

DIAMOND RESORTS™

MEMBERSHIP OF POINTS IN DIAMOND RESORTS EUROPEAN COLLECTION LIMITED

KEY INFORMATION

PART 1

1. Identity, place of residence, and legal status of the trader(s) which will be party to the contract:

DIAMOND RESORTS (EUROPE) LIMITED ("Diamond") is the supplier of your product and is a party to your contract. Diamond is a limited company registered in England and Wales, registered number 02353649 and has its registered office at Citrus House, Caton Road, Lancaster, Lancashire, England LA1 3UA.

2. Short description of the product: (eg description of the immovable property):

You are buying membership of and Points in Diamond Resorts European Collection Limited.

The total number of Points owned by you is known as your Points Rights, and this number of Points will be allocated to you each year (on 1st January) throughout the term of your membership.

Diamond Resorts European Collection Limited ("the European Collection") is an incorporated Members' club and was established on 19th May 1994. It is an English limited company with registered number 2930567 and has its registered office at Citrus House, Caton Road, Lancaster, Lancashire, LA1 3UA. The European Collection does not have shares and it does not trade.

3. Exact nature and content of the right(s):

In becoming a Member of the European Collection, you are acquiring a contractual right (on redemption of your Points) to use the accommodations detailed in the Diamond Resorts Disclosure Booklet ("the Disclosure Booklet").

Legal title in the accommodation detailed in the inventory schedule and referenced in Section 1 PART A of the Disclosure Booklet is held on behalf of the Members of the European Collection by an independent Trustee, First National Trustee Company Limited or one of its Associated companies ("FNTC") whose registered office address is at International House, Castle Hill, Victoria Road, Douglas, Isle of Man. The legal title of the accommodation is held on trust by FNTC in a number of different ways:- as the absolute owner of the freehold title, as the tenant of a long term lease, or as the owner of certificates of timeshare weeks at various resorts.

The Trustee is responsible for overseeing the operation of the European Collection and, in particular, is responsible for ensuring that there is sufficient accommodation in the trust itself to meet the requirements of the Members of the European Collection, taking into account their respective Points holdings. Additional accommodation may be put into the trust from time to time but may also be substituted or removed, and new Members join the European Collection on a weekly basis. However, for the protection and peace of mind of the Members (and prospective Members), purchase monies payable for Points are paid to the Trustee which acts in the capacity as stakeholder. No Points sales can be effected by Diamond (and no accommodation can be taken out of trust) unless and until the Trustee is satisfied that the Members' (and the prospective Members') accommodation requirements can be satisfied by the accommodation held in trust.

Reservations can be made by European Collection Members into accommodation in trust for the European Collection as early as 13 months prior to their planned arrival date.

The accommodations in Section 1 PART B of the Disclosure Booklet are not in trust, but are specifically allocated to Members of the European Collection, thereby affording Members who wish to make reservations at these resorts a 13 month booking window. For ease of reference, all accommodations in Section 1 of the Disclosure Booklet shall be referred to as "European Collection Resorts."

As a Member of the European Collection (and for as long as the European Collection remains affiliated to The Club®), you will also have access to resorts participating in The Club® exchange programme. Members of the European Collection have in fact been able to go to a number of these resorts for several years, but this exchange arrangement was significantly enhanced when the European Collection entered into an affiliation agreement with Diamond Resorts International Club Inc ("DRIC") on 8th December 2008.

DRIC manages The Club®. It is a Florida company, whose principle office is at 10600 West Charleston Boulevard, Las Vegas, Nevada 89135, United States of America and is a wholly owned subsidiary of Diamond's parent company, Diamond Resorts Corporation, whose principal office is also at 10600 West Charleston Boulevard, Las Vegas.

In addition to the European Collection Resorts, the resorts that participate in The Club® exchange system fall into two distinct categories.

