange fees will be refunded only if an exchange cannot be confirmed, if cancellation of the applicable exchange request is received by II prior to Verified Confirmation, or if cancellation is received by II within the first 24 hours of a Verified Confirmation's issuance. Exchange fees will not be refunded under any other circumstances.

7. The ShortStay Exchange fees per Confirmation are as follows:

Duration of Stay	Call Center Transaction	Online Transaction
1 night	US\$149	US\$129
2 nights	US\$159	US\$139
3 – 4 nights	US\$169	US\$149
5 – 6 nights	US\$179	US\$159

These fees, plus any applicable tax, must be submitted by the Network or Individual Member at the time a ShortStay Exchange Confirmation is received. These exchange fees are nonrefundable. Any cancellation of a ShortStay Exchange results in the loss of the accommodations relinquished.

8. The purchase of E-Plus requires the payment of an additional fee of US\$49, plus any applicable tax, per exchange request or Confirmation. **An E-Plus fee will only be refunded if the original exchange request cannot be confirmed or if cancellation of the original exchange request is received prior to Confirmation. E-Plus fees will not be refunded under any other circumstances.**
9. If the Deposit Extension Option is selected by the Network or Individual Member, an additional fee per deposit is required at the time the deposit extension is requested. The fee to extend a deposit for six months is US\$99 and for 12 months is US\$189.
10. If a Guest Certificate is requested by the Network or Individual Member, other than an Interval Platinum Member, an additional fee of US\$59 per Confirmation is required to be paid to II by the Network or Individual Member at the time the certificate is requested. If II does not issue a Confirmation for which the Guest Certificate has been purchased, the certificate fee will be refunded. Guest Certificate fees will not be refunded under any other circumstances. Interval Platinum Members are not required to pay a fee to request a Guest Certificate.
11. II may suspend membership privileges in the event a Network or Individual Member fails to pay any amount owed to the Host Resort, II, or any other company related to II.
12. Some jurisdictions have imposed a tax on the occupant of resort accommodations. Consequently, any bed tax, transient occupancy tax, or similar tax that is imposed shall, in those circumstances, be the responsibility of the exchanging member. Network and Individual Members may be required to contact the Host Resort prior to arrival in order to prepay such taxes and certain other resort fees. Additionally, Network and Individual Members are responsible for all personal charges (e.g., telephone calls and meals) while at the Host Resort, and any utility surcharge or other charge imposed by a resort, as well as any damage to, or loss or theft from the Host Accommodations and facilities that is caused by the Network or Individual Members or their guests.
13. Fees, if any, charged by Member Resorts for certain services, meal plans, and amenities, are determined and levied by each resort. Such fees are the responsibility of the Network or Individual Member. These fees vary from resort to resort.
14. All fees may be increased from time to time by II, at its sole discretion. Network and Individual Members will be advised of any such increases through II's regular publications or on II's website at IntervalWorld.com.

RESORTS WITH 51 OR MORE UNITS PARTICIPATING AND AVAILABLE FOR OCCUPANCY

Akiris

Contrada Laccata
Marina di Nova Siri
Nova Siri (MT) 75020, Italy

Alanda Club Marbella

Ctra. Cádiz Km. 192
Jardines de Las Golondrinas
Marbella, Málaga, Spain

Alessidamo Club

Vía del Mare
Santa Pelagina
Metaponto Lido (MT), Italy

Alpenclub Schliersee

Kirchbichelweg 18
Schliersee 83727, Germany

Alpine Club, The

Schladmining/Rohrmoos
Styria 8970, Austria

Amatique Bay Resort & Marina

Bahia de Amatique
Puerto Barrios, Guatemala

American Resorts International Holiday Network – Maria Alm

Dorf 86 – A-5761 Maria Alm
Maria Alm, Austria

American Resorts International Holiday Network – St. Johann

Hans-Kappacher Str. 7-9
St. Johann im Pongau 5600, Austria

Americano Beach Lodge Resort

1260 North Atlantic Avenue
Daytona Beach, FL 32118

Anantara Vacation Club Phuket Mai Khao

889 Moo 3 Tumbon Mai Khao
Amphur Thalang
Phuket 83110, Thailand

Anna Grand Hotel Vacation Club

Gyógy tér 1
Balatonfüred 8230, Hungary

Apart Holidays – Hotel Fuenfjahreszeiten

Auf dem Koepfle 1-5
Todtmoos 79682, Germany

Apartur Bariloche

Av. Mitre 685
Bariloche, Río Negro, Argentina

Aquarius Vacation Club at Boqueron Beach

Carr. #101 Int. 307
KM 18, HM 8
Cabo Rojo, Puerto Rico

Aquarius Vacation Club at Embassy Suites

201 Dorado del Mar Boulevard
Dorado, Puerto Rico

Aruba Beach Club

L.G. Smith Boulevard #53
Oranjestad, Aruba, Dutch Caribbean

Aruban Resort & Casino at Eagle Beach, The

J.E. Yrausquin Boulevard 250
Oranjestad, Aruba, Dutch Caribbean

Atlantic Club Reserva de Marbella

Ctra. Nacional 340, Km. 193.6
Marbella, Málaga 29600, Spain

Atrium Resort, The

Arctic Avenue at 21st Street
Virginia Beach, VA 23451

Auramar Beach Club

Aparthotel Auramar
Apartado 851, Praia Dos Aveiros
8200 Albufeira, Algarve, Portugal

Avalon Excalibur

Avenida Costera Miguel Aleman #163
Fraccionamiento Magallanes, C.P.
Acapulco, Guerrero 39670, Mexico

Avenue Plaza Resort

2111 St. Charles Avenue
New Orleans, LA 70130

Azul Beach Hotel

Carretera Federal Cancún, Tulum
KM 27.5
Puerto Morelos
Quintana Roo 77580, Mexico

Azul Fives Hotel and Private Residences

Predio el Limonar, Fraccion 2
Xcalacoco
Quintana Roo 77710, Mexico

Azul Sensori

Carretera Puerto Morelos
KM 1+173.33 Fracc. III y IV
Playa del Carmen
Quintana Roo 77710, Mexico

Bagaglino I Giardini di Porto Cervo

I Ginepri & Le Magnolie
Liscia di Vacca, Sassari, Italy

Bahía Manzano

Puerto Manzano – Los Lagos
Villa La Angostura
Neuquén, Argentina

Bahia Plaza Hotel

Estrada Do Coco, KM 8
Praia Busca-Vida
Camacari, BA 42840000
Brazil

Banff Rocky Mountain Resort

1029 Banff Avenue
P.O. Box 100
Banff, Alberta T0L 0L0, Canada

Barceló Los Cabos

P. Malecón Lote 5 s/n D. Fonatur
San José del Cabo, B.C.S., Mexico

Beach House Golf and Racquet Club

6800 North Ocean Boulevard
Myrtle Beach, SC 29577

Beach House Seaside Resort

52 Marine Parade
Coolangatta, Queensland 4225
Australia

Beach Quarters

5th & Atlantic Avenues
Virginia Beach, VA 23451

Beacons of Minocqua, The

8250 Northern Road
Minocqua, WI 54548

Bel Air Collection Resort & Spa Cancún

Boulevard Kukulcan Km. 50.5
Zona Hotelera
Cancún, Quintana Roo, Mexico

Bel Air Collection Resort & Spa Vallarta

Lot F. Flamingos
Nuevo Vallarta, Nayarit, Mexico

Bel Air Collection Resort & Spa Xpuha

Kilometro 265 Riviera Maya
Riviera Maya, Quintana Roo, Mexico

Bellasera Tuscan Villas & Piazza

1795 Country Club Drive
Kelowna, British Columbia V1Y 9N8
Canada

Bent Creek Golf Village

3919 East Parkway
Gatlinburg, TN 37738

Bighorn Meadows Resort

7563 Columbia Avenue and Stanley
Street

Radium Hot Springs
British Columbia V0A 1M0, Canada

Bilmar Beach Resort Condominium

10650 Gulf Boulevard
Treasure Island, FL 33706

Blackstone Mountain Lodge

170 Kananakis Way
Canmore, Alberta, Canada

Bliss Jungle Riviera Maya IV, The

Km 48 Carretera Federal Cancún
Playa del Carmen
Riviera Maya, Quintana Roo 77710
Mexico

Bliss Jungle Riviera Maya V, The

Km 48 Carretera Federal Cancún
Playa del Carmen
Riviera Maya, Quintana Roo 77710
Mexico

BlueBay Beach Club

Avda. Pablo Picasso s/s
Urb. Bahía Feliz
San Agustín, Gran Canaria 35100
Canary Islands
Spain

Blue Ridge Village, an Equivest Managed Resort

Route 1, Box 264, Highway 184
Banner Elk, NC 28604

Blue Seas Resort & Spa

Calle Malecon #1
Colonia Emiliano Zapata
Puerto Vallarta, Jalisco 48300
Mexico

Blue Tree Resort at Lake Buena Vista

12007 Cypress Run Road
Orlando, FL 32836

Bluebeard's Beach Club & Villas

100 Frenchman's Bay
St. Thomas 00802
U.S. Virgin Islands

Bluebeard's Castle Resort – Hilltop Villas

1331 Estate Taarneberg
St. Thomas, VI 00802
U.S. Virgin Islands

Bluebeard's Castle Resort – Villas III

1331 Estate Taarneberg
St. Thomas, VI 00802
U.S. Virgin Islands

Bluegreen's Club La Pension

115 Decatur Street
New Orleans, LA 70130

Bluewater Resort and Marina

10 Bluewater Marina Drive
Hilton Head Island, SC 29926

Boambee Bay Resort

8 Barber Close
Toormina, New South Wales 2452
Australia

Boyne Vacation Club at Bay Harbor Resort

3600 Village Harbor Drive
Bay Harbor, MI 49770

Boyne Vacation Club at Disciples Ridge

1 Boyne Mountain Road
P.O. Box 19
Boyne Falls, MI 49713

Boyne Vacation Club at Mountain Grand Lodge

1 Boyne Mountain Road
P.O. Box 19
Boyne Falls, MI 49713

Boyne Vacation Club at Hemlock

1 Boyne Mountain Road
P.O. Box 19
Boyne Falls, MI 49713

Boyne Vacation Club at Pleasantview Loft

600 Highlands Drive
Harbor Springs, MI 49790

Boyne Vacation Club at Shoshone

1 Lone Mountain Trail
P.O. Box 160001
Big Sky, MT 59716

Boyne Vacation Club at Stillwater

1 Lone Mountain Trail
P.O. Box 160001
Big Sky, MT 59716

Brewster Green Resort 

203 Lund Farm Way
Brewster, MA 02631

Briarwood

Pine Valley Drive
Falmouth, MA 02540

Brockway Springs Resort

101 Chipmunk Street
Kings Beach, CA 96143

Cabins at Green Mountain

3864 Green Mountain Drive
Branson, MO 65616

Cabo Villas Beach Resort

Callejon Del Pescador S/N
Cabo San Lucas 00257, Mexico

Calampiso

Sauci Grande, San Vito lo Capo
Trapani, Sicily, Italy

California Vacation Club – Indian Palms

48-630 Monroe Street
Indio, CA 92201

California Vacation Club – The Lodge at Kingsbury

133 Deer Run Court
Stateline, NV 89449

California Vacation Club – Riverpointe Napa Valley

500 Lincoln Avenue
Napa, CA 94558

California Vacation Club – Vista Mirage

400 S. Hermosa
Palm Springs, CA 92262

Calypso Cay Vacation Villas

4951 Calypso Cay Way
Kissimmee, FL 34746

Canada House Beach Club

1704 North Ocean Boulevard
Pompano Beach, FL 33062

Canadian Resorts – Marparaiso Queen

Km. 24 Carretera a Barra Vieja
Acapulco, Mexico

Cancún Clipper Club

Mauna Loa Shopping Center
Apartado Postal #1725
Cancún, Quintana Roo 77500, Mexico

Canyon Woods Vacation Club at Canyon Cove Hotel & Spa

Far East Road
Piloto Wawa
Nasugbu, Batangas 4221, Philippines

Cancún Resort Las Vegas

8335 South Las Vegas Boulevard
Las Vegas, NV 89123

Caribbean and Dream Buildings at Ocean Landings Resort

900 North Atlantic Avenue
Cocoa Beach, FL 32931

Caribbean Palm Village

Noord 43-E Palm Beach Road
Oranjestad, Aruba, Dutch Caribbean

Carriage House, The

105 East Harmon Avenue
Las Vegas, NV 89109

Carriage House at Pocono Manor

Route 314
Pocono Manor, PA 18349

Carriage Place at Surrey Vacation Resort, The 

430 C Highway 165 South
Branson, MO 65616

Casa Del Mar Beach Resort

J.E. Yrausquin Boulevard 51/53
Oranjestad, Aruba, Dutch Caribbean

Casa Dorada at Médano Beach

Avenida del Pescador s/n
Loc. 9 y 10 Col.
El Médano, Cabo San Lucas, Mexico

Casa MenDan

Gyógyfűö ter 4
Zalakavos, Zala 8749, Hungary

Casa Ybel Beach and Racquet Club

2255 West Gulf Drive
Sanibel Island, FL 33957

Castaways Cove

Collier's Bay
Collier's Bay, Grand Cayman
Cayman Islands

Castillo Beach Club

Lake Reception, Caleta de Fuste
Antigua, Fuerteventura 35600
Canary Islands, Spain

Catalina Beach Club

1303 South Atlantic Avenue
Daytona Beach, FL 32018

Causeway on Gull

8095 Lost Lake Road
Nisswa, MN 56468

Cedar Lake Country Club

555 Nerang Murwillumbah Road
Advancetown Via Nerang
Queensland 4211, Australia

Chalet High

Basye, VA 22810

Chayofa Country Club

Chayofa, Arona
Tenerife 38627, Canary Islands, Spain

Cherry Tree Condo Hotel

2345 US 31 North
Traverse City, MI 49686

Christie Lodge, The

47 East Beaver Creek Boulevard
Avon, CO 81620

Christmas Mountain Village

5944 Christmas Mountain Road
Wisconsin Dells, WI 53965

Chula Vista Resort

Highway 13 North
Wisconsin Dells, WI 53965

Cibola Vista Resort and Spa

27501 N. Lake Pleasant Road
Peoria, AZ 85383

Cliffs Club, The

3811 Edwards Road
Princeville, Kauai, HI 96722

Cliff Club at Snowbird

9600 E. Little Cottonwood Canyon
Road
Snowbird, UT 84092

Clowance Estate & Country Club

Praze-An-Beeble
Camborne, Cornwall TR14 0PT
United Kingdom

Club Armonia

Kadikalesi – Turgutreis
Bodrum-Mugla, Turkey

Club Asia International – Damai Beach Resort

Jalan Santubong
Kuching, Sarawak 93756
Malaysia

Club Asia International – Damai Puri Resort and Spa

Jalan Santubong
Kuching, Sarawak 93762, Malaysia

Club Asia International – Riverside Majestic Hotel

Jalan Tunku Abdul Rahman
Kuching, Sarawak 93756
Malaysia

Club Cala de Palmas (Palmas del Mar)

170 Candelero Drive
Humacao, PR 00791

Club Casa Dorada Spa & Golf Resort

Km. 19.5 Carretera Transpeninsular
San José del Cabo, B.C.S. 23400
Mexico

Club Cascadas de Baja 

Camino Viejo a San José
Cabo San Lucas, B.C.S., Mexico

Club de Soléil

5499 West Tropicana Avenue
Las Vegas, NV 89103

Club del Carmen

Calle Noruega 2
Puerto del Carmen, Lanzarote
Canary Islands, Spain

Club Destin Resort

1085 Highway 98
Destin, FL 32541

Club Elite Vacation at La Fenice Resort

Localita Osseddu – Olbia 2
Olbia, OT 07026, Italy

Club Estela Dorada at Gruphotel Club Jardines Paraisol

Calle Ciudad de Reus, 19
Salou, Tarragona 43840, Spain

Club Estela Dorada at Gruphotel Mediterranean Club Cala Pi

Urb. Torre Cala Pi
Llucmajor, Mallorca
Balearic Islands 07639, Spain

Club Flipper

Tilkicik Mevkii
Yalikavak
Bodrum, Mugla, Turkey

Club Gran Dorado

Port Zélande 2
Oudorp 3253 MG, Netherlands

Club Greece at Vilea Village

Analipsi, Pefkon
Sitia, Crete, Greece

Club Hotel Tiberias

Ahad Ha'am Street
Tiberias 14222, Israel

Club In

Coral Beach
Eilat, Israel

Club Internacional de Cancún
Bulevar Kukulkán
Cancún, Quintana Roo 77500, Mexico

Club Intrawest – Blackcomb
4580 Chateau Boulevard
Whistler, British Columbia V6B 5C6
Canada

Club Intrawest – Blue Mountain
276 Jozo Weider Boulevard
Blue Mountain, Ontario L9Y 0V2
Canada

Club Intrawest – Palm Desert
1 Willow Ridge
Palm Desert, CA 92260

Club Intrawest – Sandestin
8626 Baytowne Avenue West
Sandestin, FL 32550

Club Intrawest – Zihuatanejo
Carretera Escencia Playa la Ropa
Zona Hotelera, P. O. Box 272
Zihuatanejo, Guerrero 40880
Mexico

Club La Costa Marina del Sol
Ctra. de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Costa Marina Park
Ctra. de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Costa Monterey
Calle Finlandia 8-10
San Eugenio Alto, Adeje
Playa de las Americas, Tenerife 38660
Spain

Club La Costa Paradise
Calle Galicias 6
Torviscas Alto, Adeje
Playa de las Americas, Tenerife 38660
Spain

Club La Costa Pueblo Marina
Ctra. de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

**Club La Costa San Diego Suites
at California Beach Resort**
Ctra. de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

**Club La Costa Sunningdale
Village**
Golf del Sur
San Miguel de Abona, Tenerife 38620
Spain

Club Monte Anfi
Barranco de la Verca
Arguineguín, Gran Canaria 35120
Canary Islands, Spain

Club Mougins
Chemin de Val Fleuri
Mougins 06250, France

Club Ocean Villas II
105 Edward Taylor Road
120th Street
Ocean City, MD 21842

Club Paihia
67 Williams Road
Paihia, New Zealand

Club Patara
Kalkan Club Patara
Kalkan, Turkey

Club Prestige
Tuerkmen Mahallesi
(Aydin) Kusadasi, Turkey

Club QM at Kingsbury Crossing
133 Deer Run Court
Stateline, NV 89449

**Club QM at Thunderbird Resort
Club**
200 Nichols Boulevard
Sparks, NV 89431

Club Residence Capopiccio
Località Capopiccio
Isola di Capo Rizzuto
Crotona 88076, Italy

**Club Royale at Aztec Country
Club**
c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Royale at Lubina Sol
c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Rüyakent
Turgutreis Akyarlar
Bodrum-Mugla, Turkey

Club Sevilla
4646 West Irlo Bronson Memorial
Highway
Kissimmee, FL 34746

Club Sol del Este
Avenida Roosevelt y Parada 12
Punta del Este, Uruguay

Club Sultán de Marbella
Calle Arturo Rubinstein, s/n
Marbella 29600, Spain

**Club Système Vacances at
Oasis Club**
Avenida Las Palmeras
Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

**Club Système Vacances at
Parque Albatross**
Urb. Golf del Sur
San Miguel de Abona, Tenerife
Canary Islands, Spain

**Club Système Vacances at
Vera Beach Club**
Urb. Pueblo Laguna
Ctra. Garrucha-Palomares
Urb. Vera Coast, Apdo. 198
Garrucha, Almería, Spain

Club Tahiti II
Calle Isla de Lobos 12
Costa Teguisse
Lanzarote, Canary Islands, Spain

Club Tahoe Resort ∞
914 Northwood Boulevard
Incline Village, NV 89451

**Club Tesoro at Cabo San Lucas
Resort**
Boulevard Marian s/n
Cabo San Lucas, BCS 23410, Mexico

**Club Vacacional en la Torre Azul
Fontan**
Bulevar Ixtapa s/n
Zona Hotelera
Ixtapa, Guerrero 40880, Mexico

Clube Praia daoura
Apartado 827
8200 Albufeira
Algarve, Portugal

Coconut Bay Resort
919 North Birch Road #101
Fort Lauderdale, FL 33304

Coconut Beach Resort
1500 Alberta Street
Key West, FL 33040

Coconut Palms Beach Resort
611 South Atlantic Avenue
New Smyrna Beach, FL 32169

Cold Spring Properties
460 North Ashland Road
Ashland, NH 03217

Colonies at Williamsburg, The
5380 Olde Towne Road
Williamsburg, VA 23188

Condohotel Villa Del Mar
Km. 2.5, Francisco Medino Ascencio
Puerto Vallarta, Jalisco, Mexico

Condominio Gran Hotel Pucón
Holzapfel 190
Pucón, Chile

Condominios Solamar Inn
Boulevard Sábalo #1942
Mazatlán, Sinaloa, Mexico

Corail Royal Plage
Tabarka, Tunisia

Coral Beach Resort
Urbanization La Concha
c/Nestor Alamo, 1
Playa Honda
Arrecife, Lanzarote 35500
Canary Islands, Spain

Coral Hills Marza Allam
Piece No. 2, 40 km North Airport
Alsrām Marine centre area
Marsa Allam, Red Sea, Egypt

Coral Reef Beach Resort ◊
5800 Gulf Boulevard
St. Petersburg Beach, FL 33706

**Cordial Residence ‘Il Pelagone’
Toscana**
Km. 219 SS 1 Aurelia
Loc. Il Pelagone
Gavorrano (Grosseto) I-58023, Italy

Cordial Sanotel Badgastein
Conrad-Strochner-Strasse 2
Badgastein 5640, Austria

Cordial Theaterhotel Wien
Josefstädterstrasse 22
Vienna 1081, Austria

Cordial-Hotel Achenkirch
Am Achensee 177
Achenkirch 6215, Austria

**Cordial-Hotel Reith bei
Kitzbühel**
Cordial Platz 1
Reith bei Kitzbühel A-6370, Austria

Costa Linda
59 J.E. Irausquin Boulevard
P. O. Box 1345
Oranjestad, Aruba, Dutch Caribbean

Cove at Ormond Beach, The
145 South Atlantic Avenue
Ormond Beach, FL 32176

Cove at Yarmouth, The ◊
183 Main Street, Route 28
West Yarmouth, MA 02673

Cozumel Palace
San Miguel Rafael E. Melgar
km 1.5 Cozumel
Cozumel, QR 77600, Mexico

Creekside Village
Resort Road
Bryce Mountain Resort
Basye, VA 22810

Crown Point Condominiums ◊
220 Crown Point Drive
Ruidoso, NM 88355

**Crown Regency Vacations at
Crown Regency Hotel
and Towers**
0 Kilometer Jones Avenue
Fuente Smena
Cebu City 6000, Philippines

**Crown Regency Vacation at
Crown Regency Suites**
Maximo Patalinghug Jr. Avenue
Lapu Lapu, Cebu 6015
Philippines

Crystal Beach Suites and Health Club

6985 Collins Avenue
Miami Beach, FL 33141

Cypress Pointe Resort ◇

8651 Treasure Cay Lane
Lake Buena Vista, FL 32836

Dana Inn Resort Pousada Tabatinga

Rodovia Caragua/Ubatuba, Km. 17
Caraguatatuba
São Paulo 11600, Brazil

David Walley's Resort ∞

2001 Foothill Road
Genoa, NV 89411

Daytona Beach Regency

400 N. Atlantic Avenue
Daytona Beach, FL 32118

Desert Breezes Resort ∞ and World Wide Vacations at Desert Breezes Resort

77-955 Calle Las Brisas, South
Palm Desert, CA 92260

Desert Isle of Palm Springs ◇

2555 East Palm Canyon Drive
Palm Springs, CA 92264

De Vere Resort Ownership – Cameron House

Cameron House Hotel & Country
Estate
Loch Lomond
Dunbartonshire G83 8QZ
United Kingdom

Deerhurst Residences

1235 Deerhurst Drive
Huntsville, Ontario P1H 2EB
Canada

Diar Lemdina

Medina Vacation Club
Yasmine
Hammamet 00191, Tunisia

Discovery Bay Yacht & Racquet Club

141 Orcas Drive
Port Townsend, WA 98368

Discovery Beach Resort ◇

300 Barlow Street
Cocoa Beach, FL 32931

Divi Aruba Phoenix Beach Resort

L.G. Smith Blvd. 75
Oranjestad
Aruba – DCB

Divi Dutch Village Beach Resort

J.E. Yrausquin Boulevard #47
Aruba, Dutch Caribbean

Divi Little Bay Beach Resort

Little Bay Road
Philipsburg, St. Maarten
Dutch Caribbean

Divi Village Golf and Beach Resort

J.E. Yrausquin Boulevard #93
Aruba, Dutch Caribbean

Domaine Mont Sainte-Anne

203 rue Val Des Neiges
C.P.-57
Beaupre, Québec G0A 1E0
Canada

Dunes Hotel & Beach Resort

Calle Campo
Valle de Pedro Gonzalez
Isla Margarita, Venezuela

Eagle Crest

1522 Cline Falls Road
Redmond, OR 97756

Eagle Point

1500 Matterhorn Circle
Vail, CO 81657

Eagle's Nest

410 South Collier Boulevard
Marco Island, FL 33937

Edgewater Beach Resort ◇

95 Chase Avenue
Dennisport, MA 02639

Edgewater Resort

Sargood Drive Wanaka
Wanaka, New Zealand

Edificio Rambla

Las Heras 2100
Mar del Plata 7600
Argentina

Eilat Club Hotel

Harava Road
Eilat 88000, Israel

El Cid El Moro Beach

Av. Camarón s/n
Mazatlán, Sinaloa 82110, Mexico

El Cid Marina Beach

Av. Camarón Sábalo s/n
Zona Dorada
Mazatlán, Sinaloa 82110, Mexico

El San Juan Towers

ESJ Towers Box 2200
6165 Isla Verde Avenue
Carolina, PR 00979-5765

Elara, a Hilton Grand Vacations Club

80 East Harmon
Las Vegas, NV 89109

Ellington at Wachesaw Plantation East

911 Riverwood Drive
Murrells Inlet, SC 29576

Elphistone Resort

25 KM North Marsa Alam City
Marsa Alam, Red Sea 84721, Egypt

Embarcadero Pacifico

Av. La Marina Sur
Esq. con Ancla
Puerto Vallarta, Jalisco, Mexico

Emerald Grande at Harborwalk Village

10 Harbor Drive
Destin, FL 32541

Equivest Inn On The Harbor

359 Thames
Newport, RI 02840

Escapes! to Galveston

11739 Farm Road 3005
Galveston, TX 77554

Escapes! to Greens at Bella Vista

Riordan Road
430 Town Center
Bella Vista, AR 72714

Escapes! to Hot Springs

One Los Lagos Boulevard
Hot Springs Village, AR 71909

Esmeralda Beach Club

Calle Ponent, 1
Playa de Levante
Calpe, Alicante 03710, Spain

Estero Island Beach Club

1840 Estero Boulevard
Fort Myers Beach, FL 33931

Exclusive Resorts at the Cape Suites Hotel

18 De Villiers Street
Zonnebloem, Capetown 8000
South Africa

Fairmont Vacation Villas at Hillside

5129 River View Gate
Fairmont Hot Springs
British Columbia V0B 1L0, Canada

Fairmont Vacation Villas at Mountainside

5247 Fairmont Creek Road
Fairmont Hot Springs
British Columbia V0B 1L0, Canada

Fairmont Vacation Villas at Riverside

5129 River View Gate
Fairmont Hot Springs
British Columbia V0B 1L0, Canada

Fairway Forest

4350 Highway 64 West
Sapphire, NC 28774

Falcon Point

175 Lake Street
Avon/Beaver Creek, CO 81620

Falls at Ogunquit, The ◇

639 Main Street
Ogunquit, ME 03907

Falls Village, The

200 Creekside Road
Branson, MO 65616

Fantasea Resorts – Flagship

60 North Maine Avenue
Atlantic City, NJ 08401

FantasyWorld Club Villas

2935 Hart Avenue
Kissimmee, FL 32741

Flamingo Beach Resort

6 Billy Folly Road
Pelican Key, St. Maarten
Dutch Caribbean

Flamingo Club

Marina San Eugenio
Adeje, Tenerife
Canary Islands, Spain

Floriday's Orlando Resort

7482 Vineland Avenue
Orlando, FL 32821

Fort Lauderdale Beach Resort ◇

909 Breakers Avenue
Fort Lauderdale, FL 33304

Four Seasons Country Club

Quinta do Lago, Apartado 3282
Almancil, Algarve 8135, Portugal

Four Seasons Fairways

Apartado 3259
Almansil, 8136 Almancil Codex
Algarve, Portugal

Four Seasons Residence Club Aviara

7039 Finch Lane
Carlsbad, CA 92009

Four Seasons Vilamoura

Apartado 507
Vilamoura Codex
Algarve 8125, Portugal

Foxhunt Town Homes

4350 Hwy 64 W
Sapphire Valley, NC 28717

Foxrun ◇

180 Herman Wilson Road
Lake Lure, NC 28746

Franz Klammer Lodge

567 Mountain Village Boulevard
Telluride, CO 81435

French Lick Springs Villas

Highway 56
French Lick, IN 47432

Galleon Resort, The

617 Front Street
Key West, FL 33040

Galleria at Split Rock

1 Lake Drive
Lake Harmony, PA 18624

Garden Hotel, The

#368 Huan Shi Dong Road
Guangzhou, Guangdong 510064
China

Garden Lago

Calle Amsterdam, 3
Urb. Lago Menor, Puerto Alcudia
Mallorca, Balearic Islands, Spain

Gardenia Plaza Resort

Shark Bay
Sharm El Sheikh, Egypt

Gardenia Resort

Plot Number 10 (a)
Hurghada, Red Sea
Egypt

Gaslamp Plaza Suites

520 E. Street
San Diego, CA 92101

Gatlinburg Town Square

414 Airport Road
Gatlinburg, TN 37738

Generations Riviera Maya by Karisma

Km 45, Carretera Cancún Tulum
Riviera Maya, Quintana Roo 77710
Mexico

Georgian Inn Beach Club

759 South Atlantic Avenue
Ormond Beach, FL 32074

Golf Beach Hotel Tabarka

Zone Touristique B.P. 360
Tabarka 8110, Tunisia

Golf Hotel Punta Ala

Via del Gualdo 2
(Castiglione della Pescaia – Toscana)
Punta Ala 58040, Italy

Gold Coast Aruba

Diamante 142
Malmok, Aruba
Dutch Caribbean

Golden Tulip Club Dead Sea

Nirvana on the Dead Sea
Shefer Zohar, Dead Sea 84960, Israel

Goldstar Resort

45 rue Marechal Joffre
Nice, France 06000

Gran Caribe Real by Real Club

Boulevard Kukulcan, KM 11.5
Cancún, Quintana Roo, Mexico

Gran Solare Lencois Resort

Estrada de Sao Domingo S/N
Povoado de Boa Vista
Barreirinhas, Maranhão 65590-000
Brazil

Grand Bliss Riviera Maya, The

KM 48 Carretera Federal Cancún
Riviera Maya, Quintana Roo 77710
Mexico

Grand Dominicus

Bayahibe, La Romana
Dominican Republic

Grand Holiday Club at Flamingo Club

Avda. Espana 3
San Eugenio, Puerto Colon
Costa Adeje, Tenerife
Canary Islands, Spain

Grand Lodge at Peak 7

Lot 1, Peak 7 Subdivision
Breckenridge, CO 80424

Grand Luxxe Residence Club

Paseo de las Moras S/N
Fracc. Nautico Tutistico
Bahia de Banderas 63732, Mexico

Grand Luxxe Residence Club Riviera Maya

KM 48 de la Carretera Federal Cancún
Playa del Carmen
Quintana Roo, Mexico

Grand Miramar Resort and Spa

Paseo de los Corales 139
Puerto Vallarta, Jalisco 48390
Mexico

Grand Oasis Cancún Resort & Spa

Boulevard Kukulcan Kilometro 16.5
Zona Hotelera
Cancún, Quintana Roo 77500
Mexico

Grand Oasis Palm Resort & Spa

Boulevard Kukulcan Kilometro 4.5
Zona Hotelera
Cancún, QR 77500, Mexico

Grand Oasis Sens

Blvd. Kukulcan Km. 19.5
Zona Hotelera
Cancún, QR 77500
Mexico

Grand Oasis Tulum

Riviera Maya Kilometro 251
Tulum 77780
Mexico

Grand Rockies Resort

1151 Sidney Street
Canmore, Alberta
Canada T1W 3G1

Grand Seas Resort

2424 North Atlantic Avenue
Daytona Beach, FL 32118

Grand Sharm Resort

Ras Om El-Sid Cliff
Sharm el Sheikh
Egypt

Grand Timber Lodge

75 Snow Flake Drive
Breckenridge, CO 80424

Grande Villas

8651 Treasure Cay Lane
Lake Buena Vista, FL 32836

Greensprings Vacation Resort

3500 Ludwell Parkway
Williamsburg, VA 23188

Halland International Resort Club

Ta L-Ibragg
St. Andrews
Malta

Hanalei Bay Resort

5380 Honoiki Road
Princeville, Kauai, HI 96722

Harborside Inn

3 South Water Street
Edgartown
Martha's Vineyard, MA 02539

Harborside Resort at Atlantis

Coral Tower Casino Drive
Paradise Island, Nassau
Bahamas

Harbortown Point Marina Resort & Club

1651 Anchors Way
Ventura, CA 93001

Harbour Lights

2690 Harbour Lights Drive
Myrtle Beach, SC 29577

Hato Viejo Boutique Resort

Kilometro 125 Carretera
Panamericana
Anton, Panama

Havasus Dunes

620 Lake Havasu Avenue South
Lake Havasu City, AZ 86403

Herod's Residence Club

North Shore
Eilat 88000, Israel

High Point World Resort

2951 High Point Boulevard
Kissimmee, FL 32741

Highlands at Sugar, The

1077 Highlands Drive
Banner Elk, NC 28604

Hilton Craigendarroch Resort

Braemar Road
Ballater, Aberdeenshire AB35 5XA
United Kingdom

Hippocampus Beach International Resort

Final Av. El Cristo, Secc. La Caranta
Pampatar, Isla Margarita, Venezuela

Hippocampus Viña del Mar Resort & Club

Concon
Viña del Mar, Chile

Historic Powhatan Resort, The

3601 Ironbound Road
Williamsburg, VA 23188

Holiday Beach Resort

1006 U.S. Highway 98 East
Destin, FL 32540

Holiday Club Airisto

Airistontie 700
Stormalo, Parainen 21600, Finland

Holly Tree Resort Hotel

412 Main Street
Route 28
West Yarmouth, MA 02673

Hollywood Beach Tower

301 Harrison Street
Hollywood, FL 33019

Hospederia Duruelo

Carretera 3 #12-88
Villa de Leyva, Boyaca
Colombia

Hotel Acapulco Malibu

Costera Miguel Aleman No. 79
Acapulco, Guerrero 39690
Mexico

Hotel and Club Aladino's

Av. Lomas del Mar #10 Fracc.
Club Deportivo
Acapulco, Guerrero, Mexico

Hotel bh El Poblado

Cra. 43, No. 9 Sur-35
Antioquia
Medellín, Colombia

Hotel bh Parque 93

Cra. 14, No. 93A-69
Cundinamarca
Bogotá, Colombia

Hotel bh Tempo

Cra. 7a, No. 65-01
Bogotá, Colombia

Hotel Bustillo Villa Huinid

Bustillo Km 2.6
Bariloche, Rio Negro 8400
Argentina

Hotel de la Monnaie

405 Esplanade Avenue
New Orleans, LA 70116

Hotel Doubletree Resort by Hilton Puntarenas

Carretera a Puerto Caldera s/n
El Roble, Puntarenas, Costa Rica

Hotel La Sierra

Carretera 1, No. 9-47
Rodadero
Santa Maria, Magdalena
Colombia

Hotel Pioneros at Villa Huinid Hotel

Av. Bustillo km 2.6
Bariloche, Rio Negro R8402AAX
Argentina

Hotel Santa Clara

Calle del Torno 39-29
San Diego – Zona Amurallada
Cartagena, Colombia

Hotel Serena Beach Club

Punici Street
Xlendi Bay
Island of Gozo VCT 115, Malta

Hotel Viva Clarion Suites

14 Calle 3-08 Zona 10
Guatemala City, Guatemala

Huronic Residences at Living Water, The

9 Harbour St. East
Collingwood
Ontario L9Y 5C5
Canada

Hyatt Beach House Resort

5051 Overseas Highway (US 1)
Key West, FL 33040

Hyatt Coconut Plantation

23282 Coconut Pointe Resort Drive
Bonita Beach, FL 34134

Hyatt Escala Lodge at Park City

3551 North Escala Court
Park City, UT 84095

Hyatt Grand Aspen

400 Dean Street
Aspen, CO 81611

Hyatt Hacienda del Mar

Highway 693
Dorado, PR 00646

Hyatt High Sierra Lodge

989 Incline Way
Incline Village, NV 89451

Hyatt Highlands Inn

120 Highlands Drive
Carmel, CA 93923

Hyatt Main Street Station

505 Main Street
Breckenridge, CO 80424

Hyatt Mountain Lodge

210 Offerson Road, BCP #164
Beaver Creek, CO 81620

Hyatt Piñon Pointe

1 North Highway 89A
Sedona, AZ 86336

Hyatt Wild Oak

9700 W. Military Drive
San Antonio, TX 78251

Hyatt Windward Pointe

3675 South Roosevelt Boulevard
Key West, FL 33040

Ile des Pêcheurs

La Coudalère Nord
Barcarès 66420, France

Imperial Fiesta Club Casa Maya

Paseo Kukulcán Km. 5.5
Cancún, Quintana Roo 77500, Mexico

Imperial Hawaii Vacation Club – Imperial Hawaii Resort

205 Lewers Street
Honolulu, Oahu, HI 96815

Indian Palms Intervals

82-954 Steward Drive
Indio, CA 92201

Inn at SilverCreek, The

62927 U.S. Highway 40
Silver Creek, CO 80446

Inn at the Springs

8901 Highland Wood Boulevard
Bonita Springs, FL 34135

InnSeasons Resorts – Falls at Ogunquit, The

639 Main Street
Ogunquit, ME 03907

InnSeasons Resorts – Pollard Brook

Kancamagus Highway
Lincoln, NH 03251

Iron Blossam Lodge

Utah Highway 210, Resort Entry #2
Snowbird, UT 84092-9000

Isla Mujeres Palace

Carretera Garrafon, Vista Alegre
MZ 63 Lt1, SM 007
Isla Mujeres, QR 77400, Mexico

Island Links Resort

1 Coggins Point Road
Hilton Head Island, SC 29928

Island Park Village Resort

Highway 20 & MM 394/395
Island Park, ID 83429

Island Residence Club at Golden Sands

Radisson SAS Golden Sands Resort & Spa
Golden Bay
L/O Mellieha Mlh 02
Malta

Island Seas Resort

123 Silver Point Drive
P.O. Box F-44735
Freeport, Grand Bahama Island
Bahamas

Islander Beach Resort

1601 South Atlantic Avenue
New Smyrna Beach, FL 32169

Jan Thiel Resort

Jan Thiel Beach
Willemstad, Curaçao, Dutch Caribbean

Jerusalem Gold Hotel

Jaffa 234
Jerusalem 94383, Israel

Jockey Club, The

3700 Las Vegas Boulevard South
Las Vegas, NV 89109

Kahana Beach Vacation Club

4221 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Kahana Falls

4260 L Honoapiilani Road
Lahaina, HI 96761

Kenmore Club, The

Kenmore, Perthshire PH15 2HH
United Kingdom

Kilconquhar Castle Estate & Country Club

Kilconquhar
Elie, Leven
Fife KY9 1EZ, United Kingdom

Killington Grand Hotel

228 East Mountain Road
Killington, VT 05751

King's Creek Plantation

191 Cottage Cove Lane
Williamsburg, VA 23185

Kingsbury Crossing and World Wide Vacations Club at Kingsbury Crossing

133 Deer Run Court
Stateline, NV 89449

Kona Coast Interval Ownership Resort, The

78-6842 Alii Drive
Kailua-Kona, Hawaii, HI 96740

Kona Coast Resort II, The

78-6842 Alii Drive
Kailua-Kona, Hawaii, HI 96739

L'Eyssina

Vars le Claux 05560, France

La Cabana Beach Resort and Casino

J.E. Yrausquin Boulevard 250
Oranjestad, Aruba, Dutch Caribbean

La Costa Beach Club

1504 North Ocean Boulevard
Pompano Beach, FL 33062

La Quinta Beach Resort

J.E. Irausquin Boulevard 228
Eagle Beach, Oranjestad, Aruba
Dutch Caribbean

Lagonita Lodge II

183 Lagonita Lane
Big Bear Lake, CA 92315

Lagos de Fañabe

Playa Fañabe
Adeje, Tenerife
Canary Islands, Spain

Lagos de Fañabe II

Apdos. Los Olivos
Playa Fañabe, Adeje, Tenerife
Canary Islands, Spain

Lake Marion Resort Community

6641 Lake Marion Golf Resort Drive
Kissimmee, FL 34759

Lakeview Resort Club

1 Lakeview Drive
Morgantown, WV 26505

Landing at Seven Coves, The

7031 Kingston Cove Lane
Willis, TX 77378

Landmark Holiday Beach Resort

17501 Front Beach Road
Panama City, FL 32413

Landmark Resort

7643 Hillside Road
Egg Harbor, WI 54209

Langdale Estate

Great Langdale, Nr. Ambleside
Cumbria LA22 9JD, United Kingdom

Las Olas Resort

Av. D. Urb. Los Canales de Río Chico
Río Chico, Miranda, Venezuela

Laugharne Park

Laugharne
Dyfed SA33 4SG, United Kingdom

Laurel Crest Resort

636 Wears Valley Road
Pigeon Forge, TN 37863

Lawai Beach Resort – Alii Building

5017 Lawai Road
Koloa, Kauai, HI 96756

Lawai Beach Resort – Banyan Building

5017 Lawai Road
Koloa, Kauai, HI 96756

Lawrence Welk Resort Villas

8860 Lawrence Welk Drive
Escondido, CA 92026

Le Blanc Spa Resort

Boulevard Kukulcan Km. 10
Cancún, Quintana Roo 77500, Mexico

Legacy Grand Eastgate

5265 West Irló Bronson Memorial
Highway
Kissimmee, FL 34746

Legacy Vacation Club

Brigantine Beach – The Inn
1400 Ocean Avenue
Brigantine, NJ 08203

Legacy Vacation Club Lake Buena Vista

8451 Palm Parkway
Lake Buena Vista, FL 32819

Legacy Vacation Club Orlando

2794 North Poinciana Boulevard
Kissimmee, FL 34746

Legacy Vacation Club Orlando Oaks

2794 North Poinciana Boulevard
Kissimmee, FL 34746

Legacy Vacation Club Orlando Spas

2800 North Poinciana Boulevard
Kissimmee, FL 34746

Legacy Vacation Club Palm Coast

201 Clubhouse Drive
Palm Coast, FL 32137

Legacy Vacation Club Steamboat Springs – Hilltop

1000 Highpoint Drive
Steamboat Springs, CO 80477

Legacy Vacation Club Steamboat Springs – The Suites

1485 Pine Grove Road
Steamboat Springs, CO 80477

Lehigh Resort Club

231 Joel Boulevard
Lehigh Acres, FL 33972

Les Chalets

Avda. Camacho s/n Parada 19 de la
Mansa Barrio Parque Cantegril
Punta del Este, Uruguay

Les Marines de Gassin

RN 98, Route de St. Tropez
Gassin 83580, France

Lighthouse Cove

1406 North Ocean Boulevard
Pompano Beach, FL 33062

Lighthouse Key Resort & Spa

8545 West Irlo Bronson Hwy
Kissimmee, FL 34747

Liki Tiki Village

17777 Bali Boulevard
Winter Garden, FL 34787

Limetree Beach Resort

1050 Ben Franklin Drive
Sarasota, FL 34236

Links Golf and Racquet Club

917 Thomas Avenue
North Myrtle Beach, SC 29582

Lodge Alley Inn, The

195 East Bay Street
Charleston, SC 29401

London Bridge Resort

1477 Queens Bay
Lake Havasu City, AZ 86403

Longevity Wellness Resort Monchique

Lugar do Montinho
Monchique 8550-232, Portugal

Lord Stanley Suites on the Park

1889 Alberni Street
Vancouver
British Columbia V6G 3G7, Canada

Loreley

387 Brucken Street
Helen, GA 30545

Los Amigos Beach Club

Ctra. Cádiz Km. 204
Mijas-Costa, Málaga 29647, Spain

Los Cabos Golf Resort

Cabo San Lucas Country Club
Cabo San Lucas, B.C.S., Mexico

Los Tinajeros Resort

Calle Campos entre Marcano y Cedeno
Porlamar, Isla Margarita, Venezuela

Macdonald Dalfaber Resort

Dalfaber Estate
Aviemore
Inverness, Scotland PH22 1ST
United Kingdom

Macdonald Doña Lola Resort

Ctra. de Cádiz, Km. 197-8
Mijas-Costa, Málaga 29649, Spain

Macdonald Forest Hills Hotel and Lochside Resort

Forest Hills Hotel
Kinlochard
Aberfoyle by Stirling FK8 3TL
United Kingdom

Macdonald Leila Playa Resort

Ctra. de Cádiz, Km. 196
Mijas-Costa, Málaga 29649, Spain

Macdonald Loch Rannoch Hotel & Lochside Resort

Loch Rannoch Estate
Kinloch Rannoch
Perthshire PH16 5PS, United Kingdom

Macdonald Plas Talgarth Health & Leisure Club

The Plas Talgarth Estate
Pennal, Nr. Machynlleth
Powys, SY20 9JY, United Kingdom

Macdonald Villacana Resort

Km. 165, Ctra de Cádiz
Estepona, Málaga, Spain

Magic Tree Resort

2795 North Old Lake Wilson Road
Kissimmee, FL 34734

Mares Marmaris

Marmaris Altin Yunis
Pamucak, Mevkii
Marmaris, Mugla, Turkey

Margarita International Resort

Avenida Bolivar-Urbanización Dumar
Urb. Dumar
Porlamar, Isla Margarita, Venezuela

Mariner Shores Resort & Beach Club

254-260 The Esplanade
Miami, Queensland, Australia

Maritime Beach Club

400 North Ocean Boulevard
North Myrtle Beach, SC 29582

Marriott Residence Inn at Muskoka Wharf

285 Steamship Bay Road
Gravenhurst, Ontario, P1P 1Z9
Canada

Marriott Vacation Club at The Empire Place

88 Naradhiwas Rajanagarindra Road
Sathorn, Yannawa, Bangkok, Thailand

Marriott's Aruba Ocean Club

99 L.G. Smith Boulevard
Oranjestad, Aruba, Dutch Caribbean

Marriott's Aruba Surf Club

LG Smith Boulevard #99
Palm Beach, Aruba, Dutch Caribbean

Marriott's Barony Beach Club

5 Grasslawn Avenue
Hilton Head, SC 29928

Marriott's BeachPlace Towers

21 South Fort Lauderdale Beach
Boulevard
Fort Lauderdale, FL 33316

Marriott's Canyon Villas at Desert Ridge

5220 E. Marriott Drive
Phoenix, AZ 85054

Marriott's Club Son Antem

Ctra. Lluçmajor, PM 602, Km. 3.4
Apartado 363
Lluçmajor, Mallorca
Balearic Islands 07620, Spain

Marriott's Crystal Shores on Marco Island

600 S. Collier Boulevard
Marco Island, FL 34145

Marriott's Custom House

3 McKinley Square
Boston, MA 02109

Marriott's Cypress Harbour

11251 Harbour Villa Road
Orlando, FL 32821

Marriott's Desert Springs Villas

1091 Pinehurst Lane
Palm Desert, CA 92260

Marriott's Desert Springs Villas II

1091 Pinehurst Lane
Palm Desert, CA 92260

Marriott's Fairway Villas

500 East Fairway Lane
Galloway Township, NJ 08201

Marriott's Frenchman's Cove

7338 Estate Bakkeroe
St. Thomas 00801
U.S. Virgin Islands

Marriott's Grand Chateau

75 East Harmon Avenue
Las Vegas, NV 89109

Marriott's Grand Residence Tahoe

1001 Park Avenue
South Lake Tahoe, CA 96150

Marriott's Grande Ocean Resort

51 South Forest Beach Drive
Hilton Head Island, SC 29928

Marriott's Grande Vista

5925 Avenida Vista
Orlando, FL 32821

Marriott's Harbour Lake

7102 Grand Horizons Boulevard
Orlando, FL 32821

Marriott's Harbour Point at Shelter Cove

4 Shelter Cove Lane
Hilton Head Island, SC 29928

Marriott's Kauai Beach Club

3610 Rice Street, Kalapaki Beach
Lihue, Kauai, HI 96766

Marriott's Kauai Lagoons

3325 Holokawelu Way
Lihue, Kauai, HI 96766

Marriott's Ko Olina

92-101 Mauloa Place
Kapolei, Oahu, HI 96707

Marriott's Lakeshore Reserve

11120 Lakeshore Reserve Drive
Orlando, FL 32837

Marriott's Legend's Edge at Bay Point

4000 Marriott Drive
Panama City Beach, FL 32408

Marriott's Mai Khao Beach

234 Moo 3
Mai Khao, Thalang
Phuket, Thailand 83110

Marriott's Manor Club at Ford's Colony

101 St. Andrews Drive
Williamsburg, VA 23188

Marriott's Manor Club Sequel

101 St. Andrews Drive
Williamsburg, VA 23188

Marriott's Marbella Beach Resort

Ctra. de Cádiz, Km. 193
Urb. Marbella del Este
Marbella, Málaga 29600, Spain

Marriott's Maui Lahaina & Napili Villas

100 Nohea Kai Drive
Lahaina, HI 96761

Marriott's Maui Ocean Club

100 Nohea Kai Drive
Lahaina, Maui, HI 96761

Marriott's Monarch at Sea Pines

91 North Sea Pine Drive
Hilton Head Island, SC 29938

Marriott's Mountainside at Park City

1305 Lowell Avenue
Park City, UT 84060

Marriott's Mountain Valley Lodge

655 Columbine Road
Breckenridge, CO 80424

Marriott's Newport Coast Villas

23000 Newport Coast Drive
Newport Coast, CA 92657

Marriott's Ocean Pointe

71 Ocean Avenue
Palm Beach Shores, FL 33404

Marriott's OceanWatch Villas at Grande Dunes

8450 Costa Verde Drive
Myrtle Beach, SC 29572

Marriott's Phuket Beach Club

Had Mai Khao Moo 3 Baan Suan
Maprow, Talang
Amphor, Phuket
Thailand

Marriott's Playa Andaluz

Ctra. Se Cádiz KM 168
Estepona, Málaga 29680
Spain

Marriott's Royal Palms Resort

8404 Vacation Way
Orlando, FL 32821

Marriott's Sabal Palms Resort

8805 World Center Drive
Orlando, FL 32821

Marriott's Shadow Ridge Villages

36000 Monterey Avenue
Palm Desert, CA 92260

Marriott's Shadow Ridge Enclaves

9003 Shadow Ridge Road
Palm Desert, CA 92211

Marriott's St. Kitt's Beach Club

858 Frigate Bay Road
Frigate Bay, St. Kitts
St. Kitts & Nevis

Marriott's StreamSide

2264 South Frontage Road West
Vail, CO 81657

Marriott's Summit Watch at Park City

780 Main Street
Park City, UT 84060

Marriott's SurfWatch

10 Fifth Street
Hilton Head, SC 29928

Marriott's Timber Lodge

4100 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Marriott's Village d'Ile de France

Allee de l'Orme Rond
Bailly Romainvilliers 77700, France

Marriott's Villas at Doral

4101 N.W. 87th Avenue
Miami, FL 33178

Marriott's Waiohai Beach Club

2249 Poipu Road
Koloa, Kauai, HI 96756

Marriott's Willow Ridge Lodge

2929 Green Mountain Drive
Branson, MO 65616

Maui Schooner Resort ∞

980 South Kihei Road
Kihei, Maui, HI 96753

Mayhills Resort

142, Gohan-ri
Gohan-up, Jeongseon-gun
Gangwon-do 233-811, Korea

Mendihuaca Caribbean Resort

Km. 33 Vía Santa Marta – Riohacha
Santa Marta, Magdalena, Colombia

Mexicana Sharm Resort

Mexicana Sharm
Ras Om El Sid
Sharm el Sheikh, Egypt

Michelangelo @ Hotel La Fenice

Lacalita Osseddu – Olbia 2
Olbia 07026, Italy

Michelangelo @ Meridie Village

San Sostene
Catanzaro 88060, Italy

Mill Resort & Suites Vacation, The

J.E. Yrausquin Boulevard 330
Oranjestad, Aruba, Dutch Caribbean

Miraflores Vacation Club

Ctra. de Cádiz, Km. 199
Mijas-Costa, Málaga 29647, Spain

Mirror Tamarack Lake Resort

E10035 Xanadu Road
Wisconsin Dells, WI 53965

Monarch Grand Vacation – Cedar Breaks

223 Hunter Ridge Road
Brian Head, UT 84719

Moon Palace Golf & Spa Resort-Nizuc

Carretera Federal Km 307
Chetumal-Cancún
Cancún, Quintana Roo 77500, Mexico

Moon Palace Grand

Carretera Cancún-Chetumal Km 340
Cancún, Quintana Roo 77500, Mexico

Moon Palace Jamaica Grande

St. Ann Bay Ocho Rios
Ocho Rios, St. Ann
Jamaica

Moon Palace Sunrise

Carretera Cancún-Chetumal Km 340
Cancún, Quintana Roo 77500, Mexico

Mount Snow Grand Summit Hotel at The Grand Summit Resort Hotel & Conference Center

89 Grand Summit Way
West Dover, VT 05356

Morritt's Tortuga Club

2289 Queens Highway
East End
Grand Cayman KY11106
Cayman Islands

Mountain Club at Loon, The

Main Street
Lincoln, NH 03251

Mountain Laurel Resort and Spa

Route 940
White Haven, PA 18661

Mountain Loft Resort

110 Mountainloft Drive
Gatlinburg, TN 37738

Mountainside Resort at Stowe

171 Cottage Club Road
Stowe, VT 05672

Mountainside Villas at Massanutten

Route 644, Intersection of Peak
Middle Coff Drive
McGaheysville, VA 22840

Multigestion – Multivacances Avoriaz

Avoriaz
Morzine 74110, France

Multigestion – Reberty les Menuires

St. Martin de Belleville 73440
France

Multigestion – Résidence de Rochebrune

18, Porting de Rochebrune
Megeve 74120, France

Multigestion – Résidence Emeraude

Belle Plagne
Aime 73210, France

Myrtle Beach Resort, The

5905 South Kings Highway
Surfside Beach, SC 29587

Mystic Dunes Resort & Golf Club

7600 Palms Parkway
Kissimmee, FL 34747

Nautilus Residences

White Sands Golf and Beach Resort
Bavara, La Altagracia
Dominican Republic

Nepean Country Club

Browns Road
Rosebud, Victoria 3838, Australia

Nostos Village

Tzaneria
Skiathos 37002, Greece

Oak N' Spruce Resort

Meadow Street
South Lee, MA 01260

Oak Plantation

4090 Enchanted Oaks Circle
Kissimmee, FL 34741

Oakmont Resort

555 Middle Creek Road
Pigeon Forge, TN 37863

Oasis Cancún Resort

Boulevard Kukulcan Kilometro 16.5
Zona Hotelera
Cancún, Quintana Roo 77500
Mexico

Oasis Club

Avenida Las Palmeras
Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Oasis Lanz Club

Av. Punta Jablillo, 7
35509 Costa Teguisse
Lanzarote, Canary Islands, Spain

Ocean Beach Club

3401 Atlantic Avenue
Virginia Beach, VA 23451

Ocean Club

1908 North Ocean Boulevard
North Myrtle Beach, SC 29582

Ocean Club on Smuggler's Beach

329 South Shore Drive
South Yarmouth, MA 02664

Ocean Hotel

Blvd. Kukulcan KM 3.5
Zona Hotelera, CP 77500
Quintana Roo, Cancún, Mexico

Ocean Landings Resort & Racquet Club

900 North Atlantic Avenue
Cocoa Beach, FL 32931

Ocean Reef Resort

Bahama Reef Boulevard
P.O. Box 2695
Freeport, Grand Bahama Island
Bahamas

Ocean Towers Beach Club

11211 Front Beach Road
Panama City Beach, FL 32407

Ocean Two Resort & Residences

Dover
Dover, Christ Church
Barbados

Oceanaire at Ocean Beach Club

3401 Atlantic Avenue
Virginia Beach, VA 23451

Olympic Village Inn

1909 Chamonix Place
Olympic Valley, CA 96146

Options at Macdonald at Forest Hills Hotel and Resort

Forest Hills Hotel
Kinlochard
Aberfoyle by Stirling FK8 3TL
United Kingdom

Options at Macdonald at Plas Talgarth Resort

The Plas Talgarth Estate
Pennal, Nr. Machynlleth
Powys SY20 9JY
United Kingdom

Orange Tree Interval Ownership Resort, The, and Shell Vacations Club at Orange Tree Interval Ownership

10601 North 56th Street
Scottsdale, AZ 85254

Outer Banks Beach Club and Outer Banks Beach Club Villas II

Mile Post 9, Virginia Dare Road
Kill Devil Hills, NC 27948

Own Grand Palermo Soho

Gurruchaga 2121
Buenos Aires, Buenos Aires 1113
Argentina

Oyster Bay Beach Resort

Emerald Merit Road 26
Box 239
Philipsburg, St. Maarten
Dutch Caribbean

Pahia at Ka Eo Kai

3970 Wyllie Road
Princeville, Kauai, HI 96722

Palace Ponte di Legno

Via Trento 19
Ponte di Legno (BS) 25056, Italy

Palace Vacation Club – Palace of the Golden Horses

Jalan Kuda Emas
The Mines Resort City
Seri Kembangan 43300
Malaysia

Palace View by Spinnaker

700 Blue Meadows Drive
Branson, MO 65616

Palm at Playa, The

Calle 8 Manzana 29 Lote 5 entre
10 y 5ta Avenida
Playa del Carmen
Quintana Roo 77710, Mexico

Palm Bay Resort

2525 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Palm Canyon Resort and Spa and Monarch Grand Vacations at Palm Canyon Resort and Spa

2800 South Palm Canyon Drive
Palm Springs, CA 92264

Palm Oasis

Albert Einstein s/n, Parcela 34
Urb. Sonnenland
Maspalomas, Gran Canaria
Canary Islands, Spain

Palm Springs Tennis Club

701 West Baristo Road
Palm Springs, CA 92262

Panareti's Royal Coral Bay Resort

Keratidiou Street
Pegeia Paphros 62479, Cyprus

Paradise Beach Villas

J.E. Yrausquin Boulevard Z/N
Oranjestad, Aruba, Dutch Caribbean

Paradise Point Resort

250 Lakewood Drive
Hollister, MO 65672

Paradise Village Beach Resort & Spa

Paseo de los Cocoteros #001
Nuevo Vallarta, Nayarit, Mexico

Paradise Village Marine Residence

Paseo de los Cocoteros #001
Nuevo Vallarta, Nayarit, Mexico

Park Plaza

2060 Sidewinder Drive
Park City, UT 84060

Park Regency, The

1710 Prospector Avenue
Park City, UT 84060

Parkway International Resort

6200 Safari Trail
Kissimmee, FL 32741

Parque del Sol

Urb. Playa Fañabe
38660 Adeje
Playa de las Américas
Tenerife, Canary Islands, Spain

Paseo del Sol

Paseo Xaman Ha
Manzana 12, Lote 4-5
Playa del Carmen, Quintana Roo
Mexico

Passporto at Porto Sokhna

Porto Sokhna
Ein El Sokhna
Red Sea, Egypt

Patriots Inn

1420 Richmond Road
Williamsburg, VA 23185

Peninsula Beach Resort

Jalan Pratama, Tanjung Benoa
Bali, Indonesia

Peninsula Island Resort and Spa

340 Padre Boulevard
South Padre Island, TX 78597

Peppertree Atlantic Beach Villas

715 West Fort Macon Road
Atlantic Beach, NC 28512

Peppertree by the Sea

305 South Ocean Boulevard
North Myrtle Beach, SC 29582

Perennial Vacation Club – Daytona

2525 South Atlantic Avenue
Daytona Beach, FL 32118

Perennial Vacation Club – Tahoe Village/Eagles Nest

472 Needle Peak Road
Stateline, NV 89449

Pier 7 Condominiums

711 Main Street
South Yarmouth, MA 02664

Pine Lake Resort

Carnforth, Lancashire LA6 1JZ
United Kingdom

Plantation Beach Club at South Seas Plantation

P.O. Box 194
5400 South Seas Plantation Road
Captiva Island, FL 33924

Playa del Sol Costa Sur

Km. 4-456 Carretera Barra Navidad
Puerto Vallarta, Jalisco
Mexico

Playa Linda Beach Resort

J.E. Yrausquin Boulevard #87
Oranjestad, Aruba
Dutch Caribbean

Playa Maroma

Km. 52, Carretera Federal
Cancún – Tulum
Quintana Roo, Mexico

Playacar Palace

Fraccionamiento Playacar
Bahia del Espiritu Santo
Esquina Abraira de Arriba
Playa del Carmen
Quintana Roo 77710
Mexico

Players Club of Hilton Head Island

35 Dealyon Avenue
Hilton Head Island, SC 29928

Plaza Blumenau Hotel

Rua 7 de Setembro, 818
Blumenau, SC 89010200
Brazil

Plaza Caldas Imperatriz Resort & Spa

Rodovia Princesa Leopoldina, 3355
Santo Amaro da Imperatriz
SC 88140000
Brazil

Plaza Florianopolis Hotel

Rua Silva Jardim, 830
88020000, Brazil

Plaza Itapema Resort & Spa

BR 101-KM 144
Itapema, SC 88220000
Brazil

Plaza Porto Alegre Hotel

Rua Senhor dos Passos, 154
Centro Histórico
Porto Alegre, RS 90020 180
Brazil

Plaza Sao Rafael

Avenida Alberto Bins, 514
Porto Alegre, RS 90030 140
Brazil

Plaza Resort and Spa, The

2601 Golf Club Drive
Palm Springs, CA 92264

Plaza Pelicanos Grand Beach Resort and Shell Vacations Club @ Plaza Pelicanos Grand Beach Resort

Jose Clemente Orozco #131
Zona Hotelera Las Glorias
Puerto Vallarta, Jalisco 48351
Mexico

Polynesian Isles Resort

3045 Polynesian Isles Boulevard
Kissimmee, FL 34746

Pono Kai, The

1250 Kuhio Highway
Kapaa, Kauai, HI 96746

Port Pacific

6-14 Clarence Street
Port Macquarie
New South Wales 2444, Australia

Port Trinitie

State Road 1200
Duck-Corolla Road
Duck, NC 27949

Porto Vacation Club at Porto Sokhna

Porto Sokhna
Ein El Sokhna
Red Sea, Egypt

President Hotel

Alexander Road
P.O. Box 1050, Seapoint 8060
Bantry Bay, Capetown 8001
South Africa

Premiere Vacation Collection – Bell Rock, Sedona

6246 Highway 179
Sedona, AZ 86351

Premiere Vacation Collection – Kohl's Ranch Lodge

East Highway 260 HC2
Box 96K
Payson, AZ 85541

Premiere Vacation Collection – Sedona Vacation Club at Los Abrigados

160 Portal Lane
Sedona, AZ 86351

Premiere Vacation Collection – Varsity Clubs, Tucson Chapter

3855 East Speedway Boulevard
Tucson, AZ 85716

Privilège Residenzhotel Hotel Sunstar Arosa

Ferienclub Privilège
Arosa, CH-7050, Switzerland

Privilège Residenzhotel Hotel Sunstar Davos

Ferienclub Privilège
Davos-Platz, CH-7270, Switzerland

Privilège Residenzhotel Hotel Sunstar Flims

Ferienclub Privilège
Flims-Waldhaus, CH-7018
Switzerland

Privilège Residenzhotel Hotel Sunstar Grindelwald

Ferienclub Privilège
Grindelwald, CH-3818, Switzerland

Privilège Residenzhotel Hotel Sunstar Lenzerheide

Ferienclub Privilège
Lenzerheide, CH-7079, Switzerland

Privilège Residenzhotel Hotel Sunstar Wengen

Ferienclub Privilège
Wengen, CH-3823, Switzerland

Pyhäniemi

Kihnio SF-39820, Finland

Quarter House, The

129 Chartres Street
New Orleans, LA 70130

Quijote Inn

Av. Camarón Sábalo s/n
Apartado Postal 934 & 966
Mazatlán, Sinaloa, Mexico

Rancho Banderas All Suite Resort

Km. 8.3 Ctra. Cruz de Huanecastle
Punta Mita, Nayarit, Mexico

Reef Ocean Resort, The

3450 Ocean Drive
Vero Beach, FL 32963

Renaissance Aruba Beach Resort and Casino

J.E. Yrausquin Boulevard 9
Oranjestad, Aruba
Dutch Caribbean

Residence Kamarina

Viale Kamarina
(c/Randello, SP 85 km 7)
Localita Randello
Ragusa 97017
Italy

Résidence l'Annonciade

RN 98
Port Cogolin 83310, France

Résidence le Cervin

Dumez Immobilier
Plagne Soleil
La Plagne Village 73210, France

Résidence le Grand Bois

La Tania
Courchevel 73120, France

Résidence le Ruitor

Arc 1800
Les Arcs
Bourg St. Maurice 73700, France

Résidence le Trianon

Avenue du Professeur Joliet
Arcachon 33120, France

Résidence les Cottages du Golf

Golf de Saint Laurent
Ploemel, Auray 56400, France

Résidence les Félibriges

93, Rue Georges Clemenceau
Cannes 06400, France

Résidence les Rivages de Rochelongue

Mail de Rochelongue
Cap d'Agde 34300, France

Résidence Marsa Sicla

C.da Torre Samuele
Sampieri, Scicli 97018, Italy

Résidence Mer et Golf

47, Boulevard de la Mer
Anglet 64600, France

Résidence Mer et Golf Le Boucanier

Rue du Belvedere
Vieux Boucau 40480, France

Résidence Pamplousse

Les Principales du Casino
Chatelaillon, Charentes Maritimes
France

Résidence Pamplousse II

Avenue des Pays de Loire
Golf de St. Jean de Monts
St. Jean de Monts 85160
France

Résidence Paris XV

20 Rue Oradour sur Glane
Paris 75015, France

Résidence Pierre et Vacances – Avoriaz

Centre d'accueil d'Avoriaz
Avoriaz 74110, France

Résidence Pierre et Vacances – Belle Plagne

Bellentre
Aime 73210, France

Résidence Pierre et Vacances – Cannes Villa Francia

Avenue A.W. Wemyss
Cannes 061520, France

Résidence Pierre et Vacances – Cap Esterel

Camp Long Par Agay
St. Raphaël 83700, France

Résidence Pierre et Vacances – Le Port du Bourgenay

Talmont St. Hilaire, 85440, France

Résidence Pierre et Vacances – Le Port du Crouesty

Arzon 56640, France

Résidence Pierre et Vacances – Les Coches

Bellentre, Aime 73210, France

Résidence Pierre et Vacances – Les Parcs de Grimaud

Route Nationale 98
Grimaud, France

Résidence Pierre et Vacances – Meribel

Résidence du Mottaret
Le Chatelet
Meribel, Mottaret 73550, France

Résidence Pierre et Vacances – Moliets

Moliets Complex
Rue Bremonnier – Moliettes
Messanges 40660, France

Résidence Pierre et Vacances – Résidence Cap d'Ail

Avenue du Général de Gaulle
Cap d'Ail 06320, France

Résidence Pierre et Vacances – Résidence Paris XV

20 Rue Oradour sur Glane
Paris 75015, France

Résidence Pierre et Vacances – Village Cap Coudalère

25 Place Martinique
Port Barcarès 66420, France

Résidence Sokoburu

Boulevard de la Mer
Hendaye 64700, France

Residencial Pousada do Serrano

Rua Angelo Bisol 300
Gramado, Brazil

Residenza Nevesole Folgarida

Via Monti Alti
Folgarida di Dimaro (TN) 38025
Italy

Residenza Torre Rinalda

Litoranea Salentina, CP 152
Lecce – Loc. Torre Rinalda
Lecce 73100, Italy

Residenza Valle Fiorita

Via Annunziata
Rocchetta al Volturno (IS)
Isernia 86070
Italy

Residenziale Serra degli Alimini 1

Localita Serra degli Alimini
Otranto, Lecce 73028
Italy

Resort at Marina Village Residences, The

6021 Silver King Boulevard
Cape Coral, FL 33914

Resort at Whale Pointe Condominium, The

939 Northwest Highway 101
Depoe Bay, OR 97341

Resort on Cocoa Beach, The

1600 N. Atlantic Avenue
Cocoa Beach, FL 32931

Ridge on Sedona Golf Resort, The

55 Sun Ridge Circle
Sedona, AZ 86351

Ridge Tahoe, The

400 Ridge Club Drive
Stateline, NV 89449

Ridge Top Village at Shawnee

River Road
Shawnee-On-Delaware, PA 18356

Rincón de Los Andes

Juez Del Valle 611
San Martín de los Andes
Neuquén 8370, Argentina

Rincón del Este

Parada 22 – Playa Brava
Punta del Este, Uruguay

Rio Falzé

Via Pian dei Frari 29
Campo Carlo Magno
Madonna di Campiglio 38086, Italy

Riviera Beach and Spa Resort I & II[∞]

34630 Pacific Coast Highway
Capistrano Beach, CA 92624

Riviera Oaks Resort & Racquet Club

25382 Pappas Road
Ramona, CA 92065

Rochester Classic

Esmeralda 543
Buenos Aires C1001ABB
Argentina

Roundhouse Resort

5829 Buck Springs Road
Pinetop, AZ 85935

Royal Aloha Vacation Club – The Torre Blanca

Majahua #25 Puerto Marqués
Acapulco, Guerrero, Mexico

Royal Aloha Vacation Club – Waikiki

2224 Aloha Drive
Waikiki, Oahu, HI 96815

Royal Caribbean, The

Lote 50, Km. 17
Bulevar Kukulcán
Cancún, Quintana Roo 77500
Mexico

Royal Floridian Resort

51 South Atlantic Avenue
Ormond Beach, FL 32176

Royal Floridian South

51 South Atlantic Avenue
Ormond Beach, FL 32176

Royal Haciendas, The

Lote 002 Manzana 070 Municipio
de Solidaridad
Playa del Carmen, Quintana Roo
Mexico

Royal in Cancún by Real Club

Boulevard Kukulcan KM 11.5
Cancún, Quintana Roo, Mexico

Royal Islander, The

Lote 51, Km. 17
Bulevar Kukulcán
Cancún, Quintana Roo, Mexico

Royal Islander Club La Plage

Maho Bay
St. Maarten, Dutch Caribbean

Royal Mayan, The

Lote 49, Km. 17
Bulevar Kukulcán
Cancún, Quintana Roo, Mexico

Royal Oasis Club at Benal Beach

Ctra. de Cádiz, Km. 221
Benalmadena-Costa
Málaga 29630, Spain

Royal Oasis Club at Pueblo Quinta

Av. Federico García Lorca
Benalmadena-Costa
Málaga 29630, Spain

Royal Palm Beach Resort

Simpson Bay
St. Maarten, Dutch Caribbean

Royal Sands, The

Lote 32, Boulevard Kukulcan
Cancún, Quintana Roo 77500, Mexico

Royal Savoy Resort

Avenida do Infante
Funchal, Madeira 9004-542, Portugal

Royal Suites Punta de Mita, The

Carretera Punta de Mita Km. 11.5
Bahía de Banderas, Nayarit 63734
Mexico

Royal Suites Turquesa, The

C/El Cortecito, Playa Bavaro
Bavaro, Punta Cana
Dominican Republic

Royal Suites Yucatan, The

Carretera Chetumal-Puerto Juarez
km. 256-100
Municipio Solidaridad
Riviera Maya, Quintana Roo 77710
Mexico

Royal Sunset Beach Club

Calle Londres No. 6, Playa Fañabe
Costa Adeje, Tenerife 38660
Canary Islands, Spain

Royal Tenerife Country Club

Complejo San Andres, Golf del Sur
San Miguel de Abona
Tenerife 38620, Canary Islands
Spain

Royal Vacation Suites[∞]

99 Convention Center Drive
Las Vegas, NV 89109

Royale Beach and Tennis Club

400 Padre Boulevard
South Padre Island, TX 78597

Sahara Sunset

Avenida Rocio Jurado
Benalmadena-Costa
Málaga 29630, Spain

Samoset Resort

220 Warrenton Street
Rockport, ME 04856

San Clemente Inn

2600 Avenida del Presidente
San Clemente, CA 92672

San Diego Country Estates

25385 Pappas Road
Ramona, CA 92065

San Luis Bay Inn

3254 Avila Beach Drive
Avila Beach, CA 93424

Sand Pebbles Resort

535 South Highway 101
Solana Beach, CA 92075

Sands of Kahana Vacation Club

4299 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Sandstone Creek Club

1020 Vail View Drive
Vail, CO 81657

Santa Barbara Golf and Ocean Club

Golf del Sur
San Miguel de Abona
Tenerife 38620
Canary Islands, Spain

Sapphire Beach Club and Resort

Lowlands 147
Cupecoy Beach, St. Maarten
Dutch Caribbean

Sarasota Sands

2150 Ben Franklin Drive
Sarasota, FL 34236

Schooner Beach and Racquet Club

7100 North Ocean Boulevard
Myrtle Beach, SC 29577

Schooner II Beach and Racquet Club

2108 North Ocean Boulevard
Myrtle Beach, SC 29577

Scottsdale Camelback Resort

6302 East Camelback Road
Scottsdale, AZ 85251

Scottsdale Links Resort

16858 North Perimeter
Scottsdale, AZ 85260

Scottsdale Villa Mirage

7887 E. Princess Boulevard
Scottsdale, AZ 85255

Sea Gardens Beach and Tennis Resort

615 North Ocean Boulevard
Pompano Beach, FL 33062

Sea Mist Resort

141 Great Neck Road South
Mashpee, MA 02649

Sea Scape Beach and Golf Villas

4724 Route 158 By-Pass MM 2.5
Kitty Hawk, NC 27949

Seasons at Clowance Estate and Country Club

Praze-an-Beeble
Camborne, Cornwall TR12 OPT
United Kingdom

Seasons at Club Tahiti

Calle Isla de Lobos 12
35509 Costa Teguisé
Lanzarote, Canary Islands, Spain

Seasons at Laugharne Park

Laugharne Park, Laugharne
Dyfed SA33 4SG, United Kingdom

Seawatch at Island Club

85 Folly Road
Hilton Head Island, SC 29928

Sedona Summit

500 Navoti Drive
Sedona, AZ 86336

Sedona Vacation Club at Los Abrigados

160 Portal Lane
Sedona, AZ 86336

Shanghai SunIsland International Club

Shenxiang, Qingpu County
Shanghai 201714, China

Shawnee Ridgetop Village

River Road
Shawnee-On-Delaware, PA 18356

Shawnee River Village II

River Road
Shawnee-On-Delaware, PA 18356

Shell Vacations Club at Carriage Hills Resort

90 Highland Drive, RR #1
Shanty Bay, Ontario L0L 2L0, Canada

Shell Vacations Club at Carriage Ridge Resort

90 Highland Drive, RR #1
Shanty Bay, Ontario LOL 2L0, Canada

Shell Vacations Club at Desert Rose Resort

5051 Duke Ellington Way
Las Vegas, NV 89119

Shell Vacations Club at Kauai Coast Resort at the Beachboy

520 Aleka Loop
Kapaa, HI 96746

Shell Vacations Club at The Legacy Golf Resort

6808 S. 32nd Street
Phoenix, AZ 85042

Shell Vacations Club at Paniolo Greens

68-1745 Waikoloa Road
Waikoloa, HI 96738

Shell Vacations Club at Peacock Suites

1745 South Anaheim Boulevard
Anaheim, CA 92805

Shell Vacations Club at Plaza Pelicanos Grand Beach Resort

Jose Clemente Orozco #131
Zona Hotelera Las Glorias
Puerto Vallarta, Jalisco 48351, Mexico

Shell Vacations Club at Vino Bello Resort

865 Bordeaux Way
Napa, CA 94558

Shell Vacations Club at Waikiki Marina Resort at the Ilikai

1777 Ala Moana Blvd. #212
Honolulu, HI 96815

Shenandoah Crossing Resort

10 Shenandoah Crossing Drive
Gordonsville, VA 22942

Sheraton Broadway Plantation

3301 Robert M. Grissom Parkway
Myrtle Beach, SC 29577

Sheraton Desert Oasis

17700 N. Hayden Road
Scottsdale, AZ 85255

Sheraton Mountain Vista

160 West Beaver Creek Boulevard
Avon, CO 81620

Sheraton Vistana Resort

8800 Vistana Centre Drive
Orlando, FL 32821

Sheraton Vistana Villages

12401 International Drive
Orlando, FL 32821

Shore Crest Vacation Villas

4709 South Ocean Boulevard
North Myrtle Beach, SC 29582

Signum Resort Miami Beach

3010 Collins Avenue
Miami Beach, FL 33140

Simola Golf & Country Estate

Number One, Old Cape Road
Western Cape
Knysna 6570, South Africa

Simpson Bay Resort & Marina

Pelican Keys
Philipsburg, St. Maarten
Dutch Caribbean

Sing Ken Ken Vacation Club

JL. Arjuna No. 1 (Jl. Double Six)
Legian Kaja
Kuta, Bali 80361, Indonesia

Sirena del Mar by Welk Resorts

Km 4.5 Transpeninsular Highway
Cabo San Lucas, BCS 23410, Mexico

Southcape Resort and Club

950 Falmouth Road
Mashpee, MA 02649

Southwinds Beach & Racquet Club

St. Lawrence Gap
Christ Church, Barbados

Spirit Ridge Vineyard Resort and Spa

1200 Rancher Creek Road
Osoyoos, British Columbia V0H 1V6
Canada

St. Augustine Beach & Tennis Resort

10 Ocean Trace Road
St. Augustine, FL 32080

St. Moritz Apartments

14-18 Brunswick Street
Queenstown, Otago, New Zealand

Stanzamare Coral Comfort

El Corecito
Bavaro, Punta Cana
Dominican Republic

Star Island Resort and Club

5000 Avenue of the Stars
Kissimmee, FL 34746

Stonebridge Village

1600 Ledgestone Way
Reeds Spring, MO 65737

Stoneridge Condominiums

250 Chatwold
Blanchard, ID 83804

Strand Lakeside Resort

7343 Okanagan Landing Road
Vernon, British Columbia V1H 1G6
Canada

Suites at Fall Creek, The

1 Fall Creek Drive
Branson, MO 65616

Suites at Polo Towers, The

3745 Las Vegas Boulevard South
Las Vegas, NV 89109

Sun Bay Beach Club

4810 Central Avenue
Hot Springs, AR 71913

Sun Bay Lodge

4810 Central Avenue
Hot Springs, AR 71913

Sun Hills Suites

Jounieh Highway
P.O. Box 55398
Beirut, Lebanon

Sun Palace

Blvd Kukulkan Km 20, Zona Hotelera
Cancún, Quintana Roo 77500
Mexico

Sunningdale Village

Golf del Sur
San Miguel, Tenerife
Canary Islands
Spain

Sunrise Ridge Resort

1175 Resort Drive
Parksville, British Columbia V9P 2E3
Canada

Sunset Bay Club

c/Antonio Navarro, Torviscas
Adeje, Tenerife 38660
Canary Islands, Spain

Sunset Harbour Club

c/Valencia No. 1
Pueblo Torviscas
Adeje, Tenerife 38660
Canary Islands, Spain

Sunset View Club

Urb. Golf del Sur
San Miguel de Abona
Tenerife 38620
Canary Islands, Spain

Suntide Island Beach Club

850 Ben Franklin Drive
Sarasota, FL 34236

Surfside Resort

134 Menahant Road
East Falmouth, MA 02536

Surrey Grand Crowne Resort and Country Club, The

430C State Highway 165 South
Branson, MO 65616

Sweetwater Park City Lift Lodge

1255 Empire Avenue
Park City, UT 84060

Tahiti

5101 West Tropicana Avenue
Las Vegas, NV 89103

Tahiti Village

7200 South Las Vegas Boulevard
Las Vegas, NV 89119

Tahoe Beach and Ski Club

3601 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Tahoe Seasons Resort at Heavenly Valley

3901 Saddle Road
South Lake Tahoe, CA 96157

Tamarack Beach Resort

3200 Carlsbad Boulevard
Carlsbad, CA 92008

Tangalooma Island Resort

Moreton Island
Queensland 4004, Australia

Tanglwood Resort

Junction Routes 507 & 6
Hawley, PA 18428

Tenerife Royal Garden

Av. Maritima, s/n
Playa de las Américas
Arona, Tenerife
Canary Islands, Spain

Terrazas al Mar

Av. Costanera entre 1 y 2
Costa del Este
Buenos Aires, Argentina

Thunderbird Resort Club

200 Nichols Boulevard
Sparks, NV 89431

Thurnham Vacation Club at Cromer Country Club

127 Overstrand Road
Cromer, Norfolk NR27 0DJ
United Kingdom

Tiki Village International Resort

River End Cavill Avenue
Surfer's Paradise, Queensland
Australia

Timberline Lodges (Juniper)

4559 Timberline Crescent
P.O. Box 1316
Fernie, British Columbia V0B 1M6
Canada

Toccaciolo Resort

Contrada Laccata s/n
Nova Siri Marina 75020, Italy

Topaz Beach Club

Topaz Hotel
Bugibba, St. Paul's Bay SPB 03, Malta

Torres Mazatlán

Apdo. Postal 695 – Av. Sábalo
Cerritos, Esq. Lopez Portillo
Mazatlán, Sinaloa, Mexico

Tortuga Beach Club

959 East Gulf Drive
Sanibel Island, FL 33957

Townes at King's Creek Plantation, The

191 Cottage Cove Lane
Williamsburg, VA 23185

Townhouses at St. Augustine Beach and Tennis Resort, The

3960 A1A South
St. Augustine Beach, FL 32084

Trapp Family Guest Houses

42 Trapp Hill Road
Stowe, VT 05672

Tree Tops Resort of Gatlinburg

290 Sherman Clabo Road
Gatlinburg, TN 37738

Tropic Shores Resort

3111 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Turtle Cay Resort

6th Street and Atlantic Avenue
Virginia Beach, VA 23451

Vacation Club I and II

5820 Shanty Creek Road
Bellaire, MI 49615

Vacation Internationale – Oasis Villa Resort

4190 East Palm Canyon Drive
Palm Springs, CA 92263

Vacation Internationale – Pines at Sunriver, The

Meadow Road
Sunriver, OR 97707

Vacation Internationale – Rosedale on Robson

838 Hamilton St.
Vancouver, BC V6B 6A2
Canada

Vacation Internationale – Sea Village

75-6002 Alii Drive, Suite 10-A
Kailua-Kona, HI 96740

Vacation Internationale – Torres Mazatlán

Apdo. Postal 695
Av. Sábalo Cerritos
Esq. Lopez Portillo
Mazatlán, Sinaloa, Mexico

Vacation Internationale – Vallarta Torre

Apartado Postal 4-22
Paseo de las Garzas
Puerto Vallarta, Jalisco, Mexico

Vacation Village at Bonaventure Phase II

16750 Blatt Boulevard
Fort Lauderdale, FL 33326

Vacation Villas at FantasyWorld

5000 Hart Avenue
Kissimmee, FL 34746

Vacation Villas at Fantasyworld Two

4999 Kyngs Heath Boulevard
Kissimmee, FL 34746

Vail Run Resort

1000 Lionsridge Loop
Vail, CO 81657

Vallarta Torre

Apartado Postal 4-22
Paseo de las Garzas
Puerto Vallarta, Jalisco 00060, Mexico

Varsity Clubs of America – South Bend Chapter and Premiere Vacation Collection at Varsity Clubs of America – South Bend Chapter

3800 North Main Street
Mishawaka, IN 46545-3110

Varsity Clubs of America – Tucson Chapter and Premiere Vacation Collection at Varsity Clubs of America – Tucson Chapter

3855 East Speedway Boulevard
Tucson, AZ 85716

Vilar do Golf Resort Club

Quinta do Lago
8135 Almancil
Loule, Algarve, Portugal

Villa del Arco

Km. 05 Camino Viejo a San José
Cabo San Lucas 23450-23410
Mexico

Villa del Palmar

Km. 3, Francisco Medina Ascencio
Puerto Vallarta, Jalisco, Mexico

Villa del Palmar-Cabo

Km. 0.5, Camino Viejo a San José
Cabo San Lucas, B.C.S. 23410
Mexico

Villa del Palmar Cancún Mujeres Beach Resort

Carretera Punta Sam, Km. 5.2
Cancún, Quintana Roo 77400, Mexico

Villa del Palmar Flamingos

Paseo Costero Playa Lote E
Flamingos Nayarta
Nuevo Vallarta, Nayarit 63732, Mexico

Villa del Palmar Loreto

Carretera Transpeninsular Km. 83
Ensenada Blanca
Loreto, B.C.S. 23680, Mexico

Villa Pacífico

Ave. La Marina S/A
Apartado Postal # 263-D
Puerto Vallarta, Jalisco, Mexico

Villa Roma Resort Lodges

340 Villa Roma Road
Callicoon, NY 12723

Villa Sofia Resort and Spa

Ave Pioneros 200
Bariloche, Río Negro R8400RD6
Argentina

Village at Carefree Conference Resort, The

36601 N. Muletrain Road
Carefree, AZ 85377

Village Coconut Island, The

51/7 Moo 6
Coconut Island, Koh Kaew, Muang
Phuket 83000, Thailand

Village at Loon Mountain

Route 112, Kancamagus Highway
Lincoln, NH 03251

Village at Palmetto Dunes

10 Trent Jones Lane
Hilton Head Island, SC 29928

Villaggio Cala La Luna

c/da Badia
Favignana 91023, Italy

Villaggio Cala Mancina

Via Cala Mancina
San Vito Lo Capo
Trapani, Sicily 91010, Italy

Villaggio Olimpico

Area Duchi
Sestriere, Torino 10058, Italy

Villaggio Torre Macauda

Torre Macauda, SS115, Km. 131
Località Macauda
Sciaccia (AG), Sicily 92119, Italy

Villas at Fairway, The

Route 209
Bushkill, PA 18324-0221

Villas at Polo Towers, The

3745 Las Vegas Boulevard South
Las Vegas, NV 89109

Villas at Simpson Bay Resort & Marina

Billy Folly Road N#37
St. Maarten, Dutch Caribbean

Villas at the Boardwalk

1601 Atlantic Avenue
Virginia Beach, VA 23451

Villas at Tree Tops, The

Route 209
Bushkill, PA 18324

Villas de Santa Fe

400 Griffin Street
Santa Fe, NM 87501

Villas on the Green at Welk Resorts

8860 Lawrence Welk Drive
Escondido, CA 92026

Vista Mirage

400 South Hermosa
Palm Springs, CA 92262

Vistana's Beach Club

10740 S. Ocean Drive
Jensen Beach, FL 34957

Vitality Assurance Vacations at Collingwood

15 Harbour Street E.
Collingwood, Ontario
Canada L9Y 4T9

Voyager Resort

Cnr. Old Burleigh Road &
Elizabeth Avenue
Broadbeach, Queensland
Australia

Walton Hall

Walton, Wellesbourne
Warwickshire CV35 9HU
United Kingdom

Wapato Point

1 Wapato Way
P.O. Box 426
Manson, WA 98831

Water's Edge Resort

1525 Boston Post Road
Westbrook, CT 06498

Waterford Estates Lodge

52890 SR 933 North
South Bend, IN 46637

Waterman Holiday Club

Put Vela Luke 4
Supetar, Brac 21400, Croatia

Waterside Vacation Resort

45 Waterside Drive
Hilton Head Island, SC 29928

Welk Resorts Mountain Villas

8860 Lawrence Welk Drive
Escondido, CA 92026

Welk Resorts Palm Springs

34567 Cathedral Canyon Drive
Cathedral City, CA 92234

Wellington, The

551 Thames Street
Newport, RI 02840

Westgate Blue Tree

12007 Cypress Run Road
Orlando, FL 32836

Westgate Branson Lakes at Emerald Pointe Resort

750 Emerald Pointe Drive
Hollister, MO 65672

Westgate Branson Woods

2005 Roark Valley Road
Branson, MO 65616

Westgate Flamingo Bay Club

5625 West Flamingo Road
Las Vegas, NV 89103

Westgate Historic Williamsburg

1324 Richmond Road
Williamsburg, VA 23185

Westgate Lakes Resort

10000 Turkey Lake Road
Orlando, FL 32819

Westgate Miami Beach

16701 Collins Avenue
Miami, FL 33160

Westgate Myrtle Beach

415 South Ocean Boulevard
Myrtle Beach, SC 29577

**Westgate Painted Mountain
Country Club**

6302 E. McKellips Road
Mesa, AZ 85215

Westgate Palace

6145 Carrier Drive
Orlando, FL 32821

**Westgate Park City Resort
and Spa**

4000 Canyons Resort Drive
Park City, UT 84098

Westgate RVS at Orlando

6950 Villa de Costa Drive
Orlando, FL 32821

**Westgate Smoky Mountain
Resort at Gatlinburg**

915 Garden Road
Gatlinburg, TN 37738

Westgate Towers

7600 West Irlow Bronson Memorial
Highway
Kissimmee, FL 34747

Westgate Town Center

2770 Old Lake Wilson Road
Kissimmee, FL 34747

Westgate Vacation Villas

2770 Old Lake Wilson Road
Kissimmee, FL 34747

**Westin Ka'anapali Ocean
Resort North**

170 Kai Ala Drive
Lahaina, Maui, HI 96761

**Westin Ka'anapali Ocean Resort
Villas**

6 Kai Ala Drive
Lahaina, Maui, HI 96761

Westin Kierland Villas

15620 N. Clubgate Drive
Scottsdale, AZ 85254

**Westin Lagunamar Ocean
Resort**

Km. 12.5 Blvd. Kukulcán
Zona Hotelera, Cancún
Quintana Roo 77500
Mexico

**Westin Mission Hills Resort
Villas**

71-333 Dinah Shore Drive
Rancho Mirage, CA 92270

Westin Princeville Ocean Resort

3838 Wylie Road
Princeville, Kauai, HI 96722

**Westin Riverfront Mountain
Villas**

218 Riverfront Lane
Avon, CO 81620

**Westin St. John Resort and
Villas**

Great Cruz Bay
P.O. Box 8339
St. John, U.S. Virgin Islands

Westwind II Club

West Bay Street, Cable Beach
Nassau, New Providence Island

Westwood at Split Rock

1 Lake Drive
Lake Harmony, PA 18624

White Sands Beach Club

Arenal d'en Castell
Menorca, Balearic Islands 07730
Spain

White Sands Waikiki

431 Nohonani Street
Honolulu, HI 96815

Wild Wing Golf Village

525 Wild Wing Boulevard
Conway, SC 29526

Williamsburg Plantation

4870 Longhill Road
Williamsburg, VA 23188

Willow Valley Resort

Highway 105
South Bairds Creek Road
Boone, NC 28607

Willowbrook at Lake Harmony

One Lake Drive
Lake Harmony, PA 18624

**Windjammer Landing Villa
Beach Resort**

Labrelotte Bay
P.O. Box 1504
Castries, St. Lucia

Windward Passage Resort

418 Estero Boulevard
Fort Myers Beach, FL 33931

**Winners Circle Beach and
Tennis Resort**

550 Via de la Valle
Solana Beach, CA 92075

Woodford Bridge Country Club

Milton Damereel Nr. Holsworthy
Devon EX22 7LL, United Kingdom

**World International Vacation
Club – Coral Mar**

Pok-ta-pok Avenue
Cancún, Quintana Roo, Mexico

WorldMark Angels Camp

123 Selkirk Ranch Road
Angels Camp, CA 95222

WorldMark Bass Lake

53134 Road #432
Bass Lake, CA 93604

WorldMark Big Bear

240 Starvation Flats Road
Big Bear, CA 92315

WorldMark Birch Bay

4810 Beachcomber Way
Blaine, WA 98230

WorldMark Branson

2794 Fall Creek Road
Branson, MO 65616

WorldMark Canmore-Banff

91 Three Sisters Drive
Canmore, Alberta, T1W 3A1, Canada

WorldMark Clear Lake

3927 East Highway 20
Nice, CA 95464

WorldMark Coral Baja

Km. 29.5, Carretera Transpeninsular
San José del Cabo, B.C.S. 23400
Mexico

WorldMark Depoe Bay

141 Orcas Drive
Depoe Bay, OR 97341

WorldMark Eagle Crest

1522 Cline Falls Highway
Redmond, OR 97756

WorldMark Flynn's

14 Flynn Street
Port Macquarie 2444, Australia

WorldMark Galena

5129 Long Hollow Point
Galena, IL 61036

WorldMark Gleneden

6593 Gleneden Beach Loop
Gleneden Beach, OR 97388

WorldMark Golden Beach

75 the Esplanade, Caloundra
Queensland 4100, Australia

WorldMark Grand Lake

57020 E. Highway 125
Afton, OK 74331

WorldMark Kihei

2295 South Kihei Road
Kihei, Maui, HI 96753

WorldMark Kirra Beach

Cnr. Coyle and Winston Street
Queensland, Australia

WorldMark Kona

75-5949 Alii Drive
Kona, Hawaii, HI 96740

WorldMark Lake of the Ozarks

4900 Bella Point
Osage Beach, MO 65065

WorldMark Las Vegas

8601 Las Vegas Blvd.
Las Vegas NV 89123

WorldMark Leavenworth

100 Enchantment Park Way
Leavenworth, WA 98826

WorldMark Oceanside Harbor

1301 Carmelo Drive
Oceanside, CA 92054

WorldMark Palm Springs

1177 North Palm Canyon Drive
Palm Springs, CA 92262

WorldMark Pinetop

2000 South WorldMark Drive
Pinetop, AZ 85935

WorldMark Rancho Vistoso

13355 N. Hidden Springs Drive
Oro Valley, AZ 85737

WorldMark Reno

250 N. Arlington
Reno, NV 89505

WorldMark Running Y

5409 Running Y Road
Klamath Falls, OR 97601

WorldMark Seaside

Avenue A and Columbia
Seaside, OR 97138

WorldMark St. George

1157 S. Plantation Drive
St. George, UT 84770

WorldMark Victoria

120 Kingston Street
Victoria, British Columbia V8V 1V4
Canada

WorldMark Windsor

1251 Shilo Road
Windsor, CA 95492

WorldMark Wolf Creek

3618 N. Wolf Creek Drive
Eden, UT 84310

**Wyndham Long Wharf Resort,
The**

115 Long Wharf
Newport, RI 02840

Wyndham Royal Vista

1110 South Ocean Boulevard
Pompano Beach, FL 33062

**Wyndham Governor's Green
Williamsburg**

4600 Mooretown Road
Williamsburg, VA 23185

Yachtsman Resort, The
1304 North Ocean Boulevard
Myrtle Beach, SC 29577

Ylläs 2
Äkäslompolo 95970
Finland

Yucca Park
Urb. Playa Fañabe s/n
Adeje, Tenerife
Canary Islands, Spain

**Zorgvliet Private Residence
Club at Protea Hotel King
George**
King George Drive
King George Park
George 6529, South Africa

Zuana Beach Resort
Barrio Bello Horizonte
Santa Marta, Magdalena, Colombia

RESORTS WITH 21 – 50 UNITS PARTICIPATING AND AVAILABLE FOR OCCUPANCY

A Place at the Beach
4525 South Ocean Boulevard
North Myrtle Beach, SC 28582

Acadia Village Resort
50 Resort Way
Ellsworth, ME 04605

**Acanto Boutique Hotel &
Residences**
Calle 16 Mza 27 Norte, Lote 18
Playa del Carmen
Mexico

**Accor Vacation Club at
Grand Mercure Heritage
Park Bowral**
Heritage Park
9 Kangaloon Road
Bowral, Australia

**Accor Vacation Club at
Freshwater Point Resort
Gold Coast**
33 T.E. Peters Drive
Broadbeach Waters
Queensland 4218, Australia

**Accor Vacation Club at
Grand Mercure Melbourne**
321 Flinders Lane
Melbourne, Victoria 3000, Australia

**Accor Vacation Club at Grand
Mercure Puka Park Resort**
Mount Avenue, Coromandel Peninsula
Pauanui Beach, New Zealand

**Accor Vacation Club at
Novotel Nusa Dua Apartments**
Jalan Pantai Mengiat
Nusa Dua, Bali

**Accor Vacation Club at
Pinnacle Valley Resort**
1 Mimosa Drive
Pinnacle Valley, Victoria 3732, Australia

**Accor Vacation Club at
Grand Mercure Apartments
The Vines**
Verdelho Drive
Swan Valley, The Vines
West Australia 6069, Australia

Águilas Marina Beach Resort
Hotel Don Juan, Avda. Puerto
Deportivo
Urb. Casica Verde
Águilas, Murcia 30880, Spain

Aldea Valle Encantado
Carretera Panamericana, Km. 9
Mérida, Venezuela

Alexandra Resort
Princess Drive
P.O. Box 622
Grace Bay, Turks & Caicos

All Seasons Vacation Resort
13070 Gulf Boulevard
Madeira Beach, FL 33708

Aloha Gardens
Avenida del Golf, Urb. Aloha Golf
Nueva Andalucía
Marbella, Málaga 29660, Spain

Amara Lifetime Resort
165 Tanjong Pagar Road
Singapore 0208, Singapore

Anchorage Resort & Yacht Club
107800 Overseas Highway
Key Largo, FL 33037

**Apert Holidays –
Swiss Holiday Park**
Morschach 6443
Switzerland

Apatur Buenos Aires
Pte. Juan D. Perón 940
Buenos Aires, Argentina

Apatur en El Valle de Las Leñas
Las Leñas
Mendoza 5613, Argentina

Apatur Mountain Club
Villa Catedral
San Carlos de Bariloche, Río Negro
Argentina

Apollo Park at Vail
442 South Frontage Road East
Vail, CO 81658

Apple Valley Resort
428 Club House Drive
Howard, OH 43028

Aspens and Aspen Village, The[∞]
1607 North Davis Avenue, Suite 149
McCall, ID 83638

**Atlantic Club Campanario de
Calahonda**
Avda. de Espana, 22
Sitio de Calahonda
Mijas-Costa, Málaga 29650, Spain

Atlantic Garden
Avda. Gran Canaria No. 4
Corralejo, La Oliva
Fuerteventura
Canary Islands 35660, Spain

Atlantic Terrace
3629 South Atlantic Avenue
Daytona Shores, FL 32127

Atlantic View
c/Las Salinas 8, Los Mojones
Puerto del Carmen, Lanzarote
Canary Islands, Spain

Atlantica Princess
lalyssos Beach
Rhodes 85101, Greece

Avalon Grand Panama
Via Transistmica, Milla 10
Las Cumbres Panama
Panama City, Panama

Bagaglino – Catturani
Campo Carlo Magno
Madonna di Campiglio (TN) 38084
Italy

Bagaglino – Des Alpes 2
Via Campanil Basso
Madonna di Campiglio (TN) 38084
Italy

Bagaglino – Hotel La Posta
Hotel La Posta & Sport Campiglio
Via Cimatosa 10
Madonna di Campiglio (TN) 38084
Italy

Bahia Turquesa Residences
Playas del Coco, Guanacaste
Costa Rica

Balboa Club
Avenida Camarón Sábalo S/N
Mazatlán, Sinaloa, 82110, Mexico

Bali Gardenia Resort
Taman Mumbul, Nusa Dua
Bali, Indonesia

**Banana Palms Marina
and Resort**
Av. Reforma 1-50, Zona 9
Edificio El Reformador
1er. Nivel Oficina 106
Río Dulce, Izabal
Guatemala

Bantry Bay
44A Victoria Road
Bantry Bay, Cape Town 8060
South Africa

Banyan Resort, The
323 Whitehead Street
Key West, FL 33040

Barnsdale Country Club
Exton, Nr. Oakham
Rutland, Leicestershire LE15 8AB
United Kingdom

**Barrancas del Este –
Estacion Bosque**
Rincon del Indio, Ruta Interbalneari
Punta del Este, Maldonado
Uruguay

Bay & Beach Club
19508 & 19509 Gulf Boulevard
Indian Shores, FL 33785

Bay Club, The
302 32nd Street
Ocean City, MD 21842

Bay Club of Sandestin ◊
120 Sandestin Boulevard
Destin, FL 32541-4533

**Beach Club at Montego Inn,
The**
1307 South Ocean Boulevard
Myrtle Beach, SC 29577

Beach Club at St. Augustine
2 Ocean Trace Road
St. Augustine, FL 32080

Beach Condominiums, The
8459 Gulf Boulevard
Navarre Beach, FL 32566

Beachside Village
50 Surf Drive
Falmouth, MA 02540

Bear Lake Timeshare ◊
757 Bear Lake Boulevard
Garden City, UT 84028

Berkshire by the Sea ◊
126 North Ocean Drive
Delray Beach, FL 33483

Berkshire on the Ocean, The ◊
1775 South Ocean Drive
Delray Beach, FL 33483

**Bliss Jungle Riviera Maya IV,
The**
Km 48 Carretera Federal Cancún
Playa del Carmen
Riviera Maya, QR 77710, Mexico

Blue Bay Village
P. O. Box 162
Watamu, Kenya

Blue Water Resorts at Guanahani Village

West Bay Street
Nassau, Bahamas

Bluebeard's Castle Resort – Pirate's Pension

1331 Estate Taarneberg
St. Thomas, VI 00802
U.S. Virgin Islands

Bluebeard's Castle Resort – Villas I

1331 Estate Taarneberg
St. Thomas, VI 00802
U.S. Virgin Islands

Boardwalk One

First & Boardwalk
Ocean City, MD 21842

Bonita Resort and Club 

26101 Hickory Boulevard
Bonita Springs, FL 33923

Borgo de Colleoli

Colleoli, Tuscany
Palaia, Italy

Bosques de Monterreal

Bulevar Antonio L. Rodríguez 840
Pte. Col. San Jerónimo
Monterrey, Coahuila
Nuevo León 64640, Mexico

Boyne Highlands Resort

600 Highlands Drive
Harbor Springs, MI 49740

Boyne Vacation Club at Alpine Village

600 Highlands Drive
Harbor Springs, MI 49740

Boyne Vacation Club at Big Horn

1 Lone Mountain Trail
P. O. Box 160001
Big Sky, MT 59716

Boyne Vacation Club at Mountain Cabins

1 Boyne Mountain Road
P. O. Box 19
Boyne Falls, MI 49713

Boyne Vacation Club at Ross Cottages

600 Highlands Drive
Harbor Springs, MI 49740

Boyne Vacation Club at The Summit at Big Sky

1 Lone Mountain Trail
P.O. Box 160001
Big Sky, MT 59716

Breakers Resort

61 Chase Avenue
Dennisport, MA 02639

Broome Park Golf and Country Club

The Broome Park Estate
Barham, Nr. Canterbury
Kent CT4 6QX, United Kingdom

Burn Park Country Club

Stratton
Bude, Cornwall EX23 8SF
United Kingdom

Burnside Country Club

Kendal Road
Bowness-on-Windermere LA23 3EP
United Kingdom

Cabanas Villa Huinid

Bustillo KM 2.6
Bariloche, Río Negro 8400
Argentina

Cala Blanca

Urb. Costa Taurito
Crt. De Mogan. KM 81.5
Morgan, Gran Canaria 35138
Canary Islands
Spain

Cala Corvino Club II

Viale Aldo Moro 4
Monopoli
Bari 70043, Italy

Cala de Mar

Calle Voltor s/n
Cala Egos, Cala d'Or
Mallorca, Balearic Islands 07660
Spain

Calabogie Peaks Resort

Highway 508, Barret Chute Road
Calabogie, Ontario K0J 1H0
Canada

California Vacation Club – Gaslamp Plaza Suites

520 "E" Street
San Diego, CA 92101

Calini Beach Club

1030 Seaside Drive
Sarasota, FL 34242

Camelot By The Sea

1801 Gulf Way
Pass-A-Grille Beach
St. Pete Beach, FL 33706

Canadian Resorts – Villas del Palmar

Km. 75.5 Carretera Federal 180
Congregación La Vigueta –
Tecolutla, Veracruz
Costa Esmeralda del Golfo 93620
Mexico

Canyon Woods Vacation Club at Canyon de Boracay

Station 2, Alice in Wonderland St.
Boracay Island
Aklan, Philippines

Canyon Woods Vacation Club at Cove Hotel & Spa

Diokno Highway
Brgy. San Gregorio
Laurel, Batangas 4221
Philippines

Cap Maison

Smugglers Cove Drive
Cap Estate, St. Lucia

Cape Cod Holiday Estates 

97 Four Seasons Drive
Mashpee, MA 02649

Cape Winds Resort 

657 West Main Street
Hyannis, MA 02601

Capistrano Surfside Inn 

34680 Pacific Coast Highway
Capistrano Beach, CA 92624

Capitaine Cook

55 Rue Louis Bougo
Etel 56410, France

Capri Waters Country Club

Melbourne Street
Mulwala, New South Wales 3647
Australia

Captain's Quarters at Surfside 

241 Grand Avenue
Falmouth, MA 02540

Caribbean Beach Club 

7600 Estero Boulevard
Fort Myers Beach, FL 33931

Caribe Beach Resort

2669 West Gulf Drive
Sanibel Island, FL 33957

Carolina Club, The

Southwind Drive
Hilton Head, SC 29928

Casa del Lago

Ruta 258, Km. 18
200 Lago Gutiérrez
San Carlos de Bariloche
Río Negro, Argentina

Casa Dorada Cabo Real

KM 18.5 Carretera Transpeninsular
Los Cabos, Baja California 23400
Mexico

Casa Dorado San Lucas Bay

Hotel Melia San Lucas
El Medano
Cabo San Lucas, B.C.S., Mexico

Casa Metz

Via Iman 5
Santa Christina in Val Gardena
BZ 39047, Italy

Casablanca

Av. Ezequiel Bustillo Km. 23.5
8409 Llao Llao
San Carlos de Bariloche, Río Negro
Argentina

CasaBlanca Vacation Club

950 West Mesquite Boulevard
Mesquite, NV 89027

Cathedral Ledge

Junction Routes 16/302 and 16A
Intervale, NH 03845

Cerritos Resort

Av. Sábalo Cerritos Entronque
con Carr. Al Habal
Mazatlán, Sinaloa, Mexico

Channel Island Shores

1311 Mandalay Beach Road
Oxnard, CA 93035

Charter Club Resort on Naples Bay

1000 10th Avenue South
Naples, FL 33940

Chateau Dale Resort

322/2 Moo 12, Thuppraya Road
Pattaya City, Chonburi 20260
Thailand

Chateau Orleans

240 Burgundy Street
New Orleans, LA 70112

Chetola Lodge and Conference Center

North Main Street
Blowing Rock, NC 28605

China Worldbest Crown Spa Resort Hainan

1Qiongshan Avenue
Haihou, Hainan 57100, China

Church Street Inn, The

177 Church Street
Charleston, SC 29401

Cispatá Marina Hotel

Bahía Cispatá y Playa Blanca
San Antero, Colombia

Clermont

Paraguay 930
Buenos Aires 1057, Argentina

Clermont Pinamar

Del Cornalito 1271
Pinamar, Buenos Aires, Argentina

Cliffs Club Resort, The

3811 Edward Road
Princeville, Kauai, HI 96722

Clover Ridge 

5071 Clover Ridge Road
Panora, IA 50216

Club Ambassador

Calle Granados
Urb. Durazno, La Paz
Puerto de la Cruz, Tenerife
Canary Islands, Spain

**Club Asia International –
Damai Rainforest Resort**

Pantai Damai, Santubong
Kuching, Sarawak 93860, Malaysia

**Club Asia International –
Royal Mulu Resort**

Sungai Melinau, Baram
Miri, Sarawak 98000, Malaysia

Club Azúr

Erkel Ferenc U. 2/c
Siofok, Somogy 8600, Hungary

Club at Cape Cod, The

177 Lower County Road
Dennisport, MA 02639

Club Biodorf Bad Waltersdorf

Bad Waltersdorf
Bad Waltersdorf 8271, Austria

Club Campestre El Carrizal

Carr. Panamericana Km. 19
Panama City, Panama

Club Dolmen By The Sea

Islets Promenade
Qawra, Malta

Club Donatello

501 Post Street
San Francisco, CA 94102-1277

**Club Elite Vacation at La Fenice
Resort**

Localita Osseddu
Olbia, Sardinia 07026, Italy

Club El Moro

Carretera Pichilingue
Esq. Monterrey, P.O. Box 357
La Paz, B.C.S. 23000, Mexico

Club El Velero

c/Centurion y Córdoba, 3
Torremolinos, Málaga 29620, Spain

**Club Estela Dorada at
Gruphotel Club Aldea del Mar**

Avda. Roentgen s/n
Torrevieja, Alicante 03180, Spain

**Club Estela Dorada at
Gruphotel Club Novelty**

Calle Berlin, 5
Salou, Tarragona, 43840, Spain

**Club Estela Dorada at
Gruphotel Club Riviera**

Autovia Salou-Reus, 4
Salou (Tarragona) 43840, Spain

**Club Estela Dorada at
Gruphotel Club Tarter**

Apartamento I32
Ransol, Canillo, Andorra

**Club Estela Dorada at
Ogisaka Garden**

Calle Aquari, 3
Alicante, Denia 03700, Spain

**Club Estela Dorada at
Ona Cala de Mar**

Calle Voltor s/n Cala Egos, Cala d'Or
Mallorca, Balearics 07660, Spain

Club Flamingo

c/o Flamingo Beach Hotel
Bonaire, Dutch Caribbean

Club Imperial Park

c/Tossal de la Cometa, s/n
Calpe, Alicante, 03710, Spain

Club Intrawest – Panorama

2000 Panorama Drive
Panorama, British Columbia V0A1T0

Club Intrawest – Tremblant

200 Chemin des Saisons
Mont Tremblant, Québec J0T 1Z0
Canada

Club Intrawest – Vancouver

1001 Hornby Street
Vancouver, British Columbia V6Z2R9
Canada

Club La Costa Alpine Centre

Harham Nr. 46
Saalfelden 5760, Austria

Club La Costa Benal Beach

Avda. del Parque n.1
Edif. Benal Beach
Benalmadena-Costa, Málaga 29630
Spain

Club La Costa Castillo del Rey

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Costa Marina del Rey

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Costa Marina Dorada

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

**Club La Costa Mercure Gold
Coast Resort**

Palm Meadows Drive
Carrara, Queensland 4211
Australia

Club La Costa Monterey Royale

Calle Finlandia 8-10
San Eugenio Alto, Adeje
Playa de las Americas, Tenerife 38660
Spain

Club La Costa Sierra Marina

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Paz

Urb. Jardines de la Paz
Av. Marqués Villaneve del Prado
Puerto de la Cruz, Tenerife
Canary Islands, Spain

Club Louka

Hotel Louka
Oukaimeden, Morocco

Club No. 1 Nice Côte d'Azur

56 Rue St. Philippe
Nice 06000, France

Club Noosa

Noosa Drive
Noosa Heads
Queensland 4567, Australia

Club Orlando

5305 San Antonio Street
Orlando, FL 32809

Club Paso del Rio

Calle Paso do Rio. 16
Montrove (Oleiros)
A Coruña, Galicia 15179, Spain

Club Playa Blanca

Ruta Panamericana Norte
Km. 430, IV Region
Tongoy, Chile

**Club Premier Four Seasons –
Soleil La Antigua**

9 Calle Poniente
La Antigua Guatemala 03001
Guatemala

**Club Premier Four Seasons –
Soleil Pacífico**

Chulamar, Puerto de San José
Escuintla, Guatemala

Club Puerto Atlántico

Carretera General del Sur
Arguineguín, Gran Canaria 35120
Canary Islands, Spain

Club QM at The Ridge Sierra

265 Quaking Aspen
Stateline, NV 89449-2157

**Club Regency in Regency
Towers**

2511 South Ocean Boulevard
Myrtle Beach, SC 29587-4246

**Club Royal –
King Solomon's Palace Hotel**

Eilat 88000, Israel

Club Royale at Torre Oceano

c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Sea Oats

2539 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Club Sol Mar del Plata

Bolivar 1002 – Esq. Mendoza
Mar del Plata, Buenos Aires
Argentina

**Club Système Vacances at
Club Callao Garden**

Callao Salvaje
Adeje, Tenerife, Canary Islands
Spain

Club Wandlitzsee-Berlin

Stolzenhagener Chaussee 22-24
Wandlitzsee 16348
Germany

Clube do Mónaco

Rua Gileanes
Cerro Da Lagoa, 8200 Albufeira
Algarve, Portugal

Clubhotel am Kreischberg

Kreischberg Str. 5
St. Georgen ob Murau, 8861, Austria

**Colonial Crossings of
Williamsburg**

200 English Garden Way
Williamsburg, VA 23188

Colonial Acres Resort

114 Standish Way
West Yarmouth, MA 02673

Colonial Village

Los Cardones
Av. Litoral, Playa de las Américas
Arona, Tenerife, Canary Islands
Spain

Commodore Beach Club

13536 Gulf Boulevard
Madeira Beach, FL 33708

**Condominio Porto Bello Marina
Villas**

Bahia de Xcacel Lote 9 MZ 023.
Plano 01
Puerto Aventuras, Quintana Roo
Mexico

Corail Royal Marina

Porto Corailto
Tabarka, Tunisia

Coral Costa Resort, Juan Dolio

Juan Dolio Beach
San Pedro de Macoris 066-B
Dominican Republic

Cordial-Hotel Going

Marchstr. 27
Going, Tyrol 6353, Austria

**Costa Bonita Condominium &
Beach Resort**

Calz. Sabalo Cerritos No. 7500
Mazatlán, Sinaloa, Mexico

Costa del Sol Resort

4220 El Mar Drive
Lauderdale-By-The-Sea, FL 33308

Costa Maya Reef Resort

Ambergris Caye
P.O. Box 69
San Pedro Town, Belize

Costa Sal

c/Agonal, 6, Urb. Matagorda
Puerto del Carmen, Lanzarote
Canary Islands, Spain

Costa Sul Beach Resort

Rua Gal Neto, 383 sala 905-Passo
Camboriu, Brazil

Country Club Villas 

1550 Fawn Vista Drive
Surfside, SC 29575

**Country Vacation Villas
(Amador)**

Avenida Amador y Avenida Pelicano
Apto Postal 8001
Panama City, 7, Panama

Crescent, The

1420 Ocean Drive
Miami Beach, FL 33139

Cristal Palace Hotel

Ciudad de la Paz 2550
Buenos Aires, Argentina

**Crown Regency Vacation at
Crown Regency Residence**

J.P. Cabaguio Avenue
Agdao, Davao City 8000, Philippines

Dames de la Mer

Netsel Marina
231/232 Gunnucek Way
Marmaris 48700, Turkey

Daytona Resort and Club

1200 Ruger Place
Daytona Beach, FL 32118

Dawn Beach Club

144 Oyster Pond Road
Philipsburg, St. Maarten
Dutch Caribbean

Delta Grand Okanagan Resort

1310 Water Street
Kelowna, British Columbia V1Y 9P3
Canada

Desert Vacation Villas 

250 West Vista Chino
Palm Springs, CA 92262

DeVere at Belton Woods

Belton, Near Grantham
Lincolnshire, NG32 2LN
United Kingdom

**DeVere Resort Ownership The
Carrick**

The Carrick at Cameron House
Lock Lomond, Dunbartonshire
United Kingdom

**DeVere Resort Ownership
Slaley**

Hexham, Northumberland NE47 0BY
United Kingdom

Devoncourt

Douglas Avenue
Exmouth, Devon EX8 2EX
United Kingdom

Dive Inn Resort

34/H, Cliff Om el Seed
Sharm el Sheikh, Egypt

Divi Heritage Beach Resort

Vauxhall, St. James Parish
Barbados, West Indies

Doha Hills

P.O. Box 55398
Sin-EI-Etl
Doaht El-Hoss, Beirut, Lebanon

Dolphin Beach Club

3355 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Don Pancho Beach Resort

58-62 Miller Street
Kelly's Beach, Bundaberg
Queensland 4670, Australia

**Dreams La Romana Resort &
Spa**

Playa de Bayahibe
La Romana
Dominican Republic

Eastwood at Provincetown

324 Bradford Street
Provincetown, MA 02657

Eden Bay Resort

St. George's Bay
St. Julian's STJ 07, Malta

Edinburgh Residence

7 Rothebay Terrace
Edinburgh EH3 7RY
United Kingdom

Eduard's Hotel Suites & Resort

Urbanizacion Alamo
Macuto, Venezuela

Egret Point Vacation Resort

4700 Egret Point Way
Hilton Head Island, SC 29928

Egrets Pointe at Edisto

547 Hwy 174
Edisto Island, SC 29438

Elani Bay

Siviri
Kassandra, Halkidiki, Greece

**Emirates Vacation Club at
Emirates Grand Hotel**

Sheikh Zayed Road
Dubai, United Arab Emirates

**Englewood Beach and Yacht
Club**

1815 Gulf Boulevard
Englewood, FL 34223

Equivest Riverside Suites

218 College Street
San Antonio, TX 78205

Es Pueto

C/Es Canar s/n
A lado Hotel Tres Torres
Santa Eulalia, Ibiza E-07840
Balearic Islands, Spain

Essque Zalu Zanzibar

P.O. Box 3151
Zanzibar, Tanzania

Estancia Apartur Mar del Plata

Frente a la nueva cancha de Mar del
Plata Golf Club
Mar del Plata, Buenos Aires, Argentina

Estates of King's Creek, The

191 Cottage Cove Lane
Williamsburg, VA 23185

Fairmont Estates Condominiums

101 High Country Drive
Anaconda, MT 59711

**Fairmont Vacation Villas at
Riverview**

5240 Riverside Drive
Fairmont Hot Springs
British Columbia V0B 1L0, Canada

**Family Clubhotel and
Apartments**

Daruzug 5/a
Hajduszoboszlo 4200, Hungary

Fantasy Island Resort

3205 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Fantasy Island Resort II

3175 South Atlantic Avenue
Daytona Beach, FL 32118

Farallón

Caviahue Base
Norguin-NE
Neuquén, Argentina

Ferienwelt-Hotel Wikings-Inn

Schwimmbadallee 6
Wingst 21789, Germany

First Cabin Club

1000 McCulloch Boulevard
Lake Havasu City, AZ 86403

**Fishermen's Village Resort
Club** 

1200 West Retta Esplanade, Q-58
Punta Gorda, FL 33950-5339

4 Seasons at Beech Mountain

608 Beech Mountain Parkway
Beech Mountain, NC 28604-8014

4 Seasons at Desert Breezes 

77-955 Calle Las Brisas South
Palm Desert, CA 92211

**Four Seasons Racquet and
Country Club**

301-10 Carol Road
Lake of the Ozarks, MO 65049

**Four Seasons Residence Club
Scottsdale**

10650 East Crescent Moon Drive
Scottsdale, AZ 85255

Four Winds Beach Resort

2605 Gulf of Mexico Drive
Longboat Key, FL 34228

Freeport Resort & Club

Rum Cay Drive
Freeport, Grand Bahama Island
Bahamas

**Freshwater Point Resort
Broadbeach**

33 T.E. Peters Drive
Broadbeach Waters
Queensland 4218, Australia

**Fun and Adventure Club at
Erlebnishotel Liebnitzmühle**

Liebnitz 38
Raabs an der Thaya 3820, Austria

**Fun and Adventure Club at
Erlebnishotel Nová Amerika**

Zalonov 45
Jaromer 55101, Czech Republic

Gålå Fjellgrend

Gålå Høgfjellshotell Og Hytter
Gålå 2646, Norway

Galaxy Holiday Club

Depiro Street
Sliema SLM 05, Malta

Garden Valley Golf Resort

220 FM Road 1995
Garden Valley, TX 75771

Gardens at West Maui, The

5500 Old Honoapiilani Highway
Kapalua, Maui, 96761
Hawaii

**Generations Maroma by
Karisma**

Km 55.3, Carretera Cancún Tulum
Playa del Carmen, Quintana Roo
Mexico

Gold Point Condominiums

1000 County Road 520
Breckenridge, CO 80424

Golden Palms Hotel and Spa

31/32 Golden Palms Avenue
Off Tumkur Road
Bangalore, Kamataka 562 123
India

Grand Beach Vacation Resort

8309 Lake Bryan Beach Boulevard
Orlando, FL 32821

Grand Bliss III

Km 48 Carretera Federal Cancún
Riviera Maya, Quintana Roo 77710
Mexico

Grand Caymanian Resort

SafeHaven
P.O. Box 30610
Crystal Harbor, Grand Cayman
Cayman Islands

Grand Holiday Club at Atlantic Garden

Avenida Gran Canaria 7
Corralejo, La Oliva
Fuerteventura, Canary Islands 35640
Spain

Grand Hotel Misurina

Via Monte Piana 21
Misurina (BL), Italy

Grand Oasis Marien

Calle Duarte #6
Puerto Plata
Dominican Republic

Grand Oasis Punta Cana Vacation Club

Cabeza de Toro
Punta Cana, Dominican Republic

Grand Regency Resort at Thousand Hills

175 Golf View Drive
Branson, MO 65616

Grande Bay Resort & Residence Club

Bay Street, Cruz Bay Quarter
P.O. Box 690
Cruz Bay, St. John 00831, USVI

Greenhouse – Villas, The

Route 209
Bushkill, PA 18324

Gruphotel Club Aldea del Mar

Av. Roentgen S/N
Torrevieja, Alicante 03180, Spain

Gruphotel Club Riviera

Av. Salou-Reus, 4
Salou, Tarragona E-43840, Spain

Gruphotel Club Tarter

Apartamento I32
Ransol, Canillo, Andorra

Gulf Tides of Longboat Key

3008 Gulf of Mexico Drive
Longboat Key, FL 34228

Hammocks, The

60 Earl of Craven
Bald Head Island, NC 28461

Harbor Landing Condominiums

4 Beach Road Extension
Vineyard Haven, MA 02568

Harbor Ridge

Freeman Ridge Road
Southwest Harbor, ME 04679

Harbour Beach Resort

701 South Atlantic Boulevard
Daytona Beach, FL 32118

Harbour Town Yacht Club

149 Lighthouse Road
Hilton Head Island, SC 29938

Hawaiian Princess at Makaha Beach

84-1021 Lahilahi Street
Makaha, Oahu, HI 96792

Hawks Nest, The

One Kyle Way South
Marathon, FL 33050

Heidelberg Inn

85 Boulder Drive – Lakeview
June Lake, CA 93529

Heraclea Hotel Residence

Via Lido snc
Policoro, Matera 75025, Italy

Hever Golf and Country Club Hotel

Hever Road
Hever, Kent TN8 7NP
United Kingdom

Hideaway Sands Resort

3804 Gulf Boulevard
St. Petersburg, FL 33706

Hokkaido Tracks Vacation Club – Yama Shizen

185 – 8 Aza Yamada
Kutchan, Hokkaido 044 0081, Japan

Hokkaido Tracks Vacation Club – Youtei Tracks

190-50 Aza Yamada
Kutchan, Hokkaido 044 0081, Japan

Holiday Club Fured

Tancsics M. u 18
Balatonfured 8230, Hungary

Holiday Club Pyhä

Pyhäntunturi 98530, Finland

Holiday Club Ruka

689 Pulkajarvi
Kuusamo 93999, Finland

Holiday Owners Club at Devoncourt

Douglas Avenue
Exmouth, Devon EX8 2EX
United Kingdom

Holiday Owners Club at Hever Golf & C.C. Hotel

Hever Road
Hever, Kent TN8 7NP
United Kingdom

Holiday Owners Club at Long Beach Resort and Club

P.O. Box 86, Famagusta Kibris
Mersin 10, North Cyprus

Holiday Park Resort

S1, 415 Commonwealth Road
Winfield, British Columbia V4V 1P4
Canada

Hollywood Beach Hotel

101 North Ocean Drive
Hollywood, FL 33019

Hollywood Sands Resort

2404 N Surf Road
Hollywood, FL 33019

Hono Koa Vacation Club

3801 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Horizon Touristic Resort

Red Sea
Hurghada, Egypt

Horse Country Resort Congress and Spa

Strada a Mare 24, No. 27
Arborea, Sardinia 09092, Italy

Hostería del Cerro

Villa Cerro Catedral
San Carlos de Bariloche
Río Negro 8400, Argentina

Hostería del Lago

Ave. Ezequiel Bustillo Km. 7.8
Box 8.400
San Carlos de Bariloche
Río Negro 8400, Argentina

Hotel Aguamarina

Lote No. 5
Higuerote, Miranda, Venezuela

Hotel Apart Spa & Resort Costa Carilo

Albatros 20 Esquina Jacaranda
Carilo
Buenos Aires 7167, Argentina

Hotel bh El Retiro

Calle 80 No 10-11
Bogata, Colombia

Hotel bh La Quinta

Cra. 5a, No. 74-52
Bogata, Colombia

Hotel Breckenridge at Marriott's Mountain Valley Lodge

655 Columbine Road
Breckenridge, CO 80424

Hotel de Aventura Centro Convenciones Madaura

Km. 59 Via Melgar
Chinauta, Cundinamarca, Colombia

Hotel De L'Eau Vive

315 Tchoupitoulas Street
New Orleans, LA 70130

Hotel El Castellano

Calle 57 #513X 63 and 64
Mérida, Yucatán 97000, Mexico

Hotel La Pedregosa

Final Av. Panamericana
Urb. La Pedregosa
Mérida, Venezuela

Hotel Las Naciones Suites & Tower

Av. Corrientes 818
Buenos Aires, Argentina

Hotel Mansión Tarahumara

Domicilio Conocido Areponapuchic
Barrancas del Cobre, Chihuahua
Mexico

Hotel Puerta del Mar

Paseo de las Gaviotas
Esq. Agua de Correa
Ixtapa, Zihuatanejo
Guerrero 40880, Mexico

Hotel Internacional Quirinale

Av. H. Quiros y Noailles
Colón, Entre Ríos, Argentina

Hotel Serena Beach Club

Punici Street
Xlendi, Island of Gozo VCT 115, Malta

Hotel Tamarindo Costa Real

Playa Tamarindo
Santa Cruz, Guanacaste, Costa Rica

Hôtel Vacances Tremblant

330 Route 117
St. Jovite, Québec
Canada J0T 2H0

Hotelcal – Hotel Apartamentos Calypso I

Malecon Balneario de Salinas
Salinas, Ecuador

Huka Village Estate

Huka Falls Road
Taupo, New Zealand

Hyatt Ka'anapali Beach

200 Nohea Kai Drive
Lahaina, HI 96761

Hyatt Sunset Harbor Resort

Front Street at Truman Annex
Key West, FL 33040

Iletas Club Playa – Bougainvilla

Paseo Iletas 62
Iletas, Mallorca
Balearic Islands E-07015, Spain

Indian Peaks

817 Cramner Avenue
Fraser, CO 80482

Indian Wells Condoshare

78335 Highway 111
La Quinta, CA 92253

Inn at the Opera

333 Fulton Street
San Francisco, CA 94102

Inn at Silver Lakes, The

14818 Clubhouse Drive
Helendale, CA 92342

InnSeason Captain's Quarters

241 Grand Avenue
Falmouth, MA 02540

InnSeason Resorts – South Mountain

Route 112 – Main Street
Lincoln, NH 03251

Inlet Sports Lodge

4600 Hwy. 17 Business
Murrells Inlet, SC 29576

Inverness at Walden – Phase II

13151 A Walden Road, #243
Montgomery, TX 77356

Jackson Hole Racquet Club Resort

Star Route #363-B
Jackson Hole, WY 83001

Jackson Hole Towncenter

320 West Broadway
Jackson Hole, WY 83001

Jamaican on the Gulf

11660 Gulf Boulevard
Treasure Island, FL 33706

Jambo Vacation Club at Club Residence Capopiccolo

Localita Capopiccolo, Crotona
Isola di Capo Rizzuto 88076
Italy

Jungle Bay Resort and Spa

Pointe Mulatre
Dominica

Ka'anapali Beach Club

104 Kaanapali Shores Place
Lahaina, Maui, HI 96761

Kahana Villa Vacation Club

4242 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Kahlua Beach Club

4950 Estero Boulevard
Fort Myers Beach, FL 33931

Kala Point Village and Resorts West Vacation Club at Kala Point

20 Village Drive
Port Townsend, WA 98368

Kamaole Beach Club

2381 South Kihei Road
Kihei, Maui, HI 96753

Kenmore Club, The

Kenmore, Perthshire PH15 2HH
United Kingdom

Kimball, The

150 North Main Street
Salt Lake City, UT 84103

Kingfisher Club

Benal Beach
Ctra. de Cádiz, Km. 221
Benalmadena-Costa, Málaga 29630
Spain

Kingfisher Inn

100 N. Waccamaw Drive
Garden City Beach, SC 29223

Kololi Beach Club

Ker Serign Kombo North
P.M.B. 241
Serrekunda, Gambia

Kona Reef

75-5888 Alii Drive
Kailua-Kona, Hawaii, HI 96740

Kuleana Club, The

3959 L. Honoapiilani
P.O. Box 45
Lahaina, Maui, HI 96767

Kulta-Katti

Suojarventie 2
Vuokatti 88610, Finland

La Orquidea Heights

c/d Jose Orbaneja s/n
Sitio de Calahonda
Mijas-Costa, Málaga 29650, Spain

La Quinta at La Manga

La Manga Club, Los Belones
Cartagena, Murcia 30385, Spain

La Renaissance

190 Kentucky Avenue
Atlantic City, NJ 08404

La Tranquila® Breath Taking Resort

Condominio Maestro Litibú Lote 12
Bahia de Banderas, Nayarit, Mexico

La Vista Resort

Billy Folly Road 53
Pelican Key, P.O. Box 2086
St. Maarten, Dutch Caribbean

Lagamar Resort

Av. Das Palmeiras, 444
Varginha, Minas Gerais, Brazil

Lago Vista at Buenaventura Lakes

180 Royal Palm Drive
Kissimmee, FL 34743

Lagonita Lodge

183 Lagonita Lane
Big Bear Lake, CA 92315

Laguna Shores

419 North Coast Highway
Laguna Beach, CA 92651

Laguna Suites Golf and Spa

Paseo Pok Ta Pok num 3
Zona Hotelera
Cancún, Quintana Roo, Mexico

Laguna Surf

611 South Coast Highway
Laguna Beach, CA 92651

Lahaina Inn Resort

5580 Estero Boulevard
Fort Myers Beach, FL 33931

Lake Arrowhead Chalets

199 Rockledge Lane
Kuffel Canyon and Highway 173
Lake Arrowhead, CA 92352

Lake Forest Resort and Club

1531 Golf View Drive
Eagle River, WI 54521

Lake Placid Club Lodges

30 Lake Placid Club Way
Lake Placid, NY 12946

Lake Tahoe Vacation Resort

901 Ski Run Boulevard
South Lake Tahoe, CA 96150

Lake Towers Condo Hotel Sustentable

Lisandro de la Torre esquina
Jose Hernandez
Villa Carlos Paz, Cordoba, Argentina

Lakeland Village, The

Newby Bridge, Ulverston
Cumbria LA12 8PX, United Kingdom

Lakeside Terrace in the Vail Valley

340 Benchmark Road
Avon, CO 81620

Lakeside Villas

9600 Regent Parkway
Fort Mill, SC 29715

Lakeside Villas, The

96 Lake Terrace
Taupo, New Zealand

Lapinniemi

Lapinniemenranta 12
Tampere 33180, Finland

Las Torres Gemelas

Costera Miguel Aleman #1230
Acapulco, Mexico

Laurel Point Condominiums

805 Ski Mountain Road
Gatlinburg, TN 37738

Lawai Beach Resort – Coral Building

5017 Lawai Road
Koloa, Kauai, HI 96756

Le Manoir des Deux Amants

Dep. 19, 40 Route d'Amfreville
Connelles, Sous Les Monts 27430
France

Le Mirage

San Francisco de Asís s/n
Villa Carlos Paz, Córdoba, Argentina

Le Nautille

Port Camargue
Le Grau du Roi 30240, France

Le Relais du Plessis

2 Rue Clement Ader
Plessis-Trevisé, France

Le Ville del Lido

Via Lungomare Marconi
Lido di Venezia (VE) 30126, Italy

Le Ville del Magara

Croce di Magara
Spezzano Piccolo (CS) 87052, Italy

Legend Hotel –**Kuala Lumpur, The**

100, Jalan Putra
Kuala Lumpur 50350, Malaysia

Legend Resort – Cherating, The

Lot 1290 Mukim Sungai
Karang, Cherating
Kuantan, Pahang, 20680, Malaysia

Les Sables Noirs

Residenza Turistico Alberghiera Les
Sables Noir
Porto di Ponente
Vulcano – Isole Eolie, Sicily 98050, Italy

Les Terrasses de Saint Honorat

Miramar – RN 98
Theoule Sur Mer 06590, France

Lifetime in Hawaii

2240 Kuhio Avenue, #2214
Honolulu, Oahu, HI 96815

Lifetime Vacation Club at Miraflores

Urb. Miraflores
Apt. de Correo 85 La Cala de Mijas
Mijas-Costa, Málaga 29647, Spain

Lighthouse Resort and Club

210 Periwinkle Way
Sanibel Island, FL 33957

Lindo Mar Adventure Club and World Wide Vacations Club at Lindo Mar

Km. 2.5, Ctra. Barra de Navidad
Puerto Vallarta, Jalisco, Mexico

Lion's Gate Pines Lodge

55 North Lion's Gate Drive
Winter Park, CO 80482

Little Sweden

8984 Highway 42
Fish Creek, WI 54212

Lloyd's Club

Av. de los Holandeses, s/n
La Mata – Torreveja
Alicante 03180, Spain

Lodge at Lake Tahoe, The 

3840 Pioneer Trail
South Lake Tahoe, CA 96150

Lodges at Cresthaven

3210 Lake Shore Drive
Lake George, NY 12845

Lodges at Timber Ridge Welk Resorts Branson, The

1984 Highway 165
Branson, MO 65616

Loma Bonita

Paseo de los Yaquis y
Avenida de los Series S/N
Country Club San Carlos
Sonora, Mexico

LomaSirmakka

Tuulentie 5
Nurmes 75500, Finland

Lomas del Real by Mantra

Dr. Carlos Moreno s/n
Colonia del Sacramento
Uruguay

Los Pájaros

Calle del Tuyu 919
Pinamar, Buenos Aires, Argentina

Los Tajibos Vacation Club

Av. San Martin No. 455
Santa Cruz 2966, Bolivia

Macdonald Elmers Court Resort and Country Club II

South Baddesley Road
Lymington, Hampshire SO41 5ZB
United Kingdom

Manhattan Club Penthouse Suites, The

200 West 56th Street
New York City, NY 10019

Marbella Suites

Carretera Transpeninsular, Km. 3
Fracc El Tezal, Lote 20
Cabo San Lucas, B.C.S. 23450
Mexico

Marina Club

North Beach
Eilat 88141, Israel

Marina Village at Snug Harbor

645 San Carlos Boulevard
Fort Myers Beach, FL 33932-2430

Marine Terrace

1018 North Atlantic Avenue
Daytona Beach, FL 32118

Mariner Beach Club

4220 Gulf Blvd.
St. Pete Beach, FL 33706

Mariner's Boathouse & Beach Resort 

7630 Estero Boulevard
Fort Myers Beach, FL 33931

Mariner's Point Beach Club

425 Grand Avenue
Falmouth, MA 02540

Marriott's Harbour Club at Harbour Town

144 Lighthouse Road
Hilton Head Island, SC 29938

Marriott's Heritage Club

18 Lighthouse Lane
Hilton Head Island, SC 29938

Marriott's Imperial Palms Villas

8404 Vacation Way
Orlando, FL 32821

Marriott's Sunset Pointe at Shelter Cove

4 Shelter Cove Lane
Hilton Head Island, SC 29928

Matecumbe Resort

76261 Overseas Highway
Islamorada, FL 33036

Maui Beach Vacation Club

515 South Kihei Road
Kihei, Maui, HI 96753

Maui Sunset Timeshare

1032 S Kihei Road
Kihei, Maui, HI 96753

Métropole Opéra

2 Rue de Gramont
Paris 75002, France

Mia Reef Isla Mujeres

Islote El Yunque
Isla Mujeres 77500
Mexico

Miraflores Beach and Country Club

Miraflores Club Reception
Ctra. de Cádiz, Km. 199
Mijas-Costa, Málaga 29649, Spain

Misiones del Cabo Vacation Club

Km. 5.5 Ctra. Transpeninsular
Cabo San Lucas, B.C.S.
Mexico

Mittersill Alpine Resort

193 Mittersill Road
Franconia, NH 03580

Moon Palace Golf & Spa Resort Villas

Carretera Federal Km 307
Chetumal-Cancún
Cancún, QR 77500, Mexico

Morro Mar Vacation Club

c/Mato, Matagordo No. 7
Puerto del Carmen, Lanzarote 35510
Canary Islands, Spain

Mountain Club at Kirkwood, The

Kirkwood Meadows Drive
Kirkwood, CA 95646

Mountain Meadows Resort

2813 Rolling Hills Drive
Pigeon Forge, TN 37863

Mountainside Lodge

4417 Sundial Place
Whistler
British Columbia V0N 1B4
Canada

Multigestion – Domaine de Garlande

Quartier des Canissons
Cavalaire 83240, France

Multigestion – Les Terrasses de Théoule

19, Boulevard de l'Estérel
Théoule 06590, France

Native Sun, The

1950 South Ocean Boulevard
Pompano Beach, FL 33062

Nautical Mile Resort & Condominiums, The

1072 Post Road
Wells, ME 04090

Nautical Watch Beach Resort

3420 Gulf Boulevard
Belleair Beach, FL 33786

Nautilus Residences White Sands Golf and Beach Resort

Bavaro, La Altigracia
Dominican Republic

Neptune Vacation Club

Connecticut Avenue
Block Island, RI 02807

Newport Bay Club & Hotel

337 Americas Cup Avenue at
Thames Street
Newport, RI 02840

Nob Hill Inn 

1000 Pine Street
San Francisco, CA 94109

Nordvind Resort

12700 Gulf Boulevard
Treasure Island, FL 33706

NorthBay at Lake Arrowhead

27400 Sugar Pine Drive
Lake Arrowhead, CA 92352

Northslope at Shawnee Mountain

River and Hollow Roads
P.O. Box 93
Shawnee-On-Delaware, PA 18356

Northstar Mountain Village 

1351 Gerry Sorenson Way
Kimberley, British Columbia, V1A 2Y9
Canada

Northwoods Club of Lake Placid

122 Main Street
Lake Placid, NY 12946

NYX Hotel Cancún

Km. 11.5 Kukulcán Boulevard
Lote 17.A
Cancún, Quintana Roo
Mexico

Oasis Hamaca

Calle Duarte, Boca Chica
Santo Domingo, Dominican Republic

Ocean Club at Atlantic Inn, The

8 Crandall Avenue
Misquamicut, RI 02891

Ocean Club at Ramla Bay

Ramla Bay Resort
Ramla TAL-BIR
Marfa MLH 02, Malta

Ocean East Resort Club

867 S. Atlantic Avenue
Ormond Beach, FL 32176

Ocean Gate Resort

4730 A1A South
St. Augustine, FL 32084

Ocean High

503 32nd Street
Ocean City, MD 21842

Ocean Park Vacation Club

Rua Simplicio dos Passos Gouveia
29 Ocean Park Promenade
Funchal, Madeira 9000-100
Portugal

Ocean View at Island Club

85 Folly Field Road
Hilton Head, SC 29928

Ocean Villas 

7509 North Ocean Boulevard
Myrtle Beach, SC 29577

Oceancliff I & II 

Ridge Road
Newport, RI 02840

Oceanique

2105 Highway A1A
Indian Harbour Beach, FL 32937

Oceanside 99 Condominium

99 S. Atlantic Ave.
Ormond Beach, FL 32176

Old Bahama Bay Resort and Yacht Harbour

Bayshore Drive
West End, Grand Bahama Island
Bahamas

Omni Cancún Hotel and Villas
Blvd. Kukulcán L48, Hotel Zone
Cancún, Quintana Roo 77500, Mexico

Open Sud Aparthotel
Golf de la Côte d'Argent
Moliets 40660, France

**Options by Macdonald at
Dalfaber Resort Chalets**
Dalfaber Estate
Aviemore
Inverness, Scotland PH22 1ST
United Kingdom

**Options by MacDonald at
Elmers Court Country Club
& Resort**
South Baddesley Road
Lymington, SO41 5ZB
United Kingdom

**Options by Macdonald at
Elmers Court Country Club II**
South Baddesley Road
Lymington, Hampshire SO41 5ZB
United Kingdom

**Options by Macdonald at Loch
Rannoch Hotel and Resort**
Loch Rannoch Estate
Kinloch Rannoch
Perthshire, Scotland PH 16 5PS
United Kingdom

**Options by Macdonald at
Lochanhully Resort**
Carrbridge
Inverness-shire, Scotland PH23 3NA
United Kingdom

Orient Touristic Development
El Hadaba El Ganoubeya
Hurghada 4342, Egypt


Orlando Breezes Resort Club
12727 U.S. Highway 27 North
Davenport, FL 33897

Orofino by Straight Creek
390 Straight Creek Drive
Dillon, CO 80435

Outrigger Beach Club
215 South Atlantic Avenue
Ormond Beach, FL 32176

OWN Montevideo
Jose Zorrilla de San Martin 177
Montevideo, Uruguay

Owners Club at Hilton Head, The
22 Aberdeen Court
Hilton Head Island, SC 29926

**Owners Resorts & Exchange
at St. George – Villas at
Southgate** 
280 West 2025 South Circle
St. George, UT 84770

Pacific Palms
2 Lakeside Crescent
New South Wales 2428, Australia

Palace View South
700 Blue Meadows Drive
Branson, MO 65616

Palm Beach
22984 Perdido Beach Boulevard
Orange Beach, AL 36561

**Palm Beach Resort and Beach
Club**
3031 South Ocean Boulevard
Palm Beach, FL 33480

Palm Springs Marquis Villas
140 S. Calle Encilla
Palm Springs, CA 92262

Palma Real Hotel and Villas
Marina de Juluapan
Manzanillo, Colima, Mexico

Panama City Resort and Club 
16709 Front Beach Road
Panama City, FL 32413

Papakea
3543 Lower Honoapiilani
Lahaina, Maui, HI 96761

Paradise Holiday Resort
Rua dos Pardais 250 H
Bombinhas, Santa Caterina, Brazil

Paradise Island Beach Club
Ocean Ridge Drive
Nassau, Bahamas

Park Plaza at Beaver Creek
46 Avondale Lane
Beaver Creek, CO 81620

Pavillon du Golf
Circuit de Palmeraie
Marrakech 40 000
Morocco

Pend Oreille Shores Resort 
1250 Highway 200
Hope, ID 83836

**Peninsular Club at La Manga
Club**
Los Belones, Cartagena
Murcia 30385, Spain

Peppertree – Fontana Village
Highway NC 28
Fontana Dam, NC 28733

Peppertree – Maggie Valley
265 Moody Farm Road
Maggie Valley, NC 28751

Peppertree at Thousand Hills
2800 Green Mountain Drive
Branson, MO 65616

**Peregrine Townhomes at
San Luis Pass**
10202 Bluewater Highway
Freeport, TX 77541

**Perennial Vacation Club –
Bandera**
1775 River Ranch Road
Bandera, TX 78003

Petit Crest Villas
90 Steve Tate Highway
Marble Hill, GA 30148

**Peterson's Waterfront
Timeshare Condominium**
103 North Park Street
Chelan, WA 98816

Pinares del Mar
Calle Mar del Plata
Entre Calles 42 y 43
Mar Azul, Villa Gesell
Buenos Aires 7165, Argentina

Pirayú
Av. Tres Fronteras 550
Puerto Iguazú, Misiones, Argentina

**Plantation Beach Club at Indian
River Plantation**
329 Northeast Tradewind Lane
Stuart, FL 34996

Plantation Village Beach Resort
West Bay Road
Grand Cayman, Cayman Islands

**Playa del Sol Costa Sur
(North Tower)**
Km. 4-456 Carretera, Barra Navidad
Puerto Vallarta, Jalisco, Mexico

Plaza Resort at Palmas del Mar
235 Harbour Drive
Palmas del Mar
Humacao 00791, Puerto Rico

Pointe on the Bay, The
23rd Street and Coastal Way
Ocean City, MD 21842

**Polus Palace Thermal Golf Club
Hotel**
Kadar u. 49
Goed 2132, Hungary

Ponds at Foxhollow, The
Route 7
Lenox, MA 02140

Pop Villa Crespo
J. Ramirez de Velazco 793
Buenos Aires, Argentina

Port Chambly l'Hotel & l'Village
Terre Rouge
Mauritius

Port d'Albret Le Boucanier
Rue du Belvedere
Vieux Boucau 40480, France

Poste Montane at Beaver Creek
76 Avondale Lake
Beaver Creek, CO 81620

Pousada do Portal de Paraty
Av. Beira Rio, 100
Paraty, Rio de Janeiro 23970-000
Brazil

Powder Ridge Village Resort 
6172 North Powder Ridge Road
Eden, UT 84310

Powell Place
730 Powell Street
San Francisco, CA 94108

**Premiere Vacation Collection –
Carriage House, The**
105 East Harmon Avenue
Las Vegas, NV 89109

**Premiere Vacation Collection at
Golden Eagle Resort**
300 Riverside Drive
Estes Park, CO 80517

**Premiere Vacation Collection –
Sea of Cortez Beach Club**
Paseo Mar Bermejo 4, Los Algodones
San Carlos, Nuevo Guaymas
Sonora, Mexico

**Prospect Reef Resort Vacation
Club**
Staney Hill
Road Town, Tortola
British Virgin Islands

**Pueblo Caribe International
Beach Resort**
Playa El Tirano1
El Tirano, Isla Margarita
Venezuela

Pueblo Laguna Vera
Apartado de correos 164
Las Marinas
Vera, Almería 04620, Spain

Pueblo Vista Alegre
Urb. Vista Alegre – Es Cubells
San José, Ibiza 07830
Balearic Islands, Spain

Puerto Bunge Apart Hotel
Av. Bunge y Marco Polo
Pinamar, Buenos Aires, Argentina

Puerto Encantado
Av. 2 y esquina Paseo 147
Villa Gesell, Buenos Aires
Argentina

Quadna Mountain Resort
100 Quadna Road
Hill City, MN 55748

Quarters at Lake George
3014 Lake Shore Drive
Lake George, NY 12845

Radisson Resort Palm Meadows

Palm Meadows Drive, Carrara
P.O. Box 728, Robina
Gold Coast, Queensland 4226
Australia

Ramada Resort Mazatlán

Avenida Playa Gaviotas 100
Zona Dorada
Mazatlán, Sinaloa 82110, Mexico

Rangeley Lake Resort

Cottage Avenue
Rangeley, ME 04970

Red Carpet Hotel and Resort

36 Km. Suez – Al Sokhna Road
Al Sokhna, Egypt

Red Wolf Lodge at Squaw Valley

2000 Squaw Loop Road
Olympic Valley, CA 96146

Redington Ambassador

16900 Gulf Boulevard
North Redington Beach, FL 33708

Reef at Marathon, The

6800 Overseas Highway
Marathon, FL 33050

Reef Resort, The

Queen's Highway, Collier's Bay
East End, Grand Cayman
Cayman Islands

Regency Palms

Monte Paraíso
Urbanización Calahonda
Mijas-Costa, Málaga, Spain

Regency Villas at Broome Park

The Broome Park Estate
Barham, Canterbury, Kent CT4 6QX
United Kingdom

Residence Club at Segovia, The

Carretera a Ocotol del 2do Puente
Playas del Coco
Costa Rica

Residence Club Seaside

100 South Promenade
Seaside, OR 97138

Résidence des Pins Bleus

Avenue de Cannes
Juan Les Pins 06600, France

Résidence le Diamant

Villard de Lans 38250, France

Residence Liscia di Vacca

Liscia di Vacca
Porto Cervo, Sassari
Sardinia 07020, Italy

Residence Narjess

Avenue Moncef Bey
Hammamet 8050, Tunisia

Résidence Yasmine Plaza

Yasmine Hammamet
Hammamet, 8050, Tunisia

Residence Waterfront

Rua Hilda de Melo Accioly
Ipioca, Alogoaas 57039700, Brazil

Residencial Itapema Vacation Club

Av. Governador Celso Ramos, 700
Itapema, Brazil

Residencial Sajo

Rua Claudio Manoel da Costa s/n
São Paulo, Brazil

Residencial Vale Dourado

Rua dos Carvalhos, 100 – Planalto
Gramado 95670, Brazil

Resort Sixty-Six

6600 Gulf Drive
Holmes Beach, FL 34217

Ridge Crest, The

415 Tramway Drive
Stateline, NV 89449

Ridge Pointe Resort, The

455 Tramway Drive
Stateline, NV 89449

Ridge Sierra, The

265 Quaking Aspen
Stateline, NV 89449-2157

Ridge View, The

311 Tramway Drive
Stateline, NV 89449

River Club, The

550 West Depot Avenue
Telluride, CO 81435

Riverview Resort

37 Neptune Lane
South Yarmouth, MA 02664

Riviera Beach and Spa Resort I & II

34630 Pacific Coast Highway
Capistrano Beach, CA 92624

Riviera Shores Resort

34642 Pacific Coast Highway
Capistrano Beach, CA 92624

Royal Aloha Vacation Club at Lake Tahoe

317 Quaking Aspen Lane
Stateline, NV 89449

Royal Club at the Palm-Jumeirah

Palm Beach Island
P.O. Box 1777
Dubai, United Arab Emirates

Royal Club at Bonnington Tower

Jumeirah Lakes Towers
Dubai, United Arab Emirates

Royal Club Hotel

Fö utca 92
Visegrad 2025, Hungary

Royal Palm Club at the Aruba Grand

J.E. Yrausquin Boulevard #79
Oranjestad, Aruba, Dutch Caribbean

Royal Palms

Simpson Bay
Simpson Bay, St. Maarten
Dutch Caribbean

Royal Regency

69 Rue de France
Vincennes 94300, France

Royal Sea Aquarium Resort, The

Bapor Kibra S/N
P.O. Box 3102
Willemstad, Curaçao
Dutch Caribbean

Rushes, The

3014 Rushes Road
Baileys Harbor, WI 54202

San Clemente Cove Resort

104 South Alameda Lane
San Clemente, CA 92672

San Luis Bay

3254 Avila Beach Boulevard
Avila Beach, CA 93424

Sand Pebble Resort

12300 Gulf Boulevard
Treasure Island, FL 33706

Sandcastle Cove

1141 Broad Creek Road
New Bern, NC 28560

Sandcastle Village II

Lakeview Drive
1141 Broad Creek Road
New Bern, NC 28560

Sandpiper Beach Club

6414 Midnight Pass Road
Sarasota, FL 34242

Sands Vacation Resort

2040 Mesquite Avenue
Lake Havasu City, AZ 86403

Sandy Point Beach Resort

41 Labrador Street
Labrador, Queensland 4215, Australia

Sanibel Beach Club I

626 Nerita Street
Sanibel Island, FL 33957

Sanibel Beach Club II

205 Periwinkle Way
Sanibel Island, FL 33957

Sanibel Cottages

2341 West Gulf Drive
Sanibel Island, FL 33957

Sea Club V Beach Resort

6744 Sarasea Circle
Sarasota, FL 34242

Sea Mountain

95-789 Ninole Loop Road
Punalu'u, Hawaii, HI 96777

Sea Oats Beach Club

1720 Gulf Boulevard
Englewood, FL 34223

Sea Shells

Diamond Beach Road
Hallidays Point
Via Taree, New South Wales 2430
Australia

Seagull Beach Club Resort

4440 Ocean Beach Boulevard
Cocoa Beach, FL 32931

Seaside Beach Club

501 Briny Avenue
Pompano Beach, FL 33062

Seasons at Alto Club

Quinta do Alto do Poco
Alvor
Portimao, Algarve 8500-906
Portugal

Seasons at Brunston Castle

Brunston Avenue
Dailly, Ayrshire KA26 9RH
United Kingdom

Seasons at Burn Park Country Club

Stratton
Bude, Cornwall EX23 8SF
United Kingdom

Seasons at Forest Hills

Urb. Forest Hills (Los Altos)
Ctra. De Cádiz. Km. 159
Estepona, Málaga 29680, Spain