Firstly, Diamond Resorts Corporation operates Five Collections known as the U.S. Collection, the California Collection, the Hawaii Collection, the Premiere Vacation Collection and the Monarch Grand Vacations Collection (incorporating Cabo Azul Resort, Mexico) (for ease referred to in this document as “the Five Collections”). Each of the Five Collections have an affiliation agreement with The Club® (similar to the affiliation agreement entered into by the European Collection) and the Five Collections operate in a similar way to the European Collection. The accommodations referenced in Section 2 of the Disclosure Booklet are in one of these Five Collections and are held on behalf of the members and provisions are similarly in place to ensure that there are always sufficient accommodation assets to support the needs of these members. Members of the Five Collections have a priority booking window prior to the date of arrival in respect of bookings at these resorts. For the avoidance of doubt, the resorts in Section 2 are not in trust for the Members of the European Collection. There are of course contractual arrangements in place to safeguard reservations made by European Collection Members at these resorts. The booking window for European Collection Members into these resorts is up to 10 months prior to the date of arrival.

Secondly, The Club® has entered into contractual affiliation agreements with a selection of resorts and cruise itineraries (I) in various locations throughout the world. These resorts /cruise itineraries are owned and managed by third party operators who are committed to provide an agreed listing of inventory to The Club®, thereby expanding the portfolio of destinations at which European Collection Members can stay using their Points. These resort locations/cruise itineraries are detailed in Section 3 of the Disclosure Booklet and for ease, are referred to throughout this document as “Portfolio Resorts”. New Portfolio Resorts are regularly added (but existing resorts/cruise itineraries may also be removed in the event that their affiliation with The Club® comes to an end). By definition, the Portfolio Resorts are not in trust. The booking window for European Collection Members into these resorts/cruise itineraries is also 10 months prior to the date of arrival. Portfolio Resorts are responsible for their own repairs and maintenance arrangements. Because of this, and because they are made available to European Collection Members on the basis of an accommodation agreement, no additional management fees are charged to Members of the European Collection (or indeed for the members of the other Five Collections) for these resort locations.

(I) The cruise itineraries have been temporarily withdrawn due to COVID. They will be reinstated as soon as it is feasible to do so.

As part of your The Club® membership you will have membership of Diamond Resorts’ new exchange program “Destination Xchange” Points. Further details of the Destination Xchange Points Program can be found on line at DiamondResorts.com and by clicking on the Destination Xchange My Membership link. It is also open to you to pay for an individual membership with Interval International if you so wish (a third party exchange provider) but such an arrangement will need to be made by you with Interval directly.

Accommodations at European Collection Resorts, through The Club® exchange programme at a Destination Xchange resort and at an Interval exchange resort may be booked by redeeming your Points. All accommodation is subject to availability.

Accommodation is given a weekly Points value, thereby enabling you to calculate the cost of staying at a particular accommodation. Valuations and standard check-in days can be found in the “Points Valuations, Seasonality and Resort Destinations” section of The Club® Member Directory. Although only weekly bookings can be made at some resorts, a large number of resorts (as identified in The Club® Member Directory), accept bookings of any duration in excess of two nights (in which case, the Points value will be noted accordingly).

The number of Points you will need to stay at an accommodation will vary according to factors such as season, accommodation size and sleeping capacity, the facilities in the accommodation and at the resort itself, the location of the resort and, of course, the duration of your stay.

In order to give peace of mind to Members of the European Collection, the total annual Points value attributed to an accommodation held in trust for the benefit of European Collection Members will never increase unless the Members (excluding Diamond) vote to change the valuation. Weekly Points values may however be adjusted to take into account factors such as seasonal changes and school holidays and may be discounted at Diamond’s discretion from time to time to encourage higher occupancy at the resorts. Equivalent provisions apply to the accommodation held for the other Five Collections.

It is possible that the Points value attributed to resort accommodations that are not in trust could change. Of course, Points values could be either increased or decreased. Any changes would be carefully considered.

In respect of the European Collection Resorts, and from time to time at some Portfolio Resorts, in the event of availability less than 59 days prior to the arrival date, the standard check-in day weekly Points value is discounted by 50%. The Points values for short stays (defined as durations of less than seven nights) are discounted by 50% if a reservation is made within 30 days of arrival. These discounted bookings are known as Late Availability reservations.

Should you need more Points in any one year, you are able to borrow Points from your following year’s allocation on payment of a proportion of the Management Charges on those Points. If you do not intend to use all of your Points allocation in any one year, you can save some or all of your Points for use the following year (provided that you save your Points before the prescribed deadlines). Points can only be saved for 1 year, and may be borrowed from the following year’s allocation only.