Seasons at Whitbarrow Village

Berrier, Penrith
Cumbria CA11 OXB, United Kingdom

Seasons Resort, The

5736 S. Texas Avenue
Orlando, FL 32839

Seawatch Inn at the Landing

215 Atlantic Avenue
Garden City Beach, SC 29576

Seawatch On-The-Beach

6550 Estero Boulevard
Fort Myers Beach, FL 33931

Sedona Springs Resort

55 Northview Road
Sedona, AZ 86336

Select Holiday Mountain Club

Cavaler Ioan de Puscariu no. 113
Brans, Brasov, Romania

Seven Seas Resort

2433 S Atlantic Ave
Daytona Beach Shores, FL 32118

7 Mile Beach Resort

West Bay Road
Georgetown, Grand Cayman
Cayman Islands

Shadow Ridge

50 Shadow Ridge Drive
Park City, UT 84060

Shearwater Resort

Port Sorell (via Devonport)
Tasmania 7307, Australia

Shell Island Beach Club

255 Periwinkle Way
Sanibel Island, FL 33957

**Shell Vacations Club at
Crotched Mountain Resort**

740 Second NH Turnpike North
Francestown, NH 03043

**Shell Vacations Club at Salado
Creek Villas**

2383 NE Loop 410
San Antonio, TX 78217

**Shell Vacations Club at Sunset
Plaza Beach Resort and Spa**

Diego Rivera 121
Zona Hotelera Norte
Puerto Vallarta, Jalisco, Mexico

**Shell Vacations Club at
Whispering Woods II**

67800 East Nicklaus Way
Welches, OR 97067

Sheraton PGA Vacation Resort

8702 Champions Way
Port St. Lucie, FL 34986

Shoreline Towers

1155 West Beach Boulevard
Gulf Shores, AL 36543

Shores at Lake Travis, The

1917 American Drive
Lago Vista, TX 78645

Skiers Edge Lodge ◇

4192 S. Highway 9
Breckenridge, CO 80424

Smoketree Lodge ◇

11914 Highway 105 South
Banner Elk, NC 28604

Snow Lake Lodge

41579 Big Bear Boulevard
Big Bear Lake, CA 92315

Snowater ◇ **and Resorts West
Vacation Club at Snowater**

10500 Mount Baker Highway
Glacier, WA 98244

**Snowdance Vacation Club at
Ascuntney Mountain**

Route 44
Brownsville, VT 05037

**Snowdance Vacation Club at
Windsor Condo, The**

Route 44
Brownsville, VT 05037

Solaz de Los Andes Hotel

Brasil 308
P. O. Box 5500
Mendoza
Argentina

South Seas Club

5400 South Seas Plantation Road
Captiva Island, FL 33924

South Shore Lake Resort

201 Hamilton Oaks Drive
Hot Springs, AR 71913

Southern California Beach Club

121 South Pacific
Oceanside, CA 92054

**Southwinds Villas Vacation
Resort**

35 Deallyon Avenue
Hilton Head Island, SC 29928

Spicebush at Sea Pines

124 North Sea Pines Drive
Hilton Head Island, SC 29928

Spinnaker at Lake Dillon

317 West La Bonte
Dillon, CO 80435

St. James Place

210 Offerson Road
Beaver Creek, CO 81620

St. Maarten Sea Palace

121 Front Street
Philipsburg, St. Maarten
Dutch Caribbean

St. Martin Boutique Hotel, The

Calle 15 Norte Manzana 148,
Lote 23 y 24
Playa del Carmen, QR 77710
Mexico

Starr Pass Golf Suites

3645 West Starr Pass Boulevard
Tucson, AZ 85745

**Steele Hill East/Steele Hill
Resort**

516 Steele Hill Road
Sanbornton, NH 03269

Steele Hill West

516 Steele Hill Road
Sanbornton, NH 03269

Stormy Point Village Resort ∞

132 Cape Cod Road
Branson, MO 65616

**Stormy Point Village –
Summerwinds Resort**

3940 Green Mountain Drive
Branson, MO 65616

Streamside at Vail – Aspen ◇

2284 South Frontage Road West
Vail, CO 81657

Streamside at Vail – Cedar ◇

2284 South Frontage Road West
Vail, CO 81657

**Sugarwood at Ruttger's Sugar
Lake Lodge**

37584 Otis Lane
Cohasset, MN 55721

Suite Hotel Klass

Bezje, 14
Kranska Gord 4280
Slovenia

**Sundream Vacation Club at
Island Village**

Avenida Austria, Urb. San Eugenio
Playa de las Americas
Adeje, Tenerife 38660
Canary Islands, Spain

**Sunstream Vacation Club at
DiamondHead**

2000 Estero Boulevard
Ft. Myers Beach, FL 33931

**Suites at Fisherman's Wharf,
The**

2655 Hyde Street
San Francisco, CA 94109

Summerfield Condo Resort

2425 Summerfield Way
Kissimmee, FL 34741

Summit Resort, The

974 White Oaks Road
Laconia, NH 03246

Sunquest Gardens

Douriou Ippou Street
Potamos Yermasoyias
Limassol, Cyprus

Sunrise Beach Club

1212 North Atlantic Avenue
Daytona Beach, FL 32118

**Sunset Point at StillWaters
Resort**

1816 Stillwaters Drive
Dadeville, AL 36853

Sunset Resorts – Canmore

1151 Sidney Street
Canmore AB T1W 3G1, Canada

Sunset Shores Resort

1246 Sonnyside Drive
Cadillac, MI 49601

Suites at Hershey, PA

176 East Hersheypark Drive
Hershey, PA 17033

Surf Club

540 South Collier Boulevard
Marco Island, FL 34145

Surfers Royale

Corner Markwell Avenue & Northcliffe
Terrace
Surfer's Paradise
Queensland 4217, Australia

Surfrider Beach Club

555 East Gulf Drive
Sanibel Island, FL 33957

Surfside Inn ◇ **and Resorts West
Vacation Club at Surfside Inn**

31512 "J" Place
Ocean Park, WA 98640

Surrey Vacation Resort, The ∞

430C State Highway 165 South
Branson, MO 65616

Swallowtail at Sea Pines

124 Lighthouse Road
Hilton Head Island, SC 29938

Swan Mountain Resort

59 Soda Ridge Road
Dillon, CO 80435

Sweetwater at Lake Conroe ◇

1000 April Sound Boulevard
Montgomery, TX 77356

**Swiss-Garden International
Vacation Club at Swiss
Garden Residences**

2A Jalan Galloway
Kuala Lumpur 50150, Malaysia

Swiss Mountain Village

2324 Flat Top Road
Blowing Rock, NC 28605

Taba Paradise

Taba
Sharm Road
Taba, Egypt

Tahoe Chaparral

400 Fairview Boulevard
Incline Village, NV 89451

Tahoe Seasons Resorts

3901 Saddle Road
South Lake Tahoe, CA 96150

Tahoe Summit Village

750 Wells Fargo Lane
Stateline, NV 89449

Tanglewood Vacation Villas

290 Tanglewood Circle
Pottsboro, TX 75076

Tenerife Sun Club

Parque Don José Urbanización
Costa del Silencio, Tenerife
Canary Islands, Spain

Tennis Ranch Pinamar Resort

Fragata La Victoria
Pinamar, Buenos Aires, Argentina

Thurnham Vacation Club at Thurnham Hall
Thurnham Nr. Lancaster LA2 0DT
United Kingdom

Torrenza Boutique Resorts
Av. Sábalo Cerritos s/n
Mazatlán, Sinaloa
Mexico

Traders Inn Beach Club
1355 Ocean Shore Boulevard
Ormond Beach, FL 32176

Tranquility Bay Antigua
Jolly Harbour
P. O. Box JH94
Bolans, Antigua

Treetop Condominiums at Four Seasons, U.S.A.
594 State Highway HH
Lake Ozark, MO 65049

Treetop Village at Four Seasons, U.S.A.
594 State Highway HH
Lake Ozark, MO 65049

Tropical Sands Resort
7785 Estero Boulevard
Fort Myers Beach, FL 33931

Turangi Leisure Lodge
Ngawaka Place
Turangi
New Zealand

Twin Rivers Condominiums
300 Sterling Way Road
Fraser, CO 80442

Vacances Apart Hotel San Martin de los Andes
El Oasis 450
San Martin de los Andes 8370
Argentina

Vacation Club Villas
One Holiday Inn Drive
Asheville, NC 28806

Vacationland Estates
Golf Club Road
Island Falls, ME 04747

Vacation Internationale – Embarcadero Resort and Resorts West Vacation Club at Embarcadero
1000 S. East Bay Boulevard
Newport, OR 97365

Vacation Internationale – Papakea
3543 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Vacation Internationale – Point Brown Resort
1413 Ocean Shores Boulevard S.W.
Ocean Shores, WA 98569

Vacation Internationale – Pono Kai
4-1250 Kuhio Highway
Kapaa, Kauai, HI 96746

Vacation Internationale – Royal Kuhio
2240 Kuhio Avenue
Honolulu, Oahu, HI 96815

Vacation Internationale – Sea Mountain
95-789 Ninole Loop Road
Punalu'u, Hawaii, HI 96777

Vacation Internationale – Valley Isle
4327 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Vacation Internationale – Village at Steamboat, The
2400 Pine Grove Circle
Steamboat Springs, CO 80477

Vacation Internationale – Villas de Santa Fe
400 Griffin Street
Santa Fe, NM 87501

Vacation Village at Bonaventure
401 Racquet Club Road
Weston, FL 33326

Valentine's Residences Resort & Marina
Box One, Bay Street
Harbour Island, Eleuthera
Bahamas

Valley Isle
4327 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Vanderbilt Beach and Harbour Club
9301 Gulf Shore Drive
Naples, FL 33963

Variety Cruisers
Windsor Marina
Maidenhead Road
Windsor, Berkshire SL4 5TZ
United Kingdom

Ventura
2301 South Ocean Boulevard
Boca Raton, FL 33432

Veranda Beach Club
2509 Gulf of Mexico Drive
Longboat Key, FL 34228

Verandah Resort & Spa, The
St. Phillips North
P.O. Box 63
St. John's, Antigua

Via Roma Beach Resort
2408 Gulf Drive
Bradenton Beach, FL 34217

Victoria Court I & II
Los Cristianos
Tenerife, Canary Islands, Spain

VIK Hotel Arena Blanca
Carretera Arena Gorda
White Sands
Bávaro, Punta Cana
Dominican Republic

VIK Hotel Cayena Beach
Carretera Arena Gorda
Bávaro, Punta Cana
Dominican Republic

Villa del Sol
Costanera 4000
Costa Azul, San Bernardo
Buenos Aires, Argentina

Villa La Paloma
Lazaro Cardenas Esq. Bordo
Cabo San Lucas, B.C.S., Mexico

Village at Izatys, The
40005 85th Avenue
Onamia, MN 56359

Village at St. James's Club, The
St. James's Club
Marmora Bay
Antigua

Village Maritalia
Località Valle Clavia
Peschici (FG) 71010, Italy

Village Resort, The
Cnr. Lake Terrace and Tui Street
Taupo
New Zealand

Villaggio Aurora
Contrada Bruscate Grande – Sibari
Cassano allo Jonio 87070, Italy

Villaggio Piccolo Mondo
Via Litoranea per S. Cesarea
Castro Marina 73030
Italy

Villas at Flying L
566 Flying L Drive
P. O. Box 1959
Bandera, TX 78003

Villas at Lantern Bay
100 Lantern Bay Road
Branson, MO 65616

Villas at Poco Diablo
1752 Highway 179
P.O. Box 2252
Sedona, AZ 86336

Villas at Regal Palms
2700 Sand Mine Road
Davenport, FL 3897

Villas El Rancho Exclusive Vacation Club
Av. Sábalo Cerritos #3000
Mazatlán, Sinaloa 82100, Mexico

Villas Loma Linda
Calle Las Hortensias 37
Puerto Vallarta, Jalisco, Mexico

Villas Mar-Bel
Fracc. Lomas de Taxco
Taxco de Alarcon
Taxco, Guerrero, Mexico

Villas Playa Sámara
Playa Sámara
Costa Pacifica Norte
Nicoya, Guanacaste, Costa Rica

Villas of Cave Creek
38001 North Schoolhouse Road
Cave Creek, AZ 85331

Villas of Sedona
120 Kallof Place
Sedona, AZ 86336

Voyager Beach Club
11860 Gulf Boulevard
Treasure Island, FL 33706

Waikiki Banyan, The
201 Ohua Avenue, Suite 403
Tower 1, Waikiki, Oahu, HI 96815

Waterman Holiday Club
Put Vela Luke 4
Supetar, Brac 21400, Croatia

Waterwood Townhouses
1141 Broad Creek Road
New Bern, NC 28560

Wave Crest Resort
1400 Ocean Avenue
Del Mar, CA 92014

West Sands Phuket Beach Club
65 Moo 4
Mai Khao, Thalang
Phuket 83110, Thailand

Westgate South Beach
3611 Collins Avenue
Miami Beach, FL 33140

Westgate Tunica Resort Mississippi
1724 Casino Center Drive
Robinsonville, MS 38664

Whaler, The
2481 Kaanapali Parkway
Lahaina, Maui, HI 96761

Whaler Inn Beach Club
323 Salter Path
Pine Knoll Shores
Atlantic Beach, NC 28512

Wharf, The
408 Long Island Drive
Hot Springs, AR 71913

Whitbarrow Country Club
Whitbarrow Hall
Berrier
Penrith, Cumbria CA11 0XB
United Kingdom

Whispering Pines Villas

30 Country Club Boulevard
Whispering Pines, NC 28327

White Sands of Longboat

5114 Gulf of Mexico Drive
Longboat Key, FL 34228

Windjammer at Nags Head, The

5619 Virginia Dare Trail
Nags Head, NC 27959

Windjammer Resort and Beach Club

4244 El Mar Drive
Lauderdale-By-The-Sea, FL 33308

Windsurf Resort at Cabarete Beach

Km. 16, Cabarete
Puerto Plata, Dominican Republic

Woodbourne Estates Resort

Lunar Boulevard
Freeport
Grand Bahama Island
Bahamas

Woods and Legends at Copper Creek, The

209 Ten Mile Circle
Copper Mountain, CO 80443

World International Vacation Club – La Paloma

Playas de Rosarito
South Rosarito Beach, B.C.N., Mexico

World International Vacation Club – Mar Azul

Gonzalo de Sandoval
Acapulco, Guerrero, Mexico

World Tennis Center & Resort

4800 Airport-Pulling Road
Naples, FL 34105

WorldMark Arrow Point

4502 South Arrow Point Drive
Harrison, ID 83833

WorldMark Bear Lake

365 Raspberry Patch Road
Garden City, UT 84028

WorldMark Bison Ranch

2269 Highway 260
Overgaard, AZ 85933

WorldMark Cairns

49/72 Kowinka Street
Cairns, Queensland 4868
Australia

WorldMark Cascade Lodge

4315 Northlands Boulevard
Whistler
British Columbia V0N 1B0, Canada

WorldMark Denarau Island

10721 Nadi Airport
Nadi, Fiji

WorldMark Discovery Bay

141 Orcas Drive
Port Townsend, WA 98368

WorldMark Kapaa Shore

4-0900 Kuhio Highway
Kapaa, Kauai, HI 96746

WorldMark La Paloma

Km. 28.2 Carretera Libre a Ensenada
Rosarito, B.C.N. 22710
Mexico

WorldMark Lake Tahoe – I and II

202 Tramay Drive
Stateline, NV 89449

WorldMark Lake Tahoe III

202 Tramway Drive
Stateline, NV 89449

WorldMark Las Vegas on Spencer Street

4225 Spencer Street
Las Vegas, NV 89121

WorldMark Marina Dunes

3295 Dunes Drive
Marina, CA 93933

WorldMark Mariner Village

1331 Ocean Shores Boulevard S.W.
Ocean Shores, WA 98569

WorldMark Orlando

12000 International Drive
Orlando, FL 32821

WorldMark Steamboat Springs

2400 Pine Grove Circle
Steamboat Springs, CO 80477

WorldMark Sundance

2221 Gondola Way
Whistler, British Columbia V0N 1B2
Canada

WorldMark Surfside Inn

31512 "J" Place
Ocean Park, WA 98640

WorldMark The Canadian

1080 Hornby Street
Vancouver
British Columbia V6Z 2R9, Canada

Worldwide Vacation Club at Branson Yacht Club at Rock Lane Resort

611 Rock Lane Road
Branson, MO 65616

Worldwide Vacation Club at Embarcadero at Newport

1000 SE Bay Boulevard
Newport, OR 97365

Wychnor Park Country Club

Wychnor Park
Nr. Barton-under-Neadwood
Staffordshire DE13 8BU
United Kingdom

Wyndham Bay Voyage Inn

150 Conanicus Avenue
Jamestown, RI 02840

Wyndham Vacation Resorts Shawnee Village – Depuy

River Road
Shawnee-On-Delaware, PA 18356

Wyndham Vacation Resorts Shawnee Village – Depuy Village – Phase II

River Road
Shawnee-On-Delaware, PA 18356

Wyndham Vacation Resorts Shawnee Village – Fairway Village

River Road
Shawnee-On-Delaware, PA 18356

Wyndham Vacation Resorts Shawnee Village – Ridge Top Summit

River Road
Shawnee-On-Delaware, PA 18356

Wyndham Vacation Resorts Shawnee Village – River Village I

River Road
Shawnee-On-Delaware, PA 18356

Yiläs 1

Äkäslompola 95970
Finland

RESORTS WITH 11 – 20 UNITS PARTICIPATING AND AVAILABLE FOR OCCUPANCY

Absolute Private Residence Club at Q Signature Spa and Resort

24/78 Moo 5. Bo Phut
Koh Samui, Suratthani, 84320
Thailand

Absolute Private Residence Club at the Village Coconut Island

51/7 Moo 6
Coconut Island, Koh Kaew, Muang
Phuket 83000, Thailand

Absolute Twin Sands Beach Resort & Spa

Tri Trang Beach
Patong
Phuket 83150
Thailand

Accor Vacation Club Basildene Manor

Wallcliffe Road
Margaret River 6285, Australia

Accor Vacation Club Busselton

553 Bussell Highway
Geographe Bay
Busselton, Western Australia 6280

Accor Vacation Club Forest Resort

Medcand Highway
Creswick, Victoria, Australia

Accor Vacation Club Grand Mercure Oakridge Resort

Cnr. Cardona Valley and
Studholme Road
Lake Wanaka, Wanaka, New Zealand

Accor Vacation Club Grand Mercure The Links

St. Andrews Boulevard
Lady Bay, Normanville
South Australia, Australia

Accor Vacation Club Novotel Pacific Bay Resort

Cnr Pacific Highway and Bay Drive
Coffs Harbour
New South Wales 2450, Australia

Accor Vacation Club Novotel Twin Waters

Ocean Drive – Twin Waters
Sunshine Coast, Queensland 4564
Australia

Accor Vacation Club Pinnacle Apartments

104 Pymont Street
Sydney, New South Wales, Australia

Accor Vacation Club Vintage Apartments

Vintage Drive
Rothbury, Hunter Valley
New South Wales, Australia

AlpeAdria Club at Novi Vinodolski

TRG Krava Tomislava 4
Novi Vinodolski 51250, Croatia

Alpenresidenz Bad Gastein

Karl-Heinrich-Waggener-Str.2
Bad Gastein, 5640, Austria

Alpine Village Resort

40 National Forest Drive
Burnsville, NC 28714

Amapola Vacation Club

Jaco de Garabito
Puntarenas, Costa Rica

Amarras

Menton No. 934
Santa Clara del Mar
Mar Chiquita 7609, Argentina

Amarras Sea Village

Menton No. 934
Santa Clara del Mar, Mar Chiquita
Buenos Aires 7609, Argentina

**Anantara Vacation Club Bophut
Koh Samui**

99/9 Bophut Bay
Samui Island
Koh Samui 84320
Thailand

**Anantara Vacation Club
Seminyak Bali**

In. Drupadi No. 28 Seminyak
Bali 80361
Indonesia

Aquamarina Suites

Barrier Reef Drive
San Pedro Town, Belize

Arcobaleno

Ramon Guerra Esquina Parada 18
Punta del Este, Maldonado, Uruguay

Arminel Hogsback Village Hotel

Main Road
Hogsback 5211
South Africa

Aspen Ridge

100 Aspen Ridge
Telluride, CO 81435

The Aspens[∞]

4800 Spearhead Drive
Whistler, British Columbia V0N 1B4
Canada

Atalaya Towers

912 North Waccamaw Drive
Garden City, SC 29576

**Atlantic Club Hotel Tierra Mar
Golf**

Matalascañas
Huelva 21760, Spain

Bagaglino – Villa Laguna

Via Sandro Gallo 6
Lido di Venezia 30126, Italy

Bali Palms Resort

Jalan Raya Candi Dasa
Nyuh Tebel
Manggis Amlapura, Bali 80581
Indonesia

Barceló Punta Cana

Bavaro
Higüey, Dominican Republic

Barra Palace

Av. Sernambetiba, 2916
Rio de Janeiro 22620-172, Brazil

**Barracas del Este –
Estacion Mar**

Parada 26 ½
Maldonado, Punta del Este, Uruguay

**Barringtons Royal Golf &
Fitness Club**

Vale do Lobo
Almancil 8135, Portugal

Beach Club I

326 Estero Boulevard
Fort Myers Beach, FL 33931

Beach Republic

Royal Nirvana Private Residences
176/34 M. 4 Tambon Maret
Koh Samui, Suratthani 84310
Thailand

Beachcomber Resort Club

999 Lakeview Avenue
South Lake Tahoe, CA 96150

Beaches Sandy Bay

Norman Manley Boulevard
Negril, Jamaica

**Bel Air Collection Resort & Spa
Los Cabos**

KM 29-28 Carretera Transpeninsular
San José del Cabo, B.C.S. 23400
Mexico

Belize Legacy Beach Resort

7.2 Miles North
P. O. Box 42
Ambergris Caye, San Pedro, Belize

**Berkshire Beach Club of
Deerfield**

500 North Federal Highway
Deerfield Beach, FL 33441

Bishop Selwyn, The

26 Selwyn Road
Paihia, New Zealand

Bliss Nuevo Vallarta, The

Paseo de las Moras S/N
Fraccionamiento Náutico Turístico
Nuevo Vallarta 63732, Mexico

Blue Water Acres

1052 Rat Bay Road
Huntsville, Ontario P1H 2J6, Canada

**Boyne Vacation at Deer Lake
Villas**

1 Boyne Mountain Road
P. O. Box 19
Boyne Falls, MI 49713

**Brahma Blue Holistic Vacation
Club**

12 Coconut Drive
San Pedro, Ambergris Caye, Belize

Brant Point Courtyard

Swain Street
Nantucket, MA 02554

**Cabana Club and Resorts
West Vacation Club at
Cabana Club**

7530 Birch Bay Drive
Blaine, WA 98230

Cabañas del Golf

J.L. Cabrera y J. Hernández
La Cumbre, Córdoba
Buenos Aires 5178, Argentina

Calypso Plaza on Coolangatta

Corner Griffith Street & McDonald
Street
Coolangatta, Queensland 4225
Australia

**Canadian Resorts –
La Querencia Resort**

Closter #5-C Km. 145
Ctra. Federal 200, Tepic
Puerto Vallarta, Jalisco, Mexico

Capri by the Sea

4767 Ocean Boulevard
San Diego, CA 92109

**Captain Morgan's Vacation
Beach Club**

Ambergris Caye
P. O. Box 38
San Pedro, Belize

Carlton Alvor Hotel

Praia Dos Três Irmãos
Portimão, Algarve 8500
Portugal

Carlton Court

120 Maida Vale
London W9 1QA, United Kingdom

Casitas del Monte

2700 South Palm Canyon Drive
Palm Springs, CA 92264

Cedar Village

220 Charter Hills
Beech Mountain, NC 28604

Christie Village

100 Horn Beam Road
Beech Mountain
Banner Elk, NC 28604

**Cinta Sayang Golf & Country
Resort**

Persiaran Cinta Sayang
Sungai Petani
Kedah, Malaysia 08000

**Club Asia International –
Bukit Saban Resort**

Km. 290, Kuching/Sarikei Road off
Jalam Ulu Paku
Betong, Kuching, Sarawak 93400
Malaysia

Club Cala Vadella

Cala Andraitx s/n, Apartado 17
San José, Ibiza 07830
Balearic Islands, Spain

Club Es Talalay

Avenida es Forti 20
Cala d'Or, Mallorca E-07660
Balearic Islands, Spain

Club Estela Dorado at

Gruphotel Club Marina Arpon
Cala del Pino
La Manga del Mar Menor
Murcia 30370, Spain

**Club Estela Dorado at
Onagrup Aucanada Club**

Calle D'es Mirador 5
Puerto Alcudia
Mallorca 07410
Balearic Islands, Spain

**Club Estela Dorado at
Salou Aquamarina**

Emili Vendrell 17
La Pineda, Vilasera, Tarragona 43480
Spain

Club La Costa Encantada

3070 Secret Lake Drive
Kissimmee, FL 34747

Club La Costa Marina del Mar

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649

**Club Playa Vista at Club Sierra
Blanca**

c/o Aztec Country Club
c/Libra Urb. Riviera Del Sol
Mijas-Costa, Málaga 29647, Spain

**Club Punta Playa Hotel & Spa
Resort**

Calle Campo Elias, Sector el Pueblito
Valle de Pedro Gonzalez
Isla Margarita, NE, Venezuela

**Club QM at Northlake Lodges
& Villas**

987 Tahoe Boulevard
Incline Village, NV 89451

**Club Royale at Pueblo Don
Miguel**

c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647
Spain

Club Royal Regency

69 Rue de France
Vincennes 94300, France

**Club Système Vacances at Club
Maritimo at La Ronda III**

Playa de los Boliches
Fuengirola, Málaga 29640, Spain

Club Tiara

State Bay
Cayman Brac, Cayman Islands

Club Tropicana

Urbanización Tropicana
Nerja, Málaga 29780
Spain

Club Valle Termal Resort

Calle 27 Esquina 42
Federacion, Entre Rios 3206
Argentina

Clube Hotel Do Algarve

Quinta do Romão
Quarteira, Algarve 8125
Portugal

Coconut Mallory Marina and Resort

1445 South Roosevelt Boulevard
Key West, FL 33040

Colibri Beach Club – Porlamar

Av. Santiago Marino
Porlamar, Isla Margarita
Venezuela

Condominio “Week Inn”

Estrada da Usina do Fojo, S/No.
Campos do Jordao (SP), Brazil

Coral Costa Caribe

Juan Dolio Beach 066-B
Dominican Republic

Costa Blanca del Pacífico

Golfo de Papagayo
Guanacaste, Costa Rica

Cottages at Cape Kiwanda

3000 Cape Kiwanda Drive
Pacific City, OR 97135

Cottages at Port Stanton, The

1500 Port Stanton Parkway, RR 1
Severn Bridge, Ontario POE 1N0
Canada

Cottages at South Seas Plantation

Sanibel Captiva Road
Captiva Island, FL 33924

Country Heights Villas

Resort Services, Jalan Cinta Air
Kajang, Selangor
Malaysia

Croyde Bay Holiday Club

Moor Lane
Croyde, Nr. Braunton EX33 1NZ
United Kingdom

Cuxland Ferienparks Nordseebad Wremen

Lili-Marleen 1
Wremen 27632, Germany

Deerhurst Resort

1235 DeerHurst Drive
Huntsville, Ontario P1H 2E8, Canada

Desert Isle of Palm Springs

2555 East Palm Canyon Drive
Palm Springs, CA 92264

Divi Carina Bay Beach Resort

25 Estate Turner Hole
Christiansted, St. Croix 00820
U.S. Virgin Islands

Dorisol Ancorar Suite and Beach Resort

PE 09 KM06
Portode Galinhas-Ipojuca
Pernambuco 55590, Brazil

Dover Watch at Mount Snow

Route 100
West Dover, VT 05356

Dunes Village Resort

5200 N. Ocean Boulevard
Myrtle Beach, SC 29577

Eagles at Sugarbush

Route 100, P.O. Box 180
Waitsfield, VT 05673

Edificio Palm Beach

Calle Miami S/N
La Carihuela
Torremolinos, Málaga 29620, Spain

Equivest Ocean Gate

4780 A1A South
St. Augustine, FL 32080

Equivest Sands

300 South Ocean Boulevard
North Myrtle Beach, SC 29582

Erie Islands Resort & Marina

4495 West Darr-Hopfinger Road
Port Clinton, OH 43452

Es Pueto at Aldea Bonsai

Urb. Siesta, Calle Ficus, 14
Santa Eulalia, Ibiza 07840
Balearic Islands, Spain

Exclusive Club at Hotel Kennedy Nova

116 The Strand
Gzira, Malta

Fairfield Pagosa Resort

42 Pinon Causeway
Pagosa Springs, CO 81157

Fairmont Hot Springs Resort

1500 Fairmont Road
Anaconda, MT 59711

Fairway Lodge

54 Golf Road
Mount Maunganui, Tauranga
New Zealand

Fairway Villas

14401 Commodore Drive
Corpus Christi, TX 78418

Fairways and Bluewater Resort Golf & Country Club

New Coast, Boracay
Malay, Aklan, Philippines

Fairways of the Mountain

180 Herman Wilson Road
Lake Lure, NC 28746

Falls Golf Village, The

1750 N. Falls Drive
New Ulm, TX 78950

Flagship Club at Sapphire Beach Resort and Marina

6720 Estate Smith Bay
St. Thomas 00801, U.S. Virgin Islands

Flamingo Marina Resort Hotel & Club

Punta Plata S/N
Santa Cruz, Guanacaste, Costa Rica

Flanesford Priory

Goodrich, Ross-on-Wye
Herefordshire HR9 6HX
United Kingdom

Fountain Vacation Ownership at Fountain Resort

Xichong Bay
Kuichong, Longang District
Shenzhen, Guangdong 518119, China

Four Views Oasis

Canicao de Baixo
Canicao, Madeira 9125-024, Portugal

Foxfire Resort and Golf

9 Foxfire Boulevard
Pinehurst, NC 28374

Golden Shores Holiday Club

206-210 Marine Parade
Labrador 4215, Queensland, Australia

Gran Oasis Marien, Puerta Plata

Calle Duarte #6
Puerto Plata, Dominican Republic

Grand Canadian Resort Vacation Club

830 8th Street
Canmore, Alberta T1W 2B7, Canada

Grand Holiday Club at Oasis Lanz Club

Avda. Punta Jablillo 7
Costa Tegui, Lanzarote 35509
Canary Islands, Spain

Grandvista's Vacation Suites at Tunica

1724 Casino Center Drive
Robinsonville, MS 38664

Green Village

Quartier du Golf
La Grande Motte 34280, France

Greens at Copper Creek, The

209 Ten Mile Circle
Copper Mountain, CO 80443

Gruphotel Club Marina Arpón

Cala del Pino
La Manga del Mar Menor
Murcia 30370, Spain

Gulf Pointe Intervals

9439 Gulfshore Drive
Naples, FL 33963

Habitat 2000

601 Leadville South
Ketchum, ID 83340

Hacienda El Edén Resort

Via Hacienda el Paraíso
Km. 6 Santa Elena
El Cerrito, Colombia

Hamilton Harbor Resort

203 Sterns Point Road
Hot Springs, AR 71913

Highland Estates Resort

555 Highland Drive
Mesquite, NV 89027

Holiday Club Calahonda

El Mirador, Apartamento 114
Sitio de Calahonda
Mijas-Costa, Málaga 29647, Spain

Holiday Owners Club at Devoncourt

Douglas Avenue
Exmouth, Devon EX8 2EX
United Kingdom

Hostería Bellavista Vacation Club

Ruta 10, Km. 87.5
Balneario Bellavista, Uruguay

Hostería Las Acacias

Los Robles 251, Apt. 8407
Villa La Angostura, Neuquen, Argentina

Hot Piz

Zaunhof 121
bei St. Leonhard 6481, Austria

Hotel Ahlen Moghane

Route de Meknes – Rabat
Rabat, Moghane, Morocco

Hotel Apartamento Clube Oceano

Rua Colombano Bordalo Pinheiro
Forte S. Joao
Albufeira, Algarve, Portugal

Hotel Belensate

Urb. La Hacienda, Av. PPAL
Mérida, Venezuela

Hotel Boutique Las Escaleras

Isauro Rossete No. 4 Barrio de la
Merced
Chiapas
San Cristobal de las Casas 29240
Mexico

Hotel Bristol

Marina Grande
Capri 80073, Italy

Hotel Calinda Cabo Baja Quality Inn

4.5 Transpeninsular Highway to
La Paz
Cabo San Lucas, B.C.S. 23400
Mexico

Hotel Cristal Palace

Hlavni 61
Marianske Lazne 35301
Czech Republic

Hotel Eigerblick

Grindelwald, Switzerland

Hotel Residencia Atenea Suites

Calle Los Almendros
Urb. Costa Azul
Porlamar, Isla Margarita, Venezuela

Hotel Spanberger

Steiermark
Gröbming 8962, Austria

Hurricane House

2939 West Gulf Drive
Sanibel Island, FL 33957

Ikaalinen Spa Holiday Village

Ullanrinne
Ikaalinen 39500, Finland

**InnSeason Resorts –
Harborwalk**

46 Robbins Road
Falmouth, MA 02540

InnSeasons –**Mountainview Resort**

263 Main Street
Jackman, ME 04945

Inns of Waterville Valley

Snows Brook Road
Waterville Valley, NH 03215

Irotama XXI

Km. 14 Via Cienaga
Santa Marta, Magdalena
Colombia

Isla Dorado

Sierra No. 30, Club Santiago
Manzanillo, Colima 28860
Mexico

Island Gulf Resort

13912 Gulf Boulevard
Madeira Beach, FL 33708

Jean Lafitte House

613 Esplanade Avenue
New Orleans, LA 70116

Jolly Harbour Beach Resort

Box 121, Jolly Harbour
Antigua

Jupiter Beach Resort

5 North A1A
Jupiter, FL 33477

Kalajoki

Keskuskariintie 1
Kalajoki 85100, Finland

Keswick Bridge

Brundholme Road
Keswick, Cumbria CA12 4NL
United Kingdom

Kingswear Park

Kingswear
Dartmouth, Devon TQ6 0DA
United Kingdom

Kokanee Springs Resort Club

16082 Woolgar Road
Crawford Bay, BC VOB 1EQ
Canada

Korora Bay Village Resort

64 James Small Drive
Coffs Harbour Plaza
Korora 2450, Australia

La Boca Casa

365 North Ocean Boulevard
Boca Raton, FL 33432

La Ermita

Partida del Durrillo
Mijas Pueblo (Village)
Málaga 29650, Spain

La Piana

Localita Piana di Vocogno
Craveggia (NO), Italy

La Vista Beach Resort

Billy Folly Road 74
Pelican Key, P.O. Box 286
St. Maarten, Dutch Caribbean

Laguna Golf & Country Club

Club House
Amarilla Golf & Country Club
San Miguel de Abona
Tenerife 38620, Canary Islands, Spain

Laguna Holiday Villas

La Quinta, Amarilla Golf & Country
Club
San Miguel de Abona
Tenerife 38620, Canary Islands
Spain

Lakelands, The

Lower Gale
Ambleside, Cumbria LA22 0BD
United Kingdom

Lakewood Resort

Route 219, P.O. Box 660
McHenry, MD 21541

Le Relais de Noisy

19, Boulevard du Maréchal Foch
Noisy le Grand 93160, France

Legacy Vacation Club

Brigantine Beach – The Villas
1500 Ocean Avenue
Brigantine, NJ 08203

Little Gull on Longboat Key

5330 Gulf of Mexico Drive
Longboat Key, FL 34228

Lodge Resort, The

Junction of State Highways 4 & 47
National Park, New Zealand

Logos Land Resort

R.R. #1
Cobden, Ontario K0J 1K0, Canada

**Long Bay Beach Resort
and Villas**

Long Bay
West End, Tortola
British West Indies

Longboat Bay Club

3200 Gulf of Mexico Drive
Longboat Key, FL 34228

Los Indios

#1 Towne Center, Highway 175
Cherokee Village, AR 72525

Los Sabalos Royal Club

Rodolfo T. Loaiza No. 100
Mazatlán, Sinaloa, Mexico

Mahagiri Vacation Club

Mahagiri Villas Sanur
Jl. Pungutan No. 31 Sanur
Denpasar, Bali
Indonesia

Maison Pierre Lafitte

108 University Place
New Orleans, LA 70112

Malolo Lailai Lagoon Resort

Malololailai Island, Fiji

Marathon Key Beach Club

4560 Overseas Highway
Marathon, FL 33050

Marinagolf

Urb. Hacienda Torrequebrada
c/Ronda Golf Estel, 62
Benalmadena-Costa
Málaga 29630, Spain

**Marti Vacation Club at
Marmaris**

İçmeler, Marmaris
Muğla 48700, Turkey

Mary's Boon Beach Plantation

117 Simpson Bay Road
Simpson Bay, St. Maarten
Dutch Caribbean

**Masters at Paradise Canyon
Resort, The**

287 Palmer Avenue
Mesquite, NV 89024

Maui Banyan Vacation Club

2575 South Kihei Road
Kihei, Maui, HI 96753

Meadow Ridge

7573 Highway 42
Egg Harbor, WI 54209

Moosehead Cottage Resort

Route 15, Main Street
Greenville, ME 04441

**Mount Cinnamon Resort &
Beach Club**

Lucas Street, Morne Rouge
Grand Anse, Grenada

Multigestion –**Les Coteaux de la Nartelle**

RN 98, La Nartelle
Ste. Maxime 83120, France

Multigestion –**Les Marines de Grimaud**

Beauvallon
Ste. Maxime 83120, France

Naema Heights

Land Plot # 219
Rabwat Naema – Naema Bay
Sharm el Sheikh, Egypt

Navigator Beach Club

405 Old Wharf Road
Dennisport, MA 02639

Newport Beachside Resort

16701 Collins Avenue
Miami, FL 33160

Northeast Vacations at the Spa

Route 94
Vernon, NJ 07462

Northlake Lodges & Villas

987 Tahoe Boulevard
Incline Village, NV 89451

Oasis Canoa

Bayahibe
La Romana, Dominican Republic

Ocean Beach Club

351 Ocean Drive East
Key Colony Beach, FL 33051

Ocean Towers Beach Club

4311 S. Ocean Boulevard
North Myrtle Beach, SC 29582

One Napili Way

5355 Lower Honoapiilani Road
Lahaina, Maui, HI 96761

Orsa Maggiore

Via Pietragrande, 2
Madonna Di Campiglio (TN) 38084
Italy

Own Palermo Hollywood

Jose A. Cabrera 5556
Buenos Aires 1114, Argentina

Pacific Grove Plaza

620 Lighthouse Avenue
Pacific Grove, CA 93950

Pailahue

Km. 4, 6 Avenida Ezequiel Bustillo
E.P.N. 3 Mellipal
San Carlos de Bariloche, Río Negro
Argentina

Palazzo Catalani

Via Montecavallo 26
Soriano Nel Cimino (Viterbo), Italy

Palm Beach Holiday Club

Edificio Palm Beach
Calle Miami s/n, La Carihuela
Torremolinos, Málaga 29260
Spain

Paraíso Country Club

Praia do Carvoeiro
Lagoa, Algarve 8400, Portugal

Park Hotel Condominiums ∞

605 Main Street
Park City, UT 84060

Park Royal Buenos Aires

Suipacha 1092
Buenos Aires 1008, Argentina

Park Station II

950 Park Avenue
Park City, UT 84060

Parrot Tree Plantation

First Bight, Bay Islands
Roatan, 34101, Honduras

Pearl of the Dead Sea, The

Kibbutz Almog
D.N. Kikar Hayarden 90665, Israel

Pebble Beach Village

Urb. Amarilla Golf and Country Club
San Miguel de Abona
Tenerife 38620, Canary Islands, Spain

Penina Golf Apartments

Administração de Propriedades Lda.
Portimão, Algarve 8500, Portugal

Peninsula Bay Resort

Jalan Telaga Waja
Nusa Dua, Denpasar
Bali 80363, Indonesia

**Perennial Vacation Club –
Fun Tropicale**

Village Caraibe
Playa Dorada, Puerto Plata
Dominican Republic

Pestana Alvor Hotel

Praia Dos Tres Irmaos
Portimão, Algarve 8500, Portugal

Phoenix Timeshare Resort

212 Lake Terrace
Taupo, New Zealand

**Pinares del Cerro Club
Vacacional**

Roque S. Peña y Paraná
Carlos Paz, Córdoba
Argentina

Pine Acres Lodge

1150 Jewell Avenue
Pacific Grove, CA 93950

Pines at Island Park, The ◇

3907 Phillips Loop Road
Island Park, ID 83429

Pire-Hue

Villa Cerro Catedral
San Carlos de Bariloche
Río Negro, Argentina

Plantation House

South Seas Plantation Road
Captiva Island, FL 33924

Point at Poipu, The

1613 Pe'e Road
Koloa, Kauai, HI 96756

Points North Resort

2211 U.S. 31 North
Traverse City, MI 49686

**Polus Palace Thermal Golf Club
Hotel**

Kadar u. 49
Goed, Hungary 2132

**Pono Kai Pacific Fantasy
Timesharing**

1250 Kuhio Highway
Kapaa, Kauai, HI 96746

Ponta Grande Carvoeiro

Sesmarías, Praia do Carvoeiro
Lagoa, Algarve 8400, Portugal

Posada del Bosque

Aromo y Beneveto
Carilo, Buenos Aires 7167, Argentina

Port Largo Villas Resort

417 Bahia Drive, Mile Marker 100
Key Largo, FL 33037

Posada del Sol

Avellano y Playa Cariló, Pinamar
Buenos Aires 7167, Argentina

Potrero de los Funes

Las Chacras Km. 14, 5-Ruta 18
San Luis, Argentina

Praia das Caravelas

Estrada Cabo Frio/Buzios 12.300
Armação Dos Buzios
Buzios Cabo Frio, RJ 28900, Brazil

**Predator Ridge Resort –
Falcon Point Cottages**

272 Chicopee Road
Vernon, British Columbia
British Columbia V1H 1T2, Canada

**Premiere Vacation Club –
Roundhouse Resort ◇**

5829 Buck Springs Road
Pinetop, AZ 85935

Puerto Horizonte Apart Hotel

Av. del Mar y Tobias
Pinamar, Buenos Aires, Argentina

**Puerto Mogán la Venezia de
Canarias**

Local 328, Urb. Puerto Mogán
Gran Canaria 35138
Canary Islands, Spain

Quality Hill Resort Villas

Branding Iron Loop Road PTLCL
Pinetop, AZ 85935

Regency at Paradise Court

Paradise Court, Nr. 5 Calle Irlanda
Playa de las Americas
San Eugenio Alto
Adeje, Tenerife 38660
Canary Islands, Spain

Résidence Antigone Montpellier

Le Relais Bleus
890 Avenue Jean Mermoz
Montpellier 3400, France

Residence Baiazzurra

Località Vulcanello
Baia di Ponente
Vulcano, Isole Eolie
Lipari 98050, Italy

Residence Club at Ocotal, The

Carretera a Ocotal del 2ndo Puente
Playas del Coco, Costa Rica

Résidence de la Tour

43 Avenue Pierre La Rousse
Malakoff 92240, France

Residenza Torre Rinalda

Litoranea Salentina, CP 152
Loc. Torre Rinalda, Lecce 73100, Italy

Resort at Diamante, The

Boulevard Diamante s/n Col. Los
Cangrejos
Cabo San Lucas, BS 23473
Mexico

Resort at Great Gorge, The

Route 94
Vernon, NJ 07462

**Resort Club at Minerals Resort
& Spa, The**

Route 94
Vernon, NJ 07462

Rhinefield House

Rhinefield Road, Brockenhurst
Hampshire SO42 7QB
United Kingdom

Ridge Resort, The

Goldfields Heights
Queenstown, New Zealand

**Royal Aloha Vacation Club –
Butterfield Park Condominium**

886 West Galveston
Chandler, AZ 85224

**Royal Aloha Vacation Club –
Keauhou Kona Surf and
Racquet Club**

78-6800 Alii Drive
Kailua-Kona, Hawaii, HI 96740

**Royal Aloha Vacation Club –
Nueva Andalucía**

Calle 138 No. 45-B
Nueva Andalucía Garden Club
Nueva Andalucía, Marbella
Málaga, Spain

**Royal Aloha Vacation Club –
Village By The Sea**

938 South Kihei Road
Kihei, Maui, HI 96753

Royal Golf Park

Golf del Sur, Parcela 12
Arona, Tenerife 38620
Canary Islands, Spain

**Royal Siam Vacation Village at
Burapha**

281/1 Moo 4
Tumbon Baan Bueng
Sraracha 20110
Thailand

Rukan Lomakylä 1

273 A Kemijärvi
Rukatunturi 93825
Finland

Saariselkä

Künsteistö Oy Siulaselkä
Saariselkä 99830
Finland

Saint Tropez Condominium

81 Street and Ocean Coastal Highway
Ocean City, MD 21842

Salou Aquamarina

Emili Vendrell 17
43480 La Pineda-Vilaseca
Tarragona, Spain

**San Francisco Suites and
Shell Vacations Club at
San Francisco Suites**

710 Powell Street
San Francisco, CA 94108

San Marcos Apartamentos

Avenida de San Marc, 9
Playas de Albir
Alicante 03580
Spain

Sanctuary Resort & Spa, The

Playa Azul, 4 Km. Sur de Marbella
Guanacaste, Costa Rica

Sandcastle South Resort ∞

2207 South Ocean Boulevard
Myrtle Beach, SC 29577

Sandpebble Beach Club

215 Atlantic Avenue
Garden City, SC 29576

Sandy Shores III

1425 Waccamaw Drive
Garden City, SC 29576

**Sauce Alto Resort and Country
Club**

Km. 25.5 Carretera Cienegu
Lima, Cieneguilla, Peru

Sea Mystique

215 Atlantic Avenue
Garden City, SC 29576

Seasons at Knocktopher Abbey

Knocktopher
County Kilkenny
Ireland

Seasons Resort, The

5736 S. Texas Avenue
Orlando, FL 32839

Secret Garden

Circuit de la Palmeraie, BP 1488
Marrakech 40 000, Morocco

**Shengteng Vacation Club –
Jinfeng Yinhu Holiday Hotel**

Guailiu Lane Shuhe Ancient Town
Lijiang, Yunnan 674100, China

Signum Las Palmas

600 East Canfield Street
Avon Park, FL 33825

Skier's Lodge∞

1235 Norfolk Avenue
Park City, UT 84060

**Sosúa By The Sea Boutique
Beach Resort**

Calle Bruno Phillips
Sosúa, Puerto Plata
Dominican Republic

South Shore Club

1625 South Ocean Boulevard
Delray Beach, FL 33483

**StaySky Vacation Club at
Enclave Suites**

6165 Carrier Drive
Orlando, FL 32819

Steamboat Landing

161 Brooks Street, S.E.
Fort Walton Beach, FL 32548

Sun Pond Holiday Club

Korpilammentie
Espoo 02970, Finland

**Sun Village Resort and Spa –
Cofresi**

Cofresi Beach, Puerto Plata
Dominican Republic

Sunburst Condominiums◇

3325 Meadow Lane
Steamboat Springs, CO 80477

Sunrise Bay Resort and Club

10 Tampa Place
Marco Island, FL 34145

Surfsider

1443 South Ocean Boulevard
Pompano Beach, FL 33062

**Sweetwater at the Waikiki
Banyan**◇

201 Ohua Avenue
Honolulu, HI 96815

**Swiss Garden International
Vacation Club at Golf Resort
& Spa Damai Laut**

Persiaran Swiss-Garden
Jalan Damai Laut, Off Jalan
Teluk Senangin
Lumut, Perak Darul Ridzuan 32200
Malaysia

**Taksu Holiday Club at Taksu
Resort**

Br. Dinas Surabelta
Lalang Selemadeg, Tabanan Bali
Bali, Indonesia

**Thunder Mountain
Condominium**◇

2030 Walton Creek Road
Steamboat Springs, CO 80477

**Thurnham Vacation Club at
Club Britannia**

28-29 Marine Parade
Eastbourne, East Sussex BN22 7AY
United Kingdom

Tilcara Sierras

Vivaldi 100 – Villa del Lago
Carlos Paz, Córdoba 5152
Argentina

Timber Ridge

91400 Ryan Gulch Road
Silverthorne, CO 80498

Topsider I Resort

U.S. Route 1, Mile Marker 75.5
Islamorada, FL 33036

Treasure Shores Beach Club

10360 Gulf Boulevard
Treasure Island, FL 33706

Triton Suites and Beach

c/o Principal De Playa Norte
Chichiriviche, Venezuela

Tyndall Stone Lodge

4338 Main Street
Whistler, British Columbia, Canada

Ute Hotel

Via Gorizia 41
Jesolo Lido, Venice, Italy

**Vacation Internationale –
Beachcomber Resort**

813 Ocean Shores Blvd. NW
Ocean Shores, WA 98569

**Vacation Internationale –
Clock Tower at Whistler, The**◇

4341 Village Lane
P.O. Box 172, Whistler
British Columbia V0N 1B0
Canada

**Vacation Internationale –
Elkhorn Resort at Sun Valley**◇

100 Elkhorn Road
Sun Valley, ID 83354

**Vacation Internationale –
Fairway Villa**◇

2345 Ala Wai Boulevard
Honolulu, Oahu, HI 96815

**Vacation Internationale –
Kapaa Shore**◇

4-0900 Kuhio Highway
Kapaa, Kauai, HI 96746

**Vacation Internationale –
Kingsbury of Tahoe**◇

335 Tramway
Stateline, NV 89449

**Vacation Internationale –
Pinnacle Lodge**

Sun Peaks, BC
Canada

**Vacation Internationale –
Rosewood Inn**

595 Michigan St.
Victoria, BC V8V 1S7, Canada

Vadella Pueblo

c/Vistamar, 53; P. O. Box 17
Cala Vadella, San José
Ibiza 07830, Balearic Islands, Spain

Valley Inn Resort, The

Tecumseh Road
Waterville Valley, NH 03215

Villa L'Auberge

1570 Camino Del Mar
Del Mar, CA 92014

Villa Rubinacci

Via Correale 25
Sorrento, Naples 80065, Italy

Village by the Gulf

1148 West Beach Boulevard
Gulf Shores, AL 36542

Villas at Nakoma

348 Bear Run Road
Clio, CA 96101

Villas Bavaro Club

Bavaro Beach, Bavaro
Higüey, Dominican Republic

Villas of Gold Canyon, the

6100 South Kinas Ranch Road
Gold Canyon, AZ 85218

**Villas on the Glen & Lodges
on the Glen**

971 Tahoe Boulevard
Incline Village, NV 89451

Westerwälder Hof

Am Steinhohn 6
Windhagen-Kohlershohn 53578
Germany

Whitecliffs Beach Resort

2511 Nepean Highway
Rye, Victoria 3941
Australia

Windy Shores II

3217 South Ocean Boulevard
North Myrtle Beach, SC 29582

Woodrun Lodge∞

4910 Spearhead Drive
Whistler, British Columbia V0N 1B4
Canada

Wolf Creek Village II◇

3618 North Wolf Creek Drive
Eden, UT 84310

**World International Vacation
Club – Conchas Chinas**◇

Rinconada de las Ostras s/n
Puerto Vallarta, Jalisco
Mexico

WorldMark at Cairns

49/72 Kowinka Street
Cairns, Queensland, 4868
Australia

WorldMark Cape Schanck

41 Trent Jones Drive
Cape Schanck, Australia

WorldMark Coffs Harbour

All Seasons Pacific Bay Resort
Pacific Highway & Bay Street
Coffs Harbour New South Wales
Australia

WorldMark Lake Chelan

235 W. Manson Highway
Chelan, WA 98816

WorldMark McCall

815 Sorrel Court
McCall, ID 83638

WorldMark Pismo Beach

140 Ocean View Avenue
Pismo Beach, CA 93449

WorldMark Pokolbin Hills

Corner McDonalds & Broke Road
Pokolbin, New South Wales, Australia

WorldMark Port Macquarie

2 Murray Street
Port Macquarie
New South Wales, Australia

WorldMark Port Stephens

5 Horizons Drive
Salamander Bay
New South Wales 231, Australia

WorldMark Schooner Landing

201 N.W. 66th Drive
Newport, OR 97365

WorldMark Valley Isle

4327 Lower Honoapiilani
Lahaina, Maui, HI 96761

Xurupita Holiday Resort

Rua B 27-28 Vila Xurupita
Porto Seguro, Bahia, Brazil

**Zorgvliet Private Residence
Club at Ka'ingo Private
Reserve & Spa**

Bulgerivier
P. O. Box 580
Vaalwater 0530, South Africa

**RESORTS WITH
6 – 10 UNITS
PARTICIPATING
AND AVAILABLE
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**Accor Vacation Club at
Novotel Palm Cove Resort**

Coral Coast Drive
Cairns, Queensland 4879, Australia

Alf Leila Wa Leila

South of Agawish
South Hurghada
Hurghada, Egypt

Alia Club, The

Limani Hersonisou
Crete, Greece

Alii Kai II

3830 Edwards Road
Princeville, Kauai, HI 96714

Apartamentos Amarilis

Avenida V-3
Praila de Rocha
Portimao, Algarve, 8500, Portugal

Atlantic Beach Casino Resort

319 Atlantic Avenue
Westerly, RI 02891

Aurum Vacation Club

Matyas Kiraly Setany 3
Hajduszoboszlo 4200, Hungary

Balboa Club

Avenida Camaron Sabalo s/n
Mazatlán, Sinaloa 82110, Mexico

Belize Vacation Club

Coconut Drive, Ambergris Caye
P. O. Box 62
San Pedro, Belize

Blue Pelican Club

Billy Folly Road
Pelican Key
St. Maarten, Dutch Caribbean

Bóvedas de Santa Clara

Carretera 8 No. 39-114
San Diego, Cartagena DC, Colombia

**Brandermill Resort & Marina
Timeshare**

13550 Harbour Pointe Parkway
Midlothian, VA 23112

Branson Thousand Hills

2800 Green Mountain Drive
Branson, MO 65616

Bungalows Los Robles

c/Tomas Morales
9 Urb. Sonnenland
San Bartolomé de Tirajana
Maspalomas, Gran Canaria 35100
Canary Islands, Spain

**Calabogie Highlands Vacation
Villas**

1234 Barryvale Road
Calabogie, Ontario K0J 1H0, Canada

Canyon River Ranch

14700 Canyon Road
P. O. Box 786
Ellensburg, WA 98926

CeBlue Villas and Beach Resort

Crocus Bay Road
Crocus Bay, Anguilla

Chapel Stile at Langdale Estate

Langdale Estate
Great Langdale, Nr. Ambleside
Cumbria LA22 9JD
United Kingdom

Cascade Lodge∞

4315 Northlands Blvd.
Whistler, British Columbia V0N 1B4
Canada

Christmas Mountain Resort

Christmas Mountain Road
Glen, NH 03838

Club Casablanca

Parroquia Tonchigue
Resinto Same
Esmeraldas, Ecuador

Club del Bosque

42 entre Av. Mar del Plata y Mar Azul
Villa Gesell, Buenos Aires, Argentina

Club Delta at Club Mykonos II

Ornos
Mykonos 84600, Greece

**Club Estela Dorada at
Gruphotel Club Novelty**

Calle Berlin, 5
Salou, Tarragona 43840
Spain

Club Intrawest – Ucluelet

1971 Harbour Crescent
Ucluelet, BC, Canada

**Club La Costa Las Farolas
Royale**

Ctra de Cadiz KM 203
Mijas-Costa, Málaga 29649
Spain

Club La Costa Oliva Beach Club

Urb. Oliva Nova
Valencia 46780
Spain

**Club Mondial International at
Residence Van Gogh**

Parmentierlaan 209-211
Knokke 83000, Belgium

Club Mykonos II

Ornos
Mykonos 84600, Greece

Club Pacific Queenstown

14 Yewlett Crescent, Frankton
Queenstown, New Zealand

Club Pacific Westharbour

327 Hobsonville Road
Hobsonville, Auckland, New Zealand

Club Playa Vista at Copacabana

c/o Aztec Country Club
c/Libra Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Residencial Avandaro

Calle Vega del Valle
Avandaro, Valle de Bravo 51200
Mexico

Club Royale at Copacabana

c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Royale at Sierra Blanca

c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

**Club Sol y Vista at Hotel Puerto
Azul**

Av. de la Cornisa
Puerto Rico, Gran Canaria 35139
Canary Islands, Spain

Club Suites on Malta

Eden Bay Resort
St. George's Bay
St. Julian's STJ 07
Malta

Condorama International

#1 Beau Soleil
Beaupré, Québec G0A 1E0, Canada

Coral Sands Beach

3611 Collins Avenue
Miami Beach, FL 33140

Corfu Resort

Apraos, Kalamaki
Corfu, Greece

**Cottages at Windermere House,
The**

2508 Windermere Road
Windermere, Ontario P0B 1P0
Canada

**Eaglewood at Ruttger's Sugar
Lake Lodge**

1000 Otis Lane
Cohasset, MN 55721

El Bergantín Menorca Club

Urb. Playas de Fornells
Fornells, Menorca 07748
Balearic Islands, Spain

**Elterwater Hall at Langdale
Estate**

Langdale Estate, Great Langdale
Nr. Ambleside, Cumbria LA22 9JD
United Kingdom

**Exclusivacations at Miami
Beach**

6525 Collins Avenue
Miami Beach, FL 33141

F.D.R. Vacation Club

Runaway Bay
St. Ann, Jamaica

**Fitzpatrick Castle Holiday
Homes**

Hill Park
Killiney, County Dublin
Ireland

Fox Run Resort

1923 Walker Trail
Pigeon Forge, TN 37876

**Glacier Ridge Condos at Devil's
Head**

S6330 Bluff Road
Merrimac, WI 53561

Grand Cascades Lodge

3 Wild Turkey Way
Hamburg, NJ 07419

**Grande View Residences at
Grande Bay**

Bay Street, Cruz Bay Quarter
Cruz Bay, St. John 00831
U.S. Virgin Islands

Harbor at Depoe Bay, The

34 Sunset Street
Depoe Bay, OR 97341

Harbor Vacations Club

1880 Harbor Island G. Dock
San Diego, CA 92101

Harbourside II

1141 Broad Creek Road
New Bern, NC 28560

**Harbourview Villas at South
Seas Resort**

950 Plantation Road
Captive, FL 33924

Heffley Boutique Inn

3185 Creekside Way
Sun Peaks, British Columbia V0E 1Z1
Canada

HHoliday Vacation Club

Boulevard Morazan
1era Calle 11 Avenue
San Pedro Sula, Honduras

Hipocampus Resort

Brown 240, Villa Carlos Paz
Córdoba 5152, Argentina

Hokkaido Tracks Vacation Club – Kira Kira

189 – 16 Aza Yamada
Kutchan, Hokkaido 044 0081, Japan

Hokkaido Tracks Vacation Club – Kisetsukan

155 – 149 Aza Yamada
Kutchan, Hokkaido 044 0081, Japan

Hotel and Club de Playa el Parador

Punta Quepos, Aguirre, Puntarenas
Quepos, Costa Rica

Hotel Calinda Cabo Baja Quality Inn

4.5 Transpeninsular Highway to La Paz
Cabo San Lucas, B.C.S. 23400
Mexico

Hotel Cola de Caballo

Ctra. a Cola de Caballo Km. 6
Santiago, Nuevo León, Mexico

Hotel Jalim

Av Cel Cirilo S/N Centro
Caldas Novas, Brazil

Hotel São Sebastião da Praia

Avenida Campeche, 1373
Florianópolis, Brazil

Hotel Terraza del Pacífico

Playa Hermosa Jaco CR, 168 Jaco
Puntarenas, Costa Rica

Huerta Grande Village Resort

Av. Buenos Aires S.
Huerta Grande, Córdoba, Argentina

Inn at Los Abrigados, The, and Premiere Vacation Collection at The Inn at Los Abrigados

170 Portal Lane
Sedona, AZ 86336

Inn at St. Ives, The

9940 St. Ives Drive
Stanwood, MI 49346

Isle of Palms Resort and Beach Club

1300 Ocean Boulevard
Isle of Palms, SC 29451

Itacare Village

Rodovia Ilheus Itacare, Km. 64
Bahia 45530-000, Brazil

Kaanapali Keys at Papakea Beach Resort

3543 Honoapiilani Highway
Lahaina, Maui, HI 96761

Kaimanawa Lodge

Taupahi Road
Turangi, New Zealand

Ke Nani Kai

Kepuhi Place
Kalua Koi, Molokai, HI 96770

Ketch Court

6 Lighthouse Road
Hilton Head Island, SC 29938

Kildare Landing at Bell Bay Golf Club

Bell Bay Way
P.O. Box 190
Baddeck, Nova Scotia B0E 1B0
Canada

Kona Islander Vacation Club

75-5778 Kuakini Highway
Kailua-Kona, Hawaii, HI 96740

Kultakivi

Putikko 58550
Finland

Kyriad Torcy

3, Avenue Jean Moulin
Torcy 77200, France

La Sammana

1400 West Brigantine Boulevard
Brigantine Beach, NJ 08203

La Victoria Casa de Campo

Ruta 42, Km. 9, Tomas Jofre
Mercedes, Buenos Aires, Argentina

Lady Luck Resort Casino

206 N. 3rd Street
Las Vegas, NV 89101

Laguna Vacation Club at Angsana Resort & Spa

Site A4 Lagoi
Bintan Island, Bintan, Indonesia

Lake Marion Resort and Marina

510 Ragtime Trail
Route 2, Box 945
Santee, SC 29142

Lantern Bay Resort

100 Lantern Bay Road
Branson, MO 65616

Las Brusquitas

Ruta Provincial 77
Paraje Las Brusquitas
Miramar 7607, Argentina

Lepokatti

Vuokatinrinne
Vuokatti 88610, Finland

Lifetime Vacation Club at Miraflores II

Carretera de Cádiz Km. 199
Mijas-Costa, Málaga 29647, Spain

Lion Resorts – Club Alias Aliathon Holiday Village

Poseidonos Avenue
Kato Paphos, 8063, Cyprus

LM Hotel Boutique

Punta Matzoma No. 23 & 33
Mza 24 Plano 3
Puerto Aventuras
Quintana Roo 77750
Mexico

Lodges at Fox Hollow Lake, The

50 StoneBridge Parkway
StoneBridge Village
Branson West, MO 65737

Luna Runtún Resort and Spa

Caserio Runtún Km. 6
Baños, Tungurahua, Ecuador

Mandalay Shores Resort

5226 Neptune Square
Oxnard, CA 93035

Mansión del Río

Bahia Paraiso
Aldea San Felipe de Lara
Río Dulce, Livingston, Izabal
Guatemala

Manteo Beach Club

3766 Lakeshore Road
Kelowna, British Columbia V1W 3L4
Canada

Marti Vacation Club at Tekirova

Tekirova
Kemer, Antalya 07980, Turkey

Menam Riverside Hotel

2074 Charoenkrung Road
Bangkorlaem, Bangkok 10120
Thailand

Mercure Grand San Moritz

10-18 Brunswick Street
Queenstown 9197, New Zealand

MIA at Riviera Maya

Lote 16-D-01, Manzana 40,
Supermanzana 12
Rancho Maria Irene, Riviera Maya
Quintana Roo 77580, Mexico

Mount Malarayat Golf & Country Club

Barrangay Dagatan
Lipa City, Batangas Province
Philippines

Mountainview Resort

263 Main Street
Jackman, ME 04945

Night Heron Loft

8 Lighthouse Road
Hilton Head Island, SC 29928

North Star Condominium

2955 Columbine Drive
Steamboat Springs, CO 80487

Northstar Lodge, a Hyatt Residence, The

970 Northstar Drive
Truckee, CA 96161

Ocean Club at Jamaica Inn, The

Main Street
P. O. Box 1
Ocho Rios, Jamaica

Ocean Watch Beach Club

Cayuga Street Ocean Bay Park
Ocean Watch Beach, NY 11770

Ocho Cascadas

Villas Ocho Cascadas
Apartado 495
Puerto Vallarta, Jalisco, Mexico

Ona Gemelos XV

Av. Montecarlo s/n, Rincón de Loix
Benidorm, Alicante 03500, Spain

Options by MacDonald at Dalfaber Resort Chalets

Dalfaber Estate
Aviemore, Inverness
Scotland PH22 1ST, United Kingdom

Options by MacDonald at Forest Hills Hotel and Resort II

Forest Hills Hotel
Kinlochard
Aberfoyle by Stirling, FK8 3TL
United Kingdom

Oreti Village

Mission Bay Drive
Pukawa Bay, Lake Taupo Road
Pukawa, New Zealand

Palace View Resort

700 Blue Meadows Drive
Branson, MO 65616

Paradise Point Resort

250 Lakewood Drive
Hollister, MO 65672

Paraíso del Sol

Cabarete Road
Cabarete, Puerto Plata
Dominican Republic

Peaceful Bay Resort and Club

137 Peaceful Lane
Lakeside, MT 59922-0556

Pebble Beach Village

Urb. Amarilla Golf
San Miguel de Abona, Tenerife
Canary Islands, Spain

Pinares de Punta del Este Vacation Club

Camino de la Laguna, Parada 34
Punta del Este, Uruguay

Pirates Cove Resort

3501 South Atlantic Avenue
Daytona Beach Shores, FL 32127

Pivko Village

Kibbutz Kabri
D.N. Oshrat 25120, Israel

Plantation Club Villas

18 Lighthouse Road
Hilton Head Island, SC 29928

Pousada Villa Camboa

Estrada do Cambury, 1, 113
Bairro de Cambury
Praia de Cambury, Sao Sebastiao
Brazil

Powder's Edge ∞

4050 Whistler Way
Whistler, British Columbia V0N 1B4
Canada

Racquet Club Villas

108 Lighthouse Road
Hilton Head Island, SC 29938

Résidence Acropolis

58 Boulevard Risso
Nice 06300, France

Residence Berghof

Am Predigtstuhl 4
St. Englmar 94379, Germany

Residence Club at Hotel McCall

1101 North 3rd Street
McCall, ID 83638

Residence Club South Shore

180 Elks Point Road
Zephyr Cove, NV 89448

Résidence le Christiania

Alpe D'Huez 38750, France

Residence Van Gogh

Parmentierlaan 209-211
Knokke 83000
Belgium

Résidôtel Le Stanley

Rue de la Riviera
Noumea 98845, New Caledonia

Resorts West at Surfside Inn

31512 "J" Place
Ocean Park, WA 98640

Rockridge Townhomes

1000 Atlantic Lode Drive
Breckenridge, CO 80424

**Royal Aloha Vacation Club at
Lantern Bay Condominium**

200 Lantern Bay Road
Branson, MO 65616

Royal Dunes Resort

8 Wimbledon Court
Hilton Head, SC 29928

Sea Horse Inn

Km. 25 Via a San Luis
San Andres Isla, Colombia

Sea Scape Quarters

441 South Sea Scape Drive
Kitty Hawk, NC 27949

Seasons at Whistler, The

4368 Main Street, Suite 106
Whistler, British Columbia V0N 1B4
Canada

Seaview Condominiums

115 North Miller Street
Rockaway Beach, OR 97136

Seawinds II Resort ◇

128 Olde Wharf Road
Dennisport, MA 02639

**Sedes Vacation Club at Parque
Albatros**

Golf del Sur
San Miguel de Abona
Tenerife, Canary Islands, Spain

Shawnee Inn

River Road
Shawnee-On-Delaware, PA 18356

Shengteng Vacation Club

Howard Johnson Resort Sanya Bay
Haipo Development Zone
Sanyawan Road
Sanya, Hainan 572000, China

Siam Thani

391/51 Mooloo Tapaya Road
Pattaya City 20260, Thailand

Snowbird ∞

4865 Painted Cliff Road
Whistler, British Columbia V0N 1B4
Canada

Somni Aranes

Residencia Los Abetos
c/Monteorbison, No. 17
Edificio A, Local 2
Vielha, Lleida 25530, Spain

Spirit Ridge Residence Club

1200 Rancher Creek Road
Osoyoos, BC V0H 1V6, Canada

St. Christopher Club

P.O. Box 570
Frigate Bay, St. Kitts
St. Kitts & Nevis

Stella del Sud

Via Nazionale 4
Caprioli di Pisciotta (SA) 84040, Italy

Steele Hill Resort

516 Steele Hill Road
Sanbornton, NH 03269

**Swiss Garden International
Vacation Club at Kuantan**

2656-2657 Mikim Sungai Karang
Balok Beach, Pahang, Darul Makmur
Beserah, Kuantan 26100, Malaysia

**The Resort Group Vacation Club
at Tortuga Beach Resort
& Spa**

Ponta Preta Beach
Santa Maria, Sal Island, Cape Verde

Tivoli Vacation Club

Rua Semplicio dos Passos Gouveia, 29
Ocean Park Promenade
Funchal, Madeira, 9000-100, Portugal

**Treehouse Village at Lake
Forest**

3801 Eagle Waters Road
Eagle River, WI 54521

Trillium Resort and Spa Limited

848 Clearwater Lake Road
Port Sydney, Ontario P0B 1L0
Canada

**Vacation Internationale –
Hololani** ◇

4401 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

**Vacation Internationale –
Kihei Kai Nani** ◇

2495 South Kihei Road
Kihei, Maui, HI 96753

**Vacation Internationale –
Oceanside Marina Inn** ◇

2008 Harbor Drive North
P.O. Box 3543
Oceanside, CA 92054

**Vacation Internationale –
Royal Victoria Suites**

1413 Government St.
Victoria, BC V8V 1S7
Canada

Victorian Villas, The

124 Queen Street
Niagara-on-the-Lake
Ontario L0S 1J0
Canada

View Talay Villas Holiday Resort

404/5 Moo 12 Thapraya Road
Jomtien Beach, Chonburi 20260
Thailand

Vila Baia

Rua Alfredo do Nascimento Baptista
Lote 35, R/C
Luz, Portugal 8600-152

Village La Corte

Rua Dos Lirios, 3 Village I
Porto Seguro, Bahia 45810-000
Brazil

Villas of Gold Mountain

348 Bear Run Road
Clio, CA 96101

Villas Mediterráneas

Hortencias Sur s/n L. 49
Puerto Vallarta, Jalisco 48390
Mexico

Watermark

Carretera Duarte, Kite Beach
Cabarete, Puerto Plata
Dominican Republic

Westgate River Ranch

3600 River Ranch Boulevard
River Ranch, FL 33867

Wildwood Shores

1 Pine Boulevard
Huntsville, TX 77340

Windemere

523 South Ocean Boulevard
North Myrtle Beach, SC 29598

Wintergreen at Midway ◇

800 Lime Canyon Road
Midway, UT 84049

WorldMark at Golden Beach

75 The Esplanade
Caloundra, Queensland 4100
Australia

**Zorgvliet Private Residence
Club at Alluvia Specialist
Winery**

Glen Arum Road
P.O. Box 6365, Stellenbosch
South Africa

**Zorgvliet Private Residence
Club at Zorgvliet Vineyard
Lodge and Spa**

Bonhoek Valley
Helshoogate Pass
Stellenbosch 7599
South Africa

**RESORTS WITH
1 – 5 UNITS
PARTICIPATING
AND AVAILABLE
FOR OCCUPANCY****1492 Suites at La Pinta Beach
Club**

Avda de Espana No. 5
Playa de las Americas, Costa Adeje
Tenerife, Canary Islands 38660
Spain

**Absolute Private Residence
Club at Jinqiao**

No. 55 Guangqumen Beili
Beijing (Chong Wen District)
China

**Accor Vacation Club at Mercure
Grand San Moritz**

10-18 Brunswick Street
Queenstown 9197
New Zealand

**Accor Vacation Club at Novotel
Lake Crackenback**

Alpine way via Jindabyne
Snowy Mountains
New South Wales
Australia

Ähtäri Loma-Club

Moksunsalontie
Ahtari 63700, Finland

Anantara Vacation Club at Oaks Shores

327-343 Frankton Road
(State Highway 6)
Queenstown
New Zealand

Anantara Vacation Club Bangkok Sathorn

36 Narathiwat-Ratchanakarin Road
Bangkok 10120
Thailand

Anantara Vacation Club Sanya

No. 15 Xiaodonghai Road
Hedong District
China

Andorra II

Playa de las Américas
Tenerife, Canary Islands, Spain

Batam View Beach Resort

Jalan Hang Lekir
Nongsa, Batam Island, Indonesia

Beach Republic Royal Nirvana Private Residences

176/34 M. 4 Tambon Maret
Koh Samui, Suratthani 84310
Thailand

Beaver Village Condominiums

50 Village Drive
Winter Park, CO 80482

Beech Manor

101 Charter Hills Road
Banner Elk, NC 28604

Birdland Home and Holidays

Golf út. 2
Bükfürdő, Hungary

Blackbird Lodge Timeshare Program

305 8th Street
Leavenworth, WA 98826

Bogmallo Beach Resort

Bogmallo Beach
Goa, India

Branson Thousand Hills

2800 Green Mountain Drive
Branson, MO 65616

Canyon Woods Grande International Vacation

Canyon Woods Residential Resort
Laural 4221, Philippines

Classic Cruisers at Bray Marina

Bray Marina
Monkey Island Lane
Bray, Berkshire SL6 2EB, Great Britain

Club Flamingo

Calle Princesa Ico, N° 15
Apartamento Timanfaya
Puerto del Carmen, Lanzarote
Canary Islands, Spain

Club Marina Tenerife Sur

Avenida Tavio
Costa del Silencio, Tenerife 38360
Canary Islands, Spain

Club Vacacional Coomeva at Club de Los Andes

Km. 35 Via Cali
Popayan 31581, Colombia

Cofresi Palm Beach and Spa

Cofresi Beach
Puerto Plata, Dominican Republic

Colinas del Faro

Urb. El Faro, Colinas del Faro
Mijas-Costa, Málaga
Spain

Deckshare Club at Anderton Marina Canalboats

Anderton, Nr. Manchester
United Kingdom

Donato House Hotel, The

1080 Mosley Street
Wasaga Beach, Ontario L0L 2P0
Canada

El Ocotil

Playa Ocotil, Carrillo
Playa del Coco, Guanacaste
Costa Rica

Executive Timbers Resort and Golf Club

190 Devil's Pool Road
Ridgedale, MO 65739

Fisherman's Village at Jot's Resort

93460 Wedderburn Loop
Gold Beach, OR 97444

47 Park Street by Marriott Grand Residence Club

47 Park Street
Mayfair, London W1K 7EB
United Kingdom

Four Seasons Pacifica

2600 Avenida del Presidente
San Clemente, CA 92672

Frontenac Shores

R.R. #2
Cloyne, Ontario K0H 1K0
Canada

Grand Lodges

89000 Government Camp Loop Road
Government Camp, OR 97028

Great Bay Beach Hotel & Casino

Great Bay
St. Maarten, Dutch Caribbean

Gulf Stream Beach Resort

1501 Gulf Drive North
Bradenton Beach, FL 34217

Holiday Club Åre

Tegefjall, Åre 83013
Sweden

Holiday Club – Pattaya Hill Resort

329 Pratumnug Road
Pattaya City, Chonburi 20260, Thailand

Hotel Eigerblick

Grindelwald
Switzerland

Hotel Galileo Compass Club

Donovaly 976 39
Slovakia

Il Tramonto

Avenida Esteban Dufaur S/N
P.O. Box 8153
Monte Hermoso, Buenos Aires
Argentina

Jambo Vacation Club at I Giardini di Atena

SP Lecce – Vernole Km. 4
Merine di Lizzanello (Lecce) 73020
Italy

Kermikkä

Kermikkätie
Saariselkä 99830, Finland

Killarney Country Club

L.S. Faha, Killarney
County Kerry, Ireland

La Orquidea Heights

C/D Jose Orbaneja s/n
Sitio de Calahonda
Mijas-Costa, Málaga 29650
Spain

Laguna Holiday Club at Sheraton Grande Island Villas

10 Moo 4, Srisoonthorn Road
Tambol Cherg Talay, Talang
Phuket 83110, Thailand

Laguna Holiday Club at Sheraton Private Pool Villas

10 Moo 4, Srisoonthorn Road
Tambol Cherg Talay, Talang
Phuket 83110, Thailand

Lakes of the North

8548 Pineview
Mancelona, MI 49659

Lawai Beach Resort – Lika Lani Building

5017 Lawai Road
Koloa, Kauai, HI 96756

Le Soleil Vacation Ownership Club

567 Hornby Street
Vancouver, British Columbia V6C 2E8
Canada

Lion Resorts – Club Akamas

Akamanthea Holiday Village
Polis, Pafos 66301
Cyprus

Llethr House Vacation Club

Llethr House
Pendine
Carmarthenshire SA33 4PE
United Kingdom

Mar y Sol

Trasera Victoria Court
Los Cristianos, Tenerife E-38650
Canary Islands, Spain

Marina Palace

Av. Delfim Moreira, 630
Rio de Janeiro 22441, Brazil

Mercure Grand Hotel Internacional Foz

Rua Almirante Barroso, 2006
Parana, Brazil

Na Pali Kauai Club Alii Kai II

3830 Edwards Road
Princeville, Kauai, HI 96714

Nihi Kai Villas

1870 Hoone Road
Koloa, Kauai HI 96756

Ocean Isle Beach Club

18-3 Causeway Drive, S.W.
Ocean Isle Beach, NC 28469

Oceana Private Club

13 Ingleside Road
Stellenbosch, Camps Bay 7599
South Africa

Old Killarney Village

Aghadoe
Killarney, County Kerry
Ireland

Options by Macdonald at Elmers Court Country Club & Resort

South Baddesley Road
Lymington, Hampshire SO41 5ZB
United Kingdom

Options by Macdonald at Forest Hills Hotel and Resort II

Forest Hills Hotel
Kinlochard
Aberfoyle by Stirling FK8 3TL
United Kingdom

Pafiana Heights

Pafiana Road
Yeroskipou-Konia
Paphos 8102, Greece

Paki Maui Beach Villas

3615 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Papakea Beach Resort

Hawaii Properties Ltd.
3543 Honoapiilani Highway
Lahaina, Maui, HI 96761

Pattaya Hill Resort

329 Kao-Praratamnak Hill
Pattaya City, Banglamung District
Chonburi 20260, Thailand

Penhaven Cottages

Rectory Lane
Parkham, Nr. Bideford
Devon EX39 5PL, Great Britain

Phoenix, The

2315 Après Ski Way
Steamboat Springs, CO 80487

Pine Ridge Inn Vacation Club

1200 S.W. Century Drive
Bend, OR 97702

Pinnacle, The

2507 South Ocean Boulevard
North Myrtle Beach, SC 29582

Plantation Bay Villas

South Seas Plantation
Captive Island, FL 33924

**Point-to-Point Destinations –
Glacier's Reach**

323-4388 Northlands Boulevard
Whistler, British Columbia V0N 1B4
Canada

Points North Inn

101 Michigan Avenue
Charlevoix, MI 49720

Port Villas

226 South Seas Drive
Hilton Head Island, SC 29938

Rachaburi Country Club

93 Moo 10 Tumbon Pakchong
Jombung District
Rachaburi 70150, Thailand

Renvyle Strand

c/o Renvyle House Connemara
County Galway, Ireland

Résidence le Silveralp

73440 Val Thorens
France

Résidence Les Bergers

Rocher Soleil Zac des Bergers
38 Alpe d'Huez
L'Alpe d'Huez 38750, France

**Résidence les Hameaux du
Mont d'Arbois**

411 Route du Mont d'Arbois
Zac du Colet, P.O. Box 74120
Megeve 74120, France

Residencial Diana

Camino de Cortes
Ctra. de Cádiz, Km. 168
Estepona, Málaga 29688, Spain

**Resorts West Vacation Club at
Cabana Club Condominium**

7530 Birch Bay Drive
Blaine, WA 98230

**Resorts West Vacation Club at
Kala Point Village**

20 Village Drive
Port Townsend, WA 98368

Rodd Mill River Resort

Highway #136, O'Leary
Prince Edward Island C0B 1V0
Canada

Royal Club

6, Avenue Pierre Loti
La Baule 44500, France

Sandy Square

11901 119th Street
Ocean City, MD 21842

Scottsdale Resort Club

8235 East Indian Bend Road
Scottsdale, AZ 85250

Sea Mountain

95-789 Ninole Loop Road
Punalu'u, Hawaii, HI 96777

Sea Village

75-6002 Alii Drive, Suite 10-A
Kailua-Kona, Hawaii, HI 96740

Seaside Resort∞

2301 S Ocean Boulevard
North Myrtle Beach, SC 29582

See the Sea◇

4465 Ocean Boulevard
San Diego, CA 92109

**The Sentinels at Kirkwood
Private**

1050 Kirkwood Meadows Drive
Kirkwood, CA 95646

Snowater

10500 Mount Baker Highway
Glacier, WA 98244

Somni Aragonés

Ed. Monteski
Prov. Huesca
Formigal-Sallent de Gallego 22640
Spain

Spinnaker Penthouse 901

3513 South Ocean Boulevard
Suite 901
North Myrtle Beach, SC 29598

**StaySky Vacation Club at
I Drive Orlando**

7601 Canada Avenue
Orlando, FL 32819

**StaySky Vacation Club at
Hawthorn Suites Lake
Buena Vista**

8303 Palm Parkway
Orlando, FL 32836

Summerfield Condo Resort

2425 Summerfield Way
Kissimmee, FL 34741

Sunborn Vacation Club

Matkailijantie 2
Naatali, Finland

**Sunchase Beachfront
Condominiums**◇

1010 Padre Boulevard
South Padre Island, TX 78597

Tahoe Vacation Condominiums

261 Quaking Aspen
Stateline, NV 89449

Tamarack Lodge

2035 US 31 North
Traverse City, MI 49686

Tattershall Park Country Club

Sleaford Road
Tattershall, Lincolnshire, LN4 4LR
United Kingdom

Tranquility Bay

2600 Overseas Highway
Mile Marker 48.5
Marathon, FL 33050

Trophy Run Resort

117 Trophy Run Road
Branson, MO 65616

**Tropical Suites at Hacienda
Resort**

Hacienda Resort
Cofresi
Puerto Plata, Dominican Republic

Tropical Trades at Paki Maui

3615 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Twin Oaks Villas

70 Plantation Drive
Hilton Head Island, SC 29938

**Vacation Club at Le Meridien
Kathmandu**

Gokarna Forest Golf Resort & Spa
Rajnikunja, Gokarna, Kathmandu, Nepal

**Vacation Internationale –
Kittyhawk Resort**

The Pines at Summer Meadow Road
Sunriver, OR 97707

**Vacation Internationale –
Pacific Shores Resort**

1600 Stroulger Rd.
Nanoose Bay, BC V9P 9B7
Canada

**Vacation Internationale –
Panorama Resort**

Panorama Mountain Village, Bag 7000
Panorama, BC V0A 1T0
Canada

**Vacation Internationale –
Tahoe Beach & Ski Club**◇

3601 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Valle del Lago

Km 4.3 Carretera Tapalpa-Chiquilistlan
Condominio Valle del Lago
Tapalpa, JA 49340
Mexico

Valhalla∞

4373 Northlands Boulevard
Whistler, British Columbia V0N 1B4
Canada

Valley Isle

4327 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Villaggio Italia

Av. Dr. Claudio Jose Gueiros Leite
10.161, Maria Farinha, PE
Recife
Brazil

Villas de Menorca

Club Santiago
Manzanillo, Colima 28860
Mexico

Whaler, The

2481 Kaanapali Parkway
Lahaina, Maui, HI 96761

**World International Vacation
Club – Villacana**

Km. 165 Carretera de Cádiz
Estepona, Málaga
Spain

**Zorgvliet Private Residence
Club at Dinkweng Safari
Camp**

New Ellisras Road
P.O. Box 580
Vaalwater 0530, South Africa

**Zorgvliet Private Residence
Club at Riviera on Vaal**

Mario Milani Drive
Vereeniging 1939, South Africa

PROGRAMS WITH 1,000 OR MORE MEMBERS

- Absolute Private Residence Club at
– Jinqiao
– Q Signature Spa and Resort
- Acadia Village Resort
- Accor Vacation Club
– Coral Coast Palm Cove
– Freshwater Point Resort
– Grand Mercure Basilidene Manor
– Grand Mercure Bowral
– Grand Mercure Bussleton
– Grand Mercure Forest Resort
– Grand Mercure Hotel Lofty House
– Grand Mercure Melbourne
– Grand Mercure Oakridge Resort
– Grand Mercure Pinnacle
– Grand Mercure Pinnacle Valley Resort
– Grand Mercure Puka Park Resort
– Grand Mercure The Links
– Grand Mercure The Vines
– Grand Mercure The Vintage
– Hotel St. Moritz Queenstown
– Legends Hotel Surfers Paradise
– Mermaid Beach Apartments
– Novotel Lake Crackenback Resort
– Novotel Nusa Dua Apartments
– Novotel Pacific Bay Resort
– Turtle Beach Resort Mermaid Beach
– Twin Waters Sunshine Coast
- Alpenland Sporthotel – St. Johann Im Pongau
- American Resorts International Holiday Network
– Alpenland Sporthotel
– Maria Alm
– St. Johann Im Pongau
- Americano Beach Resort, The
- Anantara Vacation Club
– Anantara Vacation Club Bangkok Sathorn
– Anantara Vacation Club Bophut Koh Samui
– Anantara Vacation Club at Oaks Shores
– Anantara Vacation Club Phuket Mai Khao
– Anantara Vacation Club Sanya
– Anantara Vacation Club Seminyak Bali
- Avenue Plaza Resort
- Azul Fives Hotel and Private Residences
- Azul Sensatori Hotel by Karisma
- Be Live Hamaca
- Beach Quarters
- Bel Air Collection Resort and Spa Vallarta
- Blue Tree Resort at Lake Buena Vista
- BlueBay Beach Club
- Bluewater Resort and Marina
- Boardwalk Resort Hotel and Villas
- Cabo Villas Beach Resort
- California Vacation Club
– Indian Palms Vacation Club
– Lodge at Kingsbury Crossing
– RiverPointe Napa Valley
- Calypso Cay Vacation Villas
- Caribbean Palm Village
- Carriage House at Pocono Manor
- Casa Dorada at Medano Beach
- Casa Dorada Spa & Golf Resort
- Castillo Beach Club
- Cibola Vista Resort & Spa
- Cliff Club at Snowbird, The
- Club Destin Resort
- Club Intrawest
– Blackcomb
– Blue Mountain
– Kauai
– Palm Desert
– Panorama
– Sandestin
– Tremblant
– Ucluelet
– Vancouver
– Whistler
– Zihuatanejo
- Club La Costa
– CLC World Alpine Center
– CLC World Benal Beach
– CLC World Castillo del Rey
– CLC World Encantada
– CLC World Las Farolas Royale
– CLC World Marina del Mar
– CLC World Marina del Rey
– CLC World Marina del Sol
– CLC World Marina Dorada
– CLC World Marina Park
– CLC World Mercure Gold Coast Resort
– CLC World Monterey
– CLC World Monterey Royale
– CLC World Oliva Beach Club
– CLC World Paradise
– CLC World Pueblo Marina
– CLC World Regal Oaks
– CLC World San Diego Suites at California
– CLC World Sierra Marina
– CLC World Sunningdale Village
- Club Navigo
– Charter Club Resort on Naples Bay
– Cove at Ormond Beach, The
– Crescent, The
– Grand Seas Resort
– Liki Tiki Village
– Parkway International Resort
- Club Prestige
- Club QM
– Club QM at Kingsbury Crossing
– Club QM at Ridge Sierra, The
– Club QM at Thunderbird Resort Club
– Club QM at Northlake Lodges and Villas
- Club Vacacional Coomeva
– Club de Los Andes
– Mendihuaca Caribbean Resort
- Clubhotel am Kreischberg
- Coconut Mallory Marina and Resort
- Coconut Palms Beach Resort
- Colonial Crossings of Williamsburg
- Colonies at Williamsburg, The
- Corail Royal Marina
- Corail Royal Plage
- Cove at Yarmouth, The
- Cranberry Waterfront Suites and Country Club
- Corwn Spa Resort Hainan, China Worldbest
- David Walley's Hot Springs and Spa Dawn Beach Club
- Diamond Resorts International – THE Club
– Alpine Club, The
– Alpine Club Schliersee Resort
– Balkan Jewel Resort
– Bent Creek Golf Village
– Broome Park Golf and Country Club
– Burnside Park Owners Club
- Cabo Azul Resort
– Cala Blanca
– Cala de Mar
– Cancún Resort
– Cedar Breaks Lodge
– Club Blanca
– Carlton Court
– Club de Carmen
– Club Mougins
– Cromer Country Club
– Cypress Pointe Resort
– Daytona Beach Regency
– Desert Isle
– Desert Paradise Resort
– Flamingo Beach Resort
– Flanesford Priory
– Gala Fjellgrend
– Garden Lago
– Grand Beach
– Grand Beach Vacation Resort
– Grande Villas
– Greensprings Vacation Resort
– Historic Powhatan Resort, The
– Island Links Resort
– Jardines del Sol
– Kaanapali Beach Vacation Resort
– Kenmore Club, The
– Lake Tahoe Vacation Resort
– Las Vegas Cancún Resort
– Le Manoir des Deaux Amants Resort
– London Bridge Resort II
– Los Amigos Beach Club
– Marquis Villas Resort
– Mystic Dunes Resort and Club
– Ocean Beach Club
– Palazzo Catalini Resort
– Palm Canyon Resort
– Pine Lake Resort
– Point at Poipu, The
– Polynesian Isles
– Ridge on Sedona Golf Resort, The
– Ridge Pointe, The
– Riviera Beach & Spa Resort I
– Riviera Beach & Spa Resort II
– Riviera Oaks
– Royal Dunes
– Royal Dunes at Port Royal
– Royal Oasis Benal Beach, The
– Royal Oasis Club at Pueblo Quinta
– Royal Palm Beach Resort
– Royal Regency
– Royal Sunset Beach Club
– Royal Tenerife Country Club
– Sahara Sunset Resort
– San Luis Bay Inn
– Santa Barbara Golf & Ocean Club
– Scottsdale Links Resort
– Scottsdale Villa Mirage
– Sedona Springs Resort
– Sedona Summit
– Suites at Fall Creek, The
– Suites at Polo Towers, The
– Suites on Malta
– Sunset Bay Club
– Sunset Harbor Club
– Sunset View Club
– Tahoe Seasons Heavenly Valley
– Varsity Clubs of America – South Bend Chapter
– Varsity Clubs of America – Tucson Chapter
– Vilar do Golf Resort Club
– Villas at Poco Diablo Resort
– Villas at Polo Towers, The
– Villas of Sedona
– Villas de Santa Fe Resort
– Westgate South Beach
- White Sands Beach Club
– White Sands Country Club
– Woodford Bridge Country Club
– Wychnor Park Country Club
- Dive Inn Resort
- Driftwood Resort, The
- Eagle Point
- El Cid Vacation Club
– El Cid Marina Beach
– El Cid El Moro Beach
- El San Juan Towers
- Elara, a Hilton Grand Vacation Club
- Emirates Vacation Club
- Escapes Travel Choices Club
- Fairfield Fairshare Plus Club
– Star Island Resort
– Wyndham Royal Vista
– Wyndham Governor's Green
- Fairmont Vacation Villas at Mountainside
- Falcon Point
- Fantasea Resort – Flagship
- Fantasy Island Resort
- Festiva's Adventure Club
– Atlantic Beach Villas
– Blue Ridge Village
– Cabins at Green Mountain
– Church Street Inn
– Ellington at Wachesaw
– Equivest Sands
– Mirror Lake/Tammarack
– Ocean Club
– Peppertree at Thousand Hills
– Peppertree by the Sea
– Rangeley Lake Resort
– Sandpebble Beach Club
– Sea Mystique
– The Yachtsman Resort
– Wild Wing Golf Village
- Flamingo Club
- Four Seasons Residence Club Aviará
- Galleria at Split Rock
- Galveston on the Gulf Resort
- Gardenia Plaza Resort
- Gatlinburg Town Square
- GlobeQuest by Casa Dorada
- Grand Caymanian Resort
- Grand Lodge on Peak 7
- Grand Luxxe Residence Club
- Grand Seas Resort
- Grand Solmar at Land's End Resort & Spa
- Grand Timber Lodge
- Hacienda Encantada Resort and Spa
- Hanalei Bay Resort
- Harbor Ridge
- Harborside at Atlantis
- Holiday Inn Club
- Holiday Park Resort
- Holly Tree Resort Hotel, The
- Hyatt Vacation Club
– Highlands Inn
– Hyatt Beach House Resort
– Hyatt Coconut Plantation
– Hyatt Escala Lodge at Park City
– Hyatt Grand Aspen
– Hyatt Hacienda del Mar
– Hyatt High Sierra Lodge
– Hyatt Ka'anapali Beach
– Hyatt Main Street Station
– Hyatt Mountain Lodge
– Hyatt Piñon Pointe
– Hyatt Siesta Key Beach
– Hyatt Sunset Harbor Resort
– Hyatt Wild Oak
– Hyatt Windward Pointe
– Northstar Lodge, a Hyatt Residence

- Residences at Park Hyatt Beaver Creek
- Imperial Fiesta Club at Casa Maya
- InnSeason Resorts – Falls at Ogunquit, The
- InnSeason Resorts – Pollard Brook
- InnSeason Resorts Vacation Club
 - InnSeason Resorts Captain's Quarters
 - InnSeason Resorts Cove at Yarmouth, The
 - InnSeason Resorts Falls at Ogunquit, The
 - InnSeason Resorts HarborWalk
 - InnSeason Resorts Mountainview
 - InnSeason Resorts Pollard Brook
 - InnSeason Resorts Sea Mist Resort
 - InnSeason Resorts South Mountain
 - InnSeason Resorts Surfside
- Island Residence Club at Golden Sands
- Island Seas Resort
- Jockey Club, The
- Kahana Beach Vacation Club
- Kahana Villa Vacation Club
- King's Creek Plantation
- Kona Coast Resort Interval Ownership, The
- Kona Coast Resort II
- La Cabana Beach and Racquet Club
- Lagos de Fañabe II
- Legacy Vacation Club Orlando
- Liki Tiki Village
- London Bridge Resort
- Los Cabos Golf Resort
- Magic Tree Resort
- Margarita International Resort
- Marriott's Aruba Ocean Club
- Marriott's Aruba Surf Club
- Marriott's Asia Pacific Club
- Marriott's Barony Beach Club
- Marriott's Canyon Villas at Desert Ridge
- Marriott's Club Son Antem
- Marriott's Custom House
- Marriott's Cypress Harbour
- Marriott's Desert Springs Villas
- Marriott's Desert Springs Villas II
- Marriott's Fairway Villas
- Marriott's Florida Club
- Marriott's Frenchman's Cove
- Marriott's Grande Chateau
- Marriott's Grande Ocean Resort
- Marriott's Grande Vista
- Marriott's Harbour Lake
- Marriott's Harbour Point at Shelter Cove
- Marriott's Kauai Beach Club
- Marriott's Ko Olina
- Marriott's Manor Club at Ford's Colony
- Marriott's Manor Club Sequel
- Marriott's Marbella Beach Resort
- Marriott's Maui Ocean Club
- Marriott's Monarch at Sea Pines
- Marriott's Mountain Valley Lodge at Breckenridge
- Marriott's MountainSide at Park City
- Marriott's Newport Coast Villas
- Marriott's OceanWatch Villas @ Grand Dunes
- Marriott's Phuket Beach Resort
- Marriott's Playa Andaluza
- Marriott's Royal Palms Resort
- Marriott's Shadow Ridge
- Marriott's Shadow Ridge Enclave
- Marriott's Summit Watch
- Marriott's SurfWatch
- Marriott's Timber Lodge
- Marriott's Village d'Île de France
- Marriott's Waiohai Beach Club
- Marriott's Willow Ridge Lodge
- Maui Beach Vacation Club
- Monarch Grand Vacation Club
 - Cabo Azul Resort
- Cancún Caribe Las Vegas
- Cedar Breaks Lodge & Spa
- Palm Canyon Resort
- Riviera Beach and Spa Resort
- Riviera Beach and Spa Resort Phase II
- Riviera Oaks Resort & Racquet Club
- Riviera Shores Resort
- Tahoe Seasons Resort
- Morritt's Tortuga Club
- Mountain Laurel Resort and Spa
- MountainLoft Resort
- Mystic Dunes Resort and Golf Club
- Newport Miami Beach
- NYX Hotel Cancún
- Oak N' Spruce Resort
- Oak Plantation
- Oasis Resorts
 - Grand Oasis Cancún Resort & Spa
 - Grand Oasis Palm Resort & Spa
 - Grand Oasis Sens
 - Grand Oasis Tulum
 - Oasis Cancún Resort
- Ocean Beach Club
- Ocean Club at Atlantic Beach
- Ocean Landings Resort and Racquet Club
- Omni Cancún Hotel & Villas
- Onagrup Club
 - Alanda Club Marbella
 - Onagrup Club Aldea del Mar
 - Onagrup Club Campanariode Calahonda
 - Onagrup Club Gemelos XV
 - Onagrup Club La Dorada El Tarter
 - Onagrup Club Marina Arpón
 - Onagrup Club Riviera
 - Onagrup Club Salou Aquamarina
- Orange Tree Interval Ownership Resort, The
- Oyster Bay Beach Resort
- Palace Elite Vacation Club
 - Beach Palace
 - Cozumel Palace
 - Isla Mujeres Palace
 - Le Blanc Spa resort
 - Moon Palace Golf & Spa Resort – Nizuc
 - Moon Palace Golf & Spa Resort – Villas
 - Moon Palace Grand
 - Moon Palace Jamaica Grande
 - Moon Palace Sunrise
 - Playacar Palace
 - Sun Palace
- Palace View South
- Palm Canyon Resort
- Palm Oasis
- Paradise Village Beach Resort & Spa
- Parkway International Resort
- Peninsula Beach Resort
- Peppertree Vacation and Travel Club
 - Atlantic Beach Villas
 - Blue Ridge Village
 - Branson Thousand Hills
 - Equivest Sands
 - Laurel Point Condominiums
 - Mirror Lake/Tamarack
 - Ocean Club
 - Outer Banks Beach Club I
 - Outer Banks Beach Club II
 - Peppertree By the Sea
 - Sandpebble Beach Club
 - Sea Mystique
 - Wild Wing Golf Village
- Premiere Vacation Collection
 - Bell Rock, Sedona
 - Carriage House, The
 - Golden Eagle at Crags Lodge
 - Inn at Los Abrigados, The
 - Kohl's Ranch Lodge
- Roundhouse Resort
- Sea of Cortez Beach Club
- Sedona Vacation Club at Los Abrigados Resort and Spa
- Scottsdale Camelback
- Varsity Clubs of America – South Bend Chapter
- Varsity Clubs of America – Tucson Chapter
- Quarter House, The
- Renaissance Aruba Beach Resort & Hotel
- Residence Narjess
- Ridge Tahoe, The
- Ridge Top Village at Shawnee
- Rincon de los Andes
- Riviera Oaks Resort
- Royal Cancún, The
- Royal Caribbean, The
- Royal Club at Bonnington Tower
- Royal Club at the Palm – Jumeirah
- Royal Haciendas, The
- Royal Islander, The
- Royal Mayan, The
- Royal Sands, The
- Royal Savoy Resort
- Sands of Kahana Vacation Club
- Seasons
 - Alto Club
 - Brunston Castle
 - Burn Park Country Club
 - Clowance Estate and Country Club
 - Club Tahiti
 - Forest Hills
 - Knocktopher Abbey
 - Laugharne Park
 - Whitbarrow Village
- Seven Seas Resort
- Shell Vacations Club
 - Cliff Club, The
 - Carriage Hills Resort
 - Carriage Ridge Resort
 - Crotched Mountain Resort
 - Desert Rose Resort
 - Donatello, The
 - Foxhunt at Sapphire Valley
 - Holua Resort at Mauna Loa Village
 - Inn at the Opera
 - Kauai Coast Resort at the Beachboy
 - Kona Coast Resort Interval Ownership
 - Kona Coast Resort Phase II
 - Legacy Golf Resort, The
 - Little Sweden
 - Mountainside Lodge
 - Orange Tree Interval Ownership
 - Paniolo Greens
 - Peacock Suites
 - Plaza Pelicanos Grand Beach Resort
 - Salado Creek Villas
 - Suites at Fisherman's Wharf
 - Starr Pass Golf Suites
 - Sunset Plaza Beach Resort and Spa
 - Vino Bello Resort
 - Waikiki Marina Resort at the Ilikai
 - Whispering Woods Resort I and II
- Shengteng Vacation Club
- Simpson Bay Resort and Marina
- St. George's Club
- Star Island Resort
- Star Island Resort and Club
- Starwood Vacation Network
 - Harborside Resort at Atlantis
 - Lakeside Terrace
 - Sheraton Broadway Plantation
 - Sheraton Desert Oasis
 - Sheraton Mountain Vista
 - Sheraton PGA Vacation Resort
 - Sheraton Steamboat Resort Villas
- Sheraton Vistana Orlando
- Sheraton Vistana Villages
- Westin Desert Willow Villas
- Westin Ka'anapali Ocean Resort
- Westin Ka'anapali Ocean Resort North
- Westin Kierland Villas
- Westin Lagunamar Ocean Resort
- Westin Los Cabos Ocean Villas
- Westin Mission Hills Resort Villas
- Westin Princeville Ocean Resort
- Westin Riverfront Mountain Villas
- Westin St. John Resort and Villas, The
- Stormy Point Village – Summerwinds Resort
- Suites at Polo Towers, The
- Sun Hills Suites
- Sunchaser Vacation Villas at Hillside
- Sunchaser Vacation Villas at Riverside
- Sunswop
 - Beacon Island
 - Cabana Beach
 - Drakensberg Sun Apartments
 - Drakensberg Sun Chalets
 - Pine Lake
 - Sabi River Sun
 - Umhlanga Sands
 - Whitbarrow Village
- Swiss-Garden International Vacation Club
 - Golf Resort and Spa Damai Laut
 - Hotel Kuala Lumpur
 - Resort and Spa Kuatan
 - Swiss Garden Residences
- Surrey Grand Crowne Resort, The
- Tahiti
- Tahiti Village
- Townes at King's Creek Plantation, The
- Trapp Family Guest Houses
- Turtle Cay
- Vacation Club I and II
- Vacation Internationale
 - Beachcomber Resort
 - Blackbird Lodge Timeshare Program
 - Carriage House, The
 - Clock Tower at Whistler, The
 - Cypress Pointe Resort
 - Elkhorn Resort at Sun Valley
 - Embarcadero Resort
 - Fairway Villa
 - Hololani
 - Kapaa Shore
 - Kihei Kai Nani
 - Kingsbury of Tahoe
 - Kittyhawk Resort
 - Lodge at Lake Tahoe, The
 - Oasis Villa Resort
 - Oceanside Marina Inn
 - Pacific Shores Resort
 - Panorama Resort
 - Papakea
 - Pines at Sunriver, The
 - Pinnacle Lodge
 - Point Brown Resort
 - Pono Kai
 - Red Wolfe Lakeside Lodge, The
 - Rosedale on Robson
 - Rosewood Inn
 - Royal Kuhio
 - Royal Victoria Suites
 - Sea Mountain
 - Sea Village
 - Sedona Springs Resort
 - St. Ives on Shuswap
 - Stoneridge Condominium
 - Tahoe Beach and Ski Club
 - Torres Mazatlán
 - Vallarta Torre
 - Valley Isle Resort
 - Village at Steamboat, The

- Villas at Poco Diablo
- Villas de Santa Fe
- Vacation Villas at FantasyWorld
- Vacation Villas at FantasyWorld Two
- Villa del Palmar
- Villa del Palmar – Cabo San Lucas
- Villa del Palmar – Cancún Beach Resort and Spa
- Villa Roma Resort Lodges
- Villas at Polo Towers, The
- Villas on the Green at The Welk Resort Waterside
- Welk Resort Villas
- Waterman Holiday Club
- Westgate Blue Tree
- Westgate Branson Woods
- Westgate Flamingo Bay Club
- Westgate Lakes Resort
- Westgate Las Vegas Resort and Casino
- Westgate Miami Beach
- Westgate Myrtle Beach
- Westgate Palace
- Westgate Park City Resort and Spa
- Westgate Smoky Mountain Resort at Gatlinburg
- Westgate Towers
- Westgate Town Center
- Westgate Vacation Villas
- Westwood at Split Rock
- Williamsburg Plantation
- Willowbrook at Lake Harmony
- World International Vacation Club
 - Casa de la Playa
 - Conchas Chinas
 - Coral Mar
 - La Paloma
 - Mar Azul
 - Villacana
- WorldMark South Pacific Club
 - Ballerat
 - Cairns
 - Cape Schank
 - Coffs Harbour
 - Coolangatta
 - Denarau Island
 - Flynn Beach
 - Golden Beach
 - Kirra Beach
 - Pokolbin
 - Port Macquarie
 - Port Stephens
- WorldMark, the Club
 - Angels Camp
 - Arrow Point
 - Bass Lake
 - Bear Lake
 - Big Bear
 - Birch Bay
 - Bison Ranch
 - Branson
 - Cairns
 - Canadian, the
 - Cascade Lodge
 - Clear Lake
 - Coolangatta
 - Coffs Harbour
 - Coral Baja
 - Denarau Island
 - Depoe Bay
 - Discovery Bay
 - Dolphin Cove
 - Eagle Crest
 - Galena
 - Gleneden
 - Golden Beach
 - Grand Lake
 - Kapaa Shore
 - Kihei
 - Kirra Beach
 - Kona
 - La Paloma
 - Lake Chelan Shores

- Lake of the Ozarks
- Lake Tahoe
- Las Vegas
- Leavenworth
- Marina Dunes
- Mariner Village
- McCall
- Port MacQuarie
- Oceanside Harbor
- Orlando
- Palm Springs
- Pinetop
- Pismo Beach
- Port Stephens
- Rancho Vistoso
- Reno
- Running Y
- Schooner Landing
- Seaside
- South Shore
- Spencer Street
- St. George
- Steamboat Springs
- Sundance
- Surfside Inn
- Valley Isle
- Victoria
- Windsor
- Wolf Creek

Zuana Beach Resort

PROGRAMS WITH 500 – 999 MEMBERS

Alanda Club Marbella
 Aldea Valle Encantado
 Aquarius Vacation Club at Dorado del Mar
 Atlantic View
 Azul Beach Hotel
 Banff Rocky Mountain Resort
 Be Live Canoa
 Blue Seas Resort and Spa
 Bluebeard's Beach Club
 Bluegreen Vacation Club

- Beach Club I
- Dolphin Beach Club
- Estero Island Beach Club
- Falls Village, The
- Four Winds Beach Resort
- Harbour Lights
- Laurel Crest Resort
- Lodge Alley Inn, The
- Mariner's Boathouse & Beach Resort
- MountainLoft Resort
- Sanibel Beach Club I
- Sanibel Beach Club II
- Shenandoah Crossing Resort
- Shore Crest Vacation Villas
- South Shore Club
- Surfriider Beach Club
- Windward Passage Resort

 Breakers Resort
 Cabins at Green Mountain
 Calabogie Peaks Resort
 Canadian Resorts

- La Querencia Resort
- Marparaiso Queen
- Villas del Palmar

 Captain Morgan's Vacation Beach Club
 Captain's Quarters at Surfside
 Caribbean & Dream Buildings at Ocean Landing
 Carolina Club, The
 Casa Dorada San Lucas Bay
 Casa Dorada Spa & Golf Resort
 CasaBlanca Vacation Club
 Chalet High/Chalet High North
 Christie Lodge, The
 Cliffs Club, The

Club Cala de Palmas
 Club Elite Vacation at La Fenice Resort
 Club In
 Club Real

- Gran Caribe Real by Real Club
- Real Club at Real Resorts

 Condohotel Villa del Mar
 Coral Costa Caribe
 Costa Sur Resort & Spa (North Tower)
 Creekside Village
 Crown Regency Vacation
 Crystal Beach Suites and Health Club
 Divi Village Golf and Beach Resort
 Edgewater Beach Resort
 Egret Point vacation Club
 Ellington at Wachesaw Plantation East
 Estates of King's Creek, The
 Gardens at West Maui, The
 Fairmont Rancho Banderas Vacation Villas
 Fort Lauderdale Beach Resort
 Gardenia Resort
 Gatlinburg Town Square
 Gold Point Condominiums
 Golden Sands Island Residence Club
 Grand Crowne Club

- Carriage Place at Surrey Vacation Resort
- Crowne View Heights
- Lodges at Crowne View
- Ocean View Vacation Villas
- Surrey Grand Crowne Resort, The
- Surrey Vacation Resort, The

 Grand Regency Resort at Thousand Hills
 Hippocampus Beach International Resort
 Hippocampus Vina del Mar Resort & Club
 Holiday Park Resort
 Hotel Santa Clara
 Imperial Hawaii Resort Club
 Imperial Hawaii Resort Club II
 Kololi Beach Club
 Kona Coast Resort Interval Ownership, The
 Legacy Vacation Club Lake Buena Vista
 Legacy Vacation Club Orlando
 Legacy Vacation Club Orlando – Oaks
 Legend Worldwide Holidays

- Legend Hotel and Apartment Kuala Lumpur
- Legend Resort Cherating

 Los Cabos Golf Resort
 Magic Tree Resort
 Marriott's Harbour Club at Harbour Town
 Marriott's Imperial Palms Villas
 Marriott's Lakeshore Reserve
 Marriott's Maui Lhaina and Napili Villas
 Marriott's Sabal Palms Resort
 Marriott's Shadow Ridge Enclaves
 Marriott's St. Kitt's Beach Club
 Marriott's Streamside at Vail – Evergreen
 Maui Banyan Vacation Club
 Maui Schooner Resort
 Mendihuaca Caribbean Resort
 Mia Reef Isla Mujeres
 Mountain Loft Resort
 Oasis Club
 Oasis Lanz Club
 Ocean Spa Hotel
 Oceanaire at Ocean Beach Club
 Oceanside 99 Condominium
 Palace View by Spinnaker
 Panareti's Royal Coral Bay Resort
 Paradise Beach Villas
 Peninsula Bay Resort
 Perennial Vacation Club

- Bandera
- Daytona

- Tahoe Village/Eagles Nest
- Playa Linda Beach Resort
- Ponds at Foxhollow, The
- Pono Kai, The
- Ramada Grand Caymanian Resort
- Rangeley Lake Resort
- Reef Playacar Resort & Spa, The
- Reef Resort, The
- Resorts West Vacation Club
 - Ridge Crest, The
 - Ridge Pointe Resort, The
 - Ridge Tahoe, The
 - Ridge View, The
- Resort at Diamante, The
- Rincón del Este
- Riviera Beach and Spa Resort
- Riviera Beach and Spa Resort
 - Phase II
- Royal Aloha Vacation Club
 - Butterfield Park Condominiums
 - Keauhou Kona Surf & Racquet Club
 - Lake Tahoe
 - Eagles Nest Resort at Indian Point
 - Nueva Andalucia
 - Torre Blanca, The
 - Village By The Sea
 - Waikiki
- Sandpiper Beach Club
- Sauce Alto Resort and Country Club
- Sea Mist Resort
- Seasons 2
- Shanghai SunIsland International Club
- Shawnee Ridge Top Summit
- Snowdance Vacation Club at Ascutney Mountain Resort
- St. Augustine Beach & Tennis Resort
- Steele Hill West
- Stormy Point Village Resort
- Summit Resort, The
- Sunchaser Vacation Villas at Riverview
- Sundream Vacation Club at Island Village
- Surfside Resort
- Tahoe Seasons Resort at Heavenly Valley
- Tanglewood Vacation Villas
- Tau Resorts Nahui
- Thunderbird Resort Club
- Treetops Village at Four Seasons, U.S.A.
- Turangi Leisure Lodge
- Vacation Village at Bonaventure
- Vacation Village at Bonaventure Phase II
- Vacationland Estates
- Varsity Clubs of America – South Bend Chapter
- Vik Hotel Cayena Beach
- Villas at Regal Palms
- Villas Nacazcol
- Waterman Holiday Club
- Welk Resorts Desert Oasis
- Westgate Branson Lakes at Emerald Pointe
- Westgate Historic Williamsburg
- Woodbourne Estates Resort

PROGRAMS WITH 250 – 499 MEMBERS

All Seasons Vacation Resort
 Alpenresidenz Bad Gastein
 Apollo Park at Vail
 Aquarius Vacation Club at Boquerón Beach
 Atlantic Club Reserva de Marbella
 Atrium Resort
 Bay & Beach Club
 Banyan Resort, The
 Be Live Grand Marien

- Beach Palace
 Beachside Village
 Bighorn Meadows Resort
 Bluegreen's Club La Pension
 Canyon Woods Vacation Club
 – Canyon Cove Hotel & Spa
 – Canyon de Boracay
 – Peak at Canyon Woods, The
 Casa del Mar Beach Resort
 Casablanca Vacation Club
 Chateau Orleans
 Church Street Inn, The
 Club Asia International
 – Bukit Saban Resort
 – Damai Rainforest
 – Royal Mulu Resort
 Club Azúr
 Club Cascadas de Baja
 Club Chalet of Gattinburg
 Club Dolmen by the Sea
 Club Hotel Tiberias
 Club Monte Anfi
 Club Orlando
 Club Premiere Four Seasons
 – Soleil Pacifico
 – Soleil La Antigua
 Clube Praia da Oura
 Coco Sunset
 Coconut Beach Resort
 Coconut Palms Beach Resort I
 Colonial Acres Resort
 Condominios Solamar Inn
 Corail Royal Marina
 Coral Hills Marsa Alam
 Costa Sal
 Daytona Beach Regency
 Daytona Resort and Club
 Delta Grand Okanagan Resort
 De Vere Resorts – Belton Woods
 De Vere Resorts – Staley Hall
 Dive Blue Beach Resort
 Divi Dutch Village Resort
 Dreamsuites by Lifestyles at Be Live
 Punta Cana
 Dunes Hotel and Beach Resort
 Eilat Club Hotel
 Ellington II at Wachasaw Plantation East
 Es Pueto
 Escapes! To the Gulf at Orange Beach
 Esmeralda Beach Club
 Exclusive Club
 Fairmont Estates
 First Cabin Club
 Fisherman's Village Resort Club
 Four Seasons Fairway
 Four Seasons Residence Club
 Scottsdale
 Foxrun
 French Lick Springs Villas
 Gala Fjellgrend
 Generations Riviera Maya by Karisma
 Grand Canadian Resort Vacation Club
 Grand Holidays Points
 Grand Sharm Resort
 Harbortown Point Marina Resort & Club
 Havasu Dunes
 Hawaiian Sun Holidays at Waikiki
 Banyan
 High Point World Resort
 Holiday Club Fured
 Hono Koa Vacation Club
 Hotel de L'Eau Vive
 Hotel de la Monnaie
 Hotel El Castellano
 Hotel Puertodel Mar
 Iron Blossam Lodge
 Island Village
 Ka'anapali Beach Club
 La Quinta Beach Resort
 La Renaissance
 Lago Vista at Buenaventura Lakes
 Lagos de Fañabe
 Lakeland Village, The
 Lakeside Terrace in the Vail Valley
 Lakeview Resort Club
 Las Olas Resort
 Laurel Crest Resort
 Lifetime Vacation Club at Miraflores
 Lion's Gate Pines Lodge
 Loyd's Club
 Marine Terrace
 Marriott's Heritage Club
 Marriott's Streamside at Vail – Douglas
 Marriott's Sunset Pointe at Shelter Cove
 Masters Villas at Paradise Canyon, The
 Miraflores Vacation Club
 Misiones del Cabo Vacation Club
 Moosehead Cottage Resort
 Mountainside Lodge
 Mountainside Villas at Massanutten
 Nautical Mile Resort & Condominiums,
 The
 NorthBay at Lake Arrowhead
 Northeast Vacations at Minerals Resort
 Oceanique Resort
 Options by Macdonald
 – Dalfaber Resort
 – Dalfaber Resort Chalets
 – Doña Lola Resort
 – Elmers Court Country Club II
 – Elmers Court Country Club and
 Resort
 – Forest Hills Hotel and Resort
 – Forest Hills Hotel and Resort II
 – Loch Rannock Hotel and Resort
 – Lochanully Resort
 – Leila Playa Resort
 – Plas Talgarth Resort
 – Villacanna Resort
 Palace View Heights
 Paradise Island Beach Club
 Park Regency, The
 Parque del Sol
 Peninsula Island Resort and Spa
 Plantation Village Beach Resort
 Point at Poipu, The
 Red Wolf at Squaw Valley
 Redington Ambassador
 Regency at Paradise Court
 Résidence Paris XV
 Resort Club at Minerals Resort & Spa,
 The
 Ridge Crest, The
 Ridge Point Resort, The
 Ridge Sierra, The
 Ridge View, The
 Riverside Suites
 Riviera Shores Resort
 Royal Club Hotel
 Royal Floridian Resort
 Royal Floridian South
 Royal Islander Club La Plage, The
 Royal Sea Aquarium Resort, The
 Royal Vacation Suites
 Royale Beach and Tennis Club
 Sand Dune Shores Resort
 Savoy Hotel
 Sedona Vacation Club at Los Abridados
 Seven Mile Beach Resort
 Shawnee River Village One
 Shore Crest Vacation Villas
 Starr Pass Golf Suites
 StaySky Vacation Club
 – StaySky Vacation Club at
 Enclave Suites
 – StaySky Vacation Club at
 Hawthorn Suites Lake Buena Vista
 – StaySky Vacation Club at Lake
 Buena Vista Resort Village & Spa
 – StaySky Vacation Club at
 StaySky Suites – I Drive Orlando
 Steele Hill East
 Stoneridge Condominiums
 Sun Hills Suites
 Sunset Resorts – Canmore
 Sunstream Vacation Club @
 DiamondHead
 Surfsider
 Swallowtail at Sea Pines
 Swiss Mountain Village
 Topaz Beach Club
 Treetop Condominiums at Four
 Seasons USA
 Villa Sofia Resort and Spa
 Village Resort, The
 Villaggio Olimpico
 Villas at Fairway, The
 Villas at Flying L, The
 Villas of Cave Creek
 Villas of Gold Canyon
 Voyager Beach Club
 Water's Edge Resort
 Westgate Painted Mountain Country
 Club
 Westgate RVS at Orlando
 Westgate RVA at Orlando II
 Windjammer Landing Villa Beach
 Resort and Spa
 Windsurf Resort I
- PROGRAMS WITH
 101 – 249 MEMBERS**
- 1492 Suites at La Pinta Beach Club
 A Place at the Beach
 Acorn – Royal Holiday Club
 Akiris
 Alessidamo Club
 Alexandra Resort
 Amara Lifetime Resort
 Amatique Bay Resort & Marina
 Apart Holidays AG
 Apartur Buenos Aires
 Apartur Mountain Club
 Arco del Saracino
 Aruba Beach Club
 Aspens and Aspen Village, The
 Atlantic Beach Casino Resort
 Atlantic Club Hotel Tierra Mar Golf
 Atlantic Garden
 Avalon Excalibur
 Bagaglio Resort Group
 – Bagaglio – Catturani
 – Bagaglio – Des Alpes 2
 – Bagaglio – Hotel La Posta
 – Bagaglio – I Giardini di Porto
 Cervo
 – Baggaglio – Le Ville del Lido
 – Bagaglio – Villa Laguna
 Bahia Manzano
 Barcelo Los Cabos Palace Deluxe
 Barcelo Punta Cana
 Bay Club of Sandestin
 Be Live Grand Punta Cana
 Beach Club at Montego Inn, The
 Beach House Golf & Racquet Club
 Beach House Seaside Resort
 Beachcomber Inn, The
 Beacons of Minoqua, The
 Bishop Selwyn, The
 Blue Water Acres
 Bosques de Monterreal
 Bovedas de Santa Clara
 Boyne Vacation Club
 – Alpenglow
 – Arthur Hills Townhouses
 – Big Horn
 – Big Sky Resort
 – Cottages at Crooked Tree
 – Deer Lake Villas
 – Disciples Ridge
 – Grand Summit
 – Highlands Resort
 – Hemlock
 – Inn on Bay Harbor
 – Jordan Grand
 – Lakeside Cottages
 – Log Cabins
 – Mountain Grand Lodge
 – Powder Ridge
 – Ross Cottages
 – Shoshone
 – Stillwater
 – Sugarloaf
 – Sunday River Resort
 – Village Center
 Brewster Green
 Briarwood
 Cala Corvino Club II
 Calampiso
 Calypso Plaza on Coolangatta
 Cape Winds Resort
 Capistrano Surfside Inn
 Carriage House, The
 Casa del Lago
 Casa Metz
 Casablanca
 Casablanca Golf Beach
 Cathedral Ledge Condominium Resort
 Causeway on the Gull
 Cerritos Resort
 Chateau Dale Vacation Club
 Chayofa Country Club
 Cispata Marina Hotel
 Club Cordial
 – Cordial-Hotel Achenkirch
 – Cordial-Hotel Goings
 – Cordial-Hotel Reith bei Kitzbühel
 – Cordial Residence "Il Pelagone"
 Toscana
 – Cordial Sanotel Badgastein
 – Cordial Theaterhotel Wien
 Club del Carmen
 Club 52
 Club La Paz
 Club MenDan
 Club Pacific Queenstown
 Club Sea Oats
 Club Sevilla
 Club Tesoro
 Club Tropicana
 Club Valle Termal Resort
 Cofresi Palm Beach and Spa Resort
 Cold Spring Resort
 Colibri Beach Club – Portlamar
 Colonial Village
 Coral Reef Resort
 Cottages at Port Stanton, The
 Costa Linda
 Costa Maya Reef Resort
 Costa Patagonia
 Costa Sur Resort & Spa
 Cottages at Cape Kiwanda
 Cottages at Port Stanton, The
 Cove on Ormond Beach, The
 Cypress Pointe Resort
 Dana Beach
 Desert Breezes Resort Timeshare
 Devere Resort Ownership –
 Cameron House on Loch Lomond
 Devere Resort Ownership –
 Carrick on Loch Lomond, The
 Discovery Beach Resort
 Divi Southwinds Beach Resort
 Doubletree by Hilton Puntarenas
 Dover Watch at Mount Snow
 Dreamsuites by Lifestyle @ BeLive
 Marien
 Dubai Lagoon Vacation Club
 Eagle Crest
 Eagles at Sugarbush
 Eagle's Nest
 Eastwood at Provincetown
 Edificio Palm Beach
 Embarcadero Pacifico
 Emerald Grande at Harborwalk Village
 Englewood Beach and Yacht Club

- Erie Islands Resort & Marina
Es Pueto at Aldea Bonsai
Fairway Forest
Fairways and Bluewater Resort Golf and Country Club
Falls Golf Village, The
Falls Village Resort, The
Farallón
Ferienclub Privilège
– Privilège Resort Hotel Sunstar Arosa
– Privilège Resort Hotel Sunstar Davos
– Privilège Resort Hotel Sunstar Grindewald
– Privilège Resort Hotel Sunstar Flims
– Privilège Resort Hotel Sunstar Lenzerheide
– Privilège Resort Hotel Sunstar Wengen
4 Seasons at Beech Mountain
Four Seasons Country Club
Foxhunt Town Villas
Freeport Resort & Club
Grand Colorado on Peak 8
Hacienda El Eden Resort
Hammocks, The
Harbor Landing Condominiums
Harborside Inn
Harbour Lights
Hawaiian Princess at Makaha Beach
Herods Residence Club
Highland Estates Resort
Highlands at Sugar, The
Hollywood Beach Tower
Hostería del Cerro
Hotel Aguamarina
Hotel Cola de Caballo
Hotel Mansion Tarahumara
Indian Palms Interval
Indian Peaks
Inn at the Opera
Inn at St. Ives, The
Inns of Waterville Valley, The
Island Park Village Resort
Jolly Beach Vacations
Jupiter Beach Resort
Killarney Country Club
Kingfisher Club
Kingsbury Crossing
Kona Islander Vacation Club
La Cabana Beach and Racquet Club
Lagonita Lodge
Lagonita Lodge – Phase II
Laguna Golf and Country Club
Laguna Holiday Club at Angsana Resort & Spa Bintan
Lake Forest Resort & Club
Lake Tahoe Vacation Resort
Las Residencias Golf & Beach Club
Le Jardin Vacation Club
Legends Resort and Country Club
Limetree Beach Resort
Links Golf and Racquet Club
Lion Resorts – Club Alias
Little Bay Beach & Racquet Club
Little Bay Beach & Racquet Club – Phase 2
Loch Rannoch Highland Club
Lodge at Lake Tahoe, The
Logos Land Resort
Longboat Bay Club
Loreley
Los Tinajeros Resort
Macdonald Dalfaber Resort
Macdonald Doña Lola Resort
Macdonald Villacana Resort
Manhattan Club Penthouse Suites, The
Manteo Beach Club
Marathon Key Beach Club
Marinagolf
Mariner's Point Beach Club
Marriott's Crystal Shores on Marco Island
Marriott's Grand Residence, Tahoe
Marriott's Oceana Palms
Marriott's Streamside at Vail – Birch Meadow Ridge
Mill Resort and Suites Vacation, The
Miejane Game Reserve
Mountainview Resort
Multi Resort Ownership Plan
Neptune House
Northstar Mountain Village Resort
Oakmont Resort Limited
Ocean High
Ocean Reef Resort and Club
Ocean Towers Beach Club
Olympic Village Inn, The
Palace Vacation Club
Paradise Point Resort
Park Plaza at Beaver Creek
Peninsular Club at La Manga Club
Peterson's Waterfront Timeshare Condominium
Pirayu
Plantation Beach Club at South Seas Resort
Plaza Resort and Spa, The
Plaza Vacation Club
– Bahia Plaza Hotel
– Plaza Blumenau Hotel
– Plaza Caldas Imperatriz Resort & Spa
– Plaza Florianopolis Hotel
– Plaza Itapema Resort & Spa
– Plaza Porto Alegre Hotel
– Plaza Sao Rafael
Pointe on the Bay, The
Polynesian Isles Resort
Port Largo Villas
Poste Montane Lodge
Pueblo Caribe International Beach Resort
Puerto Encantado
Quadna Mountain Resort
Quijote Inn
Red Carpet Hotel & Resort
Reef Ocean Resort, The
Reef Village Vacation Club
Regency Palms
Residence Berghof
Residences at Park Hyatt Beaver Creek
Residências Pierre et Vacances
– Avoriaz
– Belle Plagne
– Cannes Villafraancia
– Cap d'Ail
– Cap Esterel
– Le Port du Bourgenay
– Le Port du Croestuy
– Les Coches
– Les Parcs de Grimaud
– Méribel
– Moliets
– Village Cap Coudalére
Residenza Valle Fiorita
Resort on Cocoa Beach, The
Royal Palm Beach Club
Royal Palm Club at the RIU Palace Aruba
Saint Tropez Condominium
San Clemente Cove Resort
San Clemente Inn
San Luis Bay Inn
Sandstone Creek Club
Seascape Beach and Golf Villas
Seagull Beach Club
Seasons Resort, The
Shawnee Depuy Village
Shawnee Depuy Village II
Shawnee Fairway
Sheraton Steamboat Resort Villas
Snowater
Southcape Resort and Club
Spicebush Resort
Spinnaker at Lake Dillon
Spirit Ridge Vineyard Resort & Spa
St. James's Place
St. Maarten Sea Palace
Steele Hill Resort
Streamside at Vail – Aspen
Streamside at Vail – Cedar
Suites at Fisherman's Wharf, The
Sun Hotel
Sun Pond Holiday Club
Sunningdale Village
Sunset Boutique Club
– Laguna Suites Golf and Spa
– Ocean Spa Hotel
Sunset Point at StillWaters Resort
Tahoe Sands Resort
Tamarack Beach Resort
Tanglewood Island Resort
Tanglewood Resort
Terrazas al Mar
Thurnham Vacation Club
– Club Britannia
– Cromer Country Club
– Thurnam Hall
Topsider I Resort
Tortuga Beach Club
Tranquility Bay Antigua
Tropical Breeze Resort
Twin Rivers Condominiums
Variety Cruisers
Velence Resort
Veranda Beach Club
View Talay Villas Holiday Resort
Villa del Palmar Flamingos
Villa del Palmar Loreto
Village at Palmetto Dunes, The
Village at St. James Club, The
Villas at Simpson Bay Resort and Marina, The
Villas El Rancho Exclusive Vacation Club
Villas Loma Linda
Viva Wyndham Playa Dorada
Wapato Point
Westgate River Ranch
Westgate South Beach
Westin Mission Hills Resort Villas
Whaler Inn Beach Club
Wharf, The
White Sands Beach Club
White Sands of Longboat
Windward Passage Resort
Wintergreen at Midway
Astana Lifestyle Club
Atalaya Towers
Atlantica Princess
Auramar Beach Club
Avalon Grand Panama
Azul Fives Hotel and Private Residences
Azul Sensori Jamaica by Karisma
Baia da Luz
Balboa Club
Bali Grand Sunsets Resort & Spa
Bali Palms Resort
Banana Palms Marina and Resort
Bantry Bay International Vacation Resort
Barcelo Club Puerto Castillo
Barnsdale Country Club
Barra Palace
Barrancas del Este – Estacion Bosque
Barrancas del Este – Estacion Mar
Barringtons Hotel Golf & Spa
Batam View Beach Resort
Bay Gardens Beach Resort
Beach Club at St. Augustine Beach Club I
Beach Republic
Beaches Sandy Bay
Beach Condominiums, The
Bear Lake Timeshare
Beaver Village Condominiums
Bel Air Collection Resort & Spa Los Cabos
Belize Yacht Club Resort
Bellasera Tuscan Villas and Piazza
Berkshire on the Ocean, The
Berkshire by the Sea
Bilmar Beach Resort Condominium
Bintan Lagoon Resort
Birdland Home and Holidays
Blackstone Mountain Lodge
Blue Bay Village
Blue Ridge Village
Blue Waters Resorts at Guanahani Village
Bluebeard's Castle Resort – Hilltop Villas
Bluebeard's Castle Resort – Pirate's Pension
Bluebeard's Castle Resort – Villas III
Boambee Bay Resort
Boardwalk One
Bogmallo Beach Resort
Bonita Resort and Club
Borgata Lodge at Quail Ridge Resort, The
Brandermill Resort & Marina Timeshare
Brant Point Courtyard
Briarwood
Briggs Ranch Grand Vacation Club
Brockway Springs Lakefront Condominiums
Bungalows Los Robles
Burn Park
Cabana Club Condominium
Cabo Villas Beach Resort & Spa I
Calla Rossa
Calabogie Highlands Vacation Villas
Calini Beach Club
Camelot by the Sea
Canada House Beach Club
Cancún Clipper Club
Canyon River Ranch
Cap Maison Resort and Spa
Cape Cod Holiday Estates
Capri by the Sea
Caribbean Beach Club
Caribe Beach Resort
Carriage Place at Surrey Vacation Resort
Casa Blanca Golf & Villas
Casa Blanca Hotel
Casa Dorada Cabo Real
Casa Velas Hotel Boutique
Casa Ybel Beach and Racquet Club

PROGRAMS WITH 1 – 100 MEMBERS

- A Place at the Beach
Āntāri Loma-Club
Alanda Points Club
Alf Leila Wa Leila
Alia Club
Alii Kai II
Aloha Gardens Marbella
Aloha Villas Owners Club, Marbella
AlpeAdria Club
Amapolla Vacation Club
Amarras
Amarras Sea Village
Amathus Vacation Club at Aphrodite Hills
Apartamentos Amarillis
Apartur Bariloche
Apartur en el Valle de las Leñas
Apartur Mountain Club
Apple Valley Resort
Arcobaleno
Aspen Ridge

- Casitas @ Rancho Manana
 Condominiums
 Casitas del Monte
 Castaways Cove
 Castle View
 Castles and Condos
 Cedar Lake Country Club
 Cedar Village
 Chalet High South
 Channel Island Shores
 Chanteneige – Les Menuires
 Chapare Tropical Resort
 Chapel Stile at Langdale Estate
 Charleston Cruise Club
 Charm and More Club
 Charter Club Resort on Naples Bay
 Chateau Le Grand
 Chetola Resort
 Christie Village
 Christmas Mountain Village
 Chula Vista Resort
 Ciel et Logis Invest I
 Clermont
 Clermont Pinamar
 Cliffs Resort, The
 Clover Ridge
 Clowance, Clowance House
 Club Akamas
 Club Ambassador
 Club Armonia
 Club at Cape Cod
 Club Baccara
 Club Biodorf Bad Waltersdorf
 Club Buena Vista
 Club Cala Vadella
 Club Calypso
 Club De Mar
 Club del Bosque
 Club Delta
 Club Donatello
 Club El Moro
 Club El Veleo
 Club Flamingo
 Club Flipper
 Club Greece at Villea Village
 Club Internacional de Cancún
 Club Imperial Park
 Club Karos Spa
 Club La Costa Alpine Centre
 Club Mangosteen
 Club Marina Tenerife Sur
 Club Mykonos II
 Club No. 1 Nice Cote d'Azur
 Club Noosa Timeshare Resort
 Club Ocean Villas II
 Club Pacific Westharbour
 Club Pahia
 Club Patara
 Club Playa Blanca
 Club Prestige
 Club Puerto Atlantico
 Club Regency at Regency Towers
 Club Residence Capopiccolo
 Club Residencial Avandaro
 Club Resort La Boheme
 Club Royal Regency
 Club Ruyakent
 Club Sol del Este
 Club Sol Mar Del Plata
 Club Sol y Vista
 Club Sultán de Marbella
 Club Système Vacances
 – Club Calypso
 – Club La Mar
 – Club Marítimo at La Ronda III
 – Oasis Club
 – Parque Albatros
 – Pueblo Canario
 – Quality Suites Airport Bangkok
 – Vera Beach Club
 Club Tahiti II
 Club Tahoe Resort
- Club Unicum
 Club Vacacional en la Torre Azúl Fontan
 Clube Cabo Verde
 Clube do Mónaco
 Coconut Bay Resort Condominium
 Colibri Beach Club – Porlamar
 Colinas del Faro
 Commodore Beach Club
 Compart VIP Gesell
 Condominio Gran Hotel Pucon
 Condominio Porto Bello Marina & Villas
 Condominio Week Inn
 Condorama International at Monte Ste.
 Anne
 Corfu Resort
 Costa del Sol Resort
 Costa Sul Beach Resort
 Costamar
 Cottages II at Port Stanton, The
 Cottages at South Seas
 Cottages at Windermere House, The
 Country Vacation Villas (Amador)
 Cranberry Private Residence Club
 Crescent Shores, The
 Crestwood Resort
 Cristalmar Resort and Beach Club
 Croyde Bay Holiday Club
 Cypress Pointe Resort II
 Dana Inn Resort Pousada Tabatinga
 Days Suite Jumbo
 Deerhurst Residences
 Deerhurst Resort
 Desert Isle of Palm Springs
 Desert Vacation Villas
 Destinations Asia Pacific
 Devoncourt
 Diar Lemdina
 Divi Carina Bay Beach Resort
 Divi Heritage Beach Resort
 Doha Hills
 Dolphin Beach Club
 Domaine Mont Sainte-Anne
 Domina Ca'Zusto
 Domina Golf & Ski Travisio
 Donato House Hotel, The
 Don Pancho Beach Resort
 Dorisol Vacation Club International
 Double JJ Resort
 Dover Watch at Mt. Snow
 Dream Plaza Vacation Club
 Dumez Group
 Dunes Village Resort
 Durango Riverside Resort
 Eaglewood at Ruttger's Sugar Lake
 Lodge
 Eden Bay Resort
 Edgewater Resort
 Edificio Rambla
 Edinburgh Residence
 Eduard's Hotel Suites & Resort
 El Bergantin Menorca Club
 El Pueblito Beach Resort
 Elani Bay
 Elterwater Hall at Langdale Estate
 Enchantment, The
 Encontro das Aguas Thermas Resort
 Elphistone Resort
 Enotel Lido Madeira
 Equinox
 Escapes! to Greens at Bella Vista
 Escapes! to the Shores
 Estancia Apartur Mar del Plata
 Esterp Island Beach Club
 Exclusive Resorts International
 ExclusVacations at Miami Beach
 Executive Timbers Resort and Golf Club
 Fairfield Pagosa Resort
 Fairmont Heritage Franz Klammer
 Lodge
 Fairmont Hot Springs Resorts
 Fairway Lodge
 Fairway Villas
- Fairways of the Mountain
 Family Clubhotel & Apartments
 Fantasy Island Resort II
 FantasyWorld Club Villas
 Farallon
 Fishermen's Village at Jot's Resort
 Flamingo Marina Resort
 Floreal del sol Manra Hotel & Spa
 Floriday's Orlando Resort
 4 Seasons at Desert Breezes Resort
 47 Park Street
 Four Seasons Pacifica
 Four Seasons Racquet and Country
 Club
 Four Views Oasis
 Four Winds Beach Resort
 Fox Run Resort
 Foxfire Resort and Golf
 Foxhills Resort
 Foxhunt Town Villas
 Franklyn D. Resort and Spa
 Frontenac Shores
 Fuente Real Resort
 Fun & Adventure Club
 Fun Club Mauritius
 Galleon Resort, The
 Galveston on the Gulf Resort
 Garland Resort
 Gaslamp Plaza Suites
 Generations Maroma by Karisma
 Georgian Inn Beach Club
 Glacier Ridge Condos at Devil's Head
 Gokarna Forest Resort
 Gold Coast Aruba
 Golden Palms Hotel & Spa
 Golden Shores Holiday Club
 Golden Strand Ocean Villa Resort
 Goldstar Resort
 Golf Hotel Punta Ala
 Gold Porto Marina Vacation Club
 Gomera Palms Beach Club
 Gran Hotel Huatulco
 Gran Solare Lencois Resort
 Grand Azur Horizon
 Grand Hotel Misurina
 Grand Lodges
 Grand Miramar Resort and Spa
 Grand Summit Hotel at Mt Snow
 Grande Bay Resort & Residence Club
 Grande Rockies Resort
 Great Bay Beach Hotel & Casino
 Greens at Copper Creek, The
 Greenhills Skiing & Wellness Club
 Gulf Pointe Intervals, Inc.
 Gulf Stream Beach Resort
 Gulf Tides of Longboat Key
 HHoliday Vacation Club
 Habitat 2000
 Hainan Resort
 Halland International Resort Club
 Hamilton Harbor Resort
 Harbor at Depoe Bay, The
 Harbor Vacations Club
 Harbour Town Yacht Club
 Harbourside II
 Harbourview Villas at South Seas
 Resort
 Heffley Boutique Inn
 Heidleberg Inn
 Heraclea Hotel Residence
 Hideaway Sands Resort
 Hilton Craigendarroch Resort
 Hipocampus Resort
 Hokkaido Tracks Vacation Club
 Holiday Beach Resort
 Holiday Club Airisto
 Holiday Club Calahonda
 Holiday Club Pyhä
 Holiday Club Ruka
 Holiday Club Tegefjäll
 Holiday Owners Club
 – Devoncourt
- Hever Golf and Country Club Hotel
 – Long Beach Club
 Hollywood Beach Resort – Wyndham
 Worldwide
 Hollywood Sands Resort
 Horse Country Resort Congress & Spa
 Hosteria del Lago
 Hotel & Club Aladinos
 Hotel Acapulco Malibu
 Hotel Ahlen Moghane
 Hotel Apartamento Clube Ocean
 Hotel Belensate
 Hotel bh Parque 93
 Hotel Breckenridge
 Hotel Bristol
 Hotel Cristal Palace
 Hotel Eigerblick
 Hotel Galileo Compass Club
 Hotel La Pedregosa
 Hotel Las Naciones Suites & Tower
 Hotel Punta Centinela Inn
 Hotel Residence Fontanelle
 Hotel Residencia Atenea Suites
 Hotel Serena Beach Club
 Hotel Spanberger
 Hotel Terraza del Pacifico
 Hôtel Vacances Tremblant
 Hotel Villas la Audiencia
 Hotel Viva Clarion Suites
 Hotelcal-Hotel Apartamentos Calypso I
 Huka Village Estate
 Hurricane House
 Hyatt Siesta Key Beach
 I Giardini di Porto Cervo
 I Lodge de la Maree
 Iguassu Resort
 Ikaalinen Spa Holiday Village
 Ile des Pêcheurs
 Illetas Club Playa
 Illetas Club Playa – Bougainville
 Indian Peaks
 Indian Wells Condoshare
 Ingonish By the Sea
 Inlet Sports Lodge
 Inn at Los Abrigados, The
 Inn at Pelican Bay
 Inn at Silver Lakes, The
 Inn at SilverCreek, The
 Inlet Sports Lodge
 InnSeason Resons Resorts –
 South Mountain
 Inverness at Walden – Phase II
 IRC – Heavenly Collection
 Irotama XXI
 Isla Dorado
 Island Gulf Resort
 Island Links Resort
 Island Manor Resort
 Island Towers Condo
 Island Village Villas
 Isle of Palms Resort and Beach Club
 Itacare Village
 Jackson Hole Racquet Club Resort
 Jackson Hole Towncenter
 Jambo Vacation Club
 Jan Theil Resort
 Jardim Atlantico Beach Resort
 Jean Lafitte House
 Jerusalem Gold Hotel
 Kaanapali Keys at Papakea Beach
 Kahana Falls
 Kahlua Beach Club
 Kala Point Village
 Kamaole Beach Club
 KD West Resorts at the Dawn
 Ke Nani Kai
 Kermikkä
 Keswick Bridge
 Ketch Court Resort
 Kimball, The

Kilconquhar Castle Estate and Country Club	Lindo Mar Adventure Club	Nautical Watch Beach Resort	Paseo del Sol
Kildare Landing at Bell Bay Golf Club	Liscia di Vaca, Residence	Navigator Beach Club	Pearl of the Dead Sea, The
Killington Grand Hotel	Little Gull Cottages	Nepean Country Club	Passporto at Porto Golf
Kingfisher Inn	Little Sweden	Neptune, The	Passporto at Porto Sokhna
Kingswear Park	Lodge Alley Inn, The	Newport Bay Club & Hotel	Peaceful Bay Resort and Club
Kittitian Hill	Lodge Kura Hurlanda and Beach Club	Night Heron Loft	Peacock Suites
KohPafiana Heights	Lodge Alley Inn, The	Nihi Kai Villas	Pebble Beach Village
Kona Reef	Lodge at Lake Tahoe, The	Nirvana	Pebbles Vacation Club
Korora Bay Village Resort	Lodges at Cresthaven	Nob Hill Inn	Penhaven Cottages
Kulta-Katti	Lodges at Fox Hollow Lake, The	Nordvind Resort	Penina Golf Apartments
Kuleana Club, The	Loma Bonita	Northlake Lodges and Villas	Peppertree Atlantic Beach Villas
Kultakivi	LomaSirmakka	Northslope at Shawnee Mountain	Peppertree By the Sea
Kyriad Torcy	Long Bay Beach Resort and Villas	Northstar Lodge, Hyatt Residence Club	Peppertree Maggie Valley
L'Eyssina	Los Indios	Northwoods Club of Lake Placid	Peregrine Townhomes at San Luis Pass
La Boca Casa	Los Pájaros	Norwood Resorts Fractional Ownership	Petit Crest Villas
La Casa Cottage Resort	Los Tajibos Vacation Club	Nostos Village	Phoenix, The
La Costa Beach Club	Macdonald Elmers Court Country Club & Resort	Oasis Club	Phoenix Timeshare Resort
La Mision Loreto	Macdonald Elmers Court Country Club II	Ocean Beach Club	PierGiorgio VIP Vacation Club
La Orquidea	Macdonald Forest Hills Hotel and Spa	Ocean Club	Pinamar Family Resort
La Piana	Macdonald La Ermita	Ocean Club, The	Pinares de Punta del Este Vacation Club
La Quinta at La Manga Club	Macdonald Leila Playa Resort	Ocean Club at Jamaica Inn, The	Pinares del Cerro Club Vacacional
La Reserva Vacation Club	Macdonald Plas Talgarth resort	Ocean Club at Ramla Bay	Pinares del Mar
La Rosa dei Venti	Lawai Beach Resort – Alii Building	Ocean Club on Smuggler's Beach, The	Pine Acres Lodge
La Sammana	Lawai Beach Resort – Lika Lani Building	Ocean East Resort Club	Pine Ridge Inn Vacation Club
La Victoria Casa de Campo	Macdonald Spey Valley Golf and Country Club	Ocean Gate Resort	Pines at Island Park, The
La Vista Resort	Macdonald Spey Valley Golf and Country Club Chalets	Ocean Isle Beach Club	Pinnacle, The
Laguna Holiday Villas	Maison Pierre Lafitte	Ocean Two Resort & Residences	Pire Hue
Laguna Shores	Malolo Lai Lai Lagoon Resort Club	Ocean Towers Beach Club	Plantation Bay Villas
Laguna Suites Golf and Spa	Mandalay Shores Resort	Ocean View at Island Club	Plantation Beach Club at South Seas Resort
Laguna Surf	Mansión del Río	Ocean Villas	Plantation Club Villas
Lahaina Inn Resort	Marbella Suites	Ocean Watch Beach Club	Plantation House
Lake Arrowhead Chalets	Marbella Suites en la Playa	Oceancliff I & II	Players Club of Hilton Head Island
Lake Marion Resort Community	Marblewood Village	Ocho Cascadas	Plaza Resort at Palmas del Mar
Lake Marion Resort and Marina	Mares Marmaris	Old Bahama Bay Resort and Yacht Harbour	Point to Point Destinations
Lake Placid Club Lodges	Marina Club	Old Killarney Village	Points North Inn
Lake Towers Condo Hotel Sustentable	Marina Palace	Onagrup Club Campanario de Calahonda	Pono Kai – Pacific Fantasy Timeshare
Lakelands, The	Marina Village at Snug Harbor	Onagrup Club Gemelos XV	Ponta Grande Carvoeiro
Lakeside Villas, The	Mariner Shores Resort & Beach Club	Onagrup Club La Dorada El Tarter	Port Pacific
Lakes of the North	Marlin Quay	Onagrup Salou Aquamarina	Port Trinitie
Lakeside Villas	Marriott Residence Inn at Muskoka Wharf	One Napili Way	Port Villas
Lakewood Resort	Marriott's Grand Residence Club Lake Tahoe	Orient Touristic Development	Porto Bello Gran Marina
Landing at Seven Coves, The	Marriott's Kauai Lagoons	Orlando Breeze Resort Club	Porto Vacation Club
Landmark Holiday Beach Resort	Marti Vacation Club at Marmaris	Orofino by Straight Creek	Potrero de los Funes
Landmark Resort	Mary's Boon Beach Plantation	Orsa Maggiore	Posada do Portal de Paraty
Langdale Lodges	Matecumbe Resort	Outer Banks Beach Club I	Powder Ridge Village Resort
Lanzarote Beach Club	Maui Sunset Timeshare Association	Outer Banks Beach Club II	Powell Place
Lapinniemi	Mayhills Resort	Outrigger Beach Club	Praia das Caravelas
Larsmont Cottages on Lake Superior	Mecure Grand Hotel Internacional Foz MIA at Riviera Maya	Owners Club at Hilton Head, The	Predator Ridge – Falcon Point Cottages
Las Hojas Resort & Beach Club	Minerals Resort and Spa	Owners Resorts & Exchange at St. George – Villas at Southgate	Puerto Bunge Apart Hotel
Las Lomas Resort	Miraflores Beach & Country Club	Pacific Grove Plaza	Puerto Horizonte Apart Hotel
Las Olas Resort & Spa	Mirror Lake/Tammarack	Pacific Palms	Puerto Mogan La venezia de Canarias
Las Torres Gemelas	Mission Bay Resort	Pahio at Ka Eo Kai	Pyhaniemi
Laugharne Park	Mittersill Resort	Pailahue	Pyramid Resort Vacation Club
Laurel Point Condominiums	Montana Vista	Paki Maui Beach Villas	Quality Hill Resort Villas
Lawai Beach Resort – Alii Building	Monte Cairo	Palace Ponte Di Legno	Quarters at Lake George, The
Lawai Beach Resort – Banyan Building	Morro Mar Vacation Club	Palace View Resort	Rachaburi Country Club
Lawai Beach Resort – Coral Building	Mount Malarayat Golf & Country Club	Palladium Vacation Club	Racquet Club Villas
Lawai Beach Resort – Lika Lani Building	Mountain Club at Kirkwood, The	– Royal Suites Punta de Mita, The	Ramada Plaza Menam Reverside Hotel
Le Mirage	Mountain Club on Loon, The	– Royal Suites Turquesa, The	Ramada Resort Mazatlán
Le Relais de Noisy	Mountain Meadows Resort	– Royal Suites Yucatan, The	Red Wolf Lakeside Lodge, The
Le Soleil Vacation Ownership Club	Mountainside Resort at Stowe\)	Palm Bay Resort	Reef at Marathon, The
Le Ville del Lido	Multigestion	Palm Beach Holiday Club	Reemyvera Resort & Marina
Le Ville del Magara	– Domaine de Garlande	Palm Beach Resort & Beach Club	Regency Villas at Broome Park
Leader Club San Cipriano	– Les Coteaux de la Nartelle	Palm Springs Villas	Renvyle Strand
Legacy Vacation Club Brigantine Beach	– Les Marines de Grimaud	Palma Real Hotel and Villas	Résidence Acropolis
Legacy Vacation Club Indian Shores	– Les Terrasses de Théoule	Pan Holiday Village	Résidence Antigone Montpellier
Legacy Vacation Club Palm Coast	– Multivacances Avoriaz	Panama City Resort and Club	Résidence Baiazurra
Legacy Vacation Club Steamboat Springs	– Reberty Les Menuires	Paniolo Greens	Résidence Club at Hotel McCall
Lehigh Resort Club	– Résidence de Rochebrune	Papakea Beach Resort-Hawaii Properties	Résidence Club at Ocotol, The
Lepokatti	– Résidence Emeraude	Paradise Holiday Resort	Résidence Club at Segovia, The
Les Chalets	Multi-Residence de L'Elysee	Paradise Resort Club	Résidence de la Tour
Le Jardines de Zyriab	Na Pali Kauai Club Alii Kai II	Paraiso del Sol	Résidence des Pins Bleus
LHC @ Angsana Laguna Phuket	Naema Heights	Park Hotel Condominiums	Résidence le Christiania
LHC Private Pool Villas	Native Sun, The	Park Plaza at Beaver Creek	Résidence le Diamant
Lifetime in Hawaii		Park Station II	Résidence le Silveralp
Lifetime Vacation Club at Miraflores II		Parque da Floresta Golf & Leisure Resort	Résidence le Trianon
Lighthouse Cove		Parrot Tree Plantation	Résidence les Cottages Du Golf
Lighthouse Key Resort and Spa			Résidence Maeva le Ruitor
Lighthouse Resort and Club			Résidence Maeva les Marines de Gassin