The deadlines are:

- SAVE up to 100% of your annual allocation of Points by 30 June
- SAVE up to 50% of your annual allocation of Points (if 50% has not already been saved) between 1 July and 31 August
- SAVE up to 25% of the annual allocation of Points (if 25% of the allocation has not already been saved) between 1 September and 31 October.

You can buy additional Points at any time throughout the term of your membership if you wish to increase your Points redemption opportunities (but please see Part Three, paragraph 4 section (vi)).

In addition to accommodations at European Collection Resorts and at resorts made available through The Club® exchange programme, The Club® also offers various Member Benefit Point Redemption Opportunities, enabling you to redeem your Points towards the cost of flights, cruises and hotels. These redemption opportunities are detailed in The Club® Member Directory and on DiamondResorts.com website (in the Member Area). In respect of Points redemptions with third party providers, Diamond assumes responsibility for paying the supplier and offsets the cash price paid for the benefit by utilising the redeemed Points.

The Club® also operates a Diamond Loyalty® programme. Members who own 15,000 Points or more (referred to as Silver, Gold and Platinum Members) receive enhanced Member benefits as detailed in The Club® Member Directory and on DiamondResorts.com website (in the Member Area).

4. Exact period within which the right which is the subject of the contract may be exercised and, if necessary, its duration:

Subject to the following, your membership of the European Collection will last until 31st December 2054. On that date, the European Collection will be dissolved and your membership will terminate.

Your right to use your Points throughout this time may be exercised for as long as you hold an active membership in the European Collection.

Your right to participate in the exchange programme operated by The Club® will continue for as long as the European Collection remains affiliated to The Club® and for as long as you hold an active membership in the European Collection.

5. Date on which the consumer may start to exercise the contractual right:

Subject to the following paragraph, your Points allocation will commence next year on 1st January.

If you purchase your Points on or before 14th June, and if you would like to start using your Points this year, it is open to you to do so. However you will need to specifically request this option by calling 0345 359 0007.

Your right to use your Points is contingent in both cases upon Diamond receiving the agreed purchase price from you following the expiry of the withdrawal period.

6. If the contract concerns a specific property under construction, date when the accommodation and services/ facilities will be completed / available:

N/A

7. Price to be paid by the consumer for acquiring the right(s):

Total price payable: [CON_FCS] [CON_FPP]

8. Outline of additional obligatory costs imposed under the contract; type of costs and indication of amounts (e.g. annual fees, other recurrent fees, special levies, local taxes):

Management Charges are levied each year. These comprise of estimated costs for the forthcoming year and are invoiced in October/November. The due date for payment is January of each year. The Management Charges are not linked to inflation but are likely to increase each year. The charges are based on:

- the European Collections' pro rata share of actual estimated expenses incurred in the maintenance, refurbishment and day to day running of the European Collection Resorts;
- contributions towards a contingency fund known as "the Sinking Fund" which fund is utilised to pay for infrequent capital expenses or unexpected costs incurred by the European Collection Resorts;
- the costs of operating the European Collection itself (which costs include the management of the reservations system, the provision of web services, customer services, printing and distribution of Member publications and other ancillary communications);
- the European Collection's pro rata share of the costs incurred in operating The Club® including the provision of call centre services, reservation services, Member benefits, and the resort affiliation costs for Burnside Park and Norwegian Cruise Lines.

The Management Charge is made up of two elements. Firstly, a base fee which all European Collection Members pay irrespective of the number of Points that they own. This base fee includes the cost of the services required to operate The Club®. The second element of the Management Charge is the per Point fee. For the year 2022, the base fee has been set at £556.00 / €639.40 and the per Point fee is set at £0.0898 / €0.10327. These figures are inclusive of vat and all applicable taxes.

Every effort is made to ensure that the estimated costs correspond as near as possible to year-end actual costs and any small variations (undercharges or overcharges) are reconciled in subsequent budget calculations. However, in the event of large variances, (such as in the event of large fluctuations in exchange rates) a special levy may have to be charged during the course of the year. To date, it has only proven necessary to charge a special levy on one occasion since 1994.

There is no booking or exchange fee when you redeem your Points for accommodation in the European Collection or in The Club® if the reservation is for your own use or for a named Associate Member.