Résidence Maeva les Félibriges	Scottsdale Camelback Resort	Sunrise Bay Resort and Club	Village at Palmetto Dunes, The
Résidence Marsa Sicla	Scottsdale Resort Club	Sunrise Beach Club	Village Coconut Island, the
Résidence Mer et Golf	Scottsdale Villa Mirage	Sunrise Ridge Resort	Village by the Gulf
Résidence Mer et Golf Le Boucanier	Sea Club V of Marco Island	Sunset Resorts – Canmore	Village La Corte
Residence Multivacances Avoriaz 2	Sea Gardens Beach & Tennis Resort	Sunset Shores Resort	Village of Loon Mountain Lodges
Résidence Pamplemousse-Chatelailion	Sea Horse Inn	Suntide Island Beach Club	Villaggio Aurora
Résidence Sokoburu	Sea Mystique	Sunwat International Vacation Club	Villaggio Cala La Luna
Résidence Van Gogh	Sea Oats Beach Club	Surf Club of Marco Island, The	Villaggio Cala Mancina
Résidences El Faro	Sea Pearl Beach Resort and Spa	Surfers Royale	Villaggio Piccolo Mondo
Residencial Diana	Seashells Beachfront Resort	Sutherland Crossing Resort	Villaggio Torre Macaуда
Residencial Itapema Vacation Club	Seaside Beach Club	Surrey Vacation Resort, The	Villas at Lantern Bay
Residencial Pousada do Serrano	Seaside Resort	Swan Mountain Resort	Villas at Poco Diablo
Residencial Sajo	Seasons – Green for Go	Sweetwater at Lake Conroe	Villas at Trapp Family Lodge, The
Residencial Vale Dourado	Seasons at Whistler, The	Sweetwater at The Waikiki Banyan	Villas Bavaro Club
Residenza Castelcervo	Seaview Condominiums	Sweetwater at Park City Lift Lodge	Villas D'Agua
Residenza Nevesole Folgarida	Seawatch	Szalajka Liget Hotel & Apartment Houses	Villas de Menorca
Residenza Torre Rinalda	Seawatch Inn at the Landing	Taba Paradise	Villas Mar-Bel
Resort at Seaside, The	Seawinds II Condominium	Tahoe Paradise	Villas Mediterraneas
Resort at South Shore, The	Sedes Vacation Club	Tahoe Beach & Ski Club	Villas of Cave Creek
Resort Group Vacation Club, The	Sedona Springs Resort	Tahoe Chaparral	Villas of Sedona
Resort Sixty-Six	Sedona Summit Resort	Thunder Mountain Condominium	Villas Playa Samara
Resorts West Vacation Club	Sentinels at Kirkwood Private, The	Tierra Verde Island Resort	Vista Mirage
Rhinefield House	See the Sea	Tiki Village International Resort	Vistana's Beach Club
Ridge on Sedona Golf, The	Shawnee Inn and Golf Resort, The	Tilcara Sierras	Voyager Resort
Ridge Resort, The	Shearwater Resort	Timber Ridge	Watermark
Rimondi Grand Hotel and Spa Resort	Shell Island Beach Club	Timberline Lodges (Juniper)	Waterwood Townhouses
River Club, The	Shenandoah Crossing Resort	Toccacielo Resort	Wave Crest
Riverview Resort	Sheraton Broadway Plantation	Torch, The	Wellington, The
Rockaway Beach Resort	Sheraton Desert Oasis	Torre-Verde – Tres Castelos	West Sands Phuket Beach Club
Rockridge Townhomes	Sheraton Mountain Vista	Torrenza Boutique Resorts	Westerwalder Hof – CSC Feriencub
Roundhouse Resort	Sheraton PGA Vacation Resort	Torrenza Private Residence Club Resorts	Westgate Maingate
Royal Beach Club	Sheraton Vistana Resort	Traders Inn Beach Club	Westgate Park City Resort and Spa
Royal Club at Downtown Dubai	Sheraton Vistana Villages	Tranquility Bay	Westgate Tunica Resort Mississippi
Royal Dunes Resort at Port Royal	Shore Crest Vacation Villas	Treasure Shores Beach Club	Westin Ka'anapali Ocean Resort Villas
Royal Golf Park	Shoreline Towers	Tree Tops Resort of Gatlinburg	Westin Lagunamar Ocean Resort
Royal Oasis Club at Benal Beach	Shores at Lake Travis, The	Treehouse Village at Lake Forest	Westin Princeville Ocean Resort
Royal Savoy Resort II	Simola Golf & Country Estate	Triton Suites and Beach	Westin St. John Resort and Villas
Royal Sunset Heights	Sinai Stars Resort	Trophy Run Resort	Westwind II Club
Royal Vacation Suites	Skier's Edge Lodge	Tropic Shores Resort	Whaler, The
Rukan Lomakylä 1	Smoketree Lodge	Tropical Sands Resort	Whispering Pines Villas
Rushes, The	Snow Lake Lodge	Tropical Trades at Paki Maui	Whitbarrow Owners Club
Saariseikä	Snowwater Association	Twin Oaks Villas	White Cliffs Beach Resort
Samoset Resort	Solara Resort & Spa	Ute Hotel	White Sands Country Club
San Diego Country Estates	Somni Aragones	Vail Run	Wildwood Shores
San Francisco Suites	Somni Aranes	Vale d'Oliveiras Quinta Resort & Spa	Willow Valley Resort
San Juan Mountain & Golf Resort – Links	Sorrento Hotel & Suites	Valentine's Residences Resort & Marina	Windemere, The
San Marcos Apartamentos	Sosua By the Sea Boutique Beach Resort	Valle del Lago	Windjammer at Nags Head, The
Sanctuary Resort & Spa, The	South Shore Club	Valley Inn, The	Windjammer Landing Villa Beach Resort
Sand Pebble Resort	South Shore Lake Resort	Vanderbilt Beach & Harbour Club	Windjammer Resort and Beach Club
Sandcastle Cove	Southern California Beach Club	Varsity Clubs of America – Tucson Chapter	Windsurf II
Sandcastle South Resort	Southwind Villas Vacation Resort	Ventura	Windy Shores II
Sandcastle Village II	St. Christopher Club	Veranda Vacation Club, The	Winners Circle Resort
Sandpebble Beach Club	Stonebridge Village	Via Roma Beach Resort	Wolf Creek Village II
Sands Vacation Resort	Strand Lakeside Resort	Victoria Court I & II	Woods and Legends at Copper Creek, The
Sandy Point Beach Resort	Sugarwood at Ruttger's Sugar Lake Lodge	Victorian Villas, The	Worldwide Vacation Club
Sandy Shores III	Summerfield Condo Resort	VIK Hotel Cayena Beach	Wyndham Bay Voyage Inn
Sandy Square	Sun Bay Beach Club	Villa del Arco	Wyndham Inn on the Harbor
Sanibel Beach Club I	SunBay Lodge	Villa del Sol	Wyndham Long Wharf Resort, The
Sanibel Beach Club II	Sunborn Vacation Club	Villa La Paloma	Xurupita Holiday Resort
Sanibel Cottages	Sunbreeze Suites	Villa Laguna	Ylläs 1
Sapphire Beach Club	Sunburst Condominiums	Villa L'Auberge	Ylläs 2
Sapphire Beach Resort and Marina	Sunchase Beachfront Condominiums	Villa Pacifico	Zorgvliet Private Residence Club
Schooner Beach and Racquet Club	Sunquest Gardens	Village at Carefree Conference Resort, The	
Schooner II Beach and Racquet Club			

TELEPHONE AND MAIL DIRECTORY

LOCATION	CONTACT INFORMATION	LANGUAGES SPOKEN
U.S. WORLD HEADQUARTERS 6262 Sunset Drive Miami, Florida 33143-4843 Post Office Box 431920 Miami, Florida 33243-1920 IntervalWorld.com	("800," "888," AND "877" NUMBERS ARE TOLL-FREE FROM THE U.S., CANADA, P.R., AND U.S.V.I.)	
EXCHANGE SERVICES Post Office Box 432170 Miami, Florida 33243-2170	DEPOSITS AND REQUESTS IntervalWorld.com English: 800.INTERVAL • 305-666-1884 French: 855-269-6127 • 305-925-3013 Spanish: 305-665-1918 Fax: 305-668-3423	English French Spanish
	CHECK-IN ASSISTANCE 877-700-1154 • 305-668-3411	English Spanish
	TELECOMMUNICATIONS DEVICE FOR THE DEAF 800-822-6522	
MEMBERSHIP SERVICES Post Office Box 430960 Miami, Florida 33243-0960	INFORMATION 800.INTERVAL • 305-666-1884 • Fax: 305-668-3423	English French Spanish
MEMBERSHIP PROCESSING Post Office Box 432170 Miami, Florida 33243-2170	MEMBERSHIP RENEWAL/ADDRESS CHANGE IntervalWorld.com 800.INTERVAL • 305-666-1884 • Fax: 305-668-3423	
INTERNET SUPPORT FOR INTERVALWORLD.COM	888-784-3447 • 305-668-3414 • Fax: 305-668-3423 CustomerService@intervalintl.com	English Spanish
CUSTOMER RELATIONS/MEMBER CORRESPONDENCE Post Office Box 430960 Miami, Florida 33243-0960	CustomerService@intervalintl.com	
INTERVAL TRAVEL Post Office Box 431920 Miami, Florida 33243-1920	CRUISES IntervalWorld.com 800-622-1540 • 305-668-3496 • Fax: 305-598-4093	English Spanish
	AIRLINE, HOTEL, CAR RENTAL IntervalWorld.com	
	GETAWAYS RESERVATIONS IntervalWorld.com 800.INTERVAL • 305-668-3462	
	CRUISE EXCHANGE IntervalWorld.com 888-801-0104 • 305-668-3489	
	INTERVAL TRAVEL CUSTOMER SERVICE 888-801-0096 TravelCustomerService2@intervalintl.com	
	TELECOMMUNICATIONS DEVICE FOR THE DEAF 800-822-6522	

THE HOURS OF OPERATION FOR THE MEMBER SERVICES LISTED ABOVE ARE:

Monday through Friday: 9:00 a.m. to 11:00 p.m. • Saturday: 10:00 a.m. to 8:00 p.m. • Sunday and holidays: 10:00 a.m. to 6:00 p.m.

The following are exceptions: Telecommunications Device for the Deaf: Monday through Friday: 9:00 a.m. to 5:00 p.m.
 Interval Travel Customer Service: Monday through Friday: 9:00 a.m. to 9:00 p.m.

All hours indicated are in U.S. Eastern time.

U.K. INTERVAL INTERNATIONAL LIMITED Coombe Hill House Beverley Way London SW20 0AR IntervalWorld.com MEMBER SERVICES 44 844 701 4444 (Hours are indicated in local time.) Monday through Friday 9:00 a.m. to 8:00 p.m. Saturday 9:00 a.m. to 5:00 p.m. CUSTOMER RELATIONS DEPARTMENT 44 844 701 7123 Monday through Friday 9:00 a.m. to 5:30 p.m. LANGUAGES SPOKEN English, Dutch, French, Greek, Hebrew, Spanish	SINGAPORE INTERVAL INTERNATIONAL SINGAPORE (PTE) LTD. 1 Finlayson Green #19-00 Singapore 049246 IntervalWorld.com MEMBER SERVICES 65 6318 2500 • Fax: 65 6318 2511 (Hours are indicated in local time.) Monday through Friday 9:00 a.m. to 6:00 p.m. LANGUAGES SPOKEN English, Bahasa Indonesia, Bahasa Melayu, Cantonese, Japanese, Mandarin, Tagalog, Thai	MEXICO INTERCAMBIOS INTERNACIONALES DE VACACIONES, S.A. DE C.V. Edificio Torre Summa Hamburgo N° 213, Piso 12 Colonia Juárez, Delegación Cuauhtémoc México, D.F. 06600, México MEMBER SERVICES 52 55 5627 7300 • Fax: 52 55 5627 7310 (Hours are indicated in local time.) Monday through Friday 9:00 a.m. to 7:00 p.m. LANGUAGES SPOKEN English, Spanish
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Report of Independent Certified Public Accountants

The Board of Directors
Interval International, Inc.

We have examined the accompanying Report of Key Operating Exchange Statistics (the Report) of Interval International, Inc., and its subsidiary companies (the Company), as of and for the year ended December 31, 2014. The Company's management is responsible for the Report. 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 and, accordingly, included examining on a test basis, evidence supporting the Report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Report referred to above presents, in all material respects, the information set forth therein as of and for the year ended December 31, 2014, in conformity with Sections 721.18(1)(q) and (r) of the Florida Vacation Plan and Timesharing Act.

Ernst & Young LLP

April 28, 2015

INTERVAL INTERNATIONAL, INC. REPORT OF KEY OPERATING EXCHANGE STATISTICS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

Number of accommodations and facilities or properties that have current affiliation agreements and are eligible to participate with Interval International as of December 31, 2014	2,199
Number of accommodations and facilities or properties which are no longer under a formal affiliation agreement with Interval International, but Interval International is currently providing exchange services directly to active individual purchasers or owners as of December 31, 2014	339
Number of accommodations and facilities or properties which are available, pursuant to a written contract, to Interval International members for exchanges as of December 31, 2014	143
Number of accommodations and facilities or properties that have current affiliation agreements but are not eligible to participate with Interval International as of December 31, 2014	259
	2,940
Number of purchasers or owners, for which a fee has been paid, currently enrolled and eligible to participate as members in the Interval International exchange system as of December 31, 2014	1,796,630
Number of weeks for which Interval International has an obligation to provide an exchange opportunity in subsequent years to an owner who relinquished a week during the current year	489,014
	Exchanges
	Number
	Percent
Regular exchanges properly applied for and subsequently confirmed in 2014 by Interval International	767,833
Special exchanges properly applied for and subsequently confirmed in 2014 by Interval International	116,178
Total exchanges properly applied for and subsequently confirmed in 2014 by Interval International	884,011
	97.0%

THE ABOVE LISTED PERCENTAGE OF CONFIRMED EXCHANGES IN 2014 IS A SUMMARY OF THE EXCHANGE REQUESTS ENTERED WITH THE EXCHANGE PROGRAM AND DOES NOT INDICATE A PURCHASER'S PROBABILITY OF BEING CONFIRMED TO ANY SPECIFIC CHOICE OR RANGE OF CHOICES, SINCE AVAILABILITY AT INDIVIDUAL LOCATIONS MAY VARY.

See notes to Report of Key Operating Exchange Statistics.

INTERVAL INTERNATIONAL, INC. NOTES TO REPORT OF KEY OPERATING EXCHANGE STATISTICS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

1. Basis of Presentation

The accompanying Report of Key Operating Exchange Statistics includes the combined exchange statistics of Interval International, Inc., including operations performed by subsidiary companies (collectively, Interval International or II) after eliminating intercompany activities for the year ended December 31, 2014. The statistics reflected in the Report of Key Operating Exchange Statistics were computed and are disclosed in conformity with Sections 721.18(1)(q) and (r) of the Florida Vacation Plan and Timesharing Act.

2. Description of Company

Interval International is a service company offering an exchange service for owners of resort timeshare or other vacation ownership interests. Resorts affiliated with II are located throughout the world. II's world headquarters are located in South Miami, Florida.

3. Resort Affiliations

Resorts have contracted with II to provide exchange services for purchasers of their timeshare or vacation ownership interests. Included in the current number of resorts in the category of "accommodations and facilities or properties that have current affiliation agreements but are not eligible to participate with Interval International as of December 31, 2014" are those resorts which were conditionally accepted as member resorts of the Interval International exchange program or were in a suspended status as of December 31, 2014.

4. Individual Memberships

An owner's individual membership and participation in II's exchange program are dependent upon his or her resort remaining in good standing with II. An individual's exchange privileges may be suspended during periods when the resort is not in good standing with II. Upon the payment of an annual membership fee, individual members generally receive various publications and the opportunity to exchange the use and occupancy of their vacation interest for another, as well as other benefits offered by II. Individual members are considered as members for 120 days after their scheduled expiration date, although II may discontinue providing services to individuals who own vacation interests at resorts participating in a corporate membership program where the resort's developer fails to timely remit the applicable corporate membership fee. Also, where an individual owns a vacation interest, both at a resort participating in a corporate membership program and a resort at which owners participate as individual members, generally, such individual must maintain separate and distinct memberships and, for the purpose of determining the number of owners participating as members, will be counted as two members.

5. Deposits

Generally, members may choose to deposit weeks available for occupancy into the II exchange program up to two years in advance of the occupancy date. When a week is deposited into the II exchange program, the right to use said week is immediately relinquished by the member. Members depositing a vacation week may submit an exchange request and travel at any time after II's receipt of the deposit up until 24 months after the commencement date of the deposited week, unless the member has extended the redemption window applicable to a particular deposit through the payment of a fee designated by II.

During the year ended December 31, 2014, 489,014 weeks were deposited with the II exchange program by members (or on their behalf) for which the members have the right to an exchange opportunity. II's obligation to accept exchange requests against the deposited weeks ends on varying dates through 2020. II has no obligation to provide a member depositing a vacation week with exchange accommodations in a subsequent year if: (a) the member fails to submit a valid exchange request and travel within his or her available redemption window or a permitted extension thereof; (b) the requested accommodations are not available and any alternative accommodations offered by II are not accepted by the member; (c) the member cancels an issued Confirmation less than seven days prior to occupancy of the Host Accommodations or otherwise fails to comply with the requirements of II's Exchange Cancellation Policy; or (d) the use of either the deposited week or confirmed accommodations is lost or impaired due to circumstances beyond II's control.

6. Exchange Requests and Confirmations

Exchange requests must be properly submitted in accordance with II's Terms and Conditions of Individual Membership and Exchange in order to be included in this report.

Exchanges are arranged on a space available basis. II does not guarantee fulfillment of a specific request.

In order for an exchange request to be considered properly applied for, and, therefore, included in the key operating exchange statistics, the member must either fully complete a written or electronic exchange request in accordance with the instructions furnished by II and in accordance with the Terms and Conditions of Individual Membership and Exchange, or the member must provide the same information that is requested to the II vacation advisor at the time he or she places a request by telephone. An exchange request may be confirmed instantly if the accommodations requested by the member are available. Otherwise, if the request is for accommodations more than 59 days in advance of the date requested, it will be entered into the proprietary exchange system as a properly applied for exchange request. The key operating exchange statistics made available in this report also include requests made and confirmations issued pursuant to the Special Exchange Services outlined in II's Terms and Conditions of Individual Membership and Exchange (i.e., II's Getaway and Interval Options Programs), as well as requests made and confirmations issued pursuant to exchange incentives periodically made available to select individual members. Confirmations reported also include properly submitted exchange requests against which exchange alternatives were offered and accepted by members.

If the member fails to complete all the required information at the time of placing a request (such as, fails to request the minimum number of resorts or time periods), or otherwise fails to adhere to II's prescribed exchange procedures, such request is not included in the key operating exchange statistics. Also excluded from the statistics are any exchange requests made by a member, whom, based on information provided to II by the home resort, is either no longer an owner at such resort or is not currently in good standing with such resort due to nonpayment of maintenance fee assessments or similar charges.

THIS PAGE IS TO BE COMPLETED BY PURCHASER

Name

Address

City

State

Zip

Name of resort

I hereby acknowledge receipt of this publication containing required disclosure information about Interval International's Exchange Program.

Signature

Date

Signature

Date

interval
INTERNATIONAL®
INTERVALWORLD.COM



LR0231-0615

Nanea Ocean Villas

Escrow Agreement

Pursuant to this Escrow Agreement, Hawaii Resort Escrow, Inc., a Hawaii corporation. (the *Escrow Agent*) agrees with SVO Pacific, Inc., a Florida corporation (the *Seller*) to provide escrow services to the Seller and the Buyers of "Vacation Ownership Interests" in the Nanea Ocean Villas Vacation Ownership Plan (the *Plan*). This Escrow Agreement is part of each Nanea Ocean Villas Purchase Agreement (the *Purchase Agreement*) and constitutes the escrow instructions for each Purchase Agreement. Upon each Buyer's signature of his or her Purchase Agreement, in addition to the Seller and the Escrow Agent, each Buyer is bound by it.

PART 1. DEFINITIONS

This Part 1 defines certain words or phrases having special meanings in the Purchase Agreement or this Escrow Agreement. Other key words or phrases are defined elsewhere in this Escrow Agreement to put them in context. The Purchase Agreement also contains certain definitions. Words defined in this Escrow Agreement have the same meaning in the Purchase Agreement, and *vice versa*. In case of a conflict, this Escrow Agreement controls.

The Vacation Plan Documents define some of the same key words and phrases. They are repeated or paraphrased here or in the Purchase Agreement to make these documents easier to read and understand. Where terms defined in the Purchase Agreement or Escrow Agreement differ from the definitions contained in the Vacation Plan Documents, the definitions in the Vacation Plan Documents control unless the context clearly requires otherwise. Terms not defined in the Contract Documents have the meaning given to them in the Vacation Plan Documents.

- 1.1 "**Act**" means the Hawaii Time Share Act (Chapter 514E, HRS) or any law that replaces that law.
- 1.2 "**Association**" means the Nanea Ocean Villas Owners Association, Inc., a Hawaii non-profit corporation.
- 1.3 "**Blanket Lien**" means "blanket lien" as defined in the Act. Generally, a "lien" is a claim against property as collateral for the payment of money. For example, a mortgage is a lien as collateral for repayment of a loan. A "blanket lien" is a lien that effects one or more than one Vacation Ownership Interest, either directly or by reason of affecting a Vacation Unit.
- 1.4 "**Buyer**" means each person shown as a Buyer in a Purchase Agreement.
- 1.5 "**Buyer's Funds, Notes and Loan Documents**" means all Funds, Notes, and Loan Documents received before Closing from or on behalf of a Buyer in connection with a Purchase Agreement.
- 1.6 "**Close**" and "**Closing**" refer to completing the sale of a Vacation Ownership Interest to a Buyer.
- 1.7 "**Closing Costs**" means all costs and expenses of Closing a sale. It includes, for example: (i) the Escrow Agent's fee, (ii) conveyance taxes, (iii) notary fees, (iv) recording costs, (v) charges for credit reports on the Buyer obtained by the Seller, (vi) costs of preparing the Buyer's Vacation Ownership Deed and any loan or financing documents, (vii) costs of title insurance, (viii) all loan fees and costs, (ix) postage and handling fees, and (x) any administrative and processing fees charged by the Seller.
- 1.8 "**Closing Date**" means the date when a sale is supposed to Close (according to the Buyer's contract). The Closing actually may occur later, but the Closing Date is the day when the Closing is scheduled to occur.
- 1.9 "**Common Area**" means all parts of the Project except for the Units.
 - A. "**Limited Common Area**" means any parts of the Common Area designated as Limited Common Areas in the Project Declaration. Limited Common Areas may be used or are maintained only by certain of the Project's owners.
 - B. "**General Common Area**" means all Common Areas other than the Limited Common Areas.
- 1.10 "**Community Association**" means the Nanea Ocean Resort Community Association, Inc., a Hawaii non-profit corporation.

1.11 "**Contract Documents**" means, for each Buyer, (i) this Escrow Agreement, (ii) the Buyer's Purchase Agreement, (iii) the Buyer's Vacation Ownership Deed, and (iv) any written changes to any of those documents. Changes must be in writing and signed by the person whose duties change.

1.12 "**Director**" means the Director of the Department of Commerce and Consumer Affairs of the State of Hawaii.

1.13 "**Disclosure Statement**" means the disclosure statement about the Plan required by the Act.

1.14 "**Escrow Agent**" means Hawaii Resort Escrow, Inc. It is a Hawaii corporation. Its address is 810 Richards Street, Suite 770, Honolulu, Hawaii 96813.

1.15 "**Funds**" means money.

1.16 "**HRS**" means Hawaii Revised Statutes, as amended from time to time.

1.17 "**Loan Documents**" means any "purchase money contract" as defined in the Act. This includes, for example, any Note, Mortgage, or other contract in which the Buyer agrees to repay a loan made to finance the Buyer's purchase of a Vacation Ownership Interest and made to the Buyer by the Seller or by a lender that is (i) affiliated with the Seller or (ii) to whom the Seller referred the Buyer. The Contract Documents are not Loan Documents.

1.18 "**Note**" means any "negotiable instrument" as defined in the Act. A check is an example of a negotiable instrument. Generally, if a negotiable instrument is transferred to someone else, that person can force the Buyer to keep his or her promise to pay money. The Buyer must pay it even if the Buyer has a claim or defense against the Seller.

1.19 "**Project**" means Nanea Ocean Resort, a planned community resort located at 45 Kai Malina Pkwy., Lahaina, Maui, Hawaii, 96761.

1.20 "**Project Documents**" means the following documents and all existing and future changes and additions properly made to any of them from time to time:

A. "**Project Declaration**" means the Declaration of Covenants, Conditions, Easements and Restrictions of Nanea Ocean Resort.

B. "**Project Articles**" means the Articles of Incorporation of the Community Association.

C. "**Project Bylaws**" means the Bylaws of the Community Association.

D. "**Community Association Rules**" means the rules adopted by the Seller and any changes made to them from time to time by the Community Association.

E. "**Project Plan**" means the map for the Nanea Ocean Resort attached as an exhibit to the Declaration.

1.21 "**Purchase Agreement**" means a Nanea Ocean Villas Purchase Agreement. The Seller will not change the form of the Purchase Agreement without first giving the Escrow Agent a copy of the new form.

1.22 "**Record**", "**Recording**" and similar terms refer to and mean recorded in the Bureau of Conveyances of the State of Hawaii.

1.23 "**Receipt for Disclosure Statement**" means a Receipt for Time Share Disclosure Statement in the form approved by the Department of Commerce and Consumer Affairs of the State of Hawaii.

1.24 "**Rules**" means the Rules Relating to Time Sharing, Chapter 16-106, Hawaii Administrative Rules, and any other rules adopted under the Act.

1.25 "**Seller**" means SVO Pacific, Inc., a Florida corporation. Its address in Hawaii is 6 Kai Ala Drive, Lahaina, Maui, Hawaii 96761.

1.26 "**Unit**" means any part of the Project designated by the Seller as a Unit as set forth in the Project Declaration.

1.27 "**Use Period**" means particular periods of time in each Use Year available for reservation by an Owner for occupancy of a Villa in accordance with the Vacation Plan Documents.

1.28 "**Vacation Ownership Deed**" means a deed in which the Seller transfers the Buyer's Vacation Ownership Interest(s) to the Buyer.

1.29 "**Vacation Ownership Interest**" means an Ownership Share in the Project together with the following rights, each of which is appurtenant to the Ownership Share and is subject to the terms and conditions of the Vacation Plan Documents and the Project Documents:

- A. The right to receive an allotment of Points either every year or every other year.
- B. The right to use those Points to reserve the use of a Villa either every year or every other year. For some kinds of Vacation Ownership Interests, the Points are automatically used to reserve a Specific Week Period. For all others, the Owner must request a reservation.
- C. During the Use Period reserved:
 - 1) The right to use and occupy a Vacation Unit in accordance with the Vacation Plan Documents and Project Documents;
 - 2) The exclusive right and exclusive easement to use any Limited Common Areas available to the Vacation Unit being occupied (which right and easement is shared with anyone else having the right to use those Limited Common Areas at that time); and
 - 3) The non-exclusive right to use the General Common Areas.
- D. A membership in the Association.
- E. A membership in the Project Association.

1.30 "**Vacation Plan Documents**" means the following documents and all existing and future changes and additions properly made to any of them from time to time:

- A. "**Vacation Plan Declaration**" means the Nanea Ocean Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership. It created the Plan.
- B. "**Articles**" means the Articles of Incorporation of the Association.
- C. "**Bylaws**" means the Bylaws of the Association.
- D. "**Reservation Rules**" means the rules adopted by the Seller as the initial reservation rules and any changes made to them from time to time by the Reservation System Operator in the manner permitted in the Vacation Plan Declaration.
- E. "**Association Rules**" means the rules adopted by the Seller and any changes made to them from time to time by the Association.

1.31 "**Vacation Unit or Villa**" means a Resort Unit in the Project which has been submitted to the Vacation Ownership Plan.

PART 2. PURPOSE OF THIS ESCROW AGREEMENT

This Escrow Agreement is intended to protect the Buyer, the Seller and the Escrow Agent in Closing the sale of the Vacation Ownership Interests. It is also intended to set up and maintain escrow accounts complying with the provisions of the Act and the Rules. This Escrow Agreement and the other Contract Documents also are intended:

- ❖ To protect the Buyer from any Blanket Liens. The Seller has chosen to protect Buyers from Blanket Liens in the manner provided by Section 514E-19(a)(1) of the Act. But if there are any mechanics' or materialmen's liens, then the Seller will protect the Buyer in the manner provided by Section 514E-19(a)(4) of the Act;
- ❖ To protect the Seller in case the Buyer defaults; and
- ❖ To be the escrow instructions of the Buyer and the Seller for the sale of each Vacation Ownership Interest.

**PART 3.
RECEIPT OF BUYERS' FUNDS
AND CLOSING PAPERS**

3.1 Deposit of Closing Documents. Each time the Seller accepts a Purchase Agreement, it will send to the Escrow Agent:

- A. A copy of the Purchase Agreement; and
- B. If the offer and sale was made entirely or partly in Hawaii, a copy of a Receipt for Disclosure Statement signed by the Buyer.

The Escrow Agent will also accept and hold any closing disclosure or settlement statement and all other papers prepared by, or submitted to the Escrow Agent from, the Seller or any lender supplying money to or for the Buyer.

The Escrow Agent will handle and deliver all of these documents as instructed by the person who provided them and the escrow instructions contained in the Contract Documents (including this Escrow Agreement).

3.2 Buyer's Funds, Notes and Loan Documents. The Seller and each sales agent will send each Buyer's Funds, Notes and Loan Documents to the Escrow Agent promptly after receiving them. There are two exceptions:

A. **Cancellation Period.** The Seller or a sales agent may hold any Notes and Loan Documents (i) made payable to the Escrow Agent, or (ii) that are not negotiable instruments, until the later of:

- 1) The end of the Seven-Day Cancellation Period described in Section 4.1 (if it applies), or
- 2) The end of any other cancellation period provided to the Buyer in his or her Purchase Agreement.

B. **Sales Outside of Hawaii.** If the law of another state, country, or other government (national or local) requires it, all Buyer's Funds, Notes and Loan Documents received in connection with sales made in that state or country may be impounded pursuant to the laws of the jurisdiction where the sale was made.

3.3 The Escrow Agent Will Handle The Buyer's Funds, Notes and Loan Documents. The Escrow Agent will accept, hold, deposit, and pay out, according to the Contract Documents, all Funds, Notes and Loan Documents received from the Buyer or from anyone else on behalf of the Buyer. The Buyer's Funds may not be used for any purpose while the Escrow Agent is holding them except as otherwise expressly provided in this Escrow Agreement.

3.4 Deposit and/or Investment of Escrowed Funds. Escrow Agent may, after first receiving written consent from the Seller, invest such Escrowed Funds in an interest-bearing account or in other interest-bearing investments as directed by the Seller and as authorized by applicable law. The terms *interest* or *dividend* shall be interchangeable with respect to money market mutual funds and other similar investments. Any interest or other earnings generated by any such investment shall be paid to the Seller. In the event any uninvested funds generate bank earnings credits, such earnings shall accrue for the benefit of the Seller.

3.5 Reports To The Seller. Each month the Escrow Agent will give the Seller a written report of all receipts, deposits and disbursements under this Escrow Agreement and all Purchase Agreements. If the Seller requests reports more often, the Escrow Agent will provide them in return for a reasonable service charge, not exceeding Fifty and No/100 Dollars (\$50.00), for each extra report the Seller requests.

**PART 4.
CANCELLATION PERIODS;
CONDITION TO RELEASE OF FUNDS**

4.1 Seven-Day Cancellation Period. For offers and sales made entirely or partly in Hawaii, a Buyer has the right to cancel the Purchase Agreement under Section 514E-8 of the Act (the *Seven-Day Cancellation Period*). To do so, a Buyer must mail or deliver a notice of cancellation to the Seller at the address stated in the Purchase Agreement. The Buyer must do this before the Seven-Day Cancellation Period ends. A Buyer's Seven-Day Cancellation Period ends on the later of:

- A. Seven (7) days after the Buyer's Purchase Agreement was signed; or
- B. Seven (7) days after the Buyer received the Disclosure Statement.

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4.2 Release of Buyers' Funds. No matter what else the Contract Documents say, the Escrow Agent may not release a Buyer's Funds, Notes or Loan Documents to or for the benefit of the Seller or a sales agent, or to someone else for the benefit of the Seller or a sales agent, or for construction, until the last of the following events occurs:

A. If the offer and sale is made entirely or partly in Hawaii:

- 1) The Escrow Agent has received a copy of a Receipt for Disclosure Statement signed by the Buyer whose Funds are being released;
- 2) The Seven-Day Cancellation Period has expired as to the Buyer whose Funds are being released; and
- 3) The Escrow Agent receives a sworn statement from the Seller in the form of Exhibit "A" attached to this document as to the Buyer whose Funds are being released. The statement must be dated no earlier than five days after the Seven-Day Cancellation Period has expired.

B. If the offer and sale is not made in Hawaii and if Buyer's Funds, Note and Loan Documents are deposited with the Escrow Agent, the Escrow Agent receives a sworn statement from the Seller in the form of Exhibit "B" attached to this document as to the Buyer whose Funds are being released.

C. If the Buyer has defaulted, the Seller must provide the Escrow Agent with a copy of the notice of default sent by the Seller to the Buyer, together with a statement, in the form provided on Exhibit "C" that at least fifteen (15) days have passed since the notice was sent and that the Buyer has not cured the Default.

PART 5. RELEASE OF BUYER'S FUNDS WITHOUT A CLOSING

5.1 Release of Buyers' Funds. A Buyer's Funds, Notes and Loan Documents may be released from escrow without a Closing only as provided in Sections 5.2, 5.3, 5.4, 5.5, 5.6, and 8.4.

5.2 Refunds to the Buyer. The Escrow Agent will refund a Buyer's Funds held by the Escrow Agent if and only if any of the following things have happened:

A. The offer and sale is made wholly or partly in Hawaii and either the Buyer or the Seller gives a valid notice of cancellation during the Seven-Day Cancellation Period. In that event, all of the Buyer's Funds held by the Escrow Agent will be returned to the Buyer, without interest, within fifteen (15) business days after the notice of cancellation is received.

B. The Seller gives notice to the Escrow Agent that the Buyer has exercised any right to cancel that the Buyer has under the Purchase Agreement (other than a cancellation pursuant to Subsection 5.2A). In that event, all of the Buyer's Funds held by the Escrow Agent will be returned to the Buyer, without interest, within fifteen (15) business days after the Escrow Agent receives the notice of cancellation.

C. The Buyer gives notice to the Escrow Agent that the Buyer has exercised any right to cancel that the Buyer has under the Purchase Agreement (other than a cancellation pursuant to Subsection 5.2A). In that event, the Escrow Agent will give the Seller written notice of the Buyer's decision to cancel. The Seller has five (5) business days after it receives that notice within which to provide written notice to the Escrow Agent of the Seller's approval or disapproval of the cancellation. If the Seller gives its approval, then all of the Buyer's Funds held by the Escrow Agent will be returned to the Buyer, without interest and less any escrow cancellation fee, within fifteen (15) business days after the Escrow Agent receives written notice of approval from the Seller. If the Escrow Agent receives no notice or receives a notice of disapproval from the Seller, then the Escrow Agent may proceed as provided in Section 8.4.

D. The Seller instructs the Escrow Agent to refund the Buyer's Funds. In that event, the Escrow Agent will return to the Buyer all of the Buyer's Funds, without interest, within fifteen (15) business days after the Escrow Agent receives the Seller's instruction.

Regardless of the things stated in subsections A - D, the Escrow Agent has no duty to use its own money to make a refund to a Buyer whose check has not cleared. Instead, the Escrow Agent may wait until the Buyer's check clears but it must make any required refund promptly after that.

5.3 Payment of Funds if the Seller Cancels Because the Buyer Defaulted. If the Seller gives written notice to the Escrow Agent that the Seller is canceling a Buyer's Purchase Agreement because of the Buyer's Default then the Buyer's

Funds will be delivered as provided in that Buyer's Purchase Agreement. If the Purchase Agreement provides that the Buyer's Funds will be released to the Seller as liquidated damages if the Buyer Defaults, then the following rules apply:

A. Notice From Seller. The Seller must provide the Escrow Agent with a copy of a notice of default sent by the Seller to the Buyer, together with a statement in the form provided on Exhibit "C" that at least fifteen (15) days have passed since the notice was sent and that the Buyer has not cured the Default.

B. Notice From the Escrow Agent. The Escrow Agent must then give the Buyer notice by certified or registered mail. The notice must say that:

- 1) The Seller has declared that the Buyer is in Default under the Purchase Agreement;
- 2) If the Buyer objects to this notice, the Buyer must notify the Escrow Agent in writing; and
- 3) If the Escrow Agent does not receive any objection from the Buyer within thirty (30) days from the date when the notice is sent, the Escrow Agent may treat the Buyer's Funds as belonging to the Seller and may release those Funds to the Seller.

C. Release of Funds. If the Escrow Agent receives an objection from the Buyer within thirty (30) days after sending the notice to the Buyer, then the Escrow Agent may proceed as provided in Section 8.4. Otherwise, the Escrow Agent must treat the Buyer's Funds as the Funds of the Seller and pay them out as provided in Section 5.7.

5.4 Return of Documents if a Sale is Canceled. If any sale is canceled or rescinded before Closing by the Buyer or the Seller, the Escrow Agent will:

- A. Mark "canceled" on and return to the Seller the Vacation Ownership Deed and the Purchase Agreement; and
- B. Provide to the Buyer any original Notes (except for checks and so on that have already been cashed), each marked "canceled"; and
- C. Return all other papers to the person who gave them to the Escrow Agent.

5.5 Release of Buyer's Funds To Pay Construction and Development Costs. If Buyer's Funds are to be used for construction prior to completion of construction and prior to Closing, then upon Seller's request, the Escrow Agent will disburse Purchaser's Funds held by it from time to time to pay for:

A. Construction costs of the buildings and improvements in proportion to the valuation of the work completed by the contractor in accordance with the contract documents, as certified in writing by a registered architect or professional engineer, and approved for payment by the construction management company for the Project. The parties understand that the construction management company approval of payments pursuant to this Subsection 5.5A, or pursuant to Subsections 5.5B, 5.5C, and/or 5.5D, is an alternative arrangement under Section 514E-27(a) of the Act accepted by the Director to further protect the interests of purchasers against blanket liens in light of the fact that there is no construction lender for the Project to approve such payments as contemplated by Section 514E-17(4)(D) as of the Act; and

B. Architectural, engineering, and interior design service fees in proportion to the services performed within each phase of services, as approved by the construction management company; and

C. The costs of purchasing furnishings and fixtures for the Villas, as approved by the construction management company; and

D. Finance and legal fees, and other incidental expenses of constructing the Villas or developing the Plan as approved by the construction management company;

Provided that, as to each of items 5.5A to D, no such disbursements shall be made unless the Seller first provides proof to Escrow Agent that the Seller has deposited with the Director (i) a copy of the executed construction contract, (ii) a copy of executed performance and labor and material payment bonds in an amount which is not less than one hundred per cent of the cost of construction and covering any changes to the contract which do not in the aggregate increase the amount of the construction contract by more than ten per cent, (iii) a verified statement showing all costs involved in completing the Project, and (iv) satisfactory evidence acceptable to the Director of funds sufficient to cover the total costs of constructing, furnishing, and completing the Project from Buyers' funds, equity funds, interim or permanent loan commitments or other sources.

5.6 Unclaimed Refunds. Unless the law requires something else, the Escrow Agent must send written notice by certified or registered mail to each Buyer entitled to a refund. If a Buyer does not claim his or her refund within one year after the notice is mailed, then the Escrow Agent must treat the money as the Seller's and not the Buyer's Funds. By sending the Buyer written notice of payment of that money to the Seller, the Escrow Agent is released from any further liability to the Buyer for that money.

5.7 Payment of the Seller's Funds. Any unclaimed refunds and any other Funds that the Escrow Agent may release to the Seller under this Escrow Agreement (which includes, for example, any interest which may be payable to the Seller on Buyers' Funds) will be paid out as the Seller directs in writing. Limits on the release of Buyer's Funds do not apply to the release of the Seller's Funds by the Escrow Agent.

PART 6. PRECLOSING AND CLOSING CONDITIONS

6.1 The Escrow Agent Will Gather The Buyer's Money And Documents. Attached as Exhibit "D" is a list of documents that may be required to Close each sale. When the Escrow Agent receives each Purchase Agreement, it will promptly inform the Seller of any documents on the list that are needed to Close the sale. It will also do anything else reasonably required by the Seller or any lender to Close the sale. If the Seller asks, the Escrow Agent will inform the Seller of the amount of a Buyer's Funds held by the Escrow Agent.

6.2 Closing Conditions. The Escrow Agent will not Close any sale before the Closing Date set according to the Purchase Agreement. The Escrow Agent will Close each sale on the Closing Date if and only if all of the following things (the *Closing Conditions*) have happened:

A. The Escrow Agent has not received a valid notice that the Seller or the Buyer has cancelled as provided in Sections 5.2 or 5.3.

B. The Escrow Agent has received enough money to pay the Purchase Price stated on the Buyer's Purchase Agreement and any Closing Costs less (i) any credits allowed by the Seller and (ii) the amount of any loan made by the Seller to the Buyer.

C. The Escrow Agent has received all necessary Closing documents.

D. All requirements set by the Seller or anyone else loaning money to the Buyer for the purchase have been met (or waived) provided that the Escrow Agent is notified of those requirements in writing.

E. A title insurance company authorized to do business in Hawaii is committed to issue, after the Buyer's Vacation Ownership Deed is recorded, a policy of title insurance on the Buyer's Vacation Ownership Interest.

1) The title policy must insure that the Buyer's Vacation Ownership Interest is subject only to any mortgage signed by the Buyer, the "Permitted Encumbrances" listed in the Disclosure Statement, and anything else that doesn't make the Buyer's title unmarketable.

2) If the Closing will happen less than forty-six (46) days after the Date of Completion, the title policy must include an attachment (in legal terms, an "endorsement") insuring against any loss due to mechanics' or materialmen's liens. Note that "**Date of Completion**" has a special meaning under Section 507-43(f), HRS, and that meaning applies here. It generally refers to the date when notice is given that the construction has been completed.

F. As to each existing Blanket Lien, (i) the Escrow Agent is prepared to record or can confirm that someone else has already recorded a release of the Buyer's Vacation Ownership Interest from the Blanket Lien, or (ii) in the case of mechanics' or materialmen's lien, the commitment for a title policy required by Section 7.3 includes an endorsement providing coverage against such liens.

G. If the Closing will happen less than forty-six (46) days after the Date of Completion, the Seller provides to the Escrow Agent satisfactory evidence that the Seller has filed with the Department of Commerce and Consumer Affairs of the State of Hawaii:

1) A copy of the building permit for the Project or the building of the Project upon which the Points to be issued to the Buyer are based;

2) A copy of an executed construction contract for the Project or the building of the Project upon which the Points to be issued to the Buyer are based; and

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3) A copy of either (a) executed performance and labor and material payment bonds in an amount which is not less than one hundred per cent of the cost of construction stated in the construction contract for the Project or the building of the Project upon which the Points to be issued to the Buyer are based, or (b) a completion bond covering the Project or the building of the Project upon which the Points to be issued to the Buyer are based.

H. The requirements of Section 4.2 have been met.

6.3 Late Closing. If the necessary documents cannot be recorded, or if any of the Closing Conditions has not been met so that the sale cannot be Closed on the Closing Date: (i) the Escrow Agent will tell the Seller at once, and (ii) the Escrow Agent will not Close it later date unless the Seller tells it to do so. If the Seller does so, the Escrow Agent will Close on the new date picked by the Seller as long as all the Closing Conditions have been met. Neither the Seller nor the Escrow Agent must give notice to the Buyer of any change in the Closing Date.

PART 7. CLOSING

7.1 Closing. To Close each sale, the Escrow Agent will:

- A. Date all documents and fill in any other necessary blanks in them; and
- B. Record, or see that someone else records, all releases, the Buyer's Vacation Ownership Deed, any mortgage, and all other appropriate documents; and
- C. Pay, out of the Funds in escrow and after Seller's approval, all of the Closing Costs and additional charges; and
- D. Deliver the Buyer's Funds, Notes and Loan Documents to the Seller or as directed by the Seller.

7.2 After the Closing. After Closing, the Escrow Agent will, or cause someone else to:

- A. Mail or otherwise deliver, or have someone else deliver to the Buyer the Vacation Ownership Deed and copies of any recorded mortgage, any closing statement or closing disclosure held by the Escrow Agent, and the original owner's title insurance policy; and
- B. Mail or otherwise deliver to the Seller each release and a copy of the Vacation Ownership Deed and any closing statement or closing disclosure held by the Escrow Agent; and
- C. Mail or otherwise deliver the original Note and Loan Documents, any original lender's title policy, and copies of any closing statement or closing disclosure held by the Escrow Agent, and any other documents to, and do anything else reasonably required by, the Seller or anyone else loaning money to the Buyer for the purchase; and
- D. Refund any over-payment to the Buyer.

7.3 Condition of Title; Title Insurance. A policy of title insurance will be issued to protect the Buyer and a separate policy will be issued to anyone making a mortgage loan to the Buyer (such as the Seller if it makes a loan). The Buyer is free to choose any title company licensed in the State of Hawaii. The Buyer must give a written notice to the Escrow Agent stating the name of the title insurance company chosen by the Buyer. If the Buyer does not choose a title company, then the Seller must do so.

PART 8. ESCROW AGENT'S RIGHTS

8.1 Escrow Agent's Fees. For its services under this Escrow Agreement, the Escrow Agent will be paid the following fees:

- A. **Escrow Fee.** The Escrow Agent will be paid an escrow fee in an amount set by agreement of the Seller and the Escrow Agent in a separate document. The escrow fee will be charged to the Buyer or the Seller as stated in the Purchase Agreement. The escrow fee for each sale is due and payable only when the sale Closes.
- B. **Cancellation Fee.** No cancellation fee will be charged for any Purchase Agreement that is canceled by the Buyer or the Seller.

8.2 Lost Funds. The Escrow Agent is not responsible for any Funds lost during the time that they are deposited in an account insured as to principal by the United States Government or the State of Hawaii, or an agency of either of them.

8.3 Other Limits on the Escrow Agent's Liability and Duties. The Escrow Agent will not be liable to the Buyer, the Seller or anyone else for acting as directed by the Contract Documents, even if the Seller, the Buyer or anyone else instructs it to do otherwise. The Escrow Agent does not have to tell the Seller or any Buyer about any other transaction or fact if that transaction or fact does not prevent the Escrow Agent from performing its obligations under the Contract Documents. The Escrow Agent is not responsible for documents or money not delivered to the Escrow Agent. The Escrow Agent is not liable if the Buyer gives a valid notice of cancellation to the Seller but the Seller does not notify the Escrow Agent in a timely fashion. The Escrow Agent need not determine if any Purchase Agreement it receives is valid or sufficient. For all purposes, the Escrow Agent may assume that:

- A. All documents were signed by the persons whose signatures seem to be on them; and
- B. The persons signing documents are old enough and competent to sign and had the authority to do so; and
- C. Anyone who signs for someone else has permission to do so; and
- D. Any written notice or instruction from the Seller, or any lender providing financing for the purchase of a Vacation Ownership Interest, is true and accurate.

8.4 Disputes. The Escrow Agent is not required to decide disputes or resolve conflicting demands from the Seller, the Buyer, or anyone else. The Escrow Agent can wait for the dispute to be settled by the parties or by appropriate legal proceedings. If it chooses, the Escrow Agent may instead ask a court in Hawaii to decide the rights of the parties and deposit the Funds with the court. This is called an *interpleader action*. Once the Escrow Agent files the interpleader action and deposits the Funds with the court, the Escrow Agent has no more liabilities or obligations for those Funds.

8.5 The Buyer and Seller Will Indemnify the Escrow Agent. The Buyer and the Seller, jointly and severally (together and separately) promise to indemnify the Escrow Agent against (which means the Buyer and the Seller agree to pay in full) all costs, damages, judgments, legal fees and expenses reasonably incurred by the Escrow Agent for acting as instructed in this Escrow Agreement. This does not, however, apply to anything caused by the negligence or misconduct of the Escrow Agent.

8.6 Cancellation of This Escrow Agreement. The Seller or the Escrow Agent can cancel this Escrow Agreement by giving written notice to the other thirty (30) days in advance. All Purchase Agreements accepted by the Seller before the date of the cancellation notice will continue under this Escrow Agreement and will be Closed by the Escrow Agent according to these escrow instructions just as if no notice of cancellation had been given. The Seller may, however, have a different escrow company Close any Purchase Agreement delivered to the Escrow Agent before the date of the termination. In that case, the Escrow Agent will receive a fair cancellation fee based on the work done but not less than Twenty Dollars (\$20.00) nor more than the full escrow fee. If a cancellation occurs, and the Escrow Agent has been paid any fees which it has not earned, the Escrow Agent will promptly refund those unearned fees to Seller. The Escrow Agent will receive no fee for Purchase Agreements accepted by the Seller but not delivered to the Escrow Agent as of the date of the termination. Buyers cannot cancel this Escrow Agreement and their consent is not necessary to cancel it so long as the Seller enters into a new escrow agreement with another escrow company licensed under Hawaii law.

PART 9. GENERAL MATTERS

9.1 Assignment. The Escrow Agent cannot assign its rights nor delegate its duties under this Escrow Agreement without first getting the Seller's written consent. No Buyer's consent is necessary.

9.2 Changes To This Agreement. The Escrow Agent agrees to change this agreement as the Seller asks in order to comply with (i) the legal requirements of the State of Hawaii, (ii) the legal requirements of any other state or the requirements of any governmental agency in a place where the Seller is registering the Plan for sale, or (iii) the requests of Seller's lenders. But the Escrow Agent need not agree to any change that increases its obligations or duties, reduces its fees, or violates the Act or the Rules. No Buyer's consent is necessary unless the change (A) increases the amount that the Buyer must pay under the Buyer's Purchase Agreement or this Escrow Agreement and the Seller does not agree to pay the additional amount, or (B) materially and adversely changes the Closing Conditions to the extent that they are intended to benefit the Purchaser.

9.3 Giving Notices. Any notice from the Seller or the Escrow Agent to the Buyer may be given by telephone or in writing, unless otherwise expressly stated. All other notices (including any from the Buyer) must be in writing only. Written notices must be personally delivered or mailed by certified or registered mail, postage prepaid, addressed to the person at the address shown on the Buyer's Purchase Agreement. If more than one person is listed as the Buyer on a Purchase Agreement, a notice given to any of them will be considered notice to all. If the Buyer is a corporation or partnership, the notice may be delivered or mailed to any officer or partner of the Buyer. If the Buyer is a limited liability company, the notice may be delivered or mailed (i) to any manager of a manager-managed company, or (ii) to any member of a member-managed company. The Buyer, the Seller or the Escrow Agent can change their addresses by sending written notice of the new address to the others. All written notices are considered given when they are personally received or are deposited in the mail.

9.4 Time Is Of The Essence. Time is of the essence. This means that the parties must do what they promised to do when they promised to do it. If anyone's promise does not set a date or time for performance, then that person must keep his or her promises as soon as reasonably possible. A party who does not keep his or her promises on time has violated the Contract Documents and will be in default.

9.5 Who is Bound by the Contract Documents? The Contract Documents are for the benefit of and binding on the Seller, the Buyer, the Escrow Agent, and anyone who, by law or by agreement, stands in any of their places. (In legal terms such people are called their "heirs," "personal representatives," "successors" and "assigns.")

9.6 Captions. The Seller has tried to appropriately divide and caption the Contract Documents by their various sections. Captions are a part of the agreement, but obviously cannot and do not completely or adequately explain each section or the entire agreement. Read with care each and every section of the Contract Documents and not just the captions alone. No court may treat the captions and headings as if they fully explain what the section means.

9.7 Hawaii Law; No Jury Trial. The Escrow Agent will perform all of its duties in the State of Hawaii. So this Escrow Agreement and all other parts of the Contract Documents pertaining to the Escrow Agent's duties are governed by and will be interpreted according to the laws of the State of Hawaii. **THE PARTIES GIVE UP ANY RIGHT TO A JURY TRIAL.**

9.8 Confidentiality. Escrow Agent acknowledges that all information related to Buyers is confidential information which confidential information is the property of Seller and the Association. The Escrow Agent shall not furnish any information related to any Purchaser to any other person or entity except as required under this Agreement or unless otherwise authorized by Seller who first approves the disclosure in writing, or as otherwise required by law.

9.9 Conflicts. This Escrow Agreement and the other Contract Documents are subject to the laws of Hawaii including, for example, the Act and the Rules. If some part of the Contract Documents conflicts with a law or rule, the law or rule, and not that part of the Contract Documents, must be obeyed. Nothing in the Contract Documents will deprive any Buyer of any rights that the Buyer has by law and that the Seller cannot ask the Buyer to waive in a contract.

9.10 The Provisions of the Contract Documents are "Severable" (Separately Enforceable). If any court decides that some part of the Contract Documents is not legal or can be ignored for any reason, the court must treat the Contract Documents as if they never included that part. All of the remaining parts of the Contract Documents will continue to be effective and binding.

9.11 Legal Fees. In any lawsuit or other legal proceedings over this Escrow Agreement, the prevailing party is entitled to recover its costs and expenses, including reasonable legal fees.

9.12 Entire Agreement. The Contract Documents express the entire agreement between the parties. Any prior agreements, whether oral or written, are superseded by the Contract Documents.

9.13 Plural and Include. Where the context so indicates, a word in the singular form shall include the plural. The term "include" and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation.

9.14 Privacy Notice. Seller agrees to distribute as a part of the closing document package provided to Purchasers a copy of the privacy notice prepared by Escrow Agent in accordance with the provisions of the Federal Trade Commission Rule on Privacy of Consumer Financial Information (16 C.F.R. 313).

9.15 Counterparts. This Escrow Agreement will be effective so long as the Escrow Agent and the Seller sign copies of it. So long as they sign copies of this Escrow Agreement having identical content, it is not necessary for them to sign the exact same copy. A signature on a faxed copy will be sufficient as well.

By signing this document, the Escrow Agent and the Seller agree to all of the things written above. This Escrow Agreement takes effect on August 20, 2015.

HAWAII RESORT ESCROW, INC.,
a Hawaii corporation

By: [Signature]
Its: VP

SVO PACIFIC, INC.,
a Florida corporation

By: [Signature]
Its: Vice President

Exhibit "A" to Escrow Agreement

SWORN STATEMENT
(For Sales Made Wholly or Partly in Hawaii)

TO: Hawaii Resort Escrow, Inc.	BUYER:
ATTN:	ICN NUMBER.
DATE:	

SVO PACIFIC, INC., (the *Seller*) hereby states as follows:

1. The Seven-Day Cancellation Period under Section 514E-8, HRS, has expired as to the Buyer whose Funds are being released;
2. At least five days have passed since the Seven-Day Cancellation Period has expired, and
 - (a) No cancellation notice postmarked on a date within the Seven-Day Cancellation Period was received from the Buyer whose Funds are being released; and
 - (b) No cancellation notice was otherwise received during the Seven-Day Cancellation Period from the Buyer whose Funds are being released.
3. Either:
 - (a) There has been no material change or changes in the Disclosure Statement within the meaning of Section 16-106-16(a) of the Hawaii Administrative Rules, or
 - (b) The Seller has prepared, and the Director of the Department of Commerce & Consumer Affairs has accepted, an amended or supplemental Disclosure Statement that specifies, in detail, any material change or changes which have occurred, and either:
 - (1) The Buyer is not adversely affected by the material change, or
 - (2) A true, accurate, and complete copy of the amended or supplemental Disclosure Statement has been given to the Buyer and (i) the Buyer signed a receipt for the amended or supplemental Disclosure Statement, or (ii) the Seller is otherwise able to verify that the amended or supplemental Disclosure Statement has been given to the Buyer.
4. A title insurance company authorized to do business in Hawaii is committed to issue, after the Buyer's Vacation Ownership Deed is recorded, a policy of title insurance on the Buyer's Vacation Ownership Interest meeting the requirements of Part 6.2 (E) of this Escrow Agreement.

SVO PACIFIC, INC.

By: _____
Its Authorized Agent

State of Hawaii)
) SS.
County of _____)

On this _____ day of _____, 20 __, before me personally appeared _____, who, being by me duly sworn, did say that he or she is the Authorized Agent for SVO PACIFIC, INC., a Florida corporation; that he or she executed the foregoing instrument as Authorized Agent for said corporation; and that he or she executed the same as the same as the free act and deed of said corporation.

Name: _____
Notary Public, State of Hawaii
My commission expires: _____

Exhibit "B" to Escrow Agreement

SWORN STATEMENT
(For Sales Not Made in Hawaii)

TO: Hawaii Resort Escrow, Inc.	BUYER:
ATTN:	ICN Number:
DATE:	

SVO PACIFIC, INC., (the *Seller*) hereby states that, as to the Buyer whose Funds are being released, the offer and sale took place entirely outside of Hawaii.

SVO PACIFIC, INC.

By: _____
Its Authorized Agent

State of Hawaii)
) SS.
County of _____)

On this _____ day of _____, 20 __, before me personally appeared _____, who, being by me duly sworn, did say that he or she is the Authorized Agent for SVO PACIFIC, INC., a Florida corporation; that he or she executed the foregoing instrument as Authorized Agent for said corporation; and that he or she executed the same as the same as the free act and deed of said corporation.

Name: _____
Notary Public, State of Hawaii
My commission expires: _____

Exhibit "C" to Escrow Agreement

SWORN STATEMENT
(For Defaults)

TO: Hawaii Resort Escrow, Inc.	BUYER:
ATTN:	ICN Number:
DATE:	

SVO PACIFIC, INC., (the *Seller*) hereby states that;

1. The Buyer has defaulted under the terms of the Purchase Agreement and the Seller has not defaulted
2. Seller has provided Buyer with notice (attached to this Statement) that Buyer is in default of the Purchase Agreement and has thereby cancelled the Purchase Agreement.
3. At least fifteen (15) days have passed since the notice was sent and the Buyer has not cured the default.
4. Seller has not received from Buyer any written notice of a dispute between Seller and Buyer or a claim by Buyer to the Buyer's Funds held by Escrow Agent.
5. Pursuant to the terms of the Purchase Agreement and this Escrow Agreement, Seller is entitled to the Buyer's Funds, Notes and Loan Documents.
6. Therefore, Seller requests that, pursuant to section 5.3(B) of this Escrow Agreement, Escrow Agent provide notice to the Buyer of Seller's claim of default and, thereafter, release Buyer's Funds, Notes and Loan Documents to Seller.

SVO PACIFIC, INC.

By: _____
Its Authorized Agent

State of Hawaii)
) SS.
County of _____)

On this _____ day of _____, 20 ____, before me personally appeared _____; who, being by me duly sworn, did say that he or she is the Authorized Agent for SVO PACIFIC, INC., a Florida corporation; that he or she executed the foregoing instrument as Authorized Agent for said corporation; and that he or she executed the same as the same as the free act and deed of said corporation.

Name: _____
Notary Public, State of Hawaii
My commission expires: _____

Exhibit "D" to Escrow Agreement

**Nanea Ocean Villas
Standard Escrow Documents**

DOCUMENTS NEEDED FOR ALL SALES

1. Purchase Agreement
2. Original Vacation Ownership Deed.
3. Conveyance Tax Certificate
4. Receipt for Time Share Disclosure Statement (only for sales made wholly or partly in Hawaii)
5. Rescission Rights Notice(s)
6. Purchase money deposit - Copy & Back up
7. Correction Agreement / Limited Power of Attorney
8. Certification of Corporate Resolutions (if sale is to a corp.)
9. Guaranty Agreement (personal guaranty used in corp. sales)
10. Certification of Trustees Under Trust form
11. Developer's Affidavit RE: no cancellations (Exhibits B or C)

ADDITIONAL DOCUMENTS NEEDED FOR FINANCED SALES

12. Promissory note
13. Mortgage
14. Mortgage modification document (if applicable)
15. Interest Rate Adjustment Rider (if applicable)
16. Special Warranty Deed back to developer (upgrades only)
17. Letter/Certificate of Good Standing (if sale is to a corporation)
18. Documents required by the Real Estate Settlement Procedures Act (RESPA)

**MANAGEMENT AGREEMENT
FOR
NANEA OCEAN VILLAS VACATION OWNERSHIP PLAN**

THIS MANAGEMENT AGREEMENT (“Agreement”) is made and entered into as of this _____ day of _____, 2015, by and between NANEA OCEAN VILLAS OWNERS ASSOCIATION, INC., a Hawaii non-profit corporation, whose address is 9002 San Marco Court, Orlando, Florida 32819 (“Villas Association”) and SVO HAWAII MANAGEMENT, INC., a Hawaii corporation, whose address is 6 Kai Ala Drive, Lahaina, Maui, Hawaii 96761 (“Manager”).

RECITALS

A. SVO Pacific, Inc., a Florida corporation (the “Developer”) is the developer of the Nanea Ocean Villas located at the Nanea Ocean Resort (“Resort”) located at 45 Kai Malina Pkwy, Lahaina, Maui, Hawaii 96761. The Nanea Ocean Resort is a planned community governed by the Nanea Ocean Resort Community Association (“Project Association”)

B. The Developer has established that certain Nanea Ocean Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions, recorded as aforesaid on August 18, 2015 as Document No. 57081023 (the “Villas Declaration”). Capitalized terms not expressly defined in this Agreement shall have the meaning given to them in the Villas Declaration.

C. The Villas Declaration establishes the Nanea Ocean Villas Vacation Ownership Plan (the “Plan”). The Developer intends to offer for sale and sell “Vacation Ownership Interests” in the Plan as that term is defined in the Villas Declaration.

D. As required by Chapter 514E, Hawaii Revised Statutes (the “Act”), the Developer established the Villas Association to act as the association of Owners of Vacation Ownership Interests.

E. Under the Vacation Plan Documents, the Villas Association has the authority and the obligation to engage and maintain a managing agent or “Plan Manager” for the Plan and to delegate to the Plan Manager the duties and obligations of the Association.

F. The Villas Association desires to engage the Manager, which is an affiliate of the Developer, to be the Plan Manager of the Plan, and the Manager desires to accept such engagement, all on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENTS

1. Engagement of Manager. Villas Association, on its own behalf and on behalf of all Owners of Vacation Ownership Interests, hereby engages Manager as an independent contractor to perform the services described herein, and Manager hereby accepts such engagement and agrees to perform such services on the terms and conditions herein set forth. Manager agrees at all times during the term hereof to act in good faith and to exercise business judgment in the performance of its duties and responsibilities. Villas Association, on its own behalf and on behalf of all of the Owners, enters into and agrees to be bound by this Agreement and delegates to Manager, to the exclusion of all persons and entities, all the powers and duties of Villas Association (except those that, by law or under the Vacation Plan Documents, cannot be delegated). This delegation in no way relieves Villas Association of any fiduciary obligations owed by it to the Owners under applicable law. Manager accepts such delegation and agrees to manage and operate the Vacation Ownership Plan and manage, operate, maintain and repair the Vacation Property in accordance

with the provisions of the Vacation Plan Documents and such other documents pertaining to the creation, operation, or management of the Vacation Property, the Vacation Ownership Plan or the Villas Association (collectively the "Documents").

2. Term.

a. Initial Term. The initial term of this Agreement shall be for a period of five (5) years commencing on the Starting Date ("Initial Term").

b. Renewal Terms. This Agreement automatically shall be renewed for successive three (3) year periods (a "Renewal Term") upon the expiration of the Initial Term and each successive Renewal Term unless either the Villas Association or the Manager sends a written notice that it is not renewing this Agreement (a "Notice Of Non-Renewal") to the other party hereto at least ninety (90) days before the next renewal date. The Villas Association cannot give a Notice Of Non-Renewal without (i) the vote of a Majority of the Owners at an annual or special meeting of the Villas Association held within one year before the renewal date, or (ii) the written assent of a Majority of the Owners obtained within one year before the renewal date. If the Developer holds a majority of the votes in the Villas Association, then (i) the Developer must abstain from the vote, and (ii) the Developer's votes will not be considered when determining whether a Majority of the Owners have voted or given their written assent to give the Notice Of Non-Renewal. The Board cannot make a decision to cancel or not renew this Agreement pursuant to this Subparagraph 2.b. It has no power or authority to do so in its own right or on behalf of the Villas Association. Neither the Board nor any officer, director, employee or agent of the Villas Association can send a Notice of Non-Renewal of this Agreement before the Villas Association determines by vote or written assent of a Majority of the Owners as provided above, not to renew this Agreement. Any Notice of Non-Renewal sent before then will not be effective. It will be void. The Initial Term as extended by one or more renewal terms is hereinafter referred to as the "Term".

c. Termination. Notwithstanding anything to the contrary herein:

(1) Villas Association may terminate this Agreement for cause at any time upon ninety (90) days' advance written notice if termination is permitted under Paragraph 25 hereof. If Manager disputes a termination of this Agreement pursuant to this Subparagraph (1), the dispute shall be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association if, and only if, arbitration is requested by or on behalf of Manager.

(2) Manager may terminate this Agreement at any time upon ninety (90) days' advance written notice if: (i) subject to the provisions of Paragraph 3, termination of the Licensing Arrangement (ii) termination is permitted under Paragraph 24 herein; or (iii) a court declares any portion of this Agreement invalid or unenforceable, which in the sole discretion of Manager makes the performance of the balance of this Agreement impractical.

(3) This Agreement shall automatically terminate upon the termination of the Vacation Ownership Plan as provided in the Documents.

3. Manager's Responsibilities. Manager shall be responsible for the efficient and satisfactory management, operation, maintenance and repair of the Vacation Property and operation of the Plan. Villas Association acknowledges and agrees that pursuant to this Agreement and in consideration of the Management Fee described in Paragraph 10, Manager, in its sole discretion, shall perform itself, hire personnel to perform, or procure providers to perform all services necessary for the management, operation, and repair of the Vacation Property and operation of the Vacation Ownership Plan in a reasonable and professional manner, and shall supervise the performance of all services provided to, or on behalf of, Villas Association pursuant to this Agreement. Manager may delegate its authority and responsibilities to one or more sub-agents or subcontractors for such periods and upon such terms as Manager deems proper. Notwithstanding any provision in this Agreement to the contrary, Manager shall perform all services required of it under this Agreement at no cost whatsoever to Manager, but solely at the expense of the Villas

Association. Manager does not undertake to pay Plan Expenses, taxes, or any Villas Association obligation(s) from its own funds and shall only be required to perform its services and make disbursements to the extent that, and so long as, payment received from Assessments or other revenue, if any, of the Villas Association are sufficient and available to pay the costs and expenses of such services and the amounts of such disbursements.

a. Employees. Manager shall hire, pay, and supervise such employees as the Manager, in its sole discretion, deems necessary to properly, adequately, safely, and economically perform the duties and responsibilities of Manager set forth in this Agreement; and Manager shall hire, pay, and supervise employees to provide for services not obtained by a separate provider pursuant to Paragraph 3.b. Any persons actually hired by Manager shall be the employees of Manager rather than of Villas Association, unless Manager specifically hires the employees to be employees of Villas Association. Manager, in its absolute discretion, may determine to discharge and cause to be discharged any employee so hired. All matters pertaining to the employment, interviewing, and screening process, supervision, compensation, promotion, and discharge of employees of Manager and Villas Association are the responsibility of Manager. Manager hereby acknowledges that Manager is responsible for the payment of any and all wages, payroll taxes, “fringe benefits” or other compensation with respect to all such persons employed with respect to the duties of Manager hereunder, except to the extent such employee has been specifically hired by Villas Association. Villas Association, however, shall reimburse Manager for all such amounts as provided in Paragraph 7 hereof. As used herein, the term “fringe benefits” shall, without limitation, include the cost of pension or profit sharing plans, workers’ compensation benefits, group life and accident and health insurance or equivalent benefits and similar benefits available to employees by virtue of their employment by Manager.

(1) Protection of Manager's Employees. The Villas Association covenants and agrees that during the term of this Agreement and for twelve (12) months thereafter, it shall not, directly or indirectly, for its own account or either as an agent, servant or employee, or as a shareholder, director or officer of any corporation, or member of any firm, engage, hire, employ or solicit the employment of any employees of the Manager unless the Manager consents thereto in writing. The Villas Association agrees that the time limitations contained in this paragraph are reasonable and the Villas Association’s promises in this Subparagraph 3.a. (1) are necessary to protect the business and good will of the Manager. It is further agreed, between the parties hereto, that a breach of any of the covenants contained in this Subparagraph will result in irreparable and continuing damage to the Manager for which money damages cannot provide adequate relief. Accordingly, in the event of a violation of this Subparagraph 3.a.(1), Manager will, in addition to any other right or remedy available at law or in equity, be entitled to a temporary, preliminary and/or permanent injunction in order to enforce this paragraph.

b. Procurement of Separate Providers of Services.

(1) Manager may procure necessary services for the Plan from third parties or may provide such services itself. All services procured by Manager, regardless of source, shall be provided on a fee per service basis; provided, however, those services that cannot practicably be provided on a fee per service basis, as determined by Manager in its sole discretion, will be provided on a cost basis.

In procuring providers of specific services from any source pursuant to its authority under this Agreement, Manager shall enter into service agreements on behalf of Villas Association based on the following factors:

- (a) the quality and timing of the work obtainable for the desired level of service, and
- (b) a reasonable practicable price for the service obtainable in the local market.

Manager shall use its best judgment in evaluating these factors with respect to each proposed service; provided, however, nothing in this Agreement shall require Manager to obtain the lowest price available as to any service, material, or purchase, or in instances in which bids are obtained, to accept the lowest bid.

Manager has the authority to enter into and cancel any service agreements contemplated pursuant to this Subparagraph, in either Villas Association’s or Manager’s name, as determined by Manager in its sole discretion. Furthermore, Villas Association shall execute on its own behalf such service agreements as are deemed necessary by

Manager from time to time to effectuate the obligations set forth in this Agreement. The fees or costs arising out of any agreements entered into by Manager pursuant to this Subparagraph shall be a Plan Expense. Villas Association agrees to assume and be responsible for all obligations under any service agreements entered into by Manager pursuant to the terms of this Agreement.

(2) The Villas Association has entered into or will enter into an Affiliation Agreement with Starwood Vacation Exchange Company, a Delaware corporation (“SVEC”) pursuant to which Owners in the Plan may participate in the Starwood Vacation Network (the “Network”). It is possible that Manager will enter into an agreement with SVEC to perform certain services required of Manager hereunder. The activities of SVEC under the terms of the Affiliation Agreement are separate and distinct from any that SVEC may have as a permitted Sub-manager under this Agreement. Accordingly, the parties recognize, acknowledge and agree that SVEC has the responsibility and obligation under the terms of the Affiliation Agreement to provide reservation and exchange services to the Owners, which duties are separate and apart from any duties SVEC may have as a Sub-manager of Manager hereunder, and the compensation due SVEC as a Sub-manager under any separate agreement with Manager is separate and distinct from the compensation due SVEC under the terms of the Affiliation Agreement. The services of Manager hereunder do not include any of the services provided by SVEC under the Affiliation Agreement.

c. Standard of Operation and Licensing Arrangement. Villas Association acknowledges that Manager has a relationship with Westin License Company (“Brand Owner”) giving it or its affiliate the right to use the “Westin” name (the “Brand” or “Brand Name”) and all service marks and trademarks (“Marks”) associated therewith. Pursuant to such right and in accordance with the terms and conditions of this Management Agreement, Manager and Villas Association agree that, during the term of this Agreement, Manager will manage and operate the Vacation Property and the Vacation Ownership Plan in accordance with the “License Standards” as a “Westin”, “Westin Vacation Ownership Resort” or under such other comparable brand names and marks as may be used to identify the Vacation Property or the Vacation Ownership Plan as part of the vacation ownership resort system operated, managed, or owned by Starwood Hotels & Resorts Worldwide, Inc., (“Starwood”) its successors and assigns or any of its affiliates (including the Manager, the Seller, and Brand Owner) or licensees (“Comparable Brand”). As used in this Agreement, the “License Standards” refer generally to any standards of construction, maintenance, and operation of vacation ownership resort properties owned or operated by Starwood, its successors or assigns, or any of its affiliates or licensees and designated as “Westins”, “Westin Vacation Ownership Resorts”, or by any other name associated with a Comparable Brand. The License Standards may be published from time to time as “License Standards” or “Brand Standards”.

The availability and use of the Brand and Marks, and any brands or marks associated with any Comparable Brands shall be subject to the terms, conditions, and requirements set forth in this Management Agreement and the agreements between Manager and the owner or owners of any such brands or marks (“Licensing Arrangement”) and the expenses, including any fees, incurred by the Villas Association or by Manager to comply with such terms, conditions, and requirements with respect to the Vacation Property or the Vacation Ownership Plan shall be part of the Vacation Ownership Plan’s Plan Expenses. For purposes hereof, unless the context evidences a contrary intent, the use of the terms “Brand”, “Brand Name” or “Marks” shall be deemed to include any brands or marks associated with a Comparable Brand; the term “Licensing Arrangement” shall be deemed to include the Manager’s rights to use any Comparable Brand and the brands and marks associated therewith; the term “Brand Owner” shall be deemed to include the owner of any Comparable Brand being used in connection with the Vacation Property; and the term “Licensing Standard” shall be deemed to include any standards promulgated by the owner of any Comparable Brand being used in connection with the Vacation Property

Villas Association acknowledges that the Brand Name, Marks, and Licensing Arrangement are not part of the Vacation Property or the Vacation Ownership Plan, and agrees that neither the Villas Association nor Owners have, nor shall it claim on its own behalf or on behalf of the Owners, any right, title, or interest in the Marks or the Brand Name or in the Licensing Arrangement. Villas Association also acknowledges that the Developer has certain rights to use the Brand and Marks with respect to the operation, sale, and marketing of certain property, which has not been declared as part of the Vacation Ownership Plan, and agrees that neither Villas Association nor Owners

have, nor shall it claim on its own behalf or on behalf of the Owners, any right, title or interest in the Marks, Brand Name or Licensing Arrangement.

Villas Association acknowledges that Developer, Manager, Brand Owner and Network Operator are owned by a common parent company, Starwood.

d. Assessments to Support Maintenance of the “License Standards.” Villas Association acknowledges and agrees that Manager’s ability to operate the Vacation Property in accordance with the License Standards and requirements of the Licensing Arrangement is in large part dependent on the annual approval by Villas Association of an Estimated Budget (defined below) that is adequate both in terms of operating and reserve assessments to support such efforts by Manager. In this regard, Manager and Villas Association agree to use their best efforts, consistent with their duties and obligations as set forth herein and in the Documents, to prepare and approve annual Estimated Budgets sufficient to maintain the Vacation Property in accordance with the Licensing Standards. Villas Association acknowledges that, if requested by Manager, on occasion it may have to approve a Special Assessment against the Owners with respect to an item of operating expense mandated by the Licensing Arrangement in order for the Vacation Property to continue to conform with the “License Standards” and requirements of the Licensing Arrangement, which item of operating expense is so immediate in nature that a delay in assessment of same until the next Villas Association fiscal year is not practicable. If the amount of the Special Assessment is such that, under the Documents, a vote of the Owners shall be required to approve the same, the Villas Association shall use its best efforts to obtain such approval.

e. Term of Licensing Arrangement. Villas Association acknowledges that, pursuant to an arrangement between Manager and Brand Owner, the Licensing Arrangement shall continue for the term of this Management Agreement; provided, however, that Brand Owner may immediately terminate the Licensing Arrangement if (i) Brand Owner determines that the Vacation Property is not being operated, managed and maintained in accordance with the License Standards, or (ii) if the management agreement between the Nanea Ocean Resort Community Association and Manager is terminated or cancelled for any reason, or if it expires and is not renewed. Additionally, Villas Association acknowledges that the Brand Owner may, pursuant to its arrangement with Manager, terminate the Licensing Arrangement in the event of the: Villas Association’s bankruptcy or insolvency; Villas Association’s liability for a large adverse court judgment; or Villas Association’s dissolution or liquidation. Additionally, Brand Owner and Manager may also terminate the Licensing Arrangement pursuant to the terms of the Licensing Arrangement; provided however that if Brand Owner and Manager terminate the Licensing Arrangement pursuant to its terms, then Manager shall have the right, but not the obligation, to enter into another Licensing Arrangement for a comparable hospitality brand including that brand’s service marks and trademarks, in which event such replacement brand and mark shall for all purposes hereunder be deemed a “Comparable Brand”.

f. Use of “Ka’anapali”. Villas Association acknowledges that the term and the word “Ka’anapali” is a federally registered service mark of Amfac/JMB Hawaii, L.L.C. (“A/JMB”), a Hawaii limited liability company and/or Amfac Property Investment Corp., a Hawaii corporation (“APIC”). Pursuant to an agreement between A/JMB, APIC, and an affiliate of Manager, Manager has the right to use the names “Ka’anapali” and “Ka’anapali North Beach” with respect to the development, marketing and sale of the Resort, Villas and the Plan (the “Ka’anapali Agreement”). The availability and use of the Ka’anapali name shall be subject to the terms, conditions, and requirements set forth in this Management Agreement and the Ka’anapali Agreement, and the expenses incurred by the Villas Association or by Manager to comply with such terms, conditions, and requirements with respect to the Vacation Property or the Vacation Ownership Plan shall be part of the Vacation Ownership Plan’s Plan Expenses. Villas Association acknowledges that the Ka’anapali name is not part of the Vacation Property or the Vacation Ownership Plan, and agrees that neither the Villas Association nor Owners have, nor shall it claim on its own behalf or on behalf of the Owners, any right, title, or interest in the Ka’anapali name. Villas Association acknowledges that use of the Ka’anapali name shall continue for the term of this Management Agreement; provided, however, that Manager may immediately terminate the use of the Ka’anapali name (i) if Manager does not have or if Manager loses the right to use the Ka’anapali name, or (ii) if the management agreement between the Project Association and Manager is terminated or cancelled for any reason, or if it expires and is not renewed, or (iii) in the event of the

Villas Association's bankruptcy or insolvency, the Villas Association's liability for an adverse court judgment exceeding \$100,000, or Villas Association's dissolution or liquidation.

In the event that the Manager terminates the use of the Ka'anapali name, Villas Association will take whatever action is necessary to assure that the Vacation Property and the Vacation Ownership Plan are no longer associated with or identified with the Ka'anapali name (other than being located in the Ka'anapali North Beach community), and that the Ka'anapali name is not being used by the Villas Association, the Owners or any of their agents, in connection with the Vacation Property and/or the Vacation Ownership Plan. Further, Villas Association shall take whatever action is necessary to assure that any materials related to the Ka'anapali name in the possession of or under the control of the Villas Association are immediately returned to Manager and the Villas Association shall, or shall cause Manager to, remove all materials utilizing the Ka'anapali name, including but not limited to signage, and take all other actions (collectively, "Name Removal Actions") required to preclude any possibility of confusion on the part of the public that the Vacation Ownership Plan, the Vacation Property or any part thereof are still associated or in any way identified with the Ka'anapali name (other than being located in the Ka'anapali North Beach community). If, within thirty (30) days after Manager terminates the use of the Ka'anapali name, the Villas Association fails to comply with this Paragraph, Manager or its agents, at Villas Association's expense and on Villas Association's behalf, shall have the right and license to enter onto the Vacation Property and perform any and all Name Removal Actions.

4. Power and Duties. By way of illustration and not of limitation, Manager's powers, duties and responsibilities under this Agreement include the following:

a. Management and Operations. Manager is responsible for: (i) the general operation of the physical properties that constitute the Vacation Property, including but not limited to the Vacation Units or Villas and the Common Furnishings; (ii) front desk check-in and check-out services; (iii) cleaning and linen services for the Villas, as necessary; and (iv) any other operational matters. Manager shall perform management and operational services as required or as Manager deems prudent in its judgment.

b. Maintenance and Repair. Manager is responsible for the management, maintenance and repair of the Vacation Property, including all real and personal property comprising all or portions of the Villas, their Limited Common Areas, and the Common Furnishings to the extent that the Villas Association or Manager is required to maintain and repair same, as provided in the Documents, or this Agreement. Manager shall perform maintenance and repair services as required or as Manager deems prudent in its judgment.

c. Accounting and Financial Reporting. Manager has the following powers and shall be responsible for the following duties concerning accounting and financial reporting services:

(1) Establishment and Administration of Villas Association Bank Accounts. Manager shall deposit all funds collected from the assessment of Owners or funds otherwise accruing to Villas Association in accounts with a bank or other institution as permitted by law and by the Documents. Such accounts shall be held in the name of Villas Association with suitable designations indicating the source of the funds. In the alternative, Manager is authorized to invest collected funds on behalf of the Villas Association in accordance with the Documents; provided, however, that such investments are styled so as to indicate the custodial nature thereof. Manager shall maintain all funds collected separately, and shall not commingle them with similar funds collected on behalf of other condominiums, vacation ownership projects or owners' associations or with Manager's own funds. Manager shall not commingle the reserve and operating funds of Villas Association, except to the extent permitted under the Documents and by law. Manager shall not be liable for any loss resulting from the insolvency of any depository or the loss from any investment authorized or permitted by law or by the Documents.

Manager is authorized to draw on Villas Association accounts for any payments to be made by Manager or Villas Association to discharge any liabilities or obligations incurred pursuant to this Agreement, for the payment of the Management Fee (as set forth in Paragraph 10), or any other disbursements properly incurred on Villas Association's behalf. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

(2) Maintenance of Books and Records. Manager is responsible for maintaining Villas Association's financial records, books, accounts, and other official records as provided by applicable law and under the Documents. Such records shall include, among other things, detailed and accurate records, in chronological order, of the receipts and expenditures of the Villas Association. Manager shall issue the Statements of Unpaid Amounts required by the Villas Declaration to Owners, Lenders, potential Owners and potential Lenders. Manager shall do so on request and after payment of a reasonable fee in an amount approved by the Board, and without liability for errors unless made as a result of gross negligence. Subject to the limitations imposed in the Documents including but not limited to any limitations intended to protect the list of Owners, on reasonable notice: (i) Manager shall produce copies of any such records in accordance with applicable law at the expense of the party requesting them, and (ii) all books and financial records of Villas Association shall be made available by Manager for inspection by Villas Association members at convenient hours on working days at a place designated by the Villas Association and for inspection in the State of Hawaii by any applicable governmental agency on request and at Villas Association's expense. Services to be performed pursuant to this Subparagraph shall be performed monthly or more often if necessary, with the exceptions of the issuance of Statements of Unpaid Amounts and the provision of books and records which shall be performed as required.

(3) Annual Financial Report. Manager shall prepare, or cause to be prepared and distributed or otherwise made available to the Owners, the Budget and Annual Report as required by law or by the Villas Declaration at the time required by law or by the Villas Declaration. Manager shall also provide to the Owners a statement of receipts and expenditures which shall include but not be limited to: (a) management fees paid; (b) total compensation paid to the Board, if any; and (c) amount of reserves set aside or, if no reserves have been set aside, the reason therefor. Services to be performed pursuant to this Subparagraph shall be performed annually or as otherwise required by the Documents.

(4) Taxes. Manager shall engage competent, professional assistance as necessary for the preparation of any tax returns, forms, or other filings required by any local, state, or federal agency, and Manager will provide any assistance necessary in the compilation of financial data from the books and records of Villas Association required for the completion of these documents. Without limiting the foregoing, Manager shall maintain records of any general excise tax due and owing with respect to the Villas as required by Section 514E-3(b), HRS. Services to be performed pursuant to this Subparagraph shall be performed annually or as required or as Manager deems prudent in its judgment.

(5) Maintenance of Owners List. Manager shall maintain among its records a complete list of the names and addresses of all Owners, including all vendees under agreements of sale. This Owners list shall not be published and may not be provided to any Owners or to any third party other than as may be specifically required by law and the Documents; provided, however, that Manager shall furnish the Owners list to the Developer and the Network Operator if requested by them from time to time. Villas Association acknowledges and agrees that Manager, the Developer, and the Network Operator shall have the right, from time to time, to use the list of Owners for the purpose of sending to the Owners promotional information about them or their affiliates, or about the goods, services, and/or benefits offered by them or their affiliates. Without limiting the foregoing, Manager, the Developer, and/or the Network Operator may include with any mailing (including but not limited to any email transmission) sent to the Owners such materials as they may choose; provided, however, that Manager, the Developer, or the Network Operator must pay the expense of printing such additional materials and any increase in the cost of postage caused by the inclusion of the additional materials. Manager, the Developer, and the Network Operator may also send mailings (including but not limited to any email transmission) of their own to the Owners and may use the list of Owners for such purpose; provided, however, that they must pay all expenses of any such mailing.

d. Estimated Budget. Annual budget services shall include the preparation of a recommended budget for management and operation of the Vacation Ownership Plan and the operation, repair, maintenance and replacement of the Vacation Property (the "Estimated Budget") for review by the Board, which shall in turn adopt a final budget (the "Budget"). The Budget shall include all items required by law or by the Documents. Manager will distribute a copy or otherwise make the Budget available to each Owner at the times stated in the Documents or required by law. Should a Special Assessment be required during the year, it shall be recommended and presented to

the Board or Villas Association for adoption in compliance with the Documents, and the Members of the Villas Association shall be advised thereof and each of the Members shall pay their Fair Share of such Special Assessment pursuant to the Documents. Manager shall use reasonable efforts to collect Regular and Special Assessments from the Members based on the foregoing. Services to be performed pursuant to this Subparagraph shall be performed annually or as needed.

e. Replacement of Common Furnishings. Manager has the sole authority and responsibility to maintain or replace the Common Furnishings, and in such capacity:

(1) Manager has the sole discretion while this Agreement remains in effect for making determinations as to replacements of the Common Furnishings, decor, and all other judgments relating to the Villas. Notwithstanding the foregoing and subject to the provisions of Paragraphs 3.c and 3.d above, all replacements shall at least maintain the standard of quality of the furniture, other personal property, and decor as originally contained in the Villas at the time such units are included in the Vacation Ownership Plan.

(2) The assessments for reserves for replacements will be set aside as reserves for replacement and repair as required by the Plan Documents.

Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

f. Compliance with Terms of This Agreement and Applicable Laws. Manager is authorized to and shall be responsible for taking action as may be necessary to comply with the terms of this Agreement and all laws, statutes, ordinances, and rules of all appropriate governmental authorities and with the rules and regulations of the National Board of Fire Underwriters (or in the event it shall terminate its present functions, those of any other body exercising similar functions). Services to be performed pursuant to this Subparagraph shall be performed as required.

g. Coordination of Annual and Special Meetings of Owners.

(1) Manager shall provide a representative to attend all meetings of the Owners and shall be responsible for delivery of notices of all such meetings in accordance with the Documents.

(2) Manager shall provide assistance to the Board in preparing an agenda for all such meetings and in preparing any reports, charts, or other material for presentation at such meetings that are reasonably requested by the Board. Manager shall also prepare a draft of the minutes of all such meetings for review and approval by Villas Association's secretary.

(3) Manager shall make copies of the Villas Association minutes available for inspection by Villas Association members at convenient hours on working days at a place designated by the Villas Association, and shall mail copies to Owners at the times required by the Documents. Manager may charge a reasonable fee to defray any administrative or duplicating cost of mailing copies of the minutes to an Owner.

(4) Services to be performed pursuant to this Subparagraph g. shall be performed as required.

h. Coordination of All Board Meetings.

(1) Manager shall provide a representative to attend all meetings of the Board and shall be responsible for delivery of notice of all such meetings in accordance with the Documents.

(2) Manager shall provide assistance to the Board in preparing an agenda for all such meetings and any reports, charts, or other material for presentation at such meetings that are reasonably requested by the Board. Manager shall prepare a draft of the minutes of all such meetings for review and approval by Villas Association's secretary.

(3) Manager shall make copies of the Board minutes available for inspection by Villas Association members at convenient hours on working days at a place designated by the Villas Association, and shall mail copies to Owners at the times required by the Documents. Manager may charge a reasonable fee to defray any administrative or duplicating expense of mailing copies of the minutes to an Owner.

(4) Services to be performed pursuant to this Subparagraph h. shall be performed as required.

i. Rules and Regulations. Manager is responsible for the promulgation, adoption, and amendment of all Rules and Regulations as it deems advisable for the use and occupancy of the Vacation Property, and is responsible for enforcing same, all subject to the approval of the Board, not to be unreasonably withheld. Manager shall be responsible to provide to all Owners and Occupants copies of the house rules of the Project, if any. In addition, Manager shall supervise the enforcement of the house rules and take such reasonable actions as are necessary to enforce the Villas Declaration and any other Documents. Manager shall determine, in its sole discretion, all activities and programs to be carried on as to the Vacation Property and shall employ the personnel or contract for the service required therefor as it determines in its sole discretion. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

j. Alterations and Additions. Manager shall replace or make alterations or additions to the Vacation Property as authorized, pursuant to and in accordance with the Documents. Manager shall make any and all alterations or additions to the Vacation Property that (i) would be capital improvements, (ii) relate to the structural integrity of the Villas or their Limited Common Areas, or (iii) relate to defects in design, materials or workmanship in the construction of the Vacation Property. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

k. Employment of Professionals. Manager shall retain and employ such professionals and such other experts whose services may be reasonably required to allow Manager to effectively perform its duties and exercise its powers under this Agreement and as it deems most beneficial. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

l. Damage to Vacation Property. The Documents govern all matters covered in them relating to damage or destruction to a Vacation Unit or the Common Areas. In all other cases, if all or any part of the Vacation Property is damaged or destroyed, other than by ordinary wear and tear, Manager shall repair or restore the Vacation Property as set forth under Subparagraph 4.j. hereof. Manager may use any available insurance or condemnation proceeds to pay for the repair or replacement. Manager also may use any money set aside in a Reserve Account to repair or replace the damaged property. If the damage will not be covered by insurance, or the available proceeds or applicable Reserve Accounts are insufficient to pay the total amount of repairing or replacing the damaged property, then the Manager shall determine the amount of the shortfall. The Villas Association shall thereupon levy a Special Assessment among the Owners to cover the amount thereof and the Manager is authorized and empowered to collect the same. Services to be performed pursuant to this Subparagraph shall be performed as required.

m. Maintenance of Relationship with Exchange Company. Manager may be requested to act on behalf of Villas Association regarding any exchange company or companies associated with the Vacation Ownership Plan. If so requested, Manager shall use reasonable efforts to maintain relationships with such exchange company or companies in such a manner as to maximize the benefits available to the Owners. In addition, if so requested, Manager also will be responsible for working with such exchange company or companies to stay abreast of relevant exchange procedures and for informing Villas Association, the Board, and the Owners of any significant changes in these procedures. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

n. Insurance. Manager shall obtain and maintain all insurance policies required to be obtained and maintained by Villas Association pursuant to applicable law and the Documents. This includes but is not limited to

property insurance, liability insurance, a fidelity bond or fidelity insurance covering the activities of Manager, and errors and omissions insurance covering the Manager. Manager is authorized to act as agent for Villas Association, each Owner, and for each owner of any other insured interest and, further, to adjust all claims arising under the insurance policies subject to the provisions of the Documents. The amount of the fidelity bond or fidelity insurance shall be determined by the Board but shall not be less than required by the Act. Manager is also authorized to file lawsuits and deliver releases on payments of claims; to otherwise exercise all of the rights, powers and privileges of the insured parties, and to receive on behalf of the insured parties, all insurance proceeds, subject to the provisions of the Documents. Whenever possible, insurance policies shall name the Manager and any party retained by Manager pursuant to any sub-management agreement to perform all or a portion of Manager's obligations under this Agreement (each such party being herein referred to as a "Sub-manager") as additional insureds or co-insureds. The charges for all insurance obtained under this Agreement shall be a Plan Expense. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment. The Villas Association acknowledges that the Manager or its affiliates manage various other associations and projects. Whenever it is prudent in the determination of the Manager to do so, Manager may obtain blanket insurance policies and/or bonds covering the Villas Association and other homeowners associations. In such event, Manager shall allocate the charges of such policies and/or bonds equitably among the various associations and projects as discussed in Paragraph 5, below.

o. Lockout and Liens. Manager shall be responsible for the collection, on behalf of Villas Association, of all Assessments for Plan Expenses, Personal Charges, and other payments from the Owners including the Regular Assessment and all other monies and debts that may become due to Villas Association. In accordance with the Villas Declaration, the Board hereby delegates to the Manager the power to carry out any disciplinary actions imposed by the Board, and the right to suspend an Owner's rights and privileges under the Documents in cases where the Owner has not paid all Assessments, Personal Charges and other payments due. This includes the right to conduct hearings required by the Villas Declaration and to decide whether to suspend the Owner's rights and privileges. In addition, Manager is authorized, in accordance with the Documents, to reserve a Vacation Period on behalf of a delinquent Owner and to rent out that Vacation Period. The proceeds of such rental will be applied first to the expense of arranging any such rental, including any rental commissions, cleaning charges, travel agent commissions, or any other commercially reasonable charges reasonably and usually incurred by the Manager in securing rentals, then to the delinquent Owner's unpaid Assessments and Personal Charges (including penalties, late fees, and so on). The balance will be used to pay any Plan Expenses and will not be credited to the Owner's account. (The intent here is to be sure that the Owner does not profit by his or her wrongdoing and to avoid violating any securities laws.) If the Owner has already rented his or her Vacation Period, the Manager may collect any unpaid rental from the renter until all amounts due are paid in full.

Further, Manager is authorized to file a Notice of Lien on behalf of the Villas Association against the Vacation Ownership Interest of any Owner who fails to pay his or her Assessments, Personal Charges, and all other sums due from the Owner as required by and provided for in the Documents. Manager has the right to enforce any lien for unpaid Assessments, Personal Charges, and all other sums due from an Owner to the same extent as Villas Association has this right by virtue of the Documents and/or by law. Villas Association also authorizes Manager to assign any such liens to a third party as it deems advisable in Villas Association's best interest. Manager may compromise liens for interest, late charges, or any fines imposed in such amounts as it deems advisable, in its sole discretion, and may record a Release of Lien and render statements as to the current status of an Owner's Assessments. Manager is further authorized to use the services of a collection agency for collection of delinquent accounts. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

p. Vacation Ownership Plan. Manager shall be responsible for the promulgation, adoption, and amendment of such reservation rules as it deems advisable and is responsible for enforcing same, all in accordance with the Villas Declaration. Manager shall also be responsible for operating the reservation system. Manager shall supervise and monitor occupancy scheduling so that the Owners or Occupants will be provided with the promised use of the Villas. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

q. Authority to Lease, Rent, or Purchase Materials and Supplies. Manager may lease, rent, or purchase equipment, tools, vehicles, appliances, goods, supplies, and materials as reasonably necessary to perform its duties and responsibilities pursuant to this Agreement. Villas Association acknowledges that Manager may enter into any such leases or rentals with or make such purchases from affiliates of Manager, provided, the terms of any such leases, rentals or purchases shall comply with the provisions of Paragraph 5 hereof. Purchases shall be in the name of Villas Association at Manager's discretion and the charges for the purchases shall be Plan Expenses. All purchases made pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment. Notwithstanding anything in this Agreement to the contrary, all personal property of Manager, including property acquired by Manager with its own funds during the term of this Agreement shall remain the property of Manager regardless of the use of such property in carrying out Manager's duties and obligations under this Agreement.

r. Authority to Lease, Rent, or Negotiate the Purchase of Real Property. Manager may lease or rent real property as agent for and on behalf of Villas Association in compliance with the Documents. At the request of the Villas Association, Manager may act as Villas Association's agent in conjunction with the negotiation for the purchase of real property in compliance with the Documents. Services performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

s. Concessions, Licenses, and Coin-operated Vending Machines. Manager may contract, on such terms and conditions and for such purpose as Manager deems necessary, and may grant concessions and licenses, subject to the approval of the Board, for the providing of facilities and services as to and within the Vacation Property, and may purchase, rent, or cause to be installed coin vending machines and coin-operated equipment and pay telephones on the Vacation Property.

t. Payment of Taxes. Subject to Paragraph 9, below, Manager shall be responsible to pay real property taxes and transient accommodations taxes on the Villas.

u. Right of Entry. Manager shall have and may exercise any or all the Villas Association's rights to enter the Villas and their Limited Common Areas:

(1) As may be necessary or appropriate for the performance of its duties hereunder, including entry for the purpose of cleaning, housekeeping, maintenance and repairs (including emergency repairs), and

(2) For the purpose of abating any activity or condition, or removing any thing, that (i) violates the law, the Documents, or (ii) is a nuisance or is unauthorized, prohibited, harmful, offensive, or potentially dangerous to others or their property, or (iii) threatens the property, rights, or welfare of others.

v. Licensing. Manager shall have the right to obtain any and all licenses required or appropriate to the operation of the Vacation Property. It may do so in its own name and/or in the name of the Villas Association. To the extent required by any liquor licensing law, Manager shall have exclusive control of any and all portions of the Vacation Property with respect to all matters governed by such law.

w. Other Services. Manager shall perform such other acts, and shall perform such other responsibilities as may be reasonably delegated by the Board from time to time, which are necessary for the satisfactory management, operation and maintenance of the Vacation Property or the Vacation Ownership Plan, provided such other responsibilities shall be consistent with the nature and scope of the duties and responsibilities of Manager herein.

5. Manager's Duty. Manager shall act in a fiduciary capacity with respect to the proper protection of and the accounting for the Villas Association's funds. In this capacity, Manager shall deal at arm's length with all third parties, and Manager shall also use reasonable efforts to serve Villas Association's interests at all times. This Agreement shall not be construed as prohibiting Manager, or any firm or corporation, or any affiliate of Manager, from conducting or possessing an interest in any other business or activity, including but not limited to the ownership, financing, leasing, operation, development, management, or brokerage of real or personal property. Manager is expressly authorized to sub-contract with one or more of its affiliates in carrying out its obligations under this

Agreement and/or, in addition to the Licensing Arrangement, contract with or engage affiliated entities for the provision of any services or goods provided by Manager hereunder; provided such contract or engagement is commercially reasonable and disclosed to the Board.

Manager or its affiliates, or their respective officers, directors, employees, shareholders, and agents, may be performing services similar to the services performed under this Agreement for other associations and entities. In this connection, Manager is authorized to provide or cause to be provided such services as appropriate on a consolidated basis whereby such services are provided to more than one association. To require the Manager to account with regard to each association and between Villas Association and other persons in interest as to other properties managed by Manager, would substantially increase the expenses of the administration under this Agreement borne by Villas Association. Accordingly, the Manager may charge the Villas Association its appropriate and fair share of the general expenses as are general, and as to those which are not general, to charge such amounts to the appropriate party(s) on such basis (weighted or not) as Manager deems fair and equitable. In the case of personnel, expenses shall be fully-loaded amounts, which will be comprised of salary and benefit expenses, payroll taxes, and employee-related insurance for staff, as well as facilities and equipment rent, of utilities and supplies, and similar expenses. Travel expenses and *per diem* for travel to and from the various projects, and charges for communications, shall also be allocated equitably. In the event that Manager enters into a subcontract with one or more Subcontractors, any such subcontract may likewise provide for allocation of expenses in a similar manner.

Manager is not acting in a fiduciary capacity with respect to negotiating and executing this Agreement.

6. Independent Contractor. Manager is an independent contractor of Villas Association. Villas Association releases any right of control over the method, manner, or means by which Manager performs its duties and responsibilities under this Agreement.

7. Plan Expenses. All expenses, fees and charges incurred by Manager on behalf of Villas Association pursuant to this Agreement, including the Management fee, overhead, and expenses, shall be Plan Expenses, except for any expenses that may be incurred by individual Owners and may not be treated as Plan Expenses, which shall be charged to such individual Owners. Plan Expenses shall also include any expenses associated with Manager's employees as set forth under Paragraph 3.a hereof, as well as any and all costs or fees incurred by Manager in connection with the Licensing Arrangement with Brand Owner which amounts may include, but are not limited to, the license fee

8. Aid and Assistance. Villas Association shall aid and assist Manager, in any reasonable manner requested by Manager, in collecting assessments and effectuating the purposes of this Agreement.

9. Deficits. Manager shall not be required to undertake to pay any costs or expenses for the benefit of Villas Association or its Members from its own funds, and shall only be required to perform its services and make disbursements to the extent that, and as long as, the payment of Assessments or other revenue, if any, received from Villas Association or its Members are sufficient to pay, in full, the costs and expenses of such services and the amounts of such disbursements. If at any time the funds in the bank accounts of the Villas Association are not sufficient to pay the charges incident to this Agreement, Manager, although not obligated to do so, may advance such sums as it deems necessary, and in such event, Manager shall be entitled to reimburse itself from Villas Association funds for the amount of such advances, as soon as such funds become available, together with interest at the rate of one and one-half percent (1.5%) per month, pro-rated daily, commencing from and after the date of the advance by Manager. Manager's duties and responsibilities under this Agreement and the performance thereof shall be subject to and limited by the availability of funds for the payment of the expenses associated therewith and the payment of the other amounts required in this Agreement. In that regard, Manager does not represent, guarantee, or promise any specific standard of services and performance of such obligations and duties under this Agreement, but agrees only to use reasonable efforts, with available funds. If it appears to Manager that the Assessments and other revenue are insufficient to pay the same and to adequately provide full reserves, Manager promptly shall determine the amount of additional Assessments required and advise the Board accordingly.

10. Management Fee.

a. Basic Fee. Manager shall provide the services required of it under this Agreement, for which services Villas Association shall pay to Manager an annual management fee (the "Management Fee") equal to ten percent (10%) of all Regular Assessments and Special Assessments levied against any Owners (irrespective of whether such money is in fact collected). The Villas Association shall pay the fee to Manager on a monthly basis with adjustments made in the next monthly payment of the fee as necessary to reflect changes in the level of money required to be collected. Payment of the fee shall be in addition to any other amounts paid to Manager by Villas Association pursuant to this Agreement, including but not limited to those described in Paragraph 3.

Notwithstanding the foregoing, the parties understand and agree that the provisions of this Paragraph which, subject to its terms, fix the fees under this Agreement for a specified time are made in recognition of the fact that all of the active functions of Villas Association have been delegated to Manager under this Agreement. However, if Villas Association undertakes any action or incurs any expense in addition to those actions or expenses incurred by Manager, or as set forth in the Budget prepared by Manager, the same shall be paid by Villas Association.

b. Additional Fees. In addition to the Management Fee, Manager may also charge the following Additional Fees.

(1) Additional Services. It is mutually agreed that the Management Fee encompasses ordinary and routine services normally required by the Villas Association. In the event the Villas Association requires additional special or unique management services that involve investment of significant resources on the part of the Manager, such services shall be performed by the Manager for an additional fee equal to the Manager's expenses plus an administrative fee of ten percent (10%) of the amount of such expenses. Usual and routine services do not include the following things, among others: problems arising from fire, earthquake, tornado, tsunami, volcanic eruptions, hurricanes or other acts of God, problems due to strikes or other labor disputes, frequent legal meetings, arbitration or litigation other than routine lien foreclosures, proxy solicitations beyond the inclusion of a proxy form with the notice of Annual Meeting, or other nonoperating efforts.

(2) Other Services. The Board may contract with Manager for the performance of additional services beyond those included within the ordinary scope of this Agreement. In such event, Manager shall be entitled to such additional compensation as shall be agreed between the Board and Manager.

(3) Statement of Unpaid Assessments. Manager may charge a reasonable fee to the Owner, any prospective purchaser of a Vacation Ownership Interest, or any Lender or prospective Lender for a Statement of Unpaid Assessments, to furnish documents in connection with the sale of any Vacation Ownership Interest, and/or to register the change of ownership on the records of the Villas Association. The amount of each such fee shall not exceed Two Hundred Dollars (\$200), subject to increase by an amount equal to the percentage change between (i) the C.P.I. Index published for December, 2015, and (ii) the most recent C.P.I. Index, as "C.P.I. Index" is defined in the Documents.

(4) Interest. All unpaid fees and expenses due Manager hereunder shall bear interest, from the date such fee or expense becomes due until fully paid, at the lesser of one and one-half percent (1.5%) per month, prorated daily, or the maximum rate permitted by law.

(5) Taxes.

A. In addition to the Management Fee, the Villas Association shall pay to the Manager as an additional fee, together with each payment of the Management Fee or any other payment hereunder (for example, any interest on unpaid Management Fees) that is subject to the State of Hawaii general excise tax on gross income, as such taxing statute may be amended, and all other similar taxes imposed on the Manager on said Management Fee or other payment in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding federal or state net income taxes) whether imposed by the United States of America, the State of Hawaii, or the County of Maui, an amount which, when added to such Management Fee or other such payments,

will result in the Manager's realization of a net amount equal to that which the Manager would have realized from such payments had no such tax been imposed.

B. In the event that Manager enters into any subcontractor agreement pursuant to which a Subcontractor shall perform all or a portion of the Manager's obligations under this Agreement, then in addition to the Management Fee, the Villas Association shall pay to the Manager as an additional fee, together with each payment of the Management Fee or any other payment hereunder (for example, any interest on unpaid Management Fees) that is subject to any tax on gross income and all other similar taxes imposed on the Manager and/or Subcontractor on the Management Fees or other payments in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding federal or state net income taxes), whether imposed by the United States of America or by City, County, State or other governmental entity, an amount which, when added to the Management Fee or other such payments, will result in the Manager's realization of a net amount equal to that which the Manager would have realized from such payments had no such tax been imposed on the amount payable to the Subcontractor.

11. Special Services. Manager may assess a Personal Charge against an Owner to recover the expenses of providing special services on behalf of and at the request of the Owner in a reasonable amount determined by Manager.

12. Non-Interference. For so long as this Agreement remains in effect and is not properly terminated by the Owners as provided in this Agreement, Villas Association shall not permit, allow, or cause any of its Officers, Directors, or Members to interfere with Manager in the performance of its duties and responsibilities or the exercise of any of its powers under this Agreement.

13. Indemnification of Manager. Manager and its affiliates and Sub-managers, and each of their respective representatives, shareholders, employees, officers, directors, and agents (collectively, the "Manager Indemnitees") shall not be liable to Villas Association or Owners for any loss or damage not caused by the gross negligence or willful misconduct of Manager Indemnitees. Villas Association will and does hereby indemnify and save harmless the Manager Indemnitees from and against any such liability for damages, costs, and expenses, including but not limited to reasonable attorneys' fees and costs, whether suit is brought or not, and other professionals' fees, in connection with the performance of Manager's duties under this Agreement and/or from injury to any person or property in and about, or in connection with the Vacation Property or the Vacation Ownership Plan from any cause whatsoever, unless such loss or injury shall be solely caused by the gross negligence or willful misconduct of any of the Manager Indemnitees. Manager and any Sub-managers each shall be designated as an additional insured in the comprehensive public liability policy obtained by or for the benefit of Villas Association, and any additional premium therefor shall be the responsibility of Villas Association. Villas Association's indemnity obligations under this Paragraph arising prior to the termination or assignment of this Agreement shall survive termination or assignment.

14. Assignment. Manager may assign all or any part of its obligations under this Agreement. Thirty (30) days advance written notice of the assignment shall be delivered to Villas Association. Nothing contained herein shall prevent the delegation by Manager to SVEC of any or all of Manager's duties hereunder, provided that Manager shall remain primarily responsible hereunder.

15. Amendments of Documents. The Board shall not propose that any amendments be made to the Documents that impair or prejudice the rights of Manager without the prior written consent of Manager.

16. Limitation of Liabilities. Villas Association acknowledges that the Developer is an affiliate of Manager. Villas Association further acknowledges that nothing in this Agreement or in the relationship of the parties shall be construed as obligating the Developer, Brand Owner, or any shareholder, partner, or other subsidiary or affiliate of Developer or Brand Owner to assume, guarantee, or otherwise be responsible for any of the obligations, acts, or omissions of Manager in connection with this Agreement. Manager shall not be responsible for the acts, omissions to act or conduct of any of the Developer, Brand Owner, the Board, the Villas Association, any Owner or any Occupant of the Vacation Property, or for the breach of any of the obligations of any of the Developer, Brand Owner, the Board, the Villas Association, any Owner or any Occupant of the Vacation Property.

Manager shall not be liable to third parties for any debts, liabilities or obligations of the Villas Association. The Manager shall have no responsibility for compliance of the Vacation Property with the requirements of any ordinances, laws, rules, or regulations (including those relating to the disposal of solid, liquid and gaseous wastes) of the City, County, State, or Federal Government, or any public authority or official thereof having jurisdiction over it, except the obligation to notify the Board promptly, or forward to the Board promptly, any complaint, warning, notice, or summons received by the Manager relating to such matters. The Villas Association authorizes the Manager to disclose, if Manager so chooses, the ownership of the Vacation Property to any officials of the City, County, State or Federal Government or any public authority having jurisdiction over the Vacation Property, and agrees to indemnify and hold harmless the Manager Indemnitees from and against all loss, cost, expense and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, rules and regulations, unless such loss or injury shall be solely caused by the gross negligence or willful misconduct of any of the Manager Indemnitees.

17. Vehicular Parking and Storage. Manager may regulate all vehicular parking by Owners and Occupants of the Villas. Manager may regulate the use of storage areas, if any, of the Vacation Property.

18. Governing Law; Waiver of Jury Trial; Venue of Actions. This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Hawaii. **THE PARTIES WAIVE ANY RIGHT THEY MAY HAVE UNDER ANY APPLICABLE LAW TO A TRIAL BY JURY WITH RESPECT TO ANY SUIT OR LEGAL ACTION WHICH MAY BE COMMENCED BY OR AGAINST THE OTHER CONCERNING THE INTERPRETATION, CONSTRUCTION, VALIDITY, ENFORCEMENT, OR PERFORMANCE OF THIS AGREEMENT OR ANY OTHER AGREEMENT OR INSTRUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT.** In the event any such suit or legal action is commenced by either party, the other party agrees, consents, and submits to the personal jurisdiction of the First Circuit Court in Honolulu, Hawaii with respect to such suit or legal action, and each party also consents and submits to and agrees that venue in any such suit or legal action is proper in said court and county, and each party waives any and all personal rights under applicable law or in equity to object to the jurisdiction and venue in said court and county. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

19. Waiver. No waiver of a breach of any of the covenants in this Agreement shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

20. Modification; Amendment.

a. No modification, release, discharge, or waiver of any provision of this Agreement shall be of any force, effect, or value unless in writing and signed by the parties.

b. The Villas Association and the Manager agree to amend this Agreement as requested by the Developer at any time and from time to time:

(1) To comply with the laws and regulations of the State of Hawaii or any political subdivision thereof, including but not limited to compliance as may be required in connection with the registration of the Vacation Ownership Plan;

(2) To comply with the laws of any other place (for example, the State of New York) or the requirements of any governmental agency (for example, the California Department of Real Estate) in connection with the registration of the Vacation Ownership Plan; and

(3) To satisfy the requests for change(s) made to the Developer by any institutional lender loaning money to the Developer, by any investor in mortgages initially made in favor of the Developer, or by any title company licensed to do business in the State of Hawaii.

21. Entire Agreement. This Agreement and the Documents constitute the entire agreement between the parties, and neither party has been induced by the other by representations, promises, or understandings not expressed in this Agreement or the Documents. There are no collateral agreements, stipulations, promises, or understandings whatsoever between Villas Association and Manager, in any way relating to the subject matter of this instrument, or the instruments referred to in this Agreement that are not expressly contained in this Agreement or in the Documents.

22. Partial Invalidation. The invalidity in whole or in part of any covenant, promise, or undertaking, or any paragraph, subparagraph, sentence, clause, phrase, or words, or of any provision of this Agreement shall not affect the validity of the remaining portions of this Agreement.

23. Notices. Except as may be otherwise provided in this Agreement, any notice, demand, request, consent, approval, or communication under this Agreement shall be in writing and shall be deemed duly given or made: (i) three days after being deposited, postage prepaid, in the U.S. mail, certified or registered mail with a return receipt requested, addressed to the party at the address shown above; (ii) when delivered personally to the party at the address specified above; (iii) when delivered by a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the party as specified above; or (iv) when delivered by facsimile transmission with confirmed receipt of transmission. A party may designate a different address for receiving notices under this Agreement by giving notice to the other party in accordance with this Paragraph.

24. Default by Villas Association. Villas Association shall be deemed in default hereunder if: Villas Association or its Members interfere with Manager in the performance of its duties and responsibilities or the exercise of its powers under this Agreement; Villas Association fails to promptly do any of the things required of it under this Agreement; Villas Association declares or is placed into bankruptcy or becomes insolvent; Villas Association becomes liable for an adverse court judgment in excess of \$100,000; or Villas Association dissolves or liquidates. In the event of a default by Villas Association, Manager, at its election, shall give Villas Association notice specifying the alleged default. If Villas Association fails to cure the default within thirty (30) days after receipt of written notice from Manager, or if the default is not curable within thirty (30) days and Villas Association fails to commence to cure and thereafter diligently proceed to cure, Manager shall have the right: (i) to exercise such rights or any other remedies given it by agreement or in law or equity, (ii) to terminate this Agreement, in which event it may also bring an action against the Villas Association and/or the Owners for damages; or (iii) to bring an action against Villas Association and/or the Owners for damages or injunctive relief. Notwithstanding anything stated in this Agreement to the contrary, and except as otherwise provided in Paragraph 13 with respect to indemnification for tort claims arising out of or relating to the performance of Manager's duties under this Agreement and/or from injury to any person or property in and about, or in connection with the Vacation Property or the Vacation Ownership Plan, Villas Association shall not be liable for Manager's attorneys' fees and costs, or other professionals' fees and costs, incurred in connection with a dispute between Villas Association and Manager arising out of or related to this Agreement or Villas Association's performance or failure to perform Villas Association's obligations under this Agreement. All rights of Manager, on default, shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other additional remedy. Notwithstanding anything herein to the contrary, in no event shall Villas Association or the Owners or their respective affiliates, or its or their employees, officers, directors, agents, or assigns be liable to Manager for punitive damages or for incidental or consequential damages (specifically including, but not limited to, loss of anticipated income or intangible benefits or loss due to business interruption) resulting from any default hereunder.

25. Default by Manager. Manager shall be deemed in default hereunder if Manager fails to perform as required under this Agreement. In the event of a default by Manager hereunder, Villas Association, at its election, shall give Manager notice specifying the alleged default. If Manager fails to cure the default within thirty (30) days after it receives written notice from Villas Association (or any longer period authorized by the Board), or if the default is not curable within said thirty (30) days (or any longer period authorized by the Board) and Manager fails to commence to cure and thereafter diligently proceed to cure, the Villas Association shall have the rights: (i) to terminate this Agreement, in which event Villas Association may also bring an action against the Manager for damages; or (ii) to bring an action against Manager for damages or injunctive relief. Notwithstanding anything stated in this Agreement to the contrary, Manager shall not be liable for Villas Association's or any Owner's attorneys' fees and costs, or other professionals' fees and costs, incurred in connection with a dispute between Villas Association and Manager arising out

of or related to this Agreement or Manager's performance or failure to perform Manager's obligations under this Agreement. Notwithstanding anything herein to the contrary: (A) the termination of the Licensing Arrangement for any reason, shall not be deemed a failure to perform or default by Manager under this Agreement; and (B) in no event shall Manager or its respective affiliates, or its or their employees, officers, directors, agents, or assigns be liable to Villas Association or Owners for punitive damages or for incidental or consequential damages (specifically including, but not limited to, loss of anticipated income or intangible benefits or loss due to business interruption) resulting from any default hereunder. Upon termination of this Agreement by the Villas Association, Manager shall turn over to the Villas Association all books and records of the Villas Association relating to the management and operation of the Vacation Property and the Vacation Ownership Plan but this shall not extend to internal or confidential or other records of the Manager.

26. Use of Marks, Brand Name and Other Proprietary Material. Villas Association agrees that the Marks and Brand Name are and always shall be the personal property of Brand Owner, subject to the rights of Manager pursuant to the Licensing Arrangement. Accordingly, Villas Association and all Owners shall have no right to use the Marks and Brand Name at any time during or after the term of the Licensing Arrangement. Villas Association agrees that it shall take no actions that are inconsistent herewith or that may result in a termination of the Licensing Arrangement.

Villas Association further acknowledges that Manager and its Sub-managers (if any) may use certain personal and intellectual property owned by Manager, a Sub-manager or Developer as may be necessary to manage, operate and market the Vacation Property (collectively, the "Manager Materials"). Villas Association hereby agrees that the Manager Materials are and always shall be the personal property of Manager, such Sub-managers or Developer as the case may be. Accordingly, Villas Association shall have no right to use any of the Manager Materials at any time during the Term.

Upon termination of the License Arrangement, Manager or Villas Association, if this Management Agreement is no longer in effect, will take whatever action is necessary to assure that the Vacation Property and the Vacation Ownership Plan are no longer associated with or identified with the Brand or Marks, and that no such Brand or Mark is being used by the Villas Association, the Owners or any of their agents, in connection with the Vacation Property and/or the Vacation Ownership Plan. Further, Villas Association shall take whatever action is necessary to assure that any materials related to the Brand or Mark in the possession of or under the control of the Villas Association are immediately returned to Brand Owner and the Villas Association shall, or shall cause Manager to, remove all distinctive Brand features, including but not limited to signage and take all other actions (collectively, "De-identification Actions") required to preclude any possibility of confusion on the part of the public that the Vacation Ownership Plan, the Vacation Property or any part thereof are still associated or in any way identified with the Brand or Marks. If within thirty (30) days after termination of the Licensing Arrangement Manager or Villas Association fails to comply with this Paragraph, Brand Owner or its agents, at Villas Association's expense and on Villas Association's behalf, shall have the right and license to enter onto the Vacation Property and perform any and all De-identification Actions. The preceding sentence shall not in any way limit Brand Owner's rights or remedies with regard to any unauthorized use of the Brand or Marks.

27. Excusable Delays. In the event that Manager is delayed in, hindered in, or prevented from the performance of any obligation under this Agreement by reason of fire, acts of God or the public enemy, terrorist acts, embargo, riots, explosion, casualty, inability to obtain labor, materials or supplies, any outbreak of disease, strikes, lockouts, labor troubles, delays in transit or delivery, oil shortages, decrease in airline lifts, power failure, interference by civil or military authorities, restrictive governmental laws, codes or regulations, insurrection, war or any other reason beyond the Manager's reasonable control, then Manager's performance shall be excused for the period of the delay, and the period for Manager's performance shall be extended for a period equivalent to the period of such delay.

28. Mediation. If either party demands mediation of a dispute relating to or arising out of the interpretation, application, or enforcement of this Agreement (a "Dispute"), then:

a. Both Villas Association and Manager shall attempt in good faith to settle the Dispute by mediation in camera under the Commercial Mediation Rules of the American Arbitration Association;

b. Completion of the mediation as required by this Paragraph shall be a condition precedent that must be satisfied before either party commences any litigation, arbitration, administrative action or any other legal proceeding relating to or arising out of the Dispute; provided, however, that if the statute of limitations on a claim would expire during a delay due to mediation, then the party asserting such claim may commence a lawsuit, arbitration, or other legal proceeding, but the matter shall immediately be stayed pending the completion of the mediation required by this Paragraph 28;

c. If the mediation is not completed within two months from commencement, no further mediation shall be required unless otherwise agreed by the parties; and

d. Each party shall be wholly responsible for its own costs of participating in the mediation unless both parties agree that one party shall pay all or a specified portion of the mediation costs.

This Paragraph 28 shall not require mediation of any Dispute involving (a) actions seeking equitable relief involving threatened property damage or the health or safety of any person; or (b) personal injury claims.

29. Reasonableness Standard for Consents. Under any circumstance in which this Agreement requires one party to consent to the actions of the other party, the party whose consent is required shall not withhold such consent unreasonably.

30. Plural and Include. Where the context so indicates, a word in the singular form shall include the plural. The term “include” and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation.

31. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and date first above written.

NANEA OCEAN VILLAS VACATION OWNERS
ASSOCIATION, INC., a Hawaii non-profit corporation

By SVO PACIFIC, INC., a Florida corporation, as the sole
member of the Association and acting as the Developer pursuant
to the Villas Declaration

By: _____

(Print Name)

As its: _____

SVO HAWAII MANAGEMENT, INC., a Hawaii corporation

By: _____

(Print Name)

As its: _____

**MANAGEMENT AGREEMENT
FOR
NANEA OCEAN RESORT COMMUNITY ASSOCIATION**

THIS MANAGEMENT AGREEMENT (“Agreement”) is made and entered into as of this _____ day of _____, 2015, by and between NANEA OCEAN RESORT COMMUNITY ASSOCIATION, INC., a Hawaii non-profit corporation, whose address is 9002 San Marco Court, Orlando, Florida 32819 (“Project Association”) and SVO HAWAII MANAGEMENT, INC., a Hawaii corporation, whose address is 6 Kai Ala Drive, Lahaina, Maui, Hawaii 96761 (“Manager”).

RECITALS

A. SVO Pacific, Inc., a Florida corporation (the “Developer”) is the developer of the Nanea Ocean Resort (“Resort”) located at 45 Kai Malina Pkwy, Lahaina, Maui, Hawaii 96761. The Resort is a planned community governed by the Project Association.

B. The Developer has established that certain Nanea Ocean Resort Declaration of Covenants, Conditions, Easements and Restrictions, recorded as aforesaid on August 18, 2015 as Document No. 57081022 (the “Project Declaration”). Capitalized terms not expressly defined in this Agreement shall have the meaning given to them in the Project Declaration.

C. Under the Project Documents, the Project Association has the authority and the obligation to engage and maintain a managing agent or “Manager” for the Project and to delegate to the Manager the duties and obligations of the Project Association.

D. The Project Association desires to engage the Manager, which is an affiliate of the Developer, to be the Manager of the Resort, and the Manager desires to accept such engagement, all on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENTS

1. Engagement of Manager. Project Association, on its own behalf and on behalf of all Owners of Project Ownership Interests, hereby engages Manager as an independent contractor to perform the services described herein, and Manager hereby accepts such engagement and agrees to perform such services on the terms and conditions herein set forth. Manager agrees at all times during the term hereof to act in good faith and to exercise business judgment in the performance of its duties and responsibilities. Project Association, on its own behalf and on behalf of all of the Owners, enters into and agrees to be bound by this Agreement and delegates to Manager, to the exclusion of all persons and entities, all the powers and duties of Project Association (except those that, by law or under the Project Documents, cannot be delegated). This delegation in no way relieves Project Association of any fiduciary obligations owed by it to the Owners under applicable law. Manager accepts such delegation and agrees to manage and operate the Project and manage, operate, maintain and repair the Property in accordance with the provisions of the Project Documents and such other documents pertaining to the creation, operation, or management of the Property or the Project Association (collectively the “Documents”).

2. Term.

a. Initial Term. The initial term of this Agreement shall be for a period of five (5) years commencing on the Starting Date (“Initial Term”).

b. Renewal Terms. This Agreement automatically shall be renewed for successive three (3) year periods (a "Renewal Term") upon the expiration of the Initial Term and each successive Renewal Term unless either the Project Association or the Manager sends a written notice that it is not renewing this Agreement (a "Notice Of Non-Renewal") to the other party hereto at least ninety (90) days before the next renewal date. The Project Association cannot give a Notice Of Non-Renewal without (i) the vote of a Majority of the Owners at an annual or special meeting of the Project Association held within one year before the renewal date, or (ii) the written assent of a Majority of the Owners obtained within one year before the renewal date. If the Developer holds a majority of the votes in the Project Association, then (i) the Developer must abstain from the vote, and (ii) the Developer's votes will not be considered when determining whether a Majority of the Owners have voted or given their written assent to give the Notice Of Non-Renewal. The Board cannot make a decision to cancel or not renew this Agreement pursuant to this Subparagraph 2.b. It has no power or authority to do so in its own right or on behalf of the Project Association. Neither the Board nor any officer, director, employee or agent of the Project Association can send a Notice of Non-Renewal of this Agreement before the Project Association determines by vote or written assent of a Majority of the Owners as provided above, not to renew this Agreement. Any Notice of Non-Renewal sent before then will not be effective. It will be void. The Initial Term as extended by one or more renewal terms is hereinafter referred to as the "Term".

c. Termination. Notwithstanding anything to the contrary herein:

(1) Project Association may terminate this Agreement for cause at any time upon ninety (90) days' advance written notice if termination is permitted under Paragraph 25 hereof. If Manager disputes a termination of this Agreement pursuant to this Subsection (1), the dispute shall be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association if, and only if, arbitration is requested by or on behalf of Manager.

(2) Manager may terminate this Agreement at any time upon ninety (90) days' advance written notice if: (i) subject to the provisions of Paragraph 3, termination of the Licensing Arrangement (ii) termination is permitted under Paragraph 24 herein; or (iii) a court declares any portion of this Agreement invalid or unenforceable, which in the sole discretion of Manager makes the performance of the balance of this Agreement impractical.

(3) This Agreement shall automatically terminate upon the termination of the Project Declaration as provided in the Documents.

3. Manager's Responsibilities. Manager shall be responsible for the efficient and satisfactory management, operation, maintenance and repair of the Property. Project Association acknowledges and agrees that pursuant to this Agreement and in consideration of the Management Fee described in Paragraph 10, Manager, in its sole discretion, shall perform itself, hire personnel to perform, or procure providers to perform all services necessary for the management, operation, and repair of the Property in a reasonable and professional manner, and shall supervise the performance of all services provided to, or on behalf of, Project Association pursuant to this Agreement. Manager may delegate its authority and responsibilities to one or more sub-agents or subcontractors for such periods and upon such terms as Manager deems proper. Notwithstanding any provision in this Agreement to the contrary, Manager shall perform all services required of it under this Agreement at no cost whatsoever to Manager, but solely at the expense of the Project Association. Manager does not undertake to pay Project Expenses, taxes, or any Project Association obligation(s) from its own funds and shall only be required to perform its services and make disbursements to the extent that, and so long as, payment received from Assessments or other revenue, if any, of the Project Association are sufficient and available to pay the costs and expenses of such services and the amounts of such disbursements.

a. Employees. Manager shall hire, pay, and supervise such employees as the Manager, in its sole discretion, deems necessary to properly, adequately, safely, and economically perform the duties and responsibilities of Manager set forth in this Agreement; and Manager shall hire, pay, and supervise employees to provide for services not obtained by a separate provider pursuant to Paragraph 3.b. Any persons actually hired by

Manager shall be the employees of Manager rather than of Project Association, unless Manager specifically hires the employees to be employees of Project Association. Manager, in its absolute discretion, may determine to discharge and cause to be discharged any employee so hired. All matters pertaining to the employment, interviewing, and screening process, supervision, compensation, promotion, and discharge of employees of Manager and Project Association are the responsibility of Manager. Manager hereby acknowledges that Manager is responsible for the payment of any and all wages, payroll taxes, "fringe benefits" or other compensation with respect to all such persons employed with respect to the duties of Manager hereunder, except to the extent such employee has been specifically hired by Project Association. Project Association, however, shall reimburse Manager for all such amounts as provided in Paragraph 7 hereof. As used herein, the term "fringe benefits" shall, without limitation, include the cost of pension or profit sharing plans, workers' compensation benefits, group life and accident and health insurance or equivalent benefits and similar benefits available to employees by virtue of their employment by Manager.

(1) Protection of Manager's Employees. The Project Association covenants and agrees that during the term of this Agreement and for twelve (12) months thereafter, it shall not, directly or indirectly, for its own account or either as an agent, servant or employee, or as a shareholder, director or officer of any corporation, or member of any firm, engage, hire, employ or solicit the employment of any employees of the Manager unless the Manager consents thereto in writing. The Project Association agrees that the time limitations contained in this paragraph are reasonable and the Project Association's promises in this Subparagraph 3.a. (1) are necessary to protect the business and good will of the Manager. It is further agreed, between the parties hereto, that a breach of any of the covenants contained in this Subparagraph will result in irreparable and continuing damage to the Manager for which money damages cannot provide adequate relief. Accordingly, in the event of a violation of this Subparagraph 3.a.(1), Manager will, in addition to any other right or remedy available at law or in equity, be entitled to a temporary, preliminary and/or permanent injunction in order to enforce this paragraph.

b. Procurement of Separate Providers of Services.

(1) Manager may procure necessary services for the Project from third parties or may provide such services itself. All services procured by Manager, regardless of source, shall be provided on a fee per service basis; provided, however, those services that cannot practicably be provided on a fee per service basis, as determined by Manager in its sole discretion, will be provided on a cost basis.

In procuring providers of specific services from any source pursuant to its authority under this Agreement, Manager shall enter into service agreements on behalf of Project Association based on the following factors:

- (a) the quality and timing of the work obtainable for the desired level of service, and
- (b) a reasonable practicable price for the service obtainable in the local market.

Manager shall use its best judgment in evaluating these factors with respect to each proposed service; provided, however, nothing in this Agreement shall require Manager to obtain the lowest price available as to any service, material, or purchase, or in instances in which bids are obtained, to accept the lowest bid.

Manager has the authority to enter into and cancel any service agreements contemplated pursuant to this Subparagraph, in either Project Association's or Manager's name, as determined by Manager in its sole discretion. Furthermore, Project Association shall execute on its own behalf such service agreements as are deemed necessary by Manager from time to time to effectuate the obligations set forth in this Agreement. The fees or costs arising out of any agreements entered into by Manager pursuant to this Subparagraph shall be a Project Expense. Project Association agrees to assume and be responsible for all obligations under any service agreements entered into by Manager pursuant to the terms of this Agreement.

c. Standard of Operation and Licensing Arrangement. Project Association acknowledges that Manager has a relationship with Westin License Company ("Brand Owner") giving it or its affiliate the right to use the "Westin" name (the "Brand" or "Brand Name") and all service marks and trademarks ("Marks") associated

therewith. Pursuant to such right and in accordance with the terms and conditions of this Management Agreement, Manager and Project Association agree that, during the term of this Agreement, Manager will manage and operate the Property in accordance with the “License Standards” as a “Westin”, “Westin Vacation Ownership Resort” or under such other comparable brand names and marks as may be used to identify the Property as part of the vacation ownership resort system operated, managed, or owned by Starwood Hotels & Resorts Worldwide, Inc., (“Starwood”) its successors and assigns or any of its affiliates (including the Manager, the Seller, and Brand Owner) or licensees (“Comparable Brand”). As used in this Agreement, the “License Standards” refer generally to any standards of construction, maintenance, and operation of vacation ownership resort properties owned or operated by Starwood, its successors or assigns, or any of its affiliates or licensees and designated as “Westins”, “Westin Vacation Ownership Resorts”, or by any other name associated with a Comparable Brand. The License Standards may be published from time to time as “License Standards” or “Brand Standards”.

The availability and use of the Brand and Marks, and any brands or marks associated with any Comparable Brands shall be subject to the terms, conditions, and requirements set forth in this Management Agreement and the agreements between Manager and the owner or owners of any such brands or marks (“Licensing Arrangement”) and the expenses, including any fees, incurred by the Project Association or by Manager to comply with such terms, conditions, and requirements with respect to the Property shall be part of the Project Expenses. For purposes hereof, unless the context evidences a contrary intent, the use of the terms “Brand”, “Brand Name” or “Marks” shall be deemed to include any brands or marks associated with a Comparable Brand; the term “Licensing Arrangement” shall be deemed to include the Manager’s rights to use any Comparable Brand and the brands and marks associated therewith; the term “Brand Owner” shall be deemed to include the owner of any Comparable Brand being used in connection with the Property; and the term “Licensing Standard” shall be deemed to include any standards promulgated by the owner of any Comparable Brand being used in connection with the Property

Project Association acknowledges that the Brand Name, Marks, and Licensing Arrangement are not part of the Property and agrees that neither the Project Association nor Owners have, nor shall it claim on its own behalf or on behalf of the Owners, any right, title, or interest in the Marks or the Brand Name or in the Licensing Arrangement. Project Association also acknowledges that the Developer has certain rights to use the Brand and Marks with respect to the operation, sale, and marketing of the Project Ownership Interests, and agrees that neither Project Association nor Owners have, nor shall it claim on its own behalf or on behalf of the Owners, any right, title or interest in the Marks, Brand Name or Licensing Arrangement.

Project Association acknowledges that Developer, Manager, and Brand Owner are owned by a common parent company, Starwood.

d. Assessments to Support Maintenance of the “License Standards.” Project Association acknowledges and agrees that Manager’s ability to operate the Property in accordance with the License Standards and requirements of the Licensing Arrangement is in large part dependent on the annual approval by Project Association of an Estimated Budget (defined below) that is adequate both in terms of operating and reserve assessments to support such efforts by Manager. In this regard, Manager and Project Association agree to use their best efforts, consistent with their duties and obligations as set forth herein and in the Documents, to prepare and approve annual Estimated Budgets sufficient to maintain the Property in accordance with the Licensing Standards. Project Association acknowledges that, if requested by Manager, on occasion it may have to approve a Special Assessment against the Owners with respect to an item of operating expense mandated by the Licensing Arrangement in order for the Property to continue to conform with the “License Standards” and requirements of the Licensing Arrangement, which item of operating expense is so immediate in nature that a delay in assessment of same until the next Project Association fiscal year is not practicable. If the amount of the Special Assessment is such that, under the Project Documents, a vote of the Owners shall be required to approve the same, the Project Association shall use its best efforts to obtain such approval.

e. Term of Licensing Arrangement. Project Association acknowledges that, pursuant to an arrangement between Manager and Brand Owner, the Licensing Arrangement shall continue for the term of this Management Agreement; provided, however, that Brand Owner may immediately terminate the Licensing Arrangement if (i) Brand Owner determines that the Property is not being operated, managed and maintained in

accordance with the License Standards, or (ii) if this Agreement between the Nanea Ocean Resort Community Association and Manager is terminated or cancelled for any reason, or if it expires and is not renewed. Additionally, Project Association acknowledges that the Brand Owner may, pursuant to its arrangement with Manager, terminate the Licensing Arrangement in the event of the: Project Association's bankruptcy or insolvency; Project Association's liability for a large adverse court judgment; or Project Association's dissolution or liquidation. Additionally, Brand Owner and Manager may also terminate the Licensing Arrangement pursuant to the terms of the Licensing Arrangement; provided however that if Brand Owner and Manager terminate the Licensing Arrangement pursuant to its terms, then Manager shall have the right, but not the obligation, to enter into another Licensing Arrangement for a comparable hospitality brand including that brand's service marks and trademarks, in which event such replacement brand and mark shall for all purposes hereunder be deemed a "Comparable Brand".

f. Use of "Ka'anapali". Project Association acknowledges that the term and the word "Ka'anapali" is a federally registered service mark of Amfac/JMB Hawaii, L.L.C. ("A/JMB"), a Hawaii limited liability company and/or Amfac Property Investment Corp., a Hawaii corporation ("APIC"). Pursuant to an agreement between A/JMB, APIC, and an affiliate of Manager, Manager has the right to use the names "Ka'anapali" and "Ka'anapali North Beach" with respect to the development, marketing and sale of Project Ownership Interests located at the Resort (the "Ka'anapali Agreement"). The availability and use of the Ka'anapali name shall be subject to the terms, conditions, and requirements set forth in this Management Agreement and the Ka'anapali Agreement, and the expenses incurred by the Project Association or by Manager to comply with such terms, conditions, and requirements with respect to the Property shall be part of the Project Expenses. Project Association acknowledges that the Ka'anapali name is not part of the Property, and agrees that neither the Project Association nor Owners have, nor shall it claim on its own behalf or on behalf of the Owners, any right, title, or interest in the Ka'anapali name. Project Association acknowledges that use of the Ka'anapali name shall continue for the term of this Management Agreement; provided, however, that Manager may immediately terminate the use of the Ka'anapali name (i) if Manager does not have or if Manager loses the right to use the Ka'anapali name, or (ii) if the management agreement between the Project Association and Manager is terminated or cancelled for any reason, or if it expires and is not renewed, or (iii) in the event of the Project Association's bankruptcy or insolvency, the Project Association's liability for an adverse court judgment exceeding \$100,000, or Project Association's dissolution or liquidation.

In the event that the Manager terminates the use of the Ka'anapali name, Project Association will take whatever action is necessary to assure that the Property is no longer associated with or identified with the Ka'anapali name (other than being located in the Ka'anapali North Beach community), and that the Ka'anapali name is not being used by the Project Association, the Owners or any of their agents, in connection with the Property. Further, Project Association shall take whatever action is necessary to assure that any materials related to the Ka'anapali name in the possession of or under the control of the Project Association are immediately returned to Manager and the Project Association shall, or shall cause Manager to, remove all materials utilizing the Ka'anapali name, including but not limited to signage, and take all other actions (collectively, "Name Removal Actions") required to preclude any possibility of confusion on the part of the public that the Property or any part thereof is still associated or in any way identified with the Ka'anapali name (other than being located in the Ka'anapali North Beach community). If, within thirty (30) days after Manager terminates the use of the Ka'anapali name, the Project Association fails to comply with this Paragraph, Manager or its agents, at Project Association's expense and on Project Association's behalf, shall have the right and license to enter onto the Property and perform any and all Name Removal Actions.

4. Power and Duties. By way of illustration and not of limitation, Manager's powers, duties and responsibilities under this Agreement include the following:

a. Management and Operations. Manager is responsible for: (i) the general operation of the physical properties that constitute the Property, including but not limited to the Common Furnishings; (ii) landscaping maintenance, (iii) cleaning services; and (iv) any other operational matters. Manager shall perform management and operational services as required or as Manager deems prudent in its judgment.

b. Maintenance and Repair. Manager is responsible for the management, maintenance and repair of the Property, including all real and personal property comprising all or portions of the Project, their Limited Common Areas, and the Common Furnishings to the extent that the Project Association or Manager is required to maintain and repair same, as provided in the Documents, or this Agreement. Manager shall perform maintenance and repair services as required or as Manager deems prudent in its judgment.

c. Accounting and Financial Reporting. Manager has the following powers and shall be responsible for the following duties concerning accounting and financial reporting services:

(1) Establishment and Administration of Project Association Bank Accounts. Manager shall deposit all funds collected from the assessment of Owners or funds otherwise accruing to Project Association in accounts with a bank or other institution as permitted by law and by the Documents. Such accounts shall be held in the name of Project Association with suitable designations indicating the source of the funds. In the alternative, Manager is authorized to invest collected funds on behalf of the Project Association in accordance with the Documents; provided, however, that such investments are styled so as to indicate the custodial nature thereof. Manager shall maintain all funds collected separately, and shall not commingle them with similar funds collected on behalf of other condominiums, vacation ownership projects or owners' associations or with Manager's own funds. Manager shall not commingle the reserve and operating funds of Project Association, except to the extent permitted under the Documents and by law. Manager shall not be liable for any loss resulting from the insolvency of any depository or the loss from any investment authorized or permitted by law or by the Documents.

Manager is authorized to draw on Project Association accounts for any payments to be made by Manager or Project Association to discharge any liabilities or obligations incurred pursuant to this Agreement, for the payment of the Management Fee (as set forth in Paragraph 10), or any other disbursements properly incurred on Project Association's behalf. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

(2) Maintenance of Books and Records. Manager is responsible for maintaining Project Association's financial records, books, accounts, and other official records as provided by applicable law and under the Documents. Such records shall include, among other things, detailed and accurate records, in chronological order, of the receipts and expenditures of the Project Association. Manager shall issue the Statements of Unpaid Amounts required by the Project Declaration to Owners, Lenders, potential Owners and potential Lenders. Manager shall do so on request and after payment of a reasonable fee in an amount approved by the Board, and without liability for errors unless made as a result of gross negligence. Subject to the limitations imposed in the Documents including but not limited to any limitations intended to protect the list of Owners, on reasonable notice: (i) Manager shall produce copies of any such records in accordance with applicable law at the expense of the party requesting them, and (ii) all books and financial records of Project Association shall be made available by Manager for inspection by Project Association members at convenient hours on working days at a place designated by the Project Association and for inspection in the State of Hawaii by any applicable governmental agency on request and at Project Association's expense. Services to be performed pursuant to this Subparagraph shall be performed monthly or more often if necessary, with the exceptions of the issuance of Statements of Unpaid Amounts and the provision of books and records which shall be performed as required.

(3) Annual Financial Report. Manager shall prepare, or cause to be prepared and distributed or otherwise made available to the Owners, the Budget and Annual Report as required by law or by the Project Declaration at the time required by law or by the Project Declaration. Manager shall also provide to the Owners a statement of receipts and expenditures which shall include but not be limited to: (a) management fees paid; (b) total compensation paid to the Board, if any; and (c) amount of reserves set aside or, if no reserves have been set aside, the reason therefor. Services to be performed pursuant to this Subparagraph shall be performed annually or as otherwise required by the Documents.

(4) Taxes. Manager shall engage competent, professional assistance as necessary for the preparation of any tax returns, forms, or other filings required by any local, state, or federal agency, and Manager will provide any assistance necessary in the compilation of financial data from the books and records of Project

Association required for the completion of these documents. Without limiting the foregoing, Manager shall maintain records of any general excise tax due and owing with respect to the Property. Services to be performed pursuant to this Subparagraph shall be performed annually or as required or as Manager deems prudent in its judgment.

(5) Maintenance of Owners List. Manager shall maintain among its records a complete list of the names and addresses of all Owners, including all vendees under agreements of sale. This Owners list shall not be published and may not be provided to any Owners or to any third party other than as may be specifically required by law and the Documents; provided, however, that Manager shall furnish the Owners list to the Developer if requested by them from time to time. Project Association acknowledges and agrees that Manager and the Developer shall have the right, from time to time, to use the list of Owners for the purpose of sending to the Owners promotional information about them or their affiliates, or about the goods, services, and/or benefits offered by them or their affiliates. Without limiting the foregoing, Manager, and the Developer may include with any mailing (including but not limited to any email transmission) sent to the Owners such materials as they may choose; provided, however, that Manager or the Developer must pay the expense of printing such additional materials and any increase in the cost of postage caused by the inclusion of the additional materials. Manager and the Developer may also send mailings (including but not limited to any email transmission) of their own to the Owners and may use the list of Owners for such purpose; provided, however, that they must pay all expenses of any such mailing.

d. Estimated Budget. Annual budget services shall include the preparation of a recommended budget for management and operation of the Property (the "Estimated Budget") for review by the Board, which shall in turn adopt a final budget (the "Budget"). The Budget shall include all items required by law or by the Documents. Manager will distribute a copy or otherwise make the Budget available to each Owner at the times stated in the Documents or required by law. Should a Special Assessment be required during the year, it shall be recommended and presented to the Board or Project Association for adoption in compliance with the Documents, and the Members of the Project Association shall be advised thereof and each of the Members shall pay their Fair Share of such Special Assessment pursuant to the Documents. Manager shall use reasonable efforts to collect Regular and Special Assessments from the Members based on the foregoing. Services to be performed pursuant to this Subparagraph shall be performed annually or as needed.

e. Replacement of Common Furnishings. Manager has the sole authority and responsibility to maintain or replace the Common Furnishings, and in such capacity:

(1) Manager has the sole discretion while this Agreement remains in effect for making determinations as to replacements of the Common Furnishings, decor, and all other judgments relating to the Project. Notwithstanding the foregoing and subject to the provisions of Paragraphs 3.c and 3.d above, all replacements shall at least maintain the standard of quality of the furniture, other personal property, and decor as originally located on the Project.

(2) The assessments for reserves for replacements will be set aside as reserves for replacement and repair as required by the Project Documents.

Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

f. Compliance with Terms of This Agreement and Applicable Laws. Manager is authorized to and shall be responsible for taking action as may be necessary to comply with the terms of this Agreement and all laws, statutes, ordinances, and rules of all appropriate governmental authorities and with the rules and regulations of the National Board of Fire Underwriters (or in the event it shall terminate its present functions, those of any other body exercising similar functions). Services to be performed pursuant to this Subparagraph shall be performed as required.

g. Coordination of Annual and Special Meetings of Owners.

(1) Manager shall provide a representative to attend all meetings of the Owners and shall be responsible for delivery of notices of all such meetings in accordance with the Documents.

(2) Manager shall provide assistance to the Board in preparing an agenda for all such meetings and in preparing any reports, charts, or other material for presentation at such meetings that are reasonably requested by the Board. Manager shall also prepare a draft of the minutes of all such meetings for review and approval by Project Association's secretary.

(3) Manager shall make copies of the Project Association minutes available for inspection by Project Association members at convenient hours on working days at a place designated by the Project Association, and shall mail copies to Owners at the times required by the Documents. Manager may charge a reasonable fee to defray any administrative or duplicating cost of mailing copies of the minutes to an Owner.

(4) Services to be performed pursuant to this Subparagraph g. shall be performed as required.

h. Coordination of All Board Meetings.

(1) Manager shall provide a representative to attend all meetings of the Board and shall be responsible for delivery of notice of all such meetings in accordance with the Documents.

(2) Manager shall provide assistance to the Board in preparing an agenda for all such meetings and any reports, charts, or other material for presentation at such meetings that are reasonably requested by the Board. Manager shall prepare a draft of the minutes of all such meetings for review and approval by Project Association's secretary.

(3) Manager shall make copies of the Board minutes available for inspection by Project Association members at convenient hours on working days at a place designated by the Project Association, and shall mail copies to Owners at the times required by the Documents. Manager may charge a reasonable fee to defray any administrative or duplicating expensive of mailing copies of the minutes to an Owner.

(4) Services to be performed pursuant to this Subparagraph h. shall be performed as required.

i. Rules and Regulations. Manager is responsible for the promulgation, adoption, and amendment of all Rules and Regulations and policies as it deems advisable for the use and occupancy of the Property, and is responsible for enforcing same, all subject to the approval of the Board, not to be unreasonably withheld. Manager shall be responsible to provide to all Owners and Occupants copies of the house rules of the Project, if any. In addition, Manager shall supervise the enforcement of the house rules and take such reasonable actions as are necessary to enforce the Project Declaration and any other Documents. Manager shall determine, in its sole discretion, all activities and programs to be carried on as to the Property and shall employ the personnel or contract for the service required therefor as it determines in its sole discretion. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

j. Alterations and Additions. Manager shall replace or make alterations or additions to the Property as authorized, pursuant to and in accordance with the Documents. Manager shall make any and all alterations or additions to the Property that (i) would be capital improvements, (ii) relate to the structural integrity of the Units or their Limited Common Areas, or (iii) relate to defects in design, materials or workmanship in the construction of the Property. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

k. Employment of Professionals. Manager shall retain and employ such professionals and such other experts whose services may be reasonably required to allow Manager to effectively perform its duties and exercise its powers under this Agreement and as it deems most beneficial. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

l. Damage to Property. The Documents govern all matters covered in them relating to damage or destruction to a Unit or the Common Areas. In all other cases, if all or any part of the Property is damaged or destroyed, other than by ordinary wear and tear, Manager shall repair or restore the Property as set forth under Subparagraph 4.j. hereof. Manager may use any available insurance or condemnation proceeds to pay for the repair or replacement. Manager also may use any money set aside in a Reserve Account to repair or replace the damaged property. If the damage will not be covered by insurance, or the available proceeds or applicable Reserve Accounts are insufficient to pay the total amount of repairing or replacing the damaged property, then the Manager shall determine the amount of the shortfall. The Project Association shall thereupon levy a Special Assessment among the Owners to cover the amount thereof and the Manager is authorized and empowered to collect the same. Services to be performed pursuant to this Subparagraph shall be performed as required.

m. Maintenance of Relationship with Exchange Company. Manager may be requested to act on behalf of Project Association regarding any exchange company or companies associated with the Vacation Ownership Plan.

n. Insurance. Manager shall obtain and maintain all insurance policies required to be obtained and maintained by Project Association pursuant to applicable law and the Documents. This includes but is not limited to property insurance, liability insurance, a fidelity bond or fidelity insurance covering the activities of Manager, and errors and omissions insurance covering the Manager. Manager is authorized to act as agent for Project Association, each Owner, and for each owner of any other insured interest and, further, to adjust all claims arising under the insurance policies subject to the provisions of the Documents. The amount of the fidelity bond or fidelity insurance shall be determined by the Board but shall not be less than required by the Act. Manager is also authorized to file lawsuits and deliver releases on payments of claims; to otherwise exercise all of the rights, powers and privileges of the insured parties, and to receive on behalf of the insured parties, all insurance proceeds, subject to the provisions of the Documents. Whenever possible, insurance policies shall name the Manager and any party retained by Manager pursuant to any sub-management agreement to perform all or a portion of Manager's obligations under this Agreement (each such party being herein referred to as a "Sub-manager") as additional insureds or co-insureds. The charges for all insurance obtained under this Agreement shall be a Project Expense. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment. The Project Association acknowledges that the Manager or its affiliates manage various other associations and projects. Whenever it is prudent in the determination of the Manager to do so, Manager may obtain blanket insurance policies and/or bonds covering the Project Association and other homeowners associations. In such event, Manager shall allocate the charges of such policies and/or bonds equitably among the various associations and projects as discussed in Paragraph 5, below.

o. Liens. Manager shall be responsible for the collection, on behalf of Project Association, of all Assessments for Project Expenses, Personal Charges, and other payments from the Owners including the Regular Assessment and all other monies and debts that may become due to Project Association. In accordance with the Project Declaration, the Board hereby delegates to the Manager the power to carry out any disciplinary actions imposed by the Board, and the right to suspend an Owner's rights and privileges under the Project Documents in cases where the Owner has not paid all Assessments, Personal Charges and other payments due. This includes the right to conduct hearings required by the Project Declaration and to decide whether to suspend the Owner's rights and privileges.