If you would like to make a reservation for friends or family in circumstances where you are not also staying with them, you can do so by requesting a guest certificate. The first guest certificate per annual allocation of Points is free and thereafter will attract a processing fee, currently set at £15 / €21 per certificate.

A fee is payable when using the exchange services and other benefits available through Interval and Destination Xchange. Destination Xchange fees can be found online at DiamondResorts.com and by clicking on the "Destination Xchange My Membership" link.

9. A summary of key services available to the consumer (e.g. electricity, water, maintenance, refuse collection) and an indication of the amount to be paid by the consumer for such services:

All accommodations at European Collection Resorts and at resorts participating in The Club® exchange programme are served by electricity, heating, hot and cold running water, telephone and refuse collection facilities. The accommodations are cleaned and maintained as appropriate.

The maintenance and repairs of the accommodations in the European Collection are performed by local resort management companies who employ staff to perform these functions or who contract with reputable third party contractors to fulfil these services.

10. A summary of facilities available to the consumer (e.g. swimming pool or sauna):

The communal facilities at the European Collection Resorts and at the resorts participating in The Club® exchange programme vary from location to location but the vast majority have an indoor or outdoor swimming pool (or both). A large number of the resorts also have a gym, sauna and children's playground. All charges for the use of these facilities are included in the Management Charge.

From resort to resort, you will have the benefit of a variety of other on-site facilities such as tennis, table tennis, croquet, squash, golf, putting, bowling green, game room, snooker, pool towels, Internet Kiosk and wi-fi. However there is usually a charge for these services/for the hire of equipment.

Many resorts have their own on-site restaurant, bar, grocery store, hair salon and spa/ beauty therapist. As you would expect, you will be charged for the use of these services/for goods purchased.

The majority of the resort accommodations have TV, stereo and a fully fitted or partial kitchen. Fully fitted kitchens include washing machines as standard. There are often launderette facilities on site too, although you will be charged for using the launderette equipment. The cruise ships are well equipped, but as you may expect, do not have in-room kitchen facilities.

Many resorts offer in-room safety deposit facilities, subject to payment of a rental charge.

The Disclosure Booklet provides specific details of the facilities available at each accommodation in the European Collection Resorts, in the Five Collections and at the Portfolio Resorts and whether the facilities are available to Members free of charge.

11. Are these facilities included in the costs indicated above?

Yes. With the exception of the following, the charges for the above services are included in your Management Charge:

- An additional fee for housekeeping may be levied if you request and are provided with additional cleans.
- To the extent that you use the in-room telephone during your stay, you will be charged for usage on departure.

As the Narrow Boats are not at a fixed location, these accommodations do not fit the normal criteria. By definition, there is no mains plumbing. Utility charges are payable to the marina on arrival and comprise of a fixed fee of £50.00 per week to cover gas, water and toilet emptying and for preparing the boat in readiness for collection. Diesel used is payable at the end of the holiday. A deposit is taken to cover the insurance excess of £500 in the event of accidental damage to the boat or third party property, breakages, late return of the boat and non-payment of fuel on return. An optional non-returnable accidental damage waiver of £50 can be paid to avoid liability for the £500 excess.

Finally, if you choose to stay at one of the all-inclusive Portfolio Resorts, a mandatory fee will be charged for the all-inclusive food, drink and resort facilities.

12. If not, specify what is included and what has to be paid for:

Please see paragraph headed "A summary of facilities."

13. Is it possible to join an exchange scheme?

Yes

14. If yes, specify the name of the exchange scheme:

Members of the European Collection are automatically entitled to participate in The Club® exchange programme. Although The Club® is operated by DRIC, your contract for these exchange services is with Diamond.

As part of your The Club® membership, you will have membership of Diamond Resorts' exchange program Destination Xchange Points. Your loyalty level within Destination Xchange will be the same as your loyalty tier in The Club® .

As a Member of the European Collection, you may also take out membership directly with Interval if you so wish. Interval has certified that the European Collection is included in its exchange programme.

15. Indication of costs for membership/exchange:

The cost of participation in The Club® forms part of the Management Charge itself. No additional fees are charged for participation in The Club® exchange programme.

Membership of Destination Xchange is included free of charge within your The Club® membership. However, an exchange fee is payable to Destination Xchange for each exchange. The exchange fees are determined by Destination Xchange, LLC (the Operating Company of Destination Xchange). The exchange fees and vacation enhancement fees are detailed in the Membership Guide for Destination Xchange which can be found on line at DiamondResorts.com and by clicking on the "Destination Xchange My Membership" link.

16. Has the trader signed a code/codes of conduct and, if yes, where can it/they be found?

Yes.

We are a member of Resort Development Organisation ("RDO") which is the trade association for vacation ownership in Europe. We have agreed to adhere to RDO's Code of Conduct and Alternative Dispute Resolutions scheme ("ADR"). For more information, go to www.rdo.org/rdo-consumer-services/

PART 2

General Information:

- The consumer has the right to withdraw from this contract without giving any reason within 14 days from the conclusion of the contract or receipt of the contract if that takes place later.
- During this withdrawal period, any advance payment by the consumer is prohibited. The prohibition concerns any consideration, including payment, provision of guarantees, reservation of money on accounts, explicit acknowledgement of debt, etc. It includes not only payment to the trader, but also to third parties.
- The consumer shall not bear any costs and obligations other than those specified in the contract.
- In accordance with international private law, the contract may be governed by a law other than the law of the UK and possible disputes may be referred to courts other than those of the UK.

Signature of the consumer:

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PART 3

1. ADDITIONAL INFORMATION ABOUT THE RIGHTS ACQUIRED

The European Collection is governed by the Articles of Association, the Deed of Trust, the Management Agreement and the Rules and Regulations. Each of these documents are contained in the Governing Documents booklet and form part of the contract to purchase membership of and Points in the European Collection and is between Diamond and you.

The Articles prescribe and define how the European Collection operates in its capacity as a corporate entity. Amongst other things, the Articles explain your rights and responsibilities as a Member, the appointment of Directors and their rights and responsibilities, the operation of the Points system (including the issue, allocation and transfer of Points and the exchange of Points for accommodation usage), corporate matters such as the holding of AGMs and voting rights and general information about the calculation of the Management Charge. The Articles can only be changed by a special resolution of the Members at a General Meeting and requires 75% of those voting to vote in favour of the change.

The Deed of Trust explains the role and responsibilities of the Trustee (FNTC) in relation to the accommodation assets held in trust, and the power that the Trustee has to protect the said accommodation assets.

The Management Agreement details the role and responsibilities of the Management Company (Diamond Resorts (Europe) Limited) either directly or through one of its local branches to oversee the management of the European Collection. In Spain for example the resorts are managed by Diamond Resorts (Europe) Ltd (Sucursal En España) CIF number W8262389C and whose registered office is at Los Amigos Beach Club, Carretera de Cadiz, Urbanizacion Playamarina 1, KM. 0,204, 29649 Mijas (Malaga), Spain. These responsibilities include managing and maintaining the accommodation, the administration of the Points and reservation system (including the calculation and collection of the Management Charge) and the corporate administration of the European Collection. Certain of these functions have been delegated to DRIC.

The Rules and Regulations of the European Collection explain how the Points reservation system itself works, including how to make a reservation, how to save and borrow Points, late arrival, non-arrival, guest certificates, alterations and how to cancel a reservation. It is worthy of note that if you cancel a reservation 91 days or more prior to the departure date, all of the Points used by you for the booking will be credited back to your account. Cancellations within less than 91 days will result in the loss of Points on a sliding scale as per the table below, although a reservations protection plan can be purchased by you at the time of booking which provides 100% reimbursement of the Points utilised for your booking in the event of cancellation by you for any reason up to 31 days prior to arrival.

<u>Notification of Cancellation</u>	<u>Point Value credited to your account</u>
91–365 days prior to the commencement of the Use Period or the designated date for obtaining the Other Redemption Opportunity (“ Start Date ”)	100%
61-90 days prior to the Start Date	75%
31-60 days prior to the Start Date	50%
0-30 days prior to the Start Date	None

The Rules and Regulations also detail certain “house rules” when occupying accommodations and are there primarily to ensure that Members are considerate to their fellow Members. With the exception of service animals for guests who have a disability (and save for a limited number of accommodations detailed below), no animals or livestock of any description are permitted to stay in the accommodations. The Kenmore Club permits a maximum of two dogs in an accommodation (subject always to compliance with the rules of the resort) and on payment of a charge of £30 per pet per stay (irrespective of the duration) to cover additional cleaning costs. The Alpine Club permits a maximum of two dogs or cats in an accommodation (subject always to compliance with the rules of the resort) and on payment of a charge of €7 per day per pet to cover additional cleaning costs. Members using the narrow boats at any of the five marinas are permitted a maximum of 2 pets per boat subject to a charge of £30 per week per pet. Some of the Portfolio Resorts also have pet facilities. Further information can be found on Diamond’s website.