Further, Manager is authorized to file a Notice of Lien on behalf of the Project Association against the Project Ownership Interest of any Owner who fails to pay his or her Assessments, Personal Charges, and all other sums due from the Owner as required by and provided for in the Documents. Manager has the right to enforce any lien for unpaid Assessments, Personal Charges, and all other sums due from an Owner to the same extent as Project Association has this right by virtue of the Documents and/or by law. Project Association also authorizes Manager to assign any such liens to a third party as it deems advisable in Project Association's best interest. Manager may compromise liens for interest, late charges, or any fines imposed in such amounts as it deems advisable, in its sole discretion, and may record a Release of Lien and render statements as to the current status of an Owner's Assessments. Manager is further authorized to use the services of a collection agency for collection of delinquent accounts. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

p. Authority to Lease, Rent, or Purchase Materials and Supplies. Manager may lease, rent, or purchase equipment, tools, vehicles, appliances, goods, supplies, and materials as reasonably necessary to perform its duties and responsibilities pursuant to this Agreement. Project Association acknowledges that Manager may enter into any such leases or rentals with or make such purchases from affiliates of Manager, provided, the terms of any such leases, rentals or purchases shall comply with the provisions of Paragraph 5 hereof. Purchases shall be in the name of Project Association at Manager's discretion and the charges for the purchases shall be Project Expenses. All purchases made pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment. Notwithstanding anything in this Agreement to the contrary, all personal property of Manager, including property acquired by Manager with its own funds during the term of this Agreement shall remain the property of Manager regardless of the use of such property in carrying out Manager's duties and obligations under this Agreement.

q. Authority to Lease, Rent, or Negotiate the Purchase of Real Property. Manager may lease or rent real property as agent for and on behalf of Project Association in compliance with the Documents. At the request of the Project Association, Manager may act as Project Association's agent in conjunction with the negotiation for the purchase of real property in compliance with the Documents. Services performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

r. Concessions, Licenses, and Coin-operated Vending Machines. Manager may contract, on such terms and conditions and for such purpose as Manager deems necessary, and may grant concessions and licenses, subject to the approval of the Board, for the providing of facilities and services as to and within the Property, and may purchase, rent, or cause to be installed coin vending machines and coin-operated equipment and pay telephones on the Property.

s. Payment of Taxes. Subject to Paragraph 9, below, Manager shall be responsible to pay real property taxes and transient accommodations taxes on the Project.

t. Right of Entry. Manager shall have and may exercise any or all the Project Association's rights to enter the Units and their Limited Common Areas:

(1) As may be necessary or appropriate for the performance of its duties hereunder, including entry for the purpose of cleaning, housekeeping, maintenance and repairs (including emergency repairs), and

(2) For the purpose of abating any activity or condition, or removing any thing, that (i) violates the law, the Documents, or (ii) is a nuisance or is unauthorized, prohibited, harmful, offensive, or potentially dangerous to others or their property, or (iii) threatens the property, rights, or welfare of others.

v. Licensing. Manager shall have the right to obtain any and all licenses required or appropriate to the operation of the Property. It may do so in its own name and/or in the name of the Project Association. To the extent required by any liquor licensing law, Manager shall have exclusive control of any and all portions of the Property with respect to all matters governed by such law.

w. Other Services. Manager shall perform such other acts, and shall perform such other responsibilities as may be reasonably delegated by the Board from time to time, which are necessary for the satisfactory management, operation and maintenance of the Property, provided such other responsibilities shall be consistent with the nature and scope of the duties and responsibilities of Manager herein.

5. Manager's Duty. Manager shall act in a fiduciary capacity with respect to the proper protection of and the accounting for the Project Association's funds. In this capacity, Manager shall deal at arm's length with all third parties, and Manager shall also use reasonable efforts to serve Project Association's interests at all times. This Agreement shall not be construed as prohibiting Manager, or any firm or corporation, or any affiliate of Manager, from conducting or possessing an interest in any other business or activity, including but not limited to the ownership, financing, leasing, operation, development, management, or brokerage of real or personal property. Manager is

expressly authorized to sub-contract with one or more of its affiliates in carrying out its obligations under this Agreement and/or, in addition to the Licensing Arrangement, contract with or engage affiliated entities for the provision of any services or goods provided by Manager hereunder; provided such contract or engagement is commercially reasonable and disclosed to the Board.

Manager or its affiliates, or their respective officers, directors, employees, shareholders, and agents, may be performing services similar to the services performed under this Agreement for other associations and entities. In this connection, Manager is authorized to provide or cause to be provided such services as appropriate on a consolidated basis whereby such services are provided to more than one association. To require the Manager to account with regard to each association and between Project Association and other persons in interest as to other properties managed by Manager, would substantially increase the expenses of the administration under this Agreement borne by Project Association. Accordingly, the Manager may charge the Project Association its appropriate and fair share of the general expenses as are general, and as to those which are not general, to charge such amounts to the appropriate party(s) on such basis (weighted or not) as Manager deems fair and equitable. In the case of personnel, expenses shall be fully-loaded amounts, which will be comprised of salary and benefit expenses, payroll taxes, and employee-related insurance for staff, as well as facilities and equipment rent, of utilities and supplies, and similar expenses. Travel expenses and *per diem* for travel to and from the various projects, and charges for communications, shall also be allocated equitably. In the event that Manager enters into a subcontract with one or more Subcontractors, any such subcontract may likewise provide for allocation of expenses in a similar manner.

Manager is not acting in a fiduciary capacity with respect to negotiating and executing this Agreement.

6. Independent Contractor. Manager is an independent contractor of Project Association. Project Association releases any right of control over the method, manner, or means by which Manager performs its duties and responsibilities under this Agreement.

7. Project Expenses. All expenses, fees and charges incurred by Manager on behalf of Project Association pursuant to this Agreement, including the Management fee, overhead, and expenses, shall be Project Expenses, except for any expenses that may be incurred by individual Owners and may not be treated as Project Expenses, which shall be charged to such individual Owners. Project Expenses shall also include any expenses associated with Manager's employees as set forth under Paragraph 3.a hereof, as well as any and all costs or fees incurred by Manager in connection with the Licensing Arrangement with Brand Owner which amounts may include, but are not limited to, the license fee

8. Aid and Assistance. Project Association shall aid and assist Manager, in any reasonable manner requested by Manager, in collecting assessments and effectuating the purposes of this Agreement.

9. Deficits. Manager shall not be required to undertake to pay any costs or expenses for the benefit of Project Association or its Members from its own funds, and shall only be required to perform its services and make disbursements to the extent that, and as long as, the payment of Assessments or other revenue, if any, received from Project Association or its Members are sufficient to pay, in full, the costs and expenses of such services and the amounts of such disbursements. If at any time the funds in the bank accounts of the Project Association are not sufficient to pay the charges incident to this Agreement, Manager, although not obligated to do so, may advance such sums as it deems necessary, and in such event, Manager shall be entitled to reimburse itself from Project Association funds for the amount of such advances, as soon as such funds become available, together with interest at the rate of one and one-half percent (1.5%) per month, pro-rated daily, commencing from and after the date of the advance by Manager. Manager's duties and responsibilities under this Agreement and the performance thereof shall be subject to and limited by the availability of funds for the payment of the expenses associated therewith and the payment of the other amounts required in this Agreement. In that regard, Manager does not represent, guarantee, or promise any specific standard of services and performance of such obligations and duties under this Agreement, but agrees only to use reasonable efforts, with available funds. If it appears to Manager that the Assessments and other revenue are insufficient to pay the same and to adequately provide full reserves, Manager promptly shall determine the amount of additional Assessments required and advise the Board accordingly.

10. Management Fee.

a. Basic Fee. Manager shall provide the services required of it under this Agreement, for which services Project Association shall pay to Manager an annual management fee (the "Management Fee") equal to ten percent (10%) of all Regular Assessments and Special Assessments levied against any Owners (irrespective of whether such money is in fact collected). The Project Association shall pay the fee to Manager on a monthly basis with adjustments made in the next monthly payment of the fee as necessary to reflect changes in the level of money required to be collected. Payment of the fee shall be in addition to any other amounts paid to Manager by Project Association pursuant to this Agreement, including but not limited to those described in Paragraph 3.

Notwithstanding the foregoing, the parties understand and agree that the provisions of this Paragraph which, subject to its terms, fix the fees under this Agreement for a specified time, are made in recognition of the fact that all of the active functions of Project Association have been delegated to Manager under this Agreement. However, if Project Association undertakes any action or incurs any expense in addition to those actions or expenses incurred by Manager, or as set forth in the Budget prepared by Manager, the same shall be paid by Project Association.

b. Additional Fees. In addition to the Management Fee, Manager may also charge the following Additional Fees.

(1) Additional Services. It is mutually agreed that the Management Fee encompasses ordinary and routine services normally required by the Project Association. In the event the Project Association requires additional special or unique management services that involve investment of significant resources on the part of the Manager, such services shall be performed by the Manager for an additional fee equal to the Manager's expenses plus an administrative fee of ten percent (10%) of the amount of such expenses. Usual and routine services do not include the following things, among others: problems arising from fire, earthquake, tornado, tsunami, volcanic eruptions, hurricanes or other acts of God, problems due to strikes or other labor disputes, frequent legal meetings, arbitration or litigation other than routine lien foreclosures, proxy solicitations beyond the inclusion of a proxy form with the notice of Annual Meeting, or other nonoperating efforts.

(2) Other Services. The Board may contract with Manager for the performance of additional services beyond those included within the ordinary scope of this Agreement. In such event, Manager shall be entitled to such additional compensation as shall be agreed between the Board and Manager.

(3) Statement of Unpaid Assessments. Manager may charge a reasonable fee to the Owner or any Lender or prospective Lender for a Statement of Unpaid Assessments, to furnish documents in connection with the sale of any Project Ownership Interest, and/or to register the change of ownership on the records of the Project Association. The amount of each such fee shall not exceed Two Hundred Dollars (\$200), subject to increase by an amount equal to the percentage change between (i) the C.P.I. Index published for December, 2015, and (ii) the most recent C.P.I. Index, as "C.P.I. Index" is defined in the Documents.

(4) Interest. All unpaid fees and expenses due Manager hereunder shall bear interest, from the date such fee or expense becomes due until fully paid, at the lesser of one and one-half percent (1.5%) per month, prorated daily, or the maximum rate permitted by law.

(5) Taxes.

A. In addition to the Management Fee, the Project Association shall pay to the Manager as an additional fee, together with each payment of the Management Fee or any other payment hereunder (for example, any interest on unpaid Management Fees) that is subject to the State of Hawaii general excise tax on gross income, as such taxing statute may be amended, and all other similar taxes imposed on the Manager on said Management Fee or other payment in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding federal or state net income taxes) whether imposed by the United States of America, the State of

Hawaii, or the County of Maui, an amount which, when added to such Management Fee or other such payments, will result in the Manager's realization of a net amount equal to that which the Manager would have realized from such payments had no such tax been imposed.

B. In the event that Manager enters into any subcontractor agreement pursuant to which a Subcontractor shall perform all or a portion of the Manager's obligations under this Agreement, then in addition to the Management Fee, the Project Association shall pay to the Manager as an additional fee, together with each payment of the Management Fee or any other payment hereunder (for example, any interest on unpaid Management Fees) that is subject to any tax on gross income and all other similar taxes imposed on the Manager and/or Subcontractor on the Management Fees or other payments in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding federal or state net income taxes), whether imposed by the United States of America or by City, County, State or other governmental entity, an amount which, when added to the Management Fee or other such payments, will result in the Manager's realization of a net amount equal to that which the Manager would have realized from such payments had no such tax been imposed on the amount payable to the Subcontractor.

11. Special Services. Manager may assess a Personal Charge against an Owner to recover the expenses of providing special services on behalf of and at the request of the Owner in a reasonable amount determined by Manager.

12. Non-Interference. For so long as this Agreement remains in effect and is not properly terminated by the Owners as provided in this Agreement, Project Association shall not permit, allow, or cause any of its Officers, Directors, or Members to interfere with Manager in the performance of its duties and responsibilities or the exercise of any of its powers under this Agreement.

13. Indemnification of Manager. Manager and its affiliates and Sub-managers, and each of their respective representatives, shareholders, employees, officers, directors, and agents (collectively, the "Manager Indemnitees") shall not be liable to Project Association or Owners for any loss or damage not caused by the gross negligence or willful misconduct of Manager Indemnitees. Project Association will and does hereby indemnify and save harmless the Manager Indemnitees from and against any such liability for damages, costs, and expenses, including but not limited to reasonable attorneys' fees and costs, whether suit is brought or not, and other professionals' fees, in connection with the performance of Manager's duties under this Agreement and/or from injury to any person or property in and about, or in connection with the Property from any cause whatsoever, unless such loss or injury shall be solely caused by the gross negligence or willful misconduct of any of the Manager Indemnitees. Manager and any Sub-managers each shall be designated as an additional insured in the comprehensive public liability policy obtained by or for the benefit of Project Association, and any additional premium therefor shall be the responsibility of Project Association. Project Association's indemnity obligations under this Paragraph arising prior to the termination or assignment of this Agreement shall survive termination or assignment.

14. Assignment. Manager may assign all or any part of its obligations under this Agreement. Thirty (30) days advance written notice of the assignment shall be delivered to Project Association.

15. Amendments of Documents. The Board shall not propose that any amendments be made to the Documents that impair or prejudice the rights of Manager without the prior written consent of Manager.

16. Limitation of Liabilities. Project Association acknowledges that the Developer is an affiliate of Manager. Project Association further acknowledges that nothing in this Agreement or in the relationship of the parties shall be construed as obligating the Developer, Brand Owner, or any shareholder, partner, or other subsidiary or affiliate of Developer or Brand Owner to assume, guarantee, or otherwise be responsible for any of the obligations, acts, or omissions of Manager in connection with this Agreement. Manager shall not be responsible for the acts, omissions to act or conduct of any of the Developer, Brand Owner, the Board, the Project Association, any Owner or any Occupant of the Property, or for the breach of any of the obligations of any of the Developer, Brand Owner, the Board, the Project Association, any Owner or any Occupant of the Property. Manager shall not be liable to third parties for any debts, liabilities or obligations of the Project Association. The Manager shall have no responsibility for compliance of the Property with the requirements of any ordinances, laws, rules, or regulations

(including those relating to the disposal of solid, liquid and gaseous wastes) of the City, County, State, or Federal Government, or any public authority or official thereof having jurisdiction over it, except the obligation to notify the Board promptly, or forward to the Board promptly, any complaint, warning, notice, or summons received by the Manager relating to such matters. The Project Association authorizes the Manager to disclose, if Manager so chooses, the ownership of the Property to any officials of the City, County, State or Federal Government or any public authority having jurisdiction over the Property, and agrees to indemnify and hold harmless the Manager Indemnitees from and against all loss, cost, expense and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, rules and regulations, unless such loss or injury shall be solely caused by the gross negligence or willful misconduct of any of the Manager Indemnitees.

17. Vehicular Parking and Storage. Manager may regulate all vehicular parking by Owners and Occupants of the Units in the General Common Areas of the Property. Manager may regulate the use of storage areas, if any, of the Property.

18. Governing Law; Waiver of Jury Trial; Venue of Actions. This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Hawaii. **THE PARTIES WAIVE ANY RIGHT THEY MAY HAVE UNDER ANY APPLICABLE LAW TO A TRIAL BY JURY WITH RESPECT TO ANY SUIT OR LEGAL ACTION WHICH MAY BE COMMENCED BY OR AGAINST THE OTHER CONCERNING THE INTERPRETATION, CONSTRUCTION, VALIDITY, ENFORCEMENT, OR PERFORMANCE OF THIS AGREEMENT OR ANY OTHER AGREEMENT OR INSTRUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT.** In the event any such suit or legal action is commenced by either party, the other party agrees, consents, and submits to the personal jurisdiction of the First Circuit Court in Honolulu, Hawaii with respect to such suit or legal action, and each party also consents and submits to and agrees that venue in any such suit or legal action is proper in said court and county, and each party waives any and all personal rights under applicable law or in equity to object to the jurisdiction and venue in said court and county. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

19. Waiver. No waiver of a breach of any of the covenants in this Agreement shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

20. Modification; Amendment.

a. No modification, release, discharge, or waiver of any provision of this Agreement shall be of any force, effect, or value unless in writing and signed by the parties.

b. The Project Association and the Manager agree to amend this Agreement as requested by the Developer at any time and from time to time:

(1) To comply with the laws and regulations of the State of Hawaii or any political subdivision thereof, including but not limited to compliance as may be required in connection with the registration of the Vacation Ownership Plan;

(2) To comply with the laws of any other place (for example, the State of New York) or the requirements of any governmental agency (for example, the California Department of Real Estate) in connection with the registration of the Vacation Ownership Plan; and

(3) To satisfy the requests for change(s) made to the Developer by any institutional lender loaning money to the Developer, by any investor in mortgages initially made in favor of the Developer, or by any title company licensed to do business in the State of Hawaii.

21. Entire Agreement. This Agreement and the Documents constitute the entire agreement between the parties, and neither party has been induced by the other by representations, promises, or understandings not expressed

in this Agreement or the Documents. There are no collateral agreements, stipulations, promises, or understandings whatsoever between Project Association and Manager, in any way relating to the subject matter of this instrument, or the instruments referred to in this Agreement that are not expressly contained in this Agreement or in the Documents.

22. Partial Invalidation. The invalidity in whole or in part of any covenant, promise, or undertaking, or any paragraph, subparagraph, sentence, clause, phrase, or words, or of any provision of this Agreement shall not affect the validity of the remaining portions of this Agreement.

23. Notices. Except as may be otherwise provided in this Agreement, any notice, demand, request, consent, approval, or communication under this Agreement shall be in writing and shall be deemed duly given or made: (i) three days after being deposited, postage prepaid, in the U.S. mail, certified or registered mail with a return receipt requested, addressed to the party at the address shown above; (ii) when delivered personally to the party at the address specified above; (iii) when delivered by a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the party as specified above; or (iv) when delivered by facsimile transmission with confirmed receipt of transmission. A party may designate a different address for receiving notices under this Agreement by giving notice to the other party in accordance with this Paragraph.

24. Default by Project Association. Project Association shall be deemed in default hereunder if: Project Association or its Members interfere with Manager in the performance of its duties and responsibilities or the exercise of its powers under this Agreement; Project Association fails to promptly do any of the things required of it under this Agreement; Project Association declares or is placed into bankruptcy or becomes insolvent; Project Association becomes liable for an adverse court judgment in excess of \$100,000; or Project Association dissolves or liquidates. In the event of a default by Project Association, Manager, at its election, shall give Project Association notice specifying the alleged default. If Project Association fails to cure the default within thirty (30) days after receipt of written notice from Manager, or if the default is not curable within thirty (30) days and Project Association fails to commence to cure and thereafter diligently proceed to cure, Manager shall have the right: (i) to exercise such rights or any other remedies given it by agreement or in law or equity, (ii) to terminate this Agreement, in which event it may also bring an action against the Project Association and/or the Owners for damages; or (iii) to bring an action against Project Association and/or the Owners for damages or injunctive relief. Notwithstanding anything stated in this Agreement to the contrary, and except as otherwise provided in Paragraph 13 with respect to indemnification for tort claims arising out of or relating to the performance of Manager's duties under this Agreement and/or from injury to any person or property in and about, or in connection with the Property, Project Association shall not be liable for Manager's attorneys' fees and costs, or other professionals' fees and costs, incurred in connection with a dispute between Project Association and Manager arising out of or related to this Agreement or Project Association's performance or failure to perform Project Association's obligations under this Agreement. All rights of Manager, on default, shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other additional remedy. Notwithstanding anything herein to the contrary, in no event shall Project Association or the Owners or their respective affiliates, or its or their employees, officers, directors, agents, or assigns be liable to Manager for punitive damages or for incidental or consequential damages (specifically including, but not limited to, loss of anticipated income or intangible benefits or loss due to business interruption) resulting from any default hereunder.

25. Default by Manager. Manager shall be deemed in default hereunder if Manager fails to perform as required under this Agreement. In the event of a default by Manager hereunder, Project Association, at its election, shall give Manager notice specifying the alleged default. If Manager fails to cure the default within thirty (30) days after it receives written notice from Project Association (or any longer period authorized by the Board), or if the default is not curable within said thirty (30) days (or any longer period authorized by the Board) and Manager fails to commence to cure and thereafter diligently proceed to cure, the Project Association shall have the rights: (i) to terminate this Agreement, in which event Project Association may also bring an action against the Manager for damages; or (ii) to bring an action against Manager for damages or injunctive relief. Notwithstanding anything stated in this Agreement to the contrary, Manager shall not be liable for Project Association's or any Owner's attorneys' fees and costs, or other professionals' fees and costs, incurred in connection with a dispute between Project Association and Manager arising out of or related to this Agreement or Manager's performance or failure to perform Manager's obligations under this Agreement. Notwithstanding anything herein to the contrary: (A) the termination of the Licensing Arrangement for

any reason, shall not be deemed a failure to perform or default by Manager under this Agreement; and (B) in no event shall Manager or its respective affiliates, or its or their employees, officers, directors, agents, or assigns be liable to Project Association or Owners for punitive damages or for incidental or consequential damages (specifically including, but not limited to, loss of anticipated income or intangible benefits or loss due to business interruption) resulting from any default hereunder. Upon termination of this Agreement by the Project Association, Manager shall turn over to the Project Association all books and records of the Project Association relating to the management and operation of the Property but this shall not extend to internal or confidential or other records of the Manager.

26. Use of Marks, Brand Name and Other Proprietary Material. Project Association agrees that the Marks and Brand Name are and always shall be the personal property of Brand Owner, subject to the rights of Manager pursuant to the Licensing Arrangement. Accordingly, Project Association and all Owners shall have no right to use the Marks and Brand Name at any time during or after the term of the Licensing Arrangement. Project Association agrees that it shall take no actions that are inconsistent herewith or that may result in a termination of the Licensing Arrangement.

Project Association further acknowledges that Manager and its Sub-managers (if any) may use certain personal and intellectual property owned by Manager, a Sub-manager or Developer as may be necessary to manage, operate and market the Property (collectively, the "Manager Materials"). Project Association hereby agrees that the Manager Materials are and always shall be the personal property of Manager, such Sub-managers or Developer as the case may be. Accordingly, Project Association shall have no right to use any of the Manager Materials at any time during the Term.

Upon termination of the License Arrangement, Manager or Project Association, if this Management Agreement is no longer in effect, will take whatever action is necessary to assure that the Property is no longer associated with or identified with the Brand or Marks, and that no such Brand or Mark is being used by the Project Association, the Owners or any of their agents, in connection with the Property. Further, Project Association shall take whatever action is necessary to assure that any materials related to the Brand or Mark in the possession of or under the control of the Project Association are immediately returned to Brand Owner and the Project Association shall, or shall cause Manager to, remove all distinctive Brand features, including but not limited to signage and take all other actions (collectively, "De-identification Actions") required to preclude any possibility of confusion on the part of the public that the Property or any part thereof are still associated or in any way identified with the Brand or Marks. If within thirty (30) days after termination of the Licensing Arrangement, Manager or Project Association fails to comply with this Paragraph, Brand Owner or its agents, at Project Association's expense and on Project Association's behalf, shall have the right and license to enter onto the Property and perform any and all De-identification Actions. The preceding sentence shall not in any way limit Brand Owner's rights or remedies with regard to any unauthorized use of the Brand or Marks.

27. Excusable Delays. In the event that Manager is delayed in, hindered in, or prevented from the performance of any obligation under this Agreement by reason of fire, acts of God or the public enemy, terrorist acts, embargo, riots, explosion, casualty, inability to obtain labor, materials or supplies, any outbreak of disease, strikes, lockouts, labor troubles, delays in transit or delivery, oil shortages, decrease in airline lifts, power failure, interference by civil or military authorities, restrictive governmental laws, codes or regulations, insurrection, war or any other reason beyond the Manager's reasonable control, then Manager's performance shall be excused for the period of the delay, and the period for Manager's performance shall be extended for a period equivalent to the period of such delay.

28. Mediation. If either party demands mediation of a dispute relating to or arising out of the interpretation, application, or enforcement of this Agreement (a "Dispute"), then:

a. Both Project Association and Manager shall attempt in good faith to settle the Dispute by mediation in camera under the Commercial Mediation Rules of the American Arbitration Association;

b. Completion of the mediation as required by this Paragraph shall be a condition precedent that must be satisfied before either party commences any litigation, arbitration, administrative action or any other legal

proceeding relating to or arising out of the Dispute; provided, however, that if the statute of limitations on a claim would expire during a delay due to mediation, then the party asserting such claim may commence a lawsuit, arbitration, or other legal proceeding, but the matter shall immediately be stayed pending the completion of the mediation required by this Paragraph 28;

c. If the mediation is not completed within two months from commencement, no further mediation shall be required unless otherwise agreed by the parties; and

d. Each party shall be wholly responsible for its own costs of participating in the mediation unless both parties agree that one party shall pay all or a specified portion of the mediation costs.

This Paragraph 28 shall not require mediation of any Dispute involving (a) actions seeking equitable relief involving threatened property damage or the health or safety of any person; or (b) personal injury claims.

29. Reasonableness Standard for Consents. Under any circumstance in which this Agreement requires one party to consent to the actions of the other party, the party whose consent is required shall not withhold such consent unreasonably.

30. Plural and Include. Where the context so indicates, a word in the singular form shall include the plural. The term “include” and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation.

31. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and date first above written.

NANEA OCEAN RESORT COMMUNITY ASSOCIATION,
INC., a Hawaii non-profit corporation

By SVO PACIFIC, INC., a Florida corporation, as the sole
member of the Association and acting as the Developer pursuant
to the Project Declaration

By: _____

(Print Name)

As its: _____

SVO HAWAII MANAGEMENT, INC., a Hawaii corporation

By: _____

(Print Name)

As its: _____

RULES AND REGULATIONS OF NANEA OCEAN VILLAS

Welcome to the Westin Nanea Ocean Villas. We want your use of the Villas and the Nanea Ocean Resort to be a satisfying experience. The following Rules and Regulations have been established for the benefit of all Owners. These Rules and Regulations supplement the Villas Declaration and Vacation Documents, as they may be amended from time to time, but do not change your obligations as an Owner under either the Nanea Ocean Villas Vacation Ownership Plan ("Plan") or the Vacation Documents. These Rules and Regulations may be amended from time to time by the Board of Directors ("Villas Board") of the Villas Association (the "Villas Association").

The Villas are part of the Nanea Ocean Resort, a master planned community (the "Project"). The Project is operated by the Nanea Ocean Resort Community Association, Inc., ("Project Association") and its Board of Directors ("Project Board"). The Project Board has also adopted these Rules and Regulations as its Rules and Regulations which will govern Owners of Vacation Ownership Interests in the Project. For purposes of these Rules and Regulations, Owner shall mean the Owners of Vacation Ownership Interests.

Compliance by you, your family, guests and permitted users with these Rules and Regulations will permit the Plan, the Villas and the Project to operate smoothly and efficiently.

Each Owner shall be governed by and shall comply with these Rules and Regulations, the Master Declaration, the Vacation Documents (as defined in the Villas Declaration) and the Starwood Vacation Network Documents. These documents are collectively referred to as the Governing Documents. Please note that failure by you or your guests to comply with these documents shall entitle the Villas Association and the Project Association to pursue any and all legal and equitable remedies to enforce the rules and may result in the suspension of your rights and privileges as an Owner.

Antennas. No antennas of any type shall be allowed on the Project, except as may be provided by the Project Board to serve as a master antenna for the benefit and use of the Resort Units, Commercial Units and Parking Units within the Project. No electrical or other equipment may be operated on the Project which interferes with television signal reception.

Barbecue Grills. No barbecue grills may be used on the Project, except in areas, if any, specifically designated by the Villas Board or the Project Board.

Biennial VOI. Owners of biennial Vacation Ownership Interests may be required to pay a \$20.00 bookkeeping charge per year to offset the Villas Association's extra processing costs.

Children. Owners are responsible for the conduct of their children or children in their care. Children are not permitted to play in corridors, parking areas, the lobby, pool areas, spas or any other common areas not designed for children's recreation. Children under thirteen (13) years of age must be accompanied by an adult around the Project. Owners will be held financially responsible for disturbance or damage caused by their minor children or children under their care. Failure to pay for damages caused by such behavior may affect the Owner's use privileges.

Common Areas. Common Areas of the Project shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of and use by the Owners and others as permitted by the Governing Documents.

Damage. No Owner or guest, invitee, or lessee of such Owner shall deface, mar, or otherwise damage any part of the Project. In the event of such damage, the Owner shall be liable for the cost of repair. If a Vacation Unit or facility is rendered unusable due to the intentional or negligent act or omission of an

Owner, guest, invitee, or lessee of such Owner, the Owner also shall be responsible for the cost of securing alternative accommodations or facilities of comparable quality and location until the damaged accommodations or facilities are repaired.

Decoration of Vacation Units; Additions, Alterations, and Renovations. No Owner, guest, invitee, or lessee shall alter the furnishings, appliances, personal property, or decor of any Vacation Unit. No Owner, guest, invitee, or lessee shall paint or otherwise decorate or change the appearance of any portion of the Project. The Villas Board shall determine the interior color scheme, decor, and furnishings of each Vacation Unit as well as the proper time for redecorating and renovating such Vacation Unit and its contents. No Owner, guest, invitee, or lessee shall make any additions, alterations, or renovations to any part of the Project.

No Domiciliary Intent. No person may enter, stay, or dwell on or about a Vacation Unit with the intent or desire to be or become a legal domiciliary of the State of Hawaii or any political subdivision thereof, and all persons waive, release, and remise any such intent or desire. No person may enter, stay, or dwell on or about a Vacation Unit with the intent that the Vacation Unit be or become that person's principal dwelling, and all persons shall maintain a principal dwelling at all times at a location other than within a Vacation Unit.

Emergencies and Fire Safety. In the event of an emergency, contact the Project Operator by dialing "0," or contact the appropriate authority by dialing "9" for an outside line, then dialing "911" or by dialing "911". After dialing "911," contact the Manager so that emergency vehicles can be directed appropriately. The Villas Association has posted in conspicuous places in the Vacation Units, fire regulations that must be adhered to by Owners and guests during their stay at the Villas and Project. The Project Association has also posted in conspicuous places in the Common Areas, fire regulations that must be adhered to by Owners and guests during their stay at the Villas and Project. Your conscientious compliance with these rules and regulations will help maintain the safety of the Villas and Project.

Enforcement of Rules. The Villas Association expects all Owners and their guests to adhere to the requirements set forth in the Rules and Regulations and the Villas Declaration. To assist the Villas Association in the enforcement of the provisions of these two documents, the Villas Association has delegated enforcement authority to the Manager. Any Owner or guest who has been advised by the Manager that they are in violation of the Rules and Regulations or the Villas Declaration must immediately cease that activity.

If any Owner or his guest, after being notified by the Manager that he or she is in violation of the Rules and Regulations or Villas Declaration, fails to comply with the Manager's direction, the matter will be referred to the Villas Board for consideration of the assessment of penalties by reason of such person's non-compliance. The Owner against whom such action is proposed to be taken has the right to appear before the Villas Board at its next regularly scheduled meeting to contest such action, all as provided in the Bylaws and the Villas Declaration.

Guests. You may permit another person to occupy your reserved Vacation Period without charge by the Association subject to the following restrictions: (i) the maximum allowable occupancy limits may not be exceeded, (ii) guests must observe the Check-In and Check-Out procedures. If you intend for a person other than yourself to use your Vacation Period you must provide the Manager with the name and address of such person(s) in writing not less than three days prior to commencement of the Vacation Period. You will be responsible for all personal charges and/or damages to the occupied Vacation Unit resulting from use by your guests. Persons under twenty-one (21) years of age must be accompanied by you or a guest twenty-one (21) years of age or older.

Holdover Owners. If any Owner or the guest, invitee, or lessee of such Owner fails to vacate a Vacation Unit at the expiration of the reserved Vacation Period, such Owner shall be deemed a "holdover owner." The Association shall take steps as may be necessary to remove a holdover owner from the Vacation Unit. The Association also shall assist the holder of a subsequent reservation who may be affected by the holdover owner's failure to vacate, in finding alternate accommodations during such holdover period.

In addition to such other remedies as may be available to it, the Villas Association shall use reasonable efforts to remove the holdover owner and/or secure, at its expense, alternate accommodations for any holder of a subsequent reserved use period who may not occupy the Vacation Unit due to the failure to vacate of any holdover owner. Such accommodations shall be as near in value as possible to the Vacation Unit owned. The holdover owner shall be charged for the cost of such alternate accommodations, any other costs incurred due to his failure to vacate, and a fine during this period of holding over. In the event it is necessary that the Villas Association contract for a period greater than the actual period of holding over in order to secure alternate accommodations as set forth above, the entire period shall be the responsibility of the holdover owner, although the fine shall cease on actual vacating by the holdover owner, or the guest, invitee, or lessee of such Owner. The Villas Association shall submit a bill to the holdover owner in accordance with the Villas Declaration.

The foregoing provisions shall not abridge the Villas Association's right to take such other action against a holdover owner as is permitted by law including eviction proceedings. Further, the foregoing provisions shall not limit the Villas Association's right to take any action permitted by Hawaii law against trespassers who are not Owners.

Housekeeping. The time between Check-Out Time and Check-In Time is reserved exclusively for the cleaning, inventory, repair and maintenance of units by the housekeeping and maintenance personnel. Currently, a full cleaning will be provided prior to Check-In. Additional cleaning charges will be assessed as part of each additional reserved Vacation Period as further detailed in the Reservation Rules. Additional housekeeping services are available by contacting the front desk. A charge for additional housekeeping services will be made and must be paid prior to your departure.

Lawful Use. No immoral, improper, offensive or unlawful use shall be made on or of the Villas or Project, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

Nuisances. No nuisance shall be allowed in the Villas or on the Project, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the Project by the Owners. All parts of the Villas and Project shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. All common areas shall be kept free for their intended use, and shall in no event be used as storage areas, either on a temporary or permanent basis. No clothing towels, bedding, or other similar items may be dried or aired in any outdoor area or hung over or on balconies. No Owner shall make or cause to be made any noises, or use musical instruments, radios, televisions, amplifiers or other such equipment in a manner that may tend to disturb other Owners. No Owner shall permit any use of the Villas, Vacation Property or Project that will increase the cost of insurance for such areas.

Occupancy and Check-In/Check-Out. Check-In begins at 4:00 p.m. on the first day of a reserved Vacation Period and Check-Out is at 10:00 a.m. on the last day of the reserved Vacation Period. In addition to these times, the Villas Board reserves the right to designate an alternative Check-In time for specific Vacation Units. No Owner shall be admitted into a Vacation Unit until the Check-In process is complete at the reception desk designated for such purpose. The Villas Board may from time to time change the Check-In/Check-Out times, and such change shall not require an amendment to the Villas Declaration.

The maximum occupancy for a Three Bedroom Vacation Unit is 8 persons.

The maximum occupancy for a Two Bedroom Vacation Unit is 6 persons

The maximum occupancy for a One Bedroom Vacation Unit is 4 persons.

Parking. Commercial trucks, oversized vehicles, trailers, motorcycles, and bicycles shall not be parked on the Project except in those areas, if any, designated by the Project Board.

Personal Charges. The Villas Association will charge a minimum fee of \$10.00 for any Personal Charges required to be billed to an Owner after Check-Out. All Personal Charges, including, but not limited to, extra services or damages, for guests are considered the responsibility of the Owner who requested

access for such guest and must be paid for at the time goods or services are purchased. Any unpaid Personal Charges payable to the Villas Association will bear interest at the maximum rate specified in the Villas Declaration or the collection policy adopted by the Villas Board.

Personal Use Restriction. Each Vacation Unit shall be occupied only as vacation accommodations. No Owner may occupy a Vacation Unit or use any facilities of the Project at any time other than during the reserved Vacation Period in accordance with the Vacation Documents. Use of all Vacation Units and the facilities of the Project by Owners is limited solely to the personal use of Owners, their guests, invitees, and lessees and for recreational uses by corporations and other entities owning Vacation Ownership Interests. Use of Vacation Units or the facilities of the Project by Owners for commercial purposes or any purposes other than the personal use described in the Governing Documents is expressly prohibited. "Commercial purpose" includes a pattern of rental activity or other occupancy by an Owner that the Villas Association, in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. This paragraph shall not apply to Vacation Ownership Interests and reserved Vacation Periods owned by the Developer or to Commercial Units or Parking Units.

The Villas Board reserves the right to charge a fee for Permitted Users to utilize the Project's Resort Limited Common Area amenities on a daily basis during the hours established by the Villas Board for such day use privileges. The Villas Board, in its sole and absolute discretion, may promulgate rules and regulations regarding day use of the Resort Limited Common Area amenities, as well as delegate the responsibility for enforcing the rules and regulations to such third parties as the Villas Board sees fit from time to time.

Pets. No pets of any type are allowed on the Project, including the Villas, unless required pursuant to the Americans With Disabilities Act or applicable State law.

Reservation Procedures. Your use rights depend on the type of Vacation Ownership Interest you own as specified on your grant deed. Please refer to the Reservation Rules for the Plan and the Vacation Documents for further information on reservation procedures.

Signs. No sign, notice, other display, or advertising may be posted, displayed, maintained, inscribed, painted, or affixed on any part of the Project without the prior written approval of the Project Board, except for those displayed by or on behalf of Developer in accordance with the Declaration.

Smoking. No owner, tenant, invitee, guest, friend, family member, occupant, or any other person is allowed to smoke within the Project or in the Villas except as set forth herein. Smoking is prohibited everywhere within the Project, including, but not limited to, within individual Villas, patios, balconies, and similar structures, grounds, parking areas, pool decks, all enclosed and open pool and recreation areas, all children's play and activity areas, and all other property, except those areas specifically designated and marked as an approved smoking area. Smoking shall include the inhaling, breathing, carrying, or possession of any lighted cigarette, cigar, pipe, other product containing any amount of tobacco, or any other type of heated or lit product. The use of electronic cigarettes is also prohibited. Owners who violate this rule are subject to additional cleaning charges as determined by the Manager or the Villas Board.

Solicitation. No solicitation of any kind, whether commercial, religious, educational, or otherwise, shall be conducted anywhere on the Project unless specifically authorized in advance and in writing by the Villas Board, except for the activity permitted to be performed by Developer or its designees in accordance with the Villas Declaration.

Telephone. Each Villa is furnished with a private telephone. A record of all calls will be maintained by the Villas Association. Any calls made during an Owner's reserved Vacation Period which are not charged as directed above, will be charged to the Owner at Check-Out. The Villas Association may impose reasonable charges for local and long-distance telephone calls, whether or not such calls are collect, billed to a credit card, billed to your home phone or billed to your business number.

Watercraft. No boats, jet skis, wave runners, or other watercraft of any kind whatsoever shall be used, stored, or brought onto the Project without the prior written consent of the Project Board, and, if such consent is given, shall only be placed in the those areas designated by the Project Board for such time as designated by the Project Board.

Reservation Rules for the Nanea Ocean Villas Vacation Ownership Plan

These Reservation Rules for Nanea Ocean Villas Vacation Ownership Plan ("Reservation Rules") are promulgated pursuant to the Nanea Ocean Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions ("Villas Declaration").

1. Definitions.

All capitalized terms not otherwise defined in these Reservation Rules have the meaning given to them in the Villas Declaration. Definitions in the Villas Declaration will control over any inconsistent provisions in these Reservation Rules.

1.0 Annual Vacation Ownership Interest means a Vacation Ownership Interest or VOI with assigned Ownership Points that may be used annually, as designated on the VOI Deed and subject to these Reservation Rules and the Villas Declaration.

1.1 Association means the Nanea Ocean Villas Owners Association, Inc., a Hawaii nonprofit corporation.

1.2 Association Manager means SVO Hawaii Management, Inc., a Hawaii corporation.

1.3 Biennial Vacation Ownership Interest means a Vacation Ownership Interest or VOI with assigned Ownership Points that may be used biennially (every other year), in either an Even Use Year or an Odd Use Year, as designated on the VOI Deed and subject to these Reservation Rules and the Villas Declaration.

1.4 Check-in Day means the first day of a person's Vacation Period commencing at Check-In Time on such day.

1.5 Check-In Time means 4:00 p.m.

1.6 Check-Out Time means 10:00 a.m.

1.7 Christmas Event Period means the Specific Week Period that include the 25th day of December.

1.8 Designated Representative means the person or persons, designated by the Primary Contact, who is authorized to make reservations on behalf of the Owner or Owners who own the VOI and who is also authorized to receive information about the VOI.

1.9 Exchange Float Period means the period beginning eight (8) months and ending sixty (60) days prior to the Check-in Day of a given Use Period. During the Exchange Float Period, all Owners may request a reservation of that Use Period on a first-come, first-served basis. The Exchange Float Period begins immediately after the Home Resort Reservation Period.

1.10 Exchange Priority Period means the sixty (60) day period prior to the Check-in Day of a given Use Period during which the Owners' rights to reserve that Use Period are subject to other priorities as set forth in these Reservation Rules and are therefore limited.

1.11 Exchange Program means the contractual arrangement pursuant to which Owners may exchange their reservation and use rights in the Plan, under certain conditions, for the opportunity to reserve and use accommodations in resorts other than the Nanea Ocean Villas.

1.12 Event Period means a Specific Week Period that is fixed by an event. This means that the Event Period will move on the calendar to follow the event rather than being tied to the numbered Specific Week Period. For example. Owners with a Christmas Event Period will have the right to occupy a Villa during

the Specific Week Period that includes the 25th Day of December, regardless of whether that Specific Week Period occurs in Specific Week Period 51 or 52. There are two types of event of Event Periods: the Christmas Event Period and the New Year's Event Period.

1.13 Event Period Right means the right appurtenant to some VOIs to have a specific Event Period automatically reserved for use by the VOI Owner in each Use Year (for an Annual VOI) or every other Use Year (for a Biennial VOI). The Event Period will be designated in the Owner's VOI Deed.

1.14 Home Resort Reservation Period means the four (4) month period beginning twelve (12) months and ending eight (8) months prior to the Check-in Day of a given Use Period, during which period all Owners in the Plan have the exclusive right to request a reservation of that Use Period, subject to the Villa Designation Rights, Event Period Rights or Specific Week Rights appurtenant to some VOIs.

1.15 New Year's Event Period means the Specific Week Period that includes the 1st day of January.

1.16 Ocean Front Points means Points allocated to Ocean Front Villas. During the Home Resort Reservation Period, Ocean Front Points may be used to reserve Ocean Front Villas in accordance with the Vacation Plan Documents, and to enjoy any other benefits of the VOI.

1.17 Ocean Front Villa means a Villa designated as an Ocean Front Villa on the Villa List.

1.18 Ocean Front Use Right refers to the right of Owners having Ocean Front Points to use those Points to reserve Use Periods in Ocean Front Villas during the Home Resort Reservation Period in accordance with the Reservation Rules.

1.19 One Bedroom Villa means a Villa designated as a "One Bedroom Resort Unit" on the Villa List.

1.20 Ownership Points or Points means the unit of measurement used to establish the Ownership Share of a VOI and to reflect the Owner's rights to enjoy the benefits of the VOI in comparison to all other VOIs, including the relative ability to reserve a Use Period and Villa in accordance with the Vacation Plan Documents. Points may also be referred to as "Home Options" during the term of the SVN Affiliation Agreement. The Plan has two types of Points, Resort View Points and Ocean Front Points.

1.21 Points Chart means the chart published annually by the Reservation System Operator setting forth the number of Points required to reserve each Use Period in each Villa.

1.22 Primary Contact means a single Owner who individually owns a VOI or the individual designated by the multiple Owners who own, or by a business entity that owns, a single VOI to represent such multiple Owners or business entity in all matters concerning the VOI, including dealing with Reservation Services.

1.23 Project means the Nanea Ocean Resort. It is located at 45 Kai Malina Parkway, Lahaina, Maui, Hawaii 96761.

1.24 Reservation Services means the division of the Reservation System Operator that handles and processes reservation requests and provides other Owner services from time to time.

1.25 Reservation System Operator means the entity engaged by the Association or the Association Manager to manage and operate the reservation system for the Vacation Ownership Plan. Initially, the Association has engaged the Starwood Vacation Exchange Company, a Delaware corporation, through the SVN Affiliation Agreement.

1.26 Reservation Window means the annually recurring twelve (12) month period beginning one (1) year prior to the Check-In Day of each Use Period during which Owners may request a reservation of that Use Period in accordance with and subject to these Reservation Rules. The Reservation Window consists of the Home Resort Reservation Period, followed by the Exchange Float Period, followed by the Exchange Priority Period.

- 1.27 Resort View Villa means a Villas designated as a Resort View Villa on the Villa List.
- 1.28 Resort View Points means Points allocated to Resort View Villas. During the Home Resort Reservation Period, Resort View Points may be used to reserve Resort View Villas in accordance with the Vacation Plan Documents, and to enjoy any other benefits of the VOI.
- 1.29 Resort View Use Right refers to the right of Owners having Resort View Points to use those Points to reserve Use Periods in Resort View Villas during the Home Resort Reservation Period in accordance with the Reservation Rules.
- 1.30 Specific Villa means the particular Villa as identified and designated by the unit number of the Villa identified on the Owner's VOI Deed.
- 1.31 Specific Villa Right means the right appurtenant to some VOIs to have a specific Villa automatically reserved for use by the VOI Owner. Only VOIs having a Specific Week Right or an Event Period Right may have a Specific Villa Right. A Specific Villa Right will be designated on the Owner's VOI Deed.
- 1.32 Specific Vacation Period means the right appurtenant to some VOIs to have a Specific Week Period or Event Period automatically reserved for use by the VOI Owner in each Use Year (for an Annual VOI) or every other Use Year (for a Biennial VOI). Owners of Specific Vacation Periods will have either a Specific Villa Right or a Villa Type Right, as listed on their VOI Deed.
- 1.33 Specific Week Period means a designated period of seven (7) consecutive days in each calendar year, numbered 1 through 52, and beginning and ending on Friday. Specific Week Period No. 1 is the seven (7) days commencing on the first Friday of the first full week in each calendar year, and Specific Week Period No. 2 is the seven (7) days immediately following. Additional weeks up to and including Specific Week Period No. 52 are computed in a like manner. Excess days, if any, between the end of Specific Week Period No. 52 and the beginning of Specific Week Period No. 1, regardless of the month, year or number of days, are not included in any Specific Week Period.
- 1.34 Specific Week Right means the right appurtenant to some VOIs to have a Specific Week Period automatically reserved for use by the VOI Owner in each Use Year (for an Annual VOI) or every other Use Year (for a Biennial VOI). The Owner's Specific Week Period will be designated in the Owner's VOI Deed.
- 1.35 StarOptions means the use currency assigned to a VOI on a yearly basis which may only be used in the Exchange Float Period or the Exchange Priority Period.
- 1.36 SVN means the Starwood Vacation Network, the service name given to the variety of exchange and reservation services and vacation and travel benefits currently offered and the restrictions imposed by the SVN Operator from time to time for resorts affiliated with the Starwood Vacation Network.
- 1.37 Three Bedroom Resort Villa means a Villa designated as a "Three Bedroom Resort Unit" on the Villa List.
- 1.38 Two Bedroom Resort Villa means a Villa designated as a "Two Bedroom Resort Villa" on the Villa List.
- 1.39 Use Night means a period beginning at Check-In Time on one day and ending at Check-Out Time the next day.
- 1.40 Use Period means an Use Night, a Use Week, or any other period of consecutive Use Nights in a given Villa which is available for reservation by an Owner.
- 1.41 Use Week means a period beginning at Check-In Time on one day

1.42 Use Year means the annually recurring twelve (12) month period beginning at noon on the first Friday of the first full week in each calendar year and ending at noon on the first Friday of the first full week of the following calendar year.

1.43 Vacation Ownership Interest or VOI means an Ownership Share in the Project together with the following appurtenant rights: (i) the right to receive an allotment of Points every year or every other year; (ii) the right to use those Points to reserve a Villa; (iii) during the Use Period reserved, the right to use a Villa, its Limited Common Areas, and the General Common Areas of the Project; and (iv) memberships in the Association and the Community Association. These rights are subject to the provisions of the Vacation Plan Documents.

1.44 Vacation Period means a Use Period reserved by an Owner, the Developer, or someone else.

1.45 Villa means a Unit in the Project that has been submitted to the Vacation Ownership Plan.

1.46 Villa Designation Right means a either a Specific Villa Right or a Villa Type Right

1.47 Villa List means the list of the Villa numbers, types and designations attached as an exhibit to the Villa Declaration.

1.48 Villa Type means a One Bedroom Villa, a Three Bedroom Villa, or a Two Bedroom Villa. Each Villa is further designated as either Ocean Front or Resort View as identified on the Villa List and further described in these Reservation Rules.

1.49 Villa Type Right means the right appurtenant to some VOIs to have a Villa that is a specific Villa Type automatically reserved for use by the VOI Owner. Only VOIs having a Specific Week Right or an Event Period Right may have a Villa Type Right. The Villa Type will be designated on the Owner's VOI Deed.

2. Reservation System Operation

An Owner may use the Points assigned to the Owner's VOI to reserve one or more Use Periods for the occupancy of Villas and related facilities and amenities. Participation in the Reservation System is appurtenant to the ownership of a VOI and will automatically terminate for a particular Owner if the Owner no longer owns the VOI. These Reservation Rules shall be binding on all Owners, and such Owners' guests, invitees, lessees, licensees, and designees.

2.1 Management. Pursuant to the Vacation Plan Documents, the Association has the responsibility for the management of the reservation and use of the Villas. Pursuant to the SVN Affiliation Agreement, the Association has delegated its responsibilities in this regard to the Reservation System Operator, including the implementation of all Exchange Program and reservation duties as outlined in these Reservation Rules.

2.2. Primary Contact. Owners must designate a Primary Contact by notifying Reservation Services by written authorization signed by all individuals holding the VOI or by an authorized representative of the business entity. The Primary Contact will be the only designated individual, other than a Designated Representative, with whom Reservation Services will deal with respect to making reservations, sending confirmations, and providing other services. Reservation Services may charge an administrative fee, as Reservation System Operator may determine from time to time, to change a Primary Contact designation.

2.3 Designated Representative. An Owner who is the sole owner of a VOI or the Primary Contact for a VOI owned by more than one person or a business entity may designate one person as a Designated Representative for the VOI by completing a Designated Representative form. A Designated Representative may make reservations on behalf of the Primary Contact, but may not make reservations in their own name. In addition, a Designated Representative will be allowed to access information about the VOI, such as prior

year's reservation history. Only the Primary Contact can designate or change a Designated Representative for a VOI owned by more than one person or a business entity.

2.4 Restrictions on Reservations. Reservation Rights may be restricted or confirmed reservations cancelled by Reservation System Operator if the Owner is not in compliance with the Vacation Plan Documents, current in the payment of the Owner's Assessments, Personal Charges, and taxes or VOI purchase money obligations or there are other outstanding sums due the Association or the Community Association.

2.5 Transaction Fees. Reservation System Operator has the right to charge transaction fees as it deems appropriate in its sole discretion from time to time, including for additional reservation requests, cancellations, rental requests, exchanges, daily use, additional housekeeping, and other transactions. Any such charges shall be listed on a fees chart and provided to Owners. Currently, the only transaction fees for the Vacation Ownership Plan are listed on the SVN Fees Chart provided to the Owners.

Reservation System Operator has the right to charge transaction fees as it deems appropriate in its discretion from time to time. Currently, the only transaction fees charged are listed on the SVN Fees Chart.

3. Reservations

3.1 Making a Reservation. As an Owner of a VOI, each Owner receives an assigned number of Points. In addition, each VOI will be designated as having either Ocean Front Points or Resort View Points.

a. First-Come, First-Served. Each Owner's request for a particular Vacation Period will be taken on a first-come, first-served basis, subject to the Ocean Front Use Right and Resort View Use Right, the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period. Owners with an Event Period Right or a Specific Week Right will have the designated Event Period or Specific Week Period automatically reserved and confirmed by the Reservation System Operator on their behalf, using their Points. In addition, if an Owner also has a Specific Villa Right, the Owner's designated Event Period or Specific Week Period shall be reserved in the particular Villa listed on the Owner's Deed. Owners who own an Event Period or Specific Week Period who do not own a Specific Villa Right, will have a Villa that is the Villa Type designated on their Deed reserved from them automatically.

b. Submitting a Reservation Request. The Owner must submit a reservation request to Reservation System Operator in writing, by telephone, e-mail, or such other electronic means acceptable to Reservation System Operator. Owners may not make a reservation request that is received by Reservation System Operator earlier than the beginning of the Reservation Window for a particular Use Period. Reservation System Operator, on receipt of a valid reservation request, will assign the Owner the use of the requested Use Period if it is available, the Owner has sufficient Points and the Use Period occurs in a Villa for which the Owner has the appropriate type of Points (i.e. Ocean Front or Resort View). An Owner has no right to make a reservation unless the Owner is in compliance with the Vacation Plan Documents, current in the payment of the Owner's Assessments, Personal Charges, and taxes and VOI purchase money obligations and there are other no outstanding sums due the Association or the Community Association. An Owner may request a reservation in the name of a guest.

c. Biennial Restrictions Each Owner owning a Biennial VOI may request and be granted a confirmed reservation only for a Vacation Period occurring during such Owner's designated Even Use Year or Odd Use Year. Each Biennial VOI will have such designation noted on the Owner's VOI Deed, including whether the Biennial VOI has an Even Use Year or an Odd Use Year.

Ownership Points may be referred to as "Home Options" during the term of the SVN Affiliation Agreement.

3.2 Reservation Window Priorities.

Reservation requests will be taken on a first-come, first-served basis, subject to the reservation priorities, automatic reservations and seasonal limitations listed below. As a result, the availability of highly desired Use Periods is limited and availability of any Use Period will vary. Consequently, Reservation System Operator cannot guarantee confirmation of a reservation for any specific Use Period in any specific Villa at any time, except for Owners having an Event Period Right or a Specific Week Right, and a Specific Villa Right. The earlier a reservation request is submitted, the better the chance that a reservation confirmation can be secured.

Reservation requests are subject to the following priorities:

a. Event Period Right.

(1) Owners of a VOI having an Event Period Right will receive confirmed reservations of the Event Period designated on their Deed. The Event Period of a VOI having an Event Period Right will be automatically reserved one (1) year prior to the Check-In Day for the designated Event Period in either the Villa Type or Specific Villa designated on the Owner's Deed. Owners owning an Event Period Right may voluntarily give up their right to use the Event Period and the Specific Villa or Villa Type designated on their Deed and may request a reservation for an unreserved Use Period in any available Villa for which they have sufficient Points, subject to the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period and Villas. If an Owner owning a VOI with an Event Period Right voluntarily gives up the Owner's right to use the Event Period in a given Use Year, then Use Periods that occur during that Event Period may be reserved by other Owners, subject to the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period.

(2) An Event Period Right will only be designated for seven (7) day Use Periods. Owners who own a VOI with an Event Period Right must have enough Resort View Points or Ocean Front Points assigned to their VOI to secure a 7 day reservation in the applicable Villa Type or Specific Villa listed on their Deed. Currently, the Developer only intends to offer an Event Period Right during the Christmas Event Period and the New Year's Event Period.

(3) Developer will not convey a Specific Week Right in Specific Week Periods 51 and 52 since the Developer will be conveying Christmas Event Periods and New Year's Event Period.

(4) The Developer intends to limit the reservation of Use Weeks which include the Christmas and New Year's holidays to Owners of the respective Event Period Rights. Other than Owners with Event Period Right(s), Owners should not purchase a VOI with the expectation of being able to reserve a Villa at the Project during either the Christmas Week holiday or the New Year's week holiday.

(5) Each Owner that purchases a VOI with an Event Period Right will have such Event Period Right noted on their Deed.

b. Specific Week Right.

(1) Owners of a VOI having a Specific Week Right will receive confirmed reservations of the Specific Week Period designated in the Owner's Deed. The Owner's Specific Week will be automatically reserved one (1) year prior to the Check-In Day for such Owner's Specific Week in either the Villa Type or Specific Villa designated on the Owner's Deed. Owners owning a Specific Week Right may voluntarily give up the right to use the Owner's Specific Week, and the Specific Villa or Villa Type listed on their Deed, and may request a reservation for an unreserved Use Period in any available Villa for which they have sufficient Points, subject to the applicable Reservation Window priorities, seasonal

limitations and the availability of the Use Period and Villas. If an Owner owning a VOI with Specific Week Right voluntarily gives up the Owner's right to use the Owner's Specific Week Period in a given Use Year, then Use Periods that occur during that Specific Week Period may be reserved by other Owners, subject to the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period.

(2) Specific Week Right will only be designated for seven (7) day Use Periods. Owners who own a VOI with Specific Week Right must have enough Resort View Points or Ocean Front Points assigned to their VOI to secure a 7 day reservation in the applicable Villa Type or Specific Villa.

(3) Developer will not convey a Specific Week Right in Use Periods which correspond with an Event Period Right. For example, a Specific Week Right will not be sold in Specific Week Periods 51 or 52 since the Developer will be conveying Event Period Rights which include the Christmas Event Period and the New Year's Event Period.

(4) The Developer may not assign more than fifty percent (50%) of any particular Specific Week Period to VOIs as Specific Week Rights. For example, no more than fifty percent (50%) of the total number of Specific Week Periods comprising week 10 in the Ocean Front Villas or the Resort View Villas may be assigned to VOIs as Specific Week Rights. In addition, the Developer shall not designate more than fifty percent (50%) of the Use Periods occurring in each Villa with an Specific Villa Right or a Villa Type Right. The intent of this section is to permit all Owners the opportunity to request reservations of Use Periods in all Villas designated with the applicable Ocean Front Use Right or Resort View Use Right.

(5) Each Owner that purchases a VOI with Specific Week Right will have such Specific Week Right noted on their Deed.

c. Home Resort Reservation Period. The Home Resort Reservation Period begins twelve (12) months and ends eight (8) months prior to the Check-in Day of a given Vacation Period. During the Home Resort Reservation Period Owners may request nightly reservations of any available Use Periods provided that they have enough Points to reserve the Use Periods requested, as set forth in the Points Chart, and they have the right kind of Points (Ocean Front or Resort View) to reserve the Villa Type requested. Owners cannot reserve a Use Period or Villa that is already reserved by someone else, or that is permanently reserved, or that someone else has the exclusive right to reserve.

Owners with a Resort View Points or Ocean Front Points will have the right to request an available Use Period in a Villa with a corresponding designation. For example, during the Home Resort Reservation Period, only Owners with Ocean Front Points may reserve Ocean Front Villas and only Owners with Resort View Points may reserve Resort View Villas, as such Villas are designated on the Villas List.

The Reservation System Operator reserves the right to impose minimum length of stay rules which may require Owners to reserve a minimum number of days for each Vacation Period reservation. Owners may make multiple reservations using their Points, subject to the Reservation Window priorities; however, the Reservation System Operator also reserves the right to limit the number and length of reservations which a single Owner may reserve during the Home Resort Reservation Period. Currently, Owners are limited to three (3) pending reservations for each VOI owned during the Home Resort Reservation Period. In addition, Owners may not reserve a Vacation Period which lasts more than

fourteen (14) consecutive Use Nights in the Home Resort Reservation Period for each VOI owned.

(1) On receiving a reservation confirmation for a Vacation Period during the Home Resort Reservation Period, an Owner may use the Vacation Period for personal use or for use by a guest.

(2) An Owner relinquishes the Owner's Home Resort Reservation Period right whenever the Owner voluntarily enters the Exchange Float Period without obtaining a confirmed reservation during the Home Resort Reservation Period or when an Owner owning a VOI with an Event Period Right or a Specific Week Use Right elects to reserve a Use Period other than the Owner's Event Period or Specific Week Period. Once the Home Resort Reservation Period has expired for a given Use Period, Owners who have not secured a reservation will have the right to use StarOptions to make a reservation for an available Use Period at the Project or through SVN. Any Home Options which remain unused at the end of the Home Resort Reservation Period shall be automatically converted to StarOptions at no cost to the Owner.

(3) An Owner also relinquishes the Owner's Home Resort Reservation Period right when the Owner voluntarily seeks access to an Exchange Program and the requested external exchange is confirmed.

(4) If an Owner desires to cancel a reservation, the Owner may request a reservation for an unreserved Use Period, subject to the applicable Reservation Window priorities, seasonal limitations and the availability of the Use Period and Villa Type requested.

d. Bulk Banking for Anticipated External Exchanges. Reservation System Operator has the right, but not the obligation, to reserve a number of unreserved Use Periods from time to time at any time thirty (30) days after the beginning of the Home Resort Reservation Period, for the purpose of depositing the reserved Use Periods with an Exchange Program on behalf of Owners based on Reservation System Operator's determination, in its sole discretion, of anticipated Owner demand to access one or more Exchange Programs.

The Reservation System Operator shall have the right to forecast anticipated reservation and use of the Use Periods and is authorized to reasonably reserve, deposit, or rent the Use Periods for the purpose of facilitating the use or future use of the Use Periods.

e. Exchange Float Period. During the Exchange Float Period, reservations will be accepted from Owners and other SVN Members for reservations on a first-come, first-served basis using StarOptions for a reservation for any available Use Period or for a reservation at any SVN affiliated resort. During the Exchange Float Period, Owners may use their StarOptions to reserve Resort View or Ocean Front Villas. Although the Villas Declaration provides that Ocean Front Points may be used to reserve Ocean Front Villas, and Resort View Points may be used to reserve Resort View Villas, this limitation does not apply to reservations made after the expiration of the Home Resort Reservation Period.

Owners may make multiple reservations using StarOptions, however, Reservation System Operator also reserves the right to limit the number and length of reservations which a single Owner may reserve during the Exchange System Float Period and the Exchange System Priority Period.

f. Exchange Priority Period. If a reservation request for a given Use Period has not been received by Reservation Services by the beginning of the Exchange Priority Period, Reservation Services' ability to confirm a subsequent reservation request for the Use Period will be limited by and subject to the following:

(1) Any reservations made available by Reservation System Operator to the Association Manager for maintenance purposes;

(2) Any reservations used by Reservation System Operator for rental to Owners; and

(3) Any reservations used by Reservation System Operator for its own purposes including exchange, promotional use, rental to third parties, or any other purpose as Reservation System Operator determines in its sole absolute and unfettered discretion as such right has been assigned to Reservation System Operator from the Association in the SVN Affiliation Agreement.

g. Exchange Affiliation or Membership Termination. If the Vacation Ownership Plan is no longer affiliated with SVN or an Exchange Program in which all Use Periods become available for reservation during the Exchange Float Period and the Exchange Priority Period at other affiliated vacation properties, the Exchange Float Period and the Exchange Priority Period will terminate and all Owners may make reservations for available Use Periods using their Points beginning eight months (8) prior to the Check-in Day of a given Use Period, regardless of the type of Ownership Points (Ocean Front or Resort View). Owners may reserve available Use Periods, but will not be able to reserve accommodations at any other Exchange Program affiliated resort. Owners with Event Period Right or Specific Week Right will continue to have their designated Event Period or Specific Week Period reserved for them as described in these Reservation Rules regardless of whether or not the Vacation Ownership Plan is affiliated with an Exchange Program.

3.3 Vacation Periods Less than Seven (7) Days. Owners will be permitted to reserve Use Periods of less than seven (7) days. Reservation System Operator may impose minimum length of stay requirements of up to seven (7) days for certain Use Periods. In addition, Owners who own a VOI with an Event Period Right or a Specific Week Right must reserve all seven (7) days comprising their designated Event Period or Specific Week Period and may not split such Event Period or Specific Week Period.

3.4 Housekeeping Expenses. Housekeeping expenses will be paid by Owners based on the manner in which they choose to reserve Use Periods. Owner assessments include a housekeeping fee for the Owner's first reserved Vacation Period for each VOI owned by such Owner. Owners will be charged a separate housekeeping fee for each additional Vacation Period reservation, whether such reservation occurs during the Home Resort Reservation Period, Exchange Float Period or Exchange Priority Period. The amount of housekeeping fees and the manner of allocating such expenses will change from time to time as determined by the Association and Reservation System Operator. The current housekeeping fees are listed on the SVN Fees Chart.

3.5 Failure to Make a Timely Reservation. With the exception of Owners with an Event Period Right, or a Specific Week Right, if an Owner fails to make a reservation for a Vacation Period that occurs during a given Use Year, the Owner's right to make a reservation (including the Owner's assigned Points or StarOptions) for that Use Year will automatically expire. On the first day of each new Use Year, the Owner will again receive the Points associated with the Owner's VOI and have the right to use those Points to reserve a Use Period for use during that new Use Year in accordance with these Reservation Rules and the other Vacation Plan Documents. An Owner who is unable to secure a Vacation Period is not relieved of the obligation to be in compliance with the Vacation Plan Documents, remain current in the payment of the Owner's Assessments, Personal Charges, and taxes and VOI purchase money obligations or pay any other outstanding sums due the Association or the Community Association. Reservation System Operator shall have the right to rent for its own benefit or otherwise use all such unreserved Use Periods during the Exchange Priority Period.

3.6 Confirmations; Villa Preferences. Confirmations of a reservation will be provided to the Primary Contact or Designated Representative by Reservation Services. Reservation Services will not assign a particular Villa until the time of check-in. Special Villa assignments, such as ground level Villas, cannot be guaranteed, but may be noted as a preference in the reservation confirmation. Notwithstanding this section, during the Home Resort Reservation Period, only Owners with a Resort View Use Right may reserve Resort View Villas and only Owners with an Ocean Front Use Right may reserve Ocean Front Villas.

3.7 Cancellations, Additional Reservation Requests, and No-Shows.

An Owner may cancel a confirmed reservation by notifying Reservation System Operator by telephone or using the reservation online system before the Check-in Day of the assigned Vacation Period. Currently, charges for cancellations are set forth on the SVN Fees Chart and may be amended by Reservation System Operator from time to time in its sole discretion. Reservations may be cancelled within twenty-four (24) hours of making the reservation request without payment of a cancellation fee unless the reservation was made less than thirty (30) days prior to the Check-in Day.

a. Cancellations or changes in reservations made more than sixty (60) days prior to the Check-in Day for a reserved Vacation Period will result in the restoration of the associated Points or StarOptions used to reserve the Vacation Period. However, an Owner must use the restored Points or StarOptions before the end of the Use Year.

b. Cancellations or changes made less than sixty (60) days prior to the Check-in Day for a reserved Vacation Period will result in the restoration of the associated Points or StarOptions used to reserve the Vacation Period. However, the Owner will incur a financial penalty as currently listed in the SVN Fees Chart. The restored Points or StarOptions must be used before the end of the Use Year and may only be used to reserve available Use Periods with Check-In Dates occurring within sixty (60) days from the date the reservation is made. The restored Points or StarOptions may not be exchanged or converted to any other program, including any Exchange Program (other than SVN) or for hotel points/currency.

c. Owners who fail to arrive on the Check-in Day of the reserved Vacation Period must notify Reservation System Operator that they will be arriving subsequent to such Check-in Day or risk losing the reservation. An Owner must cancel a reservation confirmation by notifying Reservation System Operator by telephone prior to the Check-in Day of the reserved Vacation Period. If an Owner fails to cancel a reservation prior to the Check-in Day for a reserved Vacation Period, the Owner will lose the right to reserve another Vacation Period in lieu of the reserved Vacation Period.

d. Owners with an Event Period Right or a Specific Week Right who cancel their confirmed reservation will lose the reserved Event Period or Specific Week Period which had been automatically reserved and confirmed and will lose their Specific Villa Right or Villa Type Right for the cancelled Event Period or Specific Week Period for that Use Year.

3.8 Multiple VOIs. Owners who own multiple VOIs may combine the Points assigned to such VOIs and request the reservation of multiple Use Periods during the Home Resort Reservation Period, Owners may not combine Ocean Front Points and Resort View Points into a single reservation. Owners may not exchange Ocean Front Points and Resort View Points during the Home Resort Reservation Period. However, when an Owner's Ocean Front Points and Resort View Points are replaced with StarOptions in the Exchange Float Period and Exchange Priority Period, such points may be combined and used to secure one or more Use Period reservations, subject to the applicable Reservation Window priorities and the availability of the Use Period and Villa Type requested.

4. Exchange Programs

In order to increase the range of options available to Owners, Reservation System Operator has made arrangements for each Owner to have access to Exchange Programs. All external exchange requests will be handled by Reservation System Operator. An Owner who is interested in an external exchange must contact Reservation Services and indicate the Owner's preference for an exchange. An Owner may make an external exchange request at any time prior to the end of the Owner's Use Year, subject to the limitations in these Reservation Rules. Following verification of the identity of the Owner and verification that the Owner is in good standing, a Reservation Services representative and Owner will discuss the Owner's

specific time, destination, and type of room requests along with any special requests, and these requests will be noted by the Reservation Services representative. The Owner may also be asked to designate more than one alternative set of exchange requests in order to increase the Owner's chances of obtaining a desired exchange. Owner participation in any Exchange Program will be governed by the terms and conditions of such Exchange Program.

5. Delinquency

Reservation System Operator reserves the right not to accept a reservation request from an Owner if the Owner is not in compliance with the Vacation Plan Documents, current in the payment of the Owner's Assessments, Personal Charges, and taxes or VOI purchase money obligations or there are other outstanding sums due the Association or the Community Association. Further, such Owner shall have no right to reserve a Use Period through Reservation System Operator or any Exchange Company, and any previously confirmed Vacation Period reservation may be cancelled, until the non-compliance is corrected or the delinquency is satisfied in full. In addition, such Owners will lose their Event Period Right or Specific Period Right if they have them. Reservation System Operator may collect any delinquent Assessments, Personal Charges or VOI purchase money payments by credit card.

6. Miscellaneous Provisions

6.1 Personal Use; Commercial Purposes. Use of the Villas and facilities of the Vacation Ownership Plan is limited solely to the personal use of Owners, their guests, invitees, and exchangers and for recreational use by corporations or other similar business entities owning VOIs. Purchase of a VOI or use of Villas and facilities of the Vacation Ownership Plan for commercial purposes, for contribution to or use in a different vacation ownership plan or vacation club or any other vacation or travel product (except as expressly permitted in the Vacation Plan Documents), or for any purpose other than the personal use described above is prohibited. This paragraph shall not apply to Points, Villas or Vacation Periods owned or reserved by the Developer. The Developer is an intended third-party beneficiary of this paragraph. This means, among other things, that the Developer can enforce it.

6.2 Owner Rentals. An Owner may reserve a Vacation Period and rent it on the Owner's own account. An Owner must provide the Reservation Systems Operator with notification of the Owner's intention to rent the reserved Vacation Period and the name and address of each renter. The Reservation System Operator may deny the rental of any Vacation Period by anyone on the SDN List or with a criminal background or for any other reasonable basis. All renters must comply with the rules and regulations of the Vacation Plan Documents affecting occupancy, and the renting Owner will be responsible for the acts or omissions of the Owner's renters or any other person or persons permitted by the Owner to use the Villa. Owners may not operate a rental program or use Owner's VOI for commercial purposes. Reservation Systems Operator may deny the rental of a Vacation Period if the Reservation Systems Operator reasonably believes Owner is engaging in commercial activity or operating a rental program or in violation of the Vacation Plan Documents. In addition, Owners who reserve more than one Vacation Period for rental each Use Year, will be charged a rental administrative fee in the amount listed on the SVN Fees Chart.

6.3 Amendment of Reservation Rules. Except as provided in the Vacation Plan Documents, Reservation System Operator expressly reserves the right to amend these Reservation Rules in all respects, in its sole, absolute and unfettered discretion, from time to time, without the consent of Owners, for any purpose, including permitting banking and borrowing of Ownership Points or exchange points; provided, however, that all such amendments are subject to the prior written consent of Developer for as long as Developer owns a VOI. Reservation System Operator shall deliver notice of any amendment to each Primary Contact, and may do so by direct mail, newsletter, annual mailings, facsimile, or e-mail at the last known address of the Primary Contact

6.4 Conflict. These Reservation Rules are subordinate to and designed to supplement the Villas Declaration, and in the event of a conflict with the Villas Declaration, the Villas Declaration shall control.