The Rules and Regulations also explain how to make a reservation at a resort featured in the Interval exchange brochure. The Rules should be read in conjunction with the Terms and Conditions of Interval International Membership and Exchange.

Details of the Destination Xchange Points Program can be found on line at DiamondResorts.com and by clicking on the “Destination Xchange My Membership” link.

Members are also obliged to abide by any local rules and regulations that may apply to an individual resort.

The rules relating to the operation of The Club® exchange programme are described in the legal/governing documents of The Club®. A summary of these rules can be found in the explanatory booklet called “The Club® Member Directory”. A current copy is always accessible on line at DiamondResorts.com.

The inventory schedule is updated on a monthly basis and details the total number of weeks of accommodations in trust at the various resorts for the Members of the European Collection. The inventory schedule also details how those weeks are represented as between studio, one bedroom, two bedroom and three bedroom accommodations and the percentage of accommodations according to seasonal classification. The accommodation assets of the European Collection consist of specific timeshare weeks at resorts as well as entire properties.

In addition to the accommodations at European Collection Resorts, there are also a further 266 Diamond managed or Affiliate resorts and cruise itineraries in The Club®, thereby offering vacation experiences in 35 countries throughout the Continental United States, Central and South America, Hawaii, Canada, Mexico, the Caribbean, Europe, Asia, Australia, New Zealand and Africa. These numbers and locations will change as new resorts are added and as some are removed. Approximately 170,000 members participate in The Club® Exchange Programme. The locations and figures quoted are correct as at 10 May 2021.

All accommodation is available on a first come first served basis and is subject to availability and there is more availability at some resorts than others.

Demand for accommodation is high during peak periods (such as school holidays), and Late Availability may not be available at these times. Where specific dates are required, Members are advised to book well in advance of their desired travel dates to avoid disappointment.

Below at **figure M1** is a matrix detailing the number of Late Availability reservations that were made by European Collection Members in 2019 and 2020 as a percentage of all reservations made by European Collection Members. These reservations comprise of Weekly bookings and multiples thereof (ie periods of 7, 14, 21, 28 days etc) booked under 59 days from the date of arrival, and nightly bookings (of all other durations) booked within 30 days of the date of arrival.

Figure M1

MONTH	2019			2020		
	Late Availability		Standard booking window	Late Availability		Standard booking window
	Nightly	Weekly		Nightly	Weekly	
January	15.61%	14.20%	70.18%	15.91%	13.09%	71.00%
February	13.83%	12.49%	73.68%	12.40%	13.61%	73.99%
March	11.60%	13.90%	74.50%	12.17%	14.01%	73.82%
April	7.48%	9.13%	83.39%	1.47%	6.32%	92.21%
May	6.52%	8.06%	85.42%	0.12%	1.63%	98.25%
June	6.35%	7.83%	85.81%	0.61%	4.16%	95.23%
July	6.03%	8.34%	85.63%	17.72%	14.01%	68.27%
August	6.29%	7.02%	86.70%	11.24%	15.90%	72.87%
September	7.10%	5.06%	87.84%	10.34%	9.56%	80.11%
October	7.88%	5.39%	86.73%	13.50%	9.50%	77.00%
November	8.85%	9.22%	81.94%	12.74%	11.42%	75.84%
December	10.08%	7.31%	82.61%	15.72%	11.35%	72.93%
Total	8.72%	8.81%	82.47%	10.76%	10.63%	78.61%

As regards usage of The Club® Exchange programme, European Collection Members made 5,522 confirmed reservations in 2019 at resorts outside of the European Collection through The Club® exchange programme.

As regards usage of The Club® Exchange programme, European Collection Members made 3,985 confirmed reservations in 2020 at resorts outside of the European Collection through The Club® exchange programme.

By way of specific exchange possibilities, please refer to The Club® Member Directory. For example, 5,000 points can reserve a one bedroom unit at Royal Sunset Beach Club in high season.

You must be current in the payment of your annual Management Charge before a booking can be made and you must also remain current in order to utilise your reservation.

Please note that you may need a valid passport and/or visa to travel to some of the resort locations.

The narrow boats are self-drive and need at least 2 able bodied people to operate them safely. Basic instruction is given at the start of each holiday.

2. ADDITIONAL INFORMATION ON THE PROPERTIES

Full details of the resorts and accommodations in the European Collection and participating in The Club® exchange programme are described in the following documentation:

- For details of the European Collection Resorts, the resorts in trust for the Five Collections and the Portfolio Resorts including addresses, accommodation sizes, services, common facilities and charges (if any) for use of the facilities, please refer to the Disclosure Booklet.
- For details of the Points values in respect of the different accommodation sizes plus check in days please refer to The Club® Member Directory.
- For details of Member benefits (including the rules of participation and Points redemption values) please refer to The Club® Member Directory.

The narrow boats are well appointed but by their nature are a-typical accommodations with partial galley kitchens and compact bathrooms.

From time to time, resorts and Member benefits may be added, removed or substituted. Points values for specific dates may change annually in accordance with seasonal variations. A current version of the above publications can be accessed on line at DiamondResorts.com.

3. ADDITIONAL INFORMATION ON THE COSTS

Each Member's Management Charge is based on a formula described in the Management Agreement.

Clauses (3) to (5) of the Management Agreement when read in conjunction with Article 13 of the Articles of Association provides a detailed explanation of the extensive responsibilities of the Management Company and the various expenses that make up the Management Charge.

In relation to Points redemptions for Member benefits, a processing fee may be applicable (depending on the benefit). Please see The Club® Member Directory.

4. ADDITIONAL INFORMATION ON TERMINATION OF THE CONTRACT

(i) Suspension or termination of a Points Membership by the Board of the European Collection

In order to protect the Members and preserve the financial stability of the European Collection, a Member's membership may be suspended in certain circumstances such as failure to pay the Management Charge on time, failure to comply with the Articles of Association or the Rules and Regulations of the European Collection, or as a consequence of behaviour which is deemed unbecoming of a Member.

Individual membership of the European Collection may be used only for personal and non-commercial purposes. Any contrary use of the membership may result in the suspension or termination of a Member's membership, together with cancellation of any existing reservations.

During suspension, a Member will be unable to use their Points and any confirmed reservations will be cancelled. This restriction applies even if Points from a prior year have been saved or used to make a reservation. Failure to comply with the rules whilst staying at a resort could result in the termination of your reservation.

Notwithstanding suspension however, the Member's obligation to pay their Management Charge will continue.

Termination may be the ultimate sanction taken against a Member in circumstances where the Member fails to refrain from the inappropriate conduct or fails to remedy the breach following suspension. However there is no obligation on the Board to terminate a Member's membership where suspension is deemed a sufficient remedy.

(ii) Termination of the Points Membership by or at the request of the Member

Should a Member decide that they wish to terminate their membership, there are four options available to them. These are detailed at Article 8 (h) (ii) of the Articles of the European Collection and are detailed below.

- 1 Points can be directly transferred by the Member to their spouse, sibling, child or parent.
- 2 The Member can sell their Points privately on the open market to an existing European Collection Member provided that no unauthorised resale company is involved. Alternatively, two independent third party resale Intermediaries have been appointed by Diamond and are authorised to arrange sales of Points to both Members and non-members. The appointed resale intermediaries are Worldwide Timeshare Hypermarket Ltd and The Travel and Leisure Group. They may charge a fee for their services. (Please also see paragraph 4(vi) below).
- 3 The services of ANY resale company can be utilised provided that the Member first converts their Points into a week or weeks at a selection of resorts in the European Collection (Article 8(h)(i) refers). The conversion from Points to week/s is based on the Points value for the accommodation as detailed in The Club® Member Directory and is carried out by Diamond free of charge. The resale company will charge a fee for their services.

- 4 All Management Charges must be paid