6.5 Include. The term “include” and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., including but not limited to and for example), when used as part of a phrase including one or more specific items, are not words of limitation and are not to be construed as being limited to only the listed items. Any references to the use, exercise or grant of the right of the Developer’s, Reservation System Operator’s, Association’s or Association Manager’s discretion as set forth in these Reservation Rules shall mean the sole discretion to the exclusion of any other person or entity unless specifically provided otherwise.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Shopping for Your Home Loan

HUD's Settlement
Cost Booklet

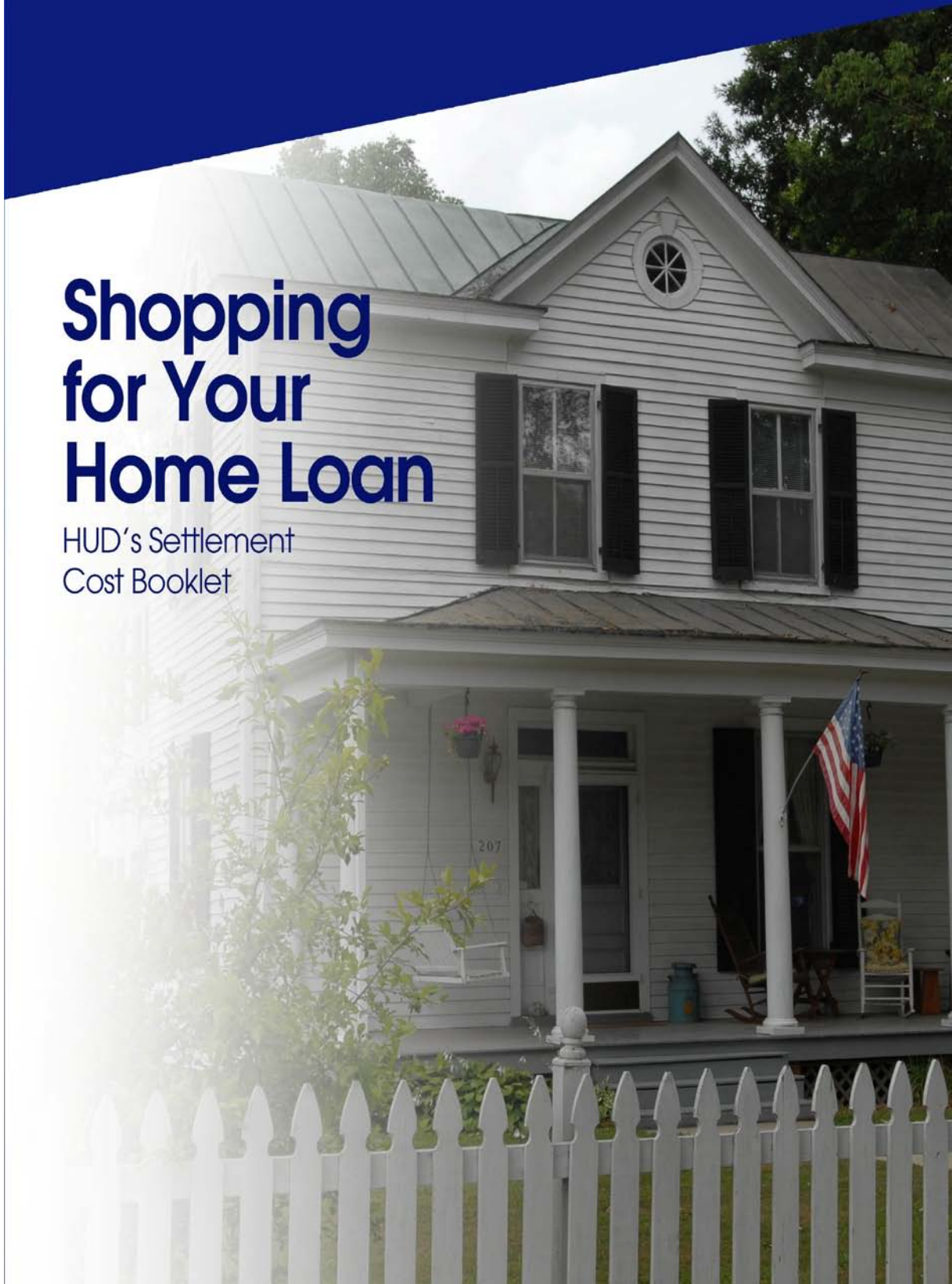


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I. Introduction

The *Real Estate Settlement Procedures Act (RESPA)* requires lenders and mortgage brokers to give you this booklet within three days of applying for a mortgage loan. RESPA is a federal law that helps protect consumers from unfair practices by settlement service providers during the home-buying and loan process.

Buying a home is an important financial decision that should be considered carefully. This booklet will help you become familiar with the various stages of the home-buying process, including deciding whether you are ready to buy a home, and providing factors to consider in determining how much you can afford to spend. You will learn about the sales agreement, how to use a *Good Faith Estimate* to shop for the best loan for you, required settlement services to close your loan, and the *HUD-1 Settlement Statement* that you will receive at closing.

This booklet will help you become familiar with how interest rates, points, balloon payments, and prepayment penalties can affect your monthly mortgage payments. In addition, there is important information about your loan after settlement, including how to resolve loan servicing problems with your lender, and steps you can take to avoid foreclosure. After you have purchased your home, this booklet will help you identify issues to consider before getting a home equity loan or refinancing your mortgage. Finally, contact information is provided to answer any questions you may have after reading this booklet. There is also a Glossary of Terms in the booklet's Appendix.

Using this booklet as your guide will help you avoid the pitfalls and help you achieve the joys of home ownership.

Purchasing Timeline



II. Before You Buy

Are You Ready to Be a Homeowner?

Buying a home is one of the most exciting events in your life and is likely to be the most expensive purchase that you will ever make. Before you make a commitment, make sure you are ready.

Avoid the pressure to buy a home that you cannot afford. Here are some things to consider:

- Are you ready to be a homeowner? It is critical that you consider whether you have saved enough money to support a down payment in addition to your other debts. You must have job stability and a steady income.
- How long do you plan on living in your home? Real estate is not always an investment. No one can predict what will happen with your local housing market. If you plan to sell your home in the next few years, realize that the property may not increase substantially in value or may have actually lost value. You may ultimately owe more to pay off your mortgage than your home will be worth.

- What is your estimated monthly payment for the home? In addition to the monthly payment for principal and interest, you will have to pay for taxes and insurance and possibly homeowner association dues. If your down payment is less than 20%, your lender may require that you pay the added expense for mortgage insurance.
- What are the other costs of owning a home? Be realistic about the costs of owning a home like heating and cooling and other utilities. You will generally need to budget for repairs and routine maintenance of your home, especially if you buy an older home.
- What can you afford? Be confident that you can make the monthly payments. Have a financial plan and make a budget. Do you have a steady source of reliable income to pay your mortgage should your interest rate increase in the future? Consider how many long-term debts you have such as car or student loans, as well as credit card bills.
- Have you talked with a housing counseling agency? Housing counselors can be very helpful, especially for first-time home buyers. The U.S. Department of Housing and Urban Development (HUD) supports housing counseling agencies throughout the country that can provide free or low-cost advice. You can search online at HUD's web site, or you can call HUD's interactive voice system. This contact information can be found in the Appendix of this booklet.

After answering the questions above, have you determined that buying a house is right for you? If so, congratulations! Let's start shopping for a house and a loan.

III. Determining What You Can Afford

To determine how much you can afford, you first need to know your monthly income. Second, you will need to calculate your monthly expenses which may include credit card bills, car payments, insurance premiums and all other debts. There is a worksheet in the Appendix ("**Determining What You Can Afford Worksheet**") that will help you calculate your income and expenses to help determine what you can afford.

Consider talking with a financial professional such as a housing counselor to help you determine what you can afford. Keeping your payments affordable is the best way to avoid foreclosure or other financial difficulties. While mortgage lenders will tell you how much they are willing to lend you (which is the loan amount you "qualify" for), you probably know your finances better than anyone, so you should determine how much you are willing and able to pay every month for your home.

IV. Shopping for a House

Role of the Real Estate Agent or Broker

Frequently, the first person you consult about buying a home is a real estate agent or broker. Although these agents and brokers provide helpful advice, they may legally be representing the interests of the seller and not yours. You can ask your family and friends for recommendations.

It is your responsibility to search for an agent who will represent your interests in the real estate transaction. **If you want someone to represent only your interests, consider hiring an “exclusive buyer’s agent,” who will be working for you.**

Even if the real estate agent represents the seller, state laws usually require that you are treated fairly. If you have any questions concerning the behavior of an agent or broker, you should contact your State’s Real Estate Commission or licensing department.

Sometimes, the real estate broker will offer to help you obtain a mortgage loan. He or she may also recommend that you deal with a particular lender, mortgage broker, title company, attorney, or settlement/closing agent. You are not required to follow the real estate broker’s recommendation, and you should compare the costs and services offered by other providers before making a decision.

Role of an Attorney

Before you sign a sales agreement, you might consider asking an attorney to review it and tell you if it protects your interests. If you have already signed your sales agreement, you might still consider having an attorney review it.

If choosing an attorney, you should shop around and ask what services will be performed and whether the attorney is experienced in representing homebuyers. You may also wish to ask the attorney whether the attorney will represent anyone other than you in the transaction.

In some areas, an attorney will act as a settlement agent to handle your settlement.

Terms of the Sales Agreement

Before you sign a sales agreement, here are some important points to consider. While the real estate broker will probably give you a preprinted form of the sales agreement, many terms are negotiable so you may make changes or additions to the agreement. The seller, however, must agree to every change you make in order for such changes to be incorporated into the sales agreement.

For most home buyers, the sales price is the most important term. Make sure you know what the sales price includes, such as appliances. Here are other important terms of the sales agreement:

❖ **Mortgage Clause**

The mortgage clause will provide whether or not your deposit will be refunded if the sale is cancelled should you be unable to get a mortgage loan. Your agreement could allow the purchase to be canceled if you cannot obtain mortgage financing at or below a specific interest rate or through a specific loan program.

❖ **Settlement Costs**

You can negotiate which settlement costs you will pay and which will be paid by the seller. The seller may contribute a lump sum amount or may agree to pay for specific items on your behalf.

❖ **Inspections**

Most buyers prefer to pay for the following inspections so that the inspector is working for them, not the seller. You may want to include in your sales agreement the ability to cancel the agreement or renegotiate the contract for a lower sales price or for the needed repairs if you are not satisfied with the inspection results.

- **Home Inspection:** You should have the home inspected. An inspection should determine the condition of the plumbing, heating, cooling and electrical systems. The structure should also be examined to assure it is sound and to determine the condition of the roof, siding, windows and doors. The lot should be graded away from the house so that water does not drain toward the house and into the basement. **You should be present to ask any questions.**
- **Pests:** Your lender may require a certificate from a qualified inspector stating that the home is free from termites and other pests and pest damage. Even if your lender does not require a pest inspection, you may want to obtain a pest inspection to ensure the property does not have termites or other pests.
- **Lead-Based Paint Hazards:** If you buy a home built before 1978, you have certain rights concerning lead-based paint and lead poisoning hazards. The seller or sales agent must give you the EPA pamphlet "Protect Your Family From Lead in Your Home" (or other EPA-approved lead hazard information). The seller must also disclose any known lead-based paint hazards in the property through a Lead Warning Statement and give you any relevant records or reports.
- **Other Environmental Concerns:** Your city or state may require sellers to disclose known environmental hazards such as leaking underground oil tanks, the presence of radon or asbestos, lead water pipes, and other such hazards. You may want to determine

the environmental condition of the home for your own safety. You could also be financially liable for the clean-up of any environmental hazards.

❖ **Sharing of Expenses**

You need to negotiate with the seller about how expenses related to the property such as taxes, water and sewer charges, condominium fees, and utility bills, are to be divided on the date of settlement. Unless you agree otherwise, you should only be responsible for the portion of these expenses owed after the date of sale.

Affiliated Businesses

When you are shopping for your home and your mortgage, a settlement service provider may refer you to its affiliated business. Affiliated business arrangements exist when several businesses are owned or controlled by a common corporate parent. When a lender, real estate broker, builder, or others refer you to an affiliated settlement service provider, RESPA requires that the referring party give you an Affiliated Business Arrangement Disclosure. **Except under certain circumstances, you are generally not required to use the affiliate and are free to shop for other service providers. You should shop around to determine that you are receiving the best service and rate.**

Builders

If you are buying a newly constructed home, a builder may offer you an incentive or “deal” if you select its affiliated mortgage company or other settlement service business. You should shop and compare interest rates and other settlement charges before entering a contractual agreement to use these affiliated companies.

V. Shopping for a Loan

Your choice of mortgage lender or broker, as well as type of loan itself, will influence your settlement costs and your monthly mortgage payment. You may find a listing of local lenders and mortgage brokers in the yellow pages and a listing of rates in your local newspaper. You may also wish to search the internet for lenders and brokers and their advertised rates. You can ask your family and friends about loan originators they have used and recommend.

Loan Originator

A loan originator is a lender or a mortgage broker.

- **Mortgage Brokers** Some companies, known as “mortgage brokers,” offer to find you a mortgage lender willing to make you a loan. A mortgage broker may operate as an independent business and may not be operating as your “agent” or representative.
- **Lenders** A lender typically makes loans to borrowers directly. They receive payment through fees charged to you at settlement, payment from interest when you make your monthly mortgage payments and payments if they sell your loan or the servicing of your loan after settlement.

Note: Whether you apply for a loan with a lender or mortgage broker, you should receive *Good Faith Estimates* of settlement costs from multiple loan originators to make certain you get the best loan product at the lowest interest rate and lowest settlement costs.

Types of Loans and Programs

Shopping for your loan is probably the most important step in your home-buying process. Mortgage brokers and lenders have a wide variety of mortgage products. The type of loan product and your interest rate will not only influence your total settlement costs but will determine the amount of your monthly mortgage payment.

Government Programs

You may be eligible for a loan insured by the Federal Housing Administration (FHA), guaranteed by the Department of Veterans Affairs (VA) or offered by the Rural Housing Service (RHS). These programs usually require a smaller down payment. Ask your lender or mortgage broker about these programs. You should shop and compare quotes from different loan originators because each may offer different rates and loan terms.

If you are a first time homebuyer, ask your real estate agent/broker and loan originator about the availability of local or state programs such as reductions in transfer taxes, special income tax deductions or state homestead exemption discounts.

Types of Mortgages

Two of the most common types of mortgage loans are fixed-rate mortgages and adjustable rate mortgages. The interest rate on a fixed-rate mortgage will remain the same for the entire life of your loan while the interest rate on an adjustable rate mortgage (ARM) may adjust at regular intervals and may be tied to an economic index, such as a rate for Treasury securities. When the interest rate on an ARM adjusts it may cause your payment to increase.

Some adjustable rate mortgages allow the borrower to pay either the “interest only” or less than the “interest only.” In both options, none of the mortgage payment is applied towards the loan balance (principal). In a less than “interest only” option, the unpaid interest is added to your loan balance and you can owe more than the amount you initially borrowed. **When the loan balance increases to the maximum amount the loan is “recast” and your loan payment may double or even triple.** When faced with “payment shock,” you may discover too late that the loan payments no longer fit within your budget and that the loan is difficult to refinance. **You may then be in danger of losing your home.**

WARNING: Choosing an ARM product could affect your ability to pay your mortgage in the future resulting in loan default or foreclosure. You need to become familiar with the features of ARM products to find the one that best fits your needs. If you decide to obtain an ARM, consider obtaining additional information. Additional information may be found by contacting the Federal Reserve Board. Contact information is given in the Appendix to this booklet.

Taxes and Insurance

In addition to the principal and interest portion of your mortgage payment, you will have to pay property taxes and insurance to protect the property in the event of disaster such as a fire or flood. Based on your down payment, you may also have to pay mortgage insurance. Your lender may require an escrow or impound account to pay these items with your monthly mortgage payment. If an escrow account is not required, you are responsible for making these payments.

Mortgage insurance may be required by your lender if your down payment is less than 20% of the purchase price. Mortgage insurance protects the lender if you default on your loan. You may be able to cancel mortgage insurance in the future based on certain criteria, such as paying down your loan balance to a certain amount. Before you commit to paying for mortgage insurance, find out the specific requirements for cancellation. Mortgage insurance should not be confused with mortgage life, credit life, or disability insurance that are designed to pay off a mortgage in the event of a borrower’s death or disability. Your *Good Faith Estimate* should not have any charges for mortgage life, credit life, or disability insurance.

Homeowner’s (hazard) insurance protects your property in the event of a loss such as fire. Many lenders require that you get a homeowner’s policy before settlement.

Flood insurance will be required if the house is in a flood hazard area. After your loan is settled, if a change in flood insurance maps brings your home within a flood hazard area, your lender or servicer may require you to buy flood insurance at that time.

VI. Good Faith Estimate (GFE)

The GFE is a three page form designed to encourage you to shop for a mortgage loan and settlement services so you can determine which mortgage is best for you. It shows the loan terms and the settlement charges you will pay if you

decide to go forward with the loan process and are approved for the loan. It explains which charges can change before your settlement and which charges must remain the same. It contains a shopping chart allowing you to easily compare multiple mortgage loans and settlement costs, making it easier for you to shop for the best loan. The GFE may be provided by a mortgage broker or the lender. **Until you let a loan originator know that you wish to proceed with a loan, the loan originator may only charge you for the cost of a credit report.**

In the loan application process, the loan originator will need your name, Social Security number, gross monthly income, property address, estimate of the value of the property, and the amount of the mortgage loan you want to determine the GFE. Your Social Security number is used to obtain a credit report showing your credit history, including past and present debts and the timeliness of repayment.

Your GFE Step-by-Step

Page 1 of the GFE

Now let's go through the GFE step-by-step. The top of page 1 of the GFE shows the property address, your name and contact information and your loan originator's contact information.

Important Dates

- | |
|--|
| 1. The interest rate for this GFE is available through <input type="text" value="January 2, 2010 @ 4pm"/> . After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate. |
| 2. This estimate for all other settlement charges is available through <input type="text" value="January 22, 2010"/> |
| 3. After you lock your interest rate, you must go to settlement within <input type="text" value="30"/> days (your rate lock period) to receive the locked interest rate. |
| 4. You must lock the interest rate at least <input type="text" value="15"/> days before settlement. |

The Important Dates section of the GFE includes key dates of which you should be aware.

Line 1 discloses the date and time the interest rate offer is good through.

Line 2 discloses the date "All Other Settlement Charges" is good through. This date must be open for at least 10 business days from the date the GFE was issued to allow you to shop for the best loan for you.

Line 3 discloses the interest rate lock time period, such as 30, 45 or 60 days, that the GFE was based on. **It does not mean that your interest rate is locked.**

Line 4 discloses the number of days prior to going to settlement that you must lock your interest rate.

Note: "Locking in" your rate and points at the time of application or during the processing of your loan will keep the interest rate and points from changing until the rate lock period expires.

Summary of Your Loan

Your initial loan amount is	\$ 200,000.00
Your loan term is	30 years
Your initial interest rate is	5.0 %
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ 1,173.00 per month
Can your interest rate rise?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, it can rise to a maximum of 10.0 %. The first change will be in 6 months
Even if you make payments on time, can your loan balance rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$
Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, the first increase can be in 6 months and the monthly amount owed can rise to \$ 1,290.00. The maximum it can ever rise to is \$ 1,842.00
Does your loan have a prepayment penalty?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years.

The Summary of Your Loan Terms discloses your loan amount, loan term, the initial interest rate and the principal, interest and mortgage insurance portion of your monthly mortgage payment. It also informs you if your interest rate can increase, if your loan balance can rise, whether your mortgage payment can rise and if there is a prepayment penalty or balloon payment.

In the example above, the loan amount is \$200,000 which will be paid over 30 years. The initial interest rate is 5 percent and the initial monthly mortgage payment is \$1,173 which includes mortgage insurance, but does not include any amounts to pay for property taxes and homeowner's insurances if required by the lender.

In our example, the loan has an adjustable interest rate. Since the interest rate can rise, the 'yes' box was checked, and the loan originator disclosed that the initial interest rate of 5 percent could rise as high as 10 percent. The first time your interest rate could rise is 6 months after settlement which could increase your payments to \$1,290. Over the life of your loan your monthly payments could increase from \$1,173 to \$1,842.

This example does not contain a balloon payment or a prepayment penalty.

NOTE: A prepayment penalty is a charge that is assessed if you pay off the loan within a specified time period, such as three years. A balloon payment is due on a mortgage that usually offers a low monthly payment for an initial period of time. After that period of time elapses, the balance must be paid by the borrower, or the amount must be refinanced. You should think carefully before agreeing to these kinds of mortgage loans. If you are unable to refinance or pay the balance of the loan, you could put your home at risk.

Escrow Account Information

Some lenders require an escrow account to hold funds for paying property taxes or other property-related charges in addition to your monthly amount owed of \$.

Do we require you to have an escrow account for your loan?

- No, you do not have an escrow account. You must pay these charges directly when due.
 Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.

The GFE also includes a separate section referred to as “Escrow account information,” which indicates whether or not an escrow account is required. This account holds funds needed to pay property taxes, homeowner’s insurance, flood insurance (if required by your lender) or other property-related charges.

If the GFE specifies that you will have an escrow account, you will probably have to pay an initial amount at settlement to start the account and an additional amount with each month’s regular payment. If you wish to pay your property taxes and insurance directly, some lenders will give you a higher interest rate or charge you a fee. **If your lender does not require an escrow account, you must pay these items directly when they are due.**

Summary of Your Settlement Charges

A	Your Adjusted Origination Charges (See page 2.)	\$3,750.00
B	Your Charges for All Other Settlement Services (See page 2.)	\$4,530.00
A + B	Total Estimated Settlement Charges	\$ 8,280.00

The final section on page 1 of the GFE contains the adjusted origination charges and the total estimated charges for other settlement services which are detailed on page 2. You should compare the “Total Estimated Settlement Charges” on several GFES.

Page 2 of the GFE

The price of a home mortgage loan is stated in terms of an interest rate and settlement costs. Often, you can pay lower total settlement costs in exchange for a higher interest rate and vice versa. Ask your loan originator about different interest rates and settlement costs options.

Your Adjusted Origination Charges, Block A

1. Our origination charge This charge is for getting this loan for you.	\$6,750.00
2. Your credit or charge (points) for the specific interest rate chosen <input type="checkbox"/> The credit or charge for the interest rate of <input type="text"/> % is included in "Our origination charge." (See item 1 above.) <input checked="" type="checkbox"/> You receive a credit of \$ <input type="text" value="3,000.00"/> for this interest rate of <input type="text" value="5.0"/> %. This credit reduces your settlement charges. <input type="checkbox"/> You pay a charge of \$ <input type="text"/> for this interest rate of <input type="text"/> %. This charge (points) increases your total settlement charges. The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan.	-\$3,000.00
A Your Adjusted Origination Charges	\$ 3,750.00

Block 1, "Our origination charge" contains the lender's and the mortgage broker's charges and point(s) for originating your loan.

Block 2, "Your credit or charge point(s) for the specific interest rate chosen."

- If box 1 is checked, the credit or charge for the interest rate is part of the origination charge shown in Block 1.
- If box 2 is checked, you will pay a higher interest rate and receive a credit to reduce your adjusted origination charge and other settlement charges.
- If box 3 is checked, you will be paying point(s) to reduce your interest rate and, therefore, will pay higher adjusted origination charges.

Note: A point is equal to one percent of your loan amount.

After adding or subtracting Block 2 from Block 1, "Your Adjusted Origination Charge" is shown in Block A.

In the example shown, the origination charge is \$6,750. No points were paid to reduce the interest rate. Instead, because of the interest rate chosen, the offer contains a \$3,000 credit that reduces the adjusted origination charge to \$3,750.

Your Charges for All Other Settlement Services, Blocks 3 through 11

In addition to the charges to originate your loan, there are other charges for services that will be required to get your mortgage. For some of the services, the loan originator will choose the company that performs the service (Block 3). The loan originator usually permits you to select the settlement service provider for "Title services and lender's title insurance" (Block 4). "Owner's title insurance" is also disclosed (Block 5). Other required services that you may shop for are included in "Required services that you can shop for" (Block 6).

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		\$383.00
<i>Service</i>	<i>Charge</i>	
Appraisal	\$275.00	
Credit report	\$40.00	
Flood certification	\$12.00	
Tax service	\$56.00	
4. Title services and lender's title insurance This charge includes the services of a title or settlement agent, for example, and title insurance to protect the lender, if required.		\$1,275.00
5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.		\$175.00
6. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can identify providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		\$295.00
<i>Service</i>	<i>Charge</i>	
Survey	\$250.00	
Pest inspection	\$45.00	

Block 3 contains charges for required services for which the loan originator selects the settlement service provider. These are not "shoppable" services and often include items such as the property appraisal, credit report, flood certification, tax service and any required mortgage insurance.

Block 4 contains the charge for title services, the Lender's title insurance policy and the services of a title, settlement or escrow agent to conduct your settlement.

Block 5 contains the charge for an Owner's title insurance policy that protects your interests.

NOTE: Under RESPA, the seller may not require you, as a condition of the sale, to purchase title insurance from any particular title company.

Block 6 contains charges for required services for which you may shop for the provider. Some of these items may include a survey or pest inspection.

7. Government recording charges These charges are for state and local fees to record your loan and title documents.	\$50.00			
8. Transfer taxes These charges are for state and local fees on mortgages and home sales.	\$1,368.00			
9. Initial deposit for your escrow account This charge is held in an escrow account to pay future recurring charges on your property and includes <input checked="" type="checkbox"/> all property taxes, <input checked="" type="checkbox"/> all insurance, and <input type="checkbox"/> other _____.	\$306.00			
10. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. This amount is \$ 28.00 per day for 1 days (if your settlement is 1/31/2010).	\$28.00			
11. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.	\$650.00			
<table border="1"> <thead> <tr> <th><i>Policy</i></th> <th><i>Charge</i></th> </tr> </thead> <tbody> <tr> <td>Homeowner's insurance</td> <td>\$650.00</td> </tr> </tbody> </table>		<i>Policy</i>	<i>Charge</i>	Homeowner's insurance
<i>Policy</i>	<i>Charge</i>			
Homeowner's insurance	\$650.00			

Block 7 contains charges by governmental entities to record the deed and documents related to the loan.

Block 8 contains charges by state and local governments for taxes related to the mortgage and transferring title to the property.

Block 9 contains the initial amount you will pay at settlement to start the escrow account, if required by the lender.

Block 10 contains the charge for the daily interest on the loan from the day of settlement to the first day of the following month.

Block 11 contains the annual charge for any insurance the lender requires to protect the property such as homeowner's insurance and flood insurance.

Total Estimated Settlement Charges

B	Your Charges for All Other Settlement Services	\$ 4,530.00
A + B	Total Estimated Settlement Charges	\$ 8,280.00

"Your charges for All Other Settlement Services", Blocks 3 through 11, are totaled in Block B. Blocks A and B are added together resulting in the total estimated settlement charges associated with getting the loan. These Blocks are carried forward to the bottom of page 1 of the GFE.

Page 3 of the GFE

Page 3 of the GFE contains important instructions and information that will help you shop for the best loan for you.

Understanding which charges can change at settlement

These charges cannot increase at settlement:	The total of these charges can increase up to 10% at settlement:	These charges can change at settlement:
<ul style="list-style-type: none">■ Our origination charge■ Your credit or charge (points) for the specific interest rate chosen <i>(after you lock in your interest rate)</i>■ Your adjusted origination charges <i>(after you lock in your interest rate)</i>■ Transfer taxes	<ul style="list-style-type: none">■ Required services that we select■ Title services and lender's title insurance <i>(if we select them or you use companies we identify)</i>■ Owner's title insurance <i>(if you use companies we identify)</i>■ Required services that you can shop for <i>(if you use companies we identify)</i>■ Government recording charges	<ul style="list-style-type: none">■ Required services that you can shop for <i>(if you do not use companies we identify)</i>■ Title services and lender's title insurance <i>(if you do not use companies we identify)</i>■ Owner's title insurance <i>(if you do not use companies we identify)</i>■ Initial deposit for your escrow account■ Daily interest charges■ Homeowner's insurance

There are three different categories of charges that you will pay at closing: charges that cannot increase at settlement; charges that cannot increase in total more than 10%; and charges that can increase at settlement. You can use this as a guide to understand which charges can or cannot change. Compare your GFE to the actual charges listed on the *HUD-1 Settlement Statement* to ensure that your lender is not charging you more than permitted.

Written list of settlement service providers

A written list will be given to you with your GFE that includes all settlement services that you are required to have and that you are allowed to shop for. You may select a provider from this list or you can choose your own qualified provider. If you choose a name from the written list provided, that charge is within the 10% tolerance category. If you select your own service provider, the 10% tolerance will not apply.

Even though you may find a better deal by selecting your own provider, you should choose the provider carefully as those charges could increase at settlement. If your loan originator fails to provide a list of settlement service providers, the 10% tolerance automatically applies.

Using the tradeoff table

	The loan in this GFE	The same loan with lower settlement charges	The same loan with a lower interest rate
Your initial loan amount	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
Your initial interest rate ¹	5.0 %	6.0 %	4.5 %
Your initial monthly amount owed	\$ 1,173.00	\$ 1,299.00	\$ 1,113.00
Change in the monthly amount owed from this GFE	No change	You will pay \$ 126.00 more every month	You will pay \$ 60.00 less every month
Change in the amount you will pay at settlement with this interest rate	No change	Your settlement charges will be reduced by \$ 1,500.00	Your settlement charges will increase by \$ 1,500.00
How much your total estimated settlement charges will be	\$ 8,280.00	\$ 6,780.00	\$ 9,780.00

¹For an adjustable rate loan, the comparisons above are for the initial interest rate before adjustments are made.

The “tradeoff table” on page 3 will help you understand how your loan payments can change if you pay more settlement charges and receive a lower interest rate or if you pay lower settlement charges and receive a higher interest rate.

The loan originator must complete the first column with information contained in the GFE. If the loan originator has the same loan product available with a higher or lower interest rate, the loan originator may choose to complete the remaining columns. If the second and third columns are not filled in, ask your loan originator if they have the same loan product with different interest rates.

Using the shopping chart

	This loan	Loan 2	Loan 3	Loan 4
Loan originator name	ABC Company	DEF Company	CS Company	
Initial loan amount	\$200,000.00	\$200,000.00	\$200,000.00	
Loan term	30 years	30 years	30 years	
Initial interest rate	5.0%	5.0%	5.375%	
Initial monthly amount owed	\$1,173.00	\$1,173.00	\$1,219.00	
Rate lock period	30 days	30 days	30 days	
Can interest rate rise?	yes	yes	yes	
Can loan balance rise?	no	no	no	
Can monthly amount owed rise?	yes	yes	yes	
Prepayment penalty?	no	no	no	
Balloon payment?	no	no	no	
Total Estimated Settlement Charges	\$8,280.00	\$8,309.00	\$5,840.00	

You can use this chart to compare similar loans offered by different loan originators. Fill in each column with the information shown in the "Summary of your loan" section from the first page of all the GFEs you receive. Compare each offer and select the best loan for you.

After You Choose the Best Loan for You

After comparing several GFEs, select the best loan for you and notify the loan originator that you would like to proceed with the loan. Keep your *Good Faith Estimate* so you can compare it with the final settlement costs stated on your *HUD-1 Settlement Statement*. Ask the lender and settlement agent if there are any changes in fees between your GFE and your HUD-1 Settlement Statement. Some charges cannot be increased, and your lender must reimburse you if those charges were illegally increased.

New Home Purchases

If you are purchasing a new home that is being built or has not been built yet, your GFE could change. If the GFE can change, the loan originator must notify you that the GFE may be revised at any time up to 60 days before settlement. If you get a revised GFE, look at it to determine if the loan and settlement costs it discloses are the best for you.

Changed Circumstances

If there are changes involving your credit, the loan amount, the property value, or other information that was relied on in issuing the original GFE, a revised GFE may be issued. Only the charges affected by the changed circumstance may be revised.

VII. Shopping for Other Settlement Services

There are other settlement services that the lender will require for your loan. You may be able to shop for these services or you may choose providers identified on the written list you receive from the loan originator. If you select providers on the list, the charges shown on the GFE must be within the 10% tolerance. Even though selecting a settlement service provider that is not on the list nullifies the 10% tolerance, you still may be able to find a better deal by shopping and selecting a provider yourself. However, remember that those charges could increase at settlement.

Title Services and Settlement Agent

When you purchase your home, you receive "title" to the home. Certain title services will be required by your lender to protect against liens or claims on the property. Title services include the title search, examination of the title, preparation of a commitment to insure, conducting the settlement, and all administration and

processing services that are involved within these services. Many lenders require a lender's title insurance policy to protect against loss resulting from claims by others against your new home. A lender's title insurance policy does not protect you.

If a title claim occurs, it can be financially devastating to an owner who is uninsured. **If you want to protect yourself from claims by others against your new home, you will need an owner's policy.**

To save money on title insurance, compare rates among various title insurance companies. If you are buying a newly constructed home, make certain your title insurance covers claims by contractors. These claims are known as "mechanics' liens" in some parts of the country. In many states, title insurance premium rates are filed with the state and may not be negotiable, but other title service related charges may be. Be sure to ask your title agent about any available discounts such as a reissue rate or a simultaneous issue discount.

Title services also include the services of a settlement agent. Settlement practices vary from locality to locality and even within the same county or city. Depending on the locality, settlements may be conducted by lenders, title insurance companies, escrow companies or attorneys for the buyer or seller. In some parts of the country, a settlement may be conducted by an escrow agent. Unlike other types of settlement, the parties may not meet around a table to sign documents. Ask how your settlement will be handled.

Survey

Lenders or title insurance companies may require a survey to disclose the location of the property. The survey is a drawing of the property showing the location of the house and other improvements on the property. You may be able to reduce the cost of a survey if you determine the company who previously surveyed the property and request an update. Check with your lender and title insurance company on whether an updated survey is acceptable. Even if not required by your lender, information provided by a current property survey, such as the true property lines and any encroachments, can alert you to any problems with the property.

Homeowner's Insurance

As a condition to settle, many lenders will require that you procure homeowner's insurance, flood insurance or other hazard insurance to protect the property from loss. Don't forget to shop for the best rates.

VIII. Your Settlement and HUD-1

You have determined what you can afford, found the right house and shopped for the best loan for you. After all the hard work, it is time to go to settlement, but don't forget to bring your GFE to compare with the charges listed on the *HUD-1 Settlement Statement*. It is a good idea to review your HUD-1 before your settlement. Let your settlement agent and lender know that you want to receive a completed HUD-1 at least one day prior to your settlement.

Settlement

Your settlement may be conducted by your lender or your title insurance company, an escrow company, your attorney or the seller's attorney. Regardless of who performs the settlement, there will be many important documents that you will need to sign. Make sure you carefully read and understand all the documents before you sign them. Do not be afraid to ask the lender any questions you have about your loan documents.

HUD-1 Settlement Statement

The *HUD-1 Settlement Statement* (HUD-1) is a form that lists all charges and credits to the borrower and seller in a transaction. You have the right under RESPA to inspect the *HUD-1 Settlement Statement* before settlement occurs. When you receive a copy of the HUD-1, compare it to your GFE. Ask the lender questions about any changes in fees between your GFE and the HUD-1. Your lender must reimburse you if a closing cost tolerance was violated.

Page 1 of the HUD-1

100 – 300 Series, Summary of Borrower’s Transactions

The first page of the HUD-1 summarizes all of the charges and credits to the buyer and seller.

Line 101 is the contract sales price.

Line 103 is the total settlement charges from page 2.

Lines 106 to 112 lists items you are reimbursing the seller for that were already paid for by the seller, such as property taxes or homeowner association dues.

Line 120 is the total of the 100 series section and is the total amount you owe.

Lines 200 to 209 contain credits for items paid by you, such as the earnest money deposit and other credits from the seller and other parties.

Lines 210 to 219 are credits from the seller for items owed by the seller that are due after settlement.

Line 220 is the total of all credits from Lines 201 to 219. Subtract the amount on Line 220 from the amount on Line 120.

Line 303 is the amount you must bring to settlement or the amount you will receive.

J. Summary of Borrower's Transaction			
100. Gross Amount Due from Borrower			
101. Contract sales price			\$210,000.00
102. Personal property			
103. Settlement charges to borrower (line 1400)			\$8,044.00
104.			
105.			
Adjustment for items paid by seller in advance			
106. City/town taxes	to		
107. County taxes	to		
108. Assessments	to		
109.			
110.			
111.			
112.			
120. Gross Amount Due from Borrower			\$218,044.00
200. Amount Paid by or in Behalf of Borrower			
201. Deposit or earnest money			\$2,000.00
202. Principal amount of new loan(s)			\$200,000.00
203. Existing loan(s) taken subject to			
204.			
205.			
206. Seller closing cost credit			\$2,000.00
207.			
208.			
209.			
Adjustments for items unpaid by seller			
210. City/town taxes	to		
211. County taxes	1/1/2010 to 1/31/2010		\$200.00
212. Assessments	to		
213.			
214.			
215.			
216.			
217.			
218.			
219.			
220. Total Paid by/for Borrower			\$204,200.00
300. Cash at Settlement from/to Borrower			
301. Gross amount due from borrower (line 120)			\$218,044.00
302. Less amounts paid by/for borrower (line 220)			(\$204,200.00)
303. Cash	<input checked="" type="checkbox"/> From	<input type="checkbox"/> To Borrower	\$13,844.00

Page 2 of the HUD-1

700 Series, Total Real Estate Broker Fees

700. Total Real Estate Broker Fees	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of commission (line 700) as follows :		
701. \$ 6,000.00 to ABC Real Estate Co.		
702. \$ 6,000.00 to XYZ Real Estate Co.		
703. Commission paid at settlement		\$12,000.00

This section of the settlement statement shows the commissions paid to the real estate agents. There are no corresponding lines on the GFE because the lender does not require this service before you get your loan.

800 Series, Items Payable in Connection with Loan

800. Items Payable in Connection with Loan			
801. Our origination charge	includes origination point(s) (1% or \$2,000)	\$ 6,750.00 (from GFE #1)	
802. Your credit or charge (points) for the specific interest rate chosen		- \$ 3,000.00 (from GFE #2)	
803. Your adjusted origination charges		(from GFE #A)	\$3,750.00

Line 801, "Our origination charge," lists the lender's and mortgage broker's charge for getting you the loan and references GFE Block 1. In this example, Line 801 designates an origination point of \$2,000 for possible tax deductibility.

Line 802 lists either the charge for the interest rate (points) or a credit and references GFE Block 2.

Line 803 lists "Your adjusted origination charges." This amount is the sum of Lines 801 and 802 and references Block A on the GFE.

804. Appraisal fee to Appraisal Company	(from GFE #3)	\$325.00
805. Credit report to Credit Report Company	(from GFE #3)	\$40.00
806. Tax service to Tax Service Company	(from GFE #3)	\$76.00
807. Flood certification to Flood Certification Company	(from GFE #3)	\$12.00
808.		

Line 804 is the charge for the appraisal report prepared by an appraiser.

Line 805 is the fee for a credit report showing your credit history.

Line 806 is the fee paid to a tax service provider for information on the real estate property taxes.

Line 807 is the fee paid to the service providing information on whether the property is in a flood zone.

Lines 804, 805, 806 and 807 usually reference GFE Block 3.

Lines 808 and any additional lines are used to list other third party services required by your lender, including FHA or VA fees.

900 Series, Items Required by Lender to be Paid in Advance

900. Items Required by Lender to be Paid in Advance			
901. Daily interest charges from	1/31/2010 to 2/1/2010 @ \$ 28.00 /day	(from GFE #10)	\$28.00
902. Mortgage insurance premium for	months to	(from GFE #3)	
903. Homeowner's insurance for	1 years to Insure-It (\$600 P.O.C. by borrower)	(from GFE #11)	

These are charges which the lender requires to be prepaid at settlement.

Line 901 lists the daily interest charges collected for the period between the date of your settlement and the first day of the next month. This charge is disclosed in Block 10 of your GFE. In this example, the loan closed on 1/31/10, and the interest on the GFE was calculated with a 1/31/10 closing date so the charges are the same on both. This amount on Line 901 may differ from the amount on the GFE if the settlement date changes.

Line 902 lists the charge for any up-front mortgage insurance premium payment due at settlement. This is one of the charges disclosed in GFE Block 3 of your GFE. In this example, there is no payment due.

Line 903 is the charge for the homeowner's insurance policy and is one of the charges disclosed in Block 11 of your GFE. In the example, the homeowner's insurance was paid prior to the day of settlement so the charge is listed as "P.O.C. by borrower". P.O.C. stands for "Paid Outside of Closing". You typically have to bring a pre-paid insurance policy to your settlement.

1000 Series, Reserves Deposited with Lender

1000. Reserves Deposited with Lender				
1001. Initial deposit for your escrow account			(from GFE #9)	\$350.00
1002. Homeowner's insurance	1	months @ \$ 50.00	per month \$ 50.00	
1003. Mortgage insurance	1	months @ \$ 100.00	per month \$ 100.00	
1004. Property Taxes	2	months @ \$ 200.00	per month \$ 400.00	
1005.		months @ \$	per month \$	
1006.		months @ \$	per month \$	
1007. Aggregate Adjustment				-\$ 200.00

This series of the HUD-1 lists the amounts collected by the lender to be placed in your escrow account for future payments of items such as homeowner's insurance, mortgage insurance and property taxes. Line 1007 is an adjustment to make sure lenders are only collecting the maximum amount allowed by law. In this example, even though the first year's homeowner's insurance premium has already been paid, the lender has started escrowing money to pay the next bill.

1100 Series, Title Charges

1100. Title Charges				
1101. Title services and lender's title insurance			(from GFE #4)	\$1,275.00
1102. Settlement or closing fee to 3rd Party Closing Company		\$ 100.00		\$125.00
1103. Owner's title insurance to Title Town USA			(from GFE #5)	\$175.00
1104. Lender's title insurance		\$ 725.00		
1105. Lender's title policy limit \$ 200,000.00				
1106. Owner's title policy limit \$ 210,000.00				
1107. Agent's portion of the total title insurance premium to	Title Town USA	\$ 720.00		
1108. Underwriter's portion of the total title insurance premium to	Underwriter	\$ 180.00		

Line 1101 lists the charge for all title services and the lender's title insurance policy. Title services includes any service involved with providing title insurance, such as title examination, preparing the title commitment, clearing the title to the property, preparing and issuing the title policies and conducting the settlement. These charges correspond to GFE Block 4.

Line 1102 is the amount of the settlement or closing fee if performed by a company different from the one providing title insurance. This charge is part of the charge listed in Line 1101.

Line 1103 lists the charge for the Owner's title insurance policy, if you decided to buy one. It corresponds to Block 5 of the GFE.

Line 1104 lists the charge for the Lender's title insurance policy which is part of the charge listed in Line 1101.

Line 1105 is the Lender's title policy limit. It often is lower than the value of the property because it only covers the amount of your lender's lien on your property.

Line 1106 lists the Owner's title policy limit. The liability limit of the owner's policy is typically the purchase price paid for the property.

Line 1107 lists the portion of the title insurance premiums retained by the title insurance agent.

Line 1108 lists the portion of the title insurance premiums retained by the underwriter.

1200 Series, Government Recording and Transfer Charges

1200. Government Recording and Transfer Charges			
1201. Government recording charges		(from GFE #7)	\$50.00
1202. Deed \$ 25.00	Mortgage \$ 25.00	Release \$ 15.00	\$15.00
1203. Transfer taxes		(from GFE #8)	\$1,368.00
1204. City/County tax/stamps	Deed \$ 684.00	Mortgage \$	
1205. State tax/stamps	Deed \$ 684.00	Mortgage \$	

Government recording charges listed in the 1200 series on the HUD-1 are charges paid to state and local governmental agencies to record important documents such as the deed and mortgage or deed of trust and transfer taxes to legally transfer property.

Line 1201 lists all government recording charges and corresponds to Block 7 of your GFE. This represents the cumulative amount the borrower is paying for government recording charges.

Line 1202 itemizes specific recording charges for the deed, the mortgage, and any releases of prior liens against your property shown in Line 1201. When the seller pays for an item, such as a release, the charge is listed in the seller's column.

In this example, the borrower is paying \$50.00 of the recording charges, and the seller is paying \$15.00. The total paid for the government recording charges was \$65.00 (borrower \$50.00 / seller \$15.00).

Line 1203 lists the charge for transfer taxes. Transfer taxes are charged by state or local government to transfer real property or place a new lien (mortgage or deed of trust) on a property. This charge is listed in Block 8 of your GFE.

Lines 1204 and 1205 itemize the charges for transfer taxes listed in Line 1203.

Line 1206 can be used to list additional items related to recording or transfer charges.

In our example, the government recording charge that appeared in block 7 of the GFE was \$50.00 which is illustrated in the column on line 1201 on the HUD-1.

Series 1300, Additional Settlement Charges

1300. Additional Settlement Charges		
1301. Required services that you can shop for	(from GFE #6)	\$295.00
1302. Survey to Measure-It	\$ 250.00	
1303. Pest inspection to Rid-A-Bug	\$ 45.00	
1304. Home Warranty to Home Warranty Company		\$300.00
1305.		
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)		\$8,044.00

Line 1301 is the total of lender required services for which you chose the provider (other than title services). These services are itemized in the lines below 1301. These charges are listed in Block 6 of your GFE.

In addition to services the loan originator required there may be additional services that you chose. In our example, Line 1304 lists a homeowner's warranty to provide protection for your home's mechanical systems and appliances. A charge for a pest inspection or survey will appear as a line item in the 1300 series of the HUD-1, if the borrower elected to obtain an inspection or survey that was not a condition of the loan or required by the lender.

Line 1400 is the total of all charges listed in page 2 on the HUD-1 for the seller and you, the buyer. These totals are also listed on page 1 of the HUD-1. Your charges appear in Section J, Summary of the Borrower's Transaction, on Line 103. The seller's charges are listed in Section J, Summary of Seller's Transaction, on Line 502.

Page 3 of the HUD-1

The third page of the HUD-1 is made up of two sections: the Comparison Chart and the Loan Terms. The Comparison Chart will help you compare the charges disclosed on your GFE and the actual charges listed on page 2 of the HUD-1. The Loan Terms section can assure you that the loan you applied for is the loan you received at settlement. This section should compare with the "Summary of Your Loan" on page 1 of the GFE.

Comparison Chart

There are three categories in the Comparison Chart: charges that could not increase at settlement, charges that in total could not increase more than 10% and charges that could change. Compare the charges listed in the GFE column with the charges in the HUD-1 column. If the charges that cannot increase have increased or the total of the charges that cannot increase more than 10% have exceeded the 10% increase limit, the lender must reimburse you at settlement or within thirty (30) days after settlement.

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges		Good Faith Estimate	HUD-1
Charges That Cannot Increase	HUD-1 Line Number		
Our origination charge	# 801	\$6,750.00	\$6,750.00
Your credit or charge (points) for the specific interest rate chosen	# 802	-\$3,000.00	-\$3,000.00
Your adjusted origination charges	# 803	\$3,750.00	\$3,750.00
Transfer taxes	# 1203	\$1,368.00	\$1,368.00
Charges That In Total Cannot Increase More Than 10%		Good Faith Estimate	HUD-1
Government recording charges	# 1201	\$50.00	\$50.00
Appraisal	# 804	\$275.00	\$325.00
Credit report	# 805	\$40.00	\$40.00
Tax service fee	# 806	\$56.00	\$76.00
Flood certification	# 807	\$12.00	\$12.00
Title services and lender's title insurance	# 1101	\$1,275.00	\$1,275.00
Owner's title insurance	# 1103	\$175.00	\$175.00
	#		
	Total	\$1,883.00	\$1,953.00
Increase between GFE and HUD-1 Charges		\$ 70	or 4 %
Charges That Can Change		Good Faith Estimate	HUD-1
Initial deposit for your escrow account	# 1001	\$306.00	\$350.00
Daily interest charges \$ 28.00 /day	# 901	\$28.00	\$28.00
Homeowner's insurance	# 903	\$650.00	\$600.00
Survey	# 1302	\$250.00	\$250.00
Pest inspection	# 1303	\$45.00	\$45.00

In the example above, the "Charges That In Total Cannot Increase More Than 10%" were only increased by \$70 or 4% and did not exceed the 10% tolerance. For the category "Charges That Can Change" in this example the borrower selected a pest inspection and survey provider that were not on the written list.

Loan Terms

Loan Terms	
Your initial loan amount is	\$ 200,000.00
Your loan term is	30 years
Your initial interest rate is	5.0 %
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ 1,173.00 includes <input checked="" type="checkbox"/> Principal <input checked="" type="checkbox"/> Interest <input checked="" type="checkbox"/> Mortgage Insurance
Can your interest rate rise?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, it can rise to a maximum of 10.0 %. The first change will be on 6/1/2010 and can change again every 6 months after 6/1/2010 . Every change date, your interest rate can increase or decrease by 1.0%. Over the life of the loan, your interest rate is guaranteed to never be lower than 5.0 % or higher than 10.0 %.
Even if you make payments on time, can your loan balance rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$
Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, the first increase can be on 6/1/2010 and the monthly amount owed can rise to \$ 1,290.00 . The maximum it can ever rise to is \$ 1,842.00 .
Does your loan have a prepayment penalty?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years on
Total monthly amount owed including escrow account payments	<input type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. <input checked="" type="checkbox"/> You have an additional monthly escrow payment of \$ 250.00 that results in a total initial monthly amount owed of \$ 1,423.00 . This includes principal, interest, any mortgage insurance and any items checked below: <input checked="" type="checkbox"/> Property taxes <input checked="" type="checkbox"/> Homeowner's insurance <input type="checkbox"/> Flood insurance <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

The last section on the HUD-1 clearly sets forth the terms of your loan, including the loan amount, your interest rate and your monthly payments. It will also disclose the monthly escrow payment account information. It lets you know whether your interest rate, your loan balance or your monthly payments can increase and whether your loan has a prepayment penalty or a balloon payment. Look at this information carefully and make sure that you are getting the loan and the terms that were set forth in your GFE. **If the loan terms do not match the loan terms on your GFE or if you have questions, contact your lender before signing any documents.**

IX. Your Loan after Settlement

After settlement, RESPA requires that lenders give you disclosures concerning the servicing of your loan and any escrow account. RESPA also gives you certain protections in regard to the timely payment of your taxes and insurance.

Servicing and Escrow Disclosure Statements

The company that collects your mortgage payments is your loan servicer. This may not be your lender. When you apply for your loan or within three business days, RESPA requires that your lender or mortgage broker tell you in writing whether someone else may be servicing your loan. After your settlement, if your loan servicer transfers the servicing of your loan to a new servicer, RESPA requires that you be notified in writing at least fifteen (15) days before the transfer. The notice must tell you when the transfer is effective and when you will begin making payments to the new servicer. The notice letter must also give you the contact information for the new servicer as well as other important information about the servicing of your loan.

If your loan requires an escrow account, the servicer of your loan must give you an initial escrow account statement at your settlement or within the following forty-five (45) days. That form will show all of the payments which are expected to be deposited into your escrow account and all of the disbursements which are expected to be paid from the escrow account during the year. Your servicer will review your escrow account annually and send you a disclosure each year which shows the prior year's activity and any adjustments necessary in the escrow payments that need to be made in the upcoming year. You will not receive this yearly disclosure if your loan is in default. Remember that your monthly payment can increase if your taxes or insurance payments increase.

Servicing Errors

If you have a question any time during the life of your loan, RESPA requires the company collecting your loan payments (your "servicer") to respond to you. Write to your servicer and call it a "qualified written request under Section 6 of RESPA." A "qualified written request" (QWR) should be a separate letter and not mailed with the payment coupon. Describe the problem and include your name and account number. The servicer must investigate and make appropriate corrections within 60 business days.

Complaints

RESPA provides you with certain consumer protections during the loan process and during the servicing of your loan after settlement. If your lender charged you more than the allowable tolerances at settlement and failed to reimburse you; if you are aware that one of your settlement service providers paid

or received a fee or kickback for referring business to someone; if you were required to use a company that was affiliated with your real estate agent, builder, or loan originator; if your loan servicer fails to timely pay your taxes and insurance premiums; or if your loan servicer does not respond to a QWR about the servicing of your loan, you may wish to file a complaint with HUD's Office of RESPA. You should describe what you believe to be a violation and identify each violator by name, address and phone number. You should also include your own contact information for any follow-up questions. You can find out how to file a complaint at the RESPA website or by contacting the RESPA Office. The address is located in the Appendix.

Avoiding Foreclosure

Once you move into your new home, you will want to make sure that you do nothing that could threaten you with the loss of your home. Make all payments on time. If you are having a dispute with the servicer, do not stop making your full payment each month. Consider carefully before putting another mortgage or lien on your home.

If you do not make your monthly mortgage payments, you will be in default on your loan. Foreclosure is a legal process in which a mortgaged property is sold to pay off the defaulted loan. If you find yourself facing foreclosure, there are steps that you should take. Contact your lender and be prepared to provide financial information. There may be a workout plan available to help you keep your home. There are also HUD-approved housing counseling agencies that are available to provide you information on and assistance in avoiding foreclosure. HUD's web site provides homeowners this information as well as other guidance in its "Guide to Avoiding Foreclosure" which can be found at <http://www.hud.gov/foreclosure/>.

Beware of scams! Watch out for equity skimming when a buyer offers to repay the mortgage or sell the property if you sign over the deed and move out. Be aware that there are phony counseling agencies that charge you a fee for the same services you can usually receive at no charge. Be sure to use only HUD-approved counseling agencies. Most importantly, NEVER sign anything that you have not read or do not understand.

X. Home Equity and Refinances

Home Equity Loan/Line of Credit

As you make payments on your mortgage loan or make improvements to your property, or if property values in your neighborhood increase, the equity in your home may increase. Home equity is the difference between your home's fair market value and the outstanding balances of all the loans and other liens on your property.

If you have equity in your property, you may be able to use it as collateral for a home equity loan or a home equity line of credit, often called a HELOC.

A closed-end home equity loan is for a fixed amount of money that you receive at closing. You will not be able to borrow additional money under the terms of this type of loan. An open-end home equity loan has a credit line set by the lender. With this loan you can choose when and how often to borrow money up to your credit limit.

Is a Home Equity Loan/Line of Credit Right For You?

You may want to make home improvements to increase the value of your home, or you may decide to consolidate your debts by paying off high-interest credit cards. Maybe you have unexpected medical bills or need funds to pay for school expenses. A home equity loan can be a convenient way to get money for these situations; however, before you get a home equity loan, there are things that you should carefully consider. Remember that a home equity loan creates another lien against your home and reduces the equity that you have built up. You could risk losing your home if you do not plan wisely.

Ask as many questions as you asked when you were looking for your home loan. The decision to get a home equity loan or line of credit should be made wisely. Make sure you can afford the loan. Have a solid financial plan and set up a budget, so you can be confident that you can make the additional monthly payment while still meeting your other financial obligations. You worked hard to get your home, don't risk losing it!

Additional assistance and guidance can be found in "What you should know about Home Equity Lines of Credit" published by the Federal Reserve Board. You can contact the Federal Reserve Board at the address and phone number provided in the Appendix at the end of this booklet for additional information.

Refinancing: Should You Consider Refinancing?

Refinancing is paying off one loan by obtaining another and is usually done to secure better loan terms such as a lower interest rate. You might also want to refinance for the same reasons you may have considered a home equity loan or line of credit - to get cash from the equity that you have built up in your home for such things as home improvements, paying off other debts, major purchases, starting a business, or education costs, etc.

You should carefully consider the terms of a refinance as well as the long-term impact on your financial situation. You should shop as carefully for your refinance loan as you did when you bought your home. Refinancing can deplete the equity you have built up if you take out the equity in your home in cash, and it can negatively affect your ability to pay your loan if you do not closely review the terms of your new loan. Consider the same issues that you addressed when you first applied for your

home loan that have been discussed throughout this booklet.

On the positive side, if you shop carefully for your refinance, you could lower your monthly payments by getting a lower interest rate. Be wary of unsolicited refinancing offers that you may get in the mail or through e-mail. Although not all of these offers are deceptive, there are many unscrupulous loan originators who use the offers to find unsuspecting home owners. Some of these unscrupulous loan originators will even use the HUD and FHA logos in an attempt to make their solicitations appear legitimate. If you have any doubts about whether a communication has actually been sent by HUD, use the information in the Appendix to contact HUD.

XI. Appendix

ADDITIONAL INFORMATION

There are several federal laws which provide you with protection during the home buying process. The Equal Credit Opportunity Act ("ECOA") and the Fair Housing Act prohibit discrimination, and the Fair Credit Reporting Act ("FCRA") provides you with the right to certain credit information.

No Discrimination

ECOA prohibits lenders from discriminating against credit applicants in any aspect of credit transactions on the basis of race, color, religion, national origin, sex, marital status, age, the fact that all or part of the applicant's income comes from any public assistance program, or the fact that the applicant has exercised any right under any federal consumer credit protection law.

The Fair Housing Act prohibits housing discrimination because of race, color, religion, sex, disability, familial status or national origin. This prohibition applies, among other things, to the sale of a home to you, the making of loans for purchasing, constructing, improving, repairing or maintaining a dwelling, and the brokering and appraising of residential real estate.

If you feel you have been discriminated against by a lender or anyone else in the home buying process in violation of the Fair Housing Act, you can file a complaint at no cost with HUD. Following an investigation, if HUD determines that there is a reasonable cause to believe that your rights under the Fair Housing Act have been violated, it will issue a Charge of Discrimination on your behalf that will be adjudicated in administrative proceedings or in federal court. You may also file a complaint under ECOA with the Board of Governors of the Federal Reserve System or with an appropriate state agency under the state's equal credit opportunity laws.

You may also be able to file a private legal action or take other appropriate action if you are the victim of discrimination. You may wish to consult with an attorney to understand your rights.

Prompt Action/Notification of Action Taken

Your lender or mortgage broker must act on your application and inform you of the action taken no later than 30 days after it receives your completed application. Your application will not be considered complete, and the 30-day period will not begin, until you provide to your lender or mortgage broker all of the material and information requested.

Statement of Reasons for Denial

If your application is denied, ECOA requires your lender or mortgage broker to give you a statement of the specific reasons why it denied your application or tell you how you can obtain such a statement. The notice will also tell you which federal agency regulates the lender that denied your application so you can contact the agency if you believe it has illegally discriminated against you.

Obtaining Your Credit Report

The Fair Credit Reporting Act ("FCRA") requires a lender or mortgage broker that denies your loan application to tell you whether it based its decision on information contained in your credit report. If that information was a reason for the denial, the notice will tell you where you can get a free copy of the credit report. You have the right to dispute the accuracy or completeness of any information in your credit report. If you dispute any information, the credit reporting agency that prepared the report must investigate free of charge and notify you of the results of the investigation.

Obtaining Your Appraisal

The lender needs to know if the value of your home is enough to secure the loan. To get this information, the lender typically hires an appraiser, who gives a professional opinion about the value of your home. ECOA requires your lender or mortgage broker to tell you that you have a right to get a copy of the appraisal report. The notice will also tell you how and when you can ask for a copy.

HOEPA

If you ever decide to refinance your loan, or if you apply for a home equity installment loan, you should know about the Home Ownership and Equity Protection Act of 1994 (HOEPA). This law addresses certain unfair practices and establishes requirements for certain loans with high rates and fees. You can find out more information by contacting the Federal Trade Commission at the address and phone number listed in the Appendix.

DETERMINING WHAT YOU CAN AFFORD WORKSHEET

Use the worksheet below to calculate your monthly income and expenses to determine the amount you have left over every month to pay for house related expenses such as your monthly loan payment, property taxes and homeowner's insurance. There is also a mortgage calculator you may wish to use. It can be found at: http://www.ginniemaegov/2_prequal/intro_questions.asp?Section=YPTH.

Determine Your Monthly Income and Expenses	Monthly Amount
Income (what you take home after taxes and other deductions)	
Borrower salary	\$
Co-borrower salary	\$
Other income	\$
INCOME TOTAL	\$
Expenses	
Credit cards	\$
Car payment	\$
Car insurance	\$
Health insurance	\$
Savings and retirement	\$
Medical expenses	\$
Child support and alimony	\$
Tuition	\$
Utilities	\$
Clothing	\$
Entertainment	\$
Other expenses	\$
EXPENSES TOTAL	\$
TOTAL MONTHLY INCOME	\$
SUBTRACT TOTAL MONTHLY EXPENSE	\$
EQUALS	\$

CONTACT INFORMATION

U.S. Department of Housing and Urban Development

451 7th Street, SW
Washington, DC 20410
202-708-1112
<http://www.hud.gov>

HUD's Office of RESPA and Interstate Land Sales

202-708-0502
<http://www.hud.gov/RESPA>

HUD Housing Counselors

1-800-569-4287 (Interactive system)
<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

HUD Foreclosure Prevention Information

<http://www.hud.gov/foreclosure>

Buying a HUD Home

<http://www.hud.gov/offices/hsg/sfh/reo/reobuyfaq.cfm>

FHA- Resource Center

1-800-CALL FHA (800-225-5342)
<http://www.hud.gov/offices/hsg/sfh/fhresourcectr.cfm>

Housing Discrimination Issues

Office of Fair Housing and Equal Opportunity
(See HUD address above)

1-202-708-1112
1-800-800-3088
http://portal.hud.gov/portal/page/portal/HUD/program_offices/fair_housing_equal_opp

To file a Housing Discrimination Complaint:

<http://www.hud.gov/offices/fheo/online-complaint.cfm>

Other Agencies

Truth in Lending Act, the Equal Credit Opportunity Act, adjustable rate mortgages, and home equity lines of credit

The Federal Reserve Board
Division of Consumer and
Community Affairs
20th and Constitution Avenue
Mail Stop 801
Washington DC 20551
202-452-3000
www.federalreserve.gov

Foreclosure Prevention Toolkit

Federal Deposit Insurance
Corporation
Division of Supervision and Consumer Protection
550 17th Street, NW
Washington DC 20429
877-275-3342
www.fdic.gov/consumers/loans/prevention/toolkit.html

VA-Guaranteed Loans

Department of Veterans Affairs
Consumer Affairs Service
810 Vermont Avenue, NW
Washington DC 20420
800-827-1000
www.va.gov

Rural Housing Loan Programs

Department of Agriculture
Rural Development/Rural Housing Services
Mail Stop MC-0701
1400 Independence Avenue, SW
Washington DC 20250
202-720-4581
www.rurdev.usda.gov

Home Ownership and Equity Protection Act of 1994 (HOEPA)

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, N.W.
Washington DC 20580
877-382-4357
www.ftc.gov

GLOSSARY of TERMS

Appraiser: one who is trained and educated in the methods of determining the value of property (appraised value). You will pay a fee for an appraisal report containing an opinion as to the value of your property and the reasoning leading to this opinion.

Credit report fee: this fee covers the cost of a credit report which shows your credit history. The lender uses the information in a credit report to assess your credit worthiness.

Default: the inability to pay monthly mortgage payments in a timely manner or to otherwise meet the mortgage terms.

Delinquency: failure of a borrower to make timely mortgage payments under a loan agreement.

Down Payment: the portion of a home's purchase price that is paid in cash and is not part of the mortgage loan.

Earnest Money Deposit: money you will put down to show that you are serious about purchasing the home. It often becomes part of the down payment if the offer is accepted, is returned if the offer is rejected, or may be forfeited if you do not follow through with the deal.

Escrow Account: an impound account in which a portion of your monthly mortgage payment is deposited to cover annual charges for homeowner's insurance, mortgage insurance (if applicable), and property taxes.

Escrow Agent: a person or entity holding documents and funds in a transfer of real property, acting for both parties pursuant to instructions. Typically the agent is a person (often an attorney), escrow company or title company, depending on local practices.

Flood Certification Fee: a fee for the assessment of your property to determine if it is located in a flood prone area.

Foreclosure: a legal process in which mortgaged property is sold to pay the loan of the defaulting borrowers.

Good Faith Estimate (GFE): an estimate of the settlement charges you are likely to incur; it also contains other information about the loan.

Government Recording and Transfer Charges: fees for legally recording your deed and mortgage. These fees may be paid by you or by the seller depending upon the terms of the sales agreement.

Home Inspection: an inspection of the mechanical, electrical, and structural aspects of your home. You will pay a fee for this inspection, and the inspector will provide you a written report evaluating the condition of the home.

Homeowner's Insurance or Home Hazard Insurance: an insurance policy that protects your home and your possessions inside from serious loss, such as theft or fire. This insurance is usually required by all lenders to protect their investment and must be obtained before closing on your loan.

HUD-1 Settlement Statement: a statement that itemizes the services provided to you and the fees charged for those services. This form is filled out by the person who will conduct the settlement. You can ask to see your settlement statement at least one day prior to your settlement.

Interest: a fee charged by the lender for the use of its money.

Interest rate: the charge by the lender for borrowing money expressed as a percentage.

Lender Inspection Fees: this charge covers inspections, often of newly constructed housing, made by employees of your lender or by an outside inspector.

Loan to value (LTV) ratio: a percentage calculated by dividing the amount to be borrowed by the price or appraised value of the home to be purchased (whichever is less). The loan to value ratio is used to qualify borrowers for a mortgage, and the higher the LTV, the tighter the qualification guidelines for certain mortgage programs become. Low loan to value ratios are considered below 80%, and carry lower rates since borrowers are lower risk.

Mortgage: the transfer of an interest in property to a lender as a security for a debt. This interest may be transferred with a Deed of Trust in some states.

Origination Fee: a fee charged to the borrower by the loan originator for making a mortgage loan.

Origination Services: any service involved in the creation of a mortgage loan, including but not limited to the taking of the loan application, loan processing, and the underwriting and funding of loan, and the processing and administrative services required to perform these functions.

Payment Shock: a scenario in which monthly mortgage payments on an adjustable rate mortgage (ARM) rise so high that the borrower may not be able to afford the payments.

PITI: Principal, Interest, Taxes and Insurance: the four elements of a monthly mortgage payment; payments of principal and interest go directly towards repaying the loan while the portion that covers taxes and insurance goes into an escrow account to cover the fees when they are due.

Pest Inspection: an inspection for termites or other pest infestations of your home. This inspection is frequently required by your lender.

Point(s): amount of money paid to reduce the interest rate on a loan. A point is usually equal to 1% of the loan amount.

Pre-paid items: lenders often require the prepayment of items such as insurance premiums for private mortgage insurance, homeowner's insurance, and real estate taxes.

Prepayment Penalty: a fee charged if the mortgage loan is paid before the scheduled due date.

Private Mortgage Insurance (PMI): insurance that protects your lender if you default on your loan. With conventional loans, mortgage insurance is usually required if you do not make a down payment of at least 20% of your home's appraised value. Your lender may require payment of your first year's mortgage insurance premium or a lump sum premium that covers the life of the loan in advance at settlement. The same insurance protection on an FHA loan is called Mortgage Insurance Premium (MIP).

Recording and Transfer Charges: these charges include fees paid to the local government for filing official records of a real-estate transaction.

Sales Agreement: the contract signed by a buyer and the seller stating the terms and conditions under which a property will be sold. It may also be called an "Agreement of Sale" or "Purchase Contract."

Settlement: the time at which the property is formally sold and transferred from the seller to the buyer. It is at this time that the borrower takes on the loan obligation, pays all closing costs and receives title from the seller.

Settlement/Closing Agent: in some states, a settlement agent, or closing agent, handles the real estate transaction when you buy or sell a home. It may also be an attorney or a title agent. He or she oversees all legal documents, fee payments, and other details of transferring the property to ensure that the conditions of the contract have been met and appropriate real estate taxes have been paid.

Settlement Costs/Closing Costs: the customary costs above and beyond the sales price of the property that must be paid to cover the transfer of ownership at closing; these costs generally vary by geographic location and are typically detailed to the borrower at the time the GFE is given.

Survey Fee: a fee for obtaining a drawing of your property showing the location of the lot, any structures, and any encroachments. The survey fee is usually paid by the borrower.

Title Service Fees: title service fees include charges for title search and title insurance if required. This fee also includes the services of a title or settlement agent.

Title Insurance: insurance that protects your lender against any title dispute that may arise over your property. Through a title search, the lender verifies who the actual property-owners are and whether the property is free of liens. The title search company then issues title insurance which protects the title of the property against any unpaid mortgages and judgments. In case a claim is made against the property, the title insurance provides legal protection and pays for court fees and related costs. You may also purchase Owner's title insurance which protects you as the homeowner.

Tax certificate: official proof of payment of taxes due provided at the time of transfer of property title by the state or local government.

Tax Service Fee: this fee covers the cost of your lender engaging a third party to monitor and handle the payment of your property tax bills. This is done to ensure that your tax payments are made on time and to prevent tax liens from occurring.

Tolerance Category: the maximum amount by which the charges for a category or categories of settlement cost may exceed the amount of the estimate for such category or categories on a good faith estimate. When the originator selects and identifies the provider of services, these charges may only increase 10% in the aggregate. If the borrower selects a provider that is not on the written list provided by the loan originator, the lender is not subject to any tolerance restrictions for that service.

Types of Mortgage Loan Products

Adjustable Rate Mortgage (ARM): a mortgage loan or Deed of Trust which allows the lender to periodically adjust the interest rate in accordance with a specified index.

Balloon Mortgage: a balloon payment is due on a mortgage that usually offers a low monthly payment for an initial period of time. After that period of time elapses, the balance must be paid by the borrower or the amount must be refinanced. The large sum payable at the end of the loan term is called the "balloon payment."

Construction Loan: a short-term, interim loan for financing the cost of construction; the lender advances funds to the builder at periodic interval as work progresses.

Conventional Loan: a private sector loan which is not guaranteed or insured by the U.S. government.

Fixed-Rate Mortgage: a mortgage with an interest rate that does not change over the life of the loan, and as a result, monthly payments for principal and interest do not change.

Hybrid Arms: these loans are a mix or a hybrid of a fixed-rate period and an adjustable-rate period. For example, a 3/1 ARM will have a fixed interest rate for the first three years and then will adjust annually until the loan is paid off. The first number tells you how long the fixed interest-rate period will be and the second number tells you how often it will adjust after the initial period.

Interest Only ARMs: an interest-only (I-O) ARM payment plan allows you to pay only the interest for a specific number of years, typically between 3 and 10 years. This allows you to have smaller payments for a period of time. After that, your monthly payments will increase, even if the interest rate stays the same, because you must start paying back the principal as well as the interest each month.



A. Settlement Statement (HUD-1)

B. Type of Loan						
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:	
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.					
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.						
D. Name & Address of Borrower:			E. Name & Address of Seller:		F. Name & Address of Lender:	
G. Property Location:			H. Settlement Agent:		I. Settlement Date:	
			Place of Settlement:			

J. Summary of Borrower's Transaction	
100. Gross Amount Due from Borrower	
101. Contract sales price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	
104.	
105.	
Adjustment for items paid by seller in advance	
106. City/town taxes to	
107. County taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. Gross Amount Due from Borrower	
200. Amount Paid by or in Behalf of Borrower	
201. Deposit or earnest money	
202. Principal amount of new loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
Adjustments for items unpaid by seller	
210. City/town taxes to	
211. County taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid by/for Borrower	
300. Cash at Settlement from/to Borrower	
301. Gross amount due from borrower (line 120)	
302. Less amounts paid by/for borrower (line 220) ()	
303. Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower	

K. Summary of Seller's Transaction	
400. Gross Amount Due to Seller	
401. Contract sales price	
402. Personal property	
403.	
404.	
405.	
Adjustment for items paid by seller in advance	
406. City/town taxes to	
407. County taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. Gross Amount Due to Seller	
500. Reductions in Amount Due to seller	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506.	
507.	
508.	
509.	
Adjustments for items unpaid by seller	
510. City/town taxes to	
511. County taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total Reduction Amount Due Seller	
600. Cash at Settlement to/from Seller	
601. Gross amount due to seller (line 420)	
602. Less reductions in amounts due seller (line 520) ()	
603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller	

The Public Reporting Burden for this collection of information is estimated to average 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

L. Settlement Charges						
700. Total Real Estate Broker Fees						
Division of commission (line 700) as follows :					Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
701. \$		to				
702. \$		to				
703. Commission paid at settlement						
704.						
800. Items Payable in Connection with Loan						
801. Our origination charge	\$		(from GFE #1)			
802. Your credit or charge (points) for the specific interest rate chosen	\$		(from GFE #2)			
803. Your adjusted origination charges			(from GFE #A)			
804. Appraisal fee to			(from GFE #3)			
805. Credit report to			(from GFE #3)			
806. Tax service to			(from GFE #3)			
807. Flood certification to			(from GFE #3)			
808.						
809.						
810.						
811.						
900. Items Required by Lender to be Paid in Advance						
901. Daily interest charges from	to	@ \$	/day	(from GFE #10)		
902. Mortgage insurance premium for	months to			(from GFE #3)		
903. Homeowner's insurance for	years to			(from GFE #11)		
904.						
1000. Reserves Deposited with Lender						
1001. Initial deposit for your escrow account				(from GFE #9)		
1002. Homeowner's insurance	months @ \$		per month \$			
1003. Mortgage insurance	months @ \$		per month \$			
1004. Property Taxes	months @ \$		per month \$			
1005.	months @ \$		per month \$			
1006.	months @ \$		per month \$			
1007. Aggregate Adjustment			-\$			
1100. Title Charges						
1101. Title services and lender's title insurance				(from GFE #4)		
1102. Settlement or closing fee	\$					
1103. Owner's title insurance				(from GFE #5)		
1104. Lender's title insurance	\$					
1105. Lender's title policy limit \$						
1106. Owner's title policy limit \$						
1107. Agent's portion of the total title insurance premium to	\$					
1108. Underwriter's portion of the total title insurance premium to	\$					
1109.						
1110.						
1111.						
1200. Government Recording and Transfer Charges						
1201. Government recording charges				(from GFE #7)		
1202. Deed \$	Mortgage \$		Release \$			
1203. Transfer taxes				(from GFE #8)		
1204. City/County tax/stamps	Deed \$		Mortgage \$			
1205. State tax/stamps	Deed \$		Mortgage \$			
1206.						
1300. Additional Settlement Charges						
1301. Required services that you can shop for				(from GFE #6)		
1302.	\$					
1303.	\$					
1304.						
1305.						
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)						

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges		Good Faith Estimate	HUD-1
Charges That Cannot Increase	HUD-1 Line Number		
Our origination charge	# 801		
Your credit or charge (points) for the specific interest rate chosen	# 802		
Your adjusted origination charges	# 803		
Transfer taxes	# 1203		

Charges That In Total Cannot Increase More Than 10%		Good Faith Estimate	HUD-1
Government recording charges	# 1201		
	#		
	#		
	#		
	#		
	#		
	#		
	#		
	#		
	#		
	Total		
Increase between GFE and HUD-1 Charges		\$	or %

Charges That Can Change		Good Faith Estimate	HUD-1
Initial deposit for your escrow account	# 1001		
Daily interest charges \$ /day	# 901		
Homeowner's insurance	# 903		
	#		
	#		
	#		

Loan Terms

Your initial loan amount is	\$
Your loan term is	years
Your initial interest rate is	%
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ includes <input type="checkbox"/> Principal <input type="checkbox"/> Interest <input type="checkbox"/> Mortgage Insurance
Can your interest rate rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of % . The first change will be on and can change again every after . Every change date, your interest rate can increase or decrease by % . Over the life of the loan, your interest rate is guaranteed to never be lower than % or higher than % .
Even if you make payments on time, can your loan balance rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$
Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, the first increase can be on and the monthly amount owed can rise to \$. The maximum it can ever rise to is \$
Does your loan have a prepayment penalty?	<input type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$
Does your loan have a balloon payment?	<input type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years on
Total monthly amount owed including escrow account payments	<input type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. <input type="checkbox"/> You have an additional monthly escrow payment of \$ that results in a total initial monthly amount owed of \$. This includes principal, interest, any mortgage insurance and any items checked below: <input type="checkbox"/> Property taxes <input type="checkbox"/> Homeowner's insurance <input type="checkbox"/> Flood insurance <input type="checkbox"/> <input type="checkbox"/>

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

THE DO LIST

- Shop for your loan.
- Interview real estate agents, mortgage brokers, lenders and other settlement service providers to find the best professionals for your loan and settlement needs.
- Be sure to read and understand everything before you sign anything.
- Accurately report your debts.
- Be honest about all sources of funds you will use to purchase your home.
- Be upfront about any credit problems you have or have had in the past.
- Be wary of unsolicited loan or refinance offers that you receive in the mail or through e-mail.
- Always pay your mortgage payment on time, even if you are having a dispute with your loan servicer.
- If you are having problems paying your mortgage, contact your loan servicer immediately.

THE DON'T LIST

- Do not sign blank documents.
- Do not overstate your income.
- Do not overstate your length of employment.
- Do not overstate your assets.
- Do not change your income tax returns.
- Do not list fake co-borrowers on your loan application.
- Do not provide false documentation or permit someone to provide false documents about you.



FPO for Bar Code



Rev. Dec. 2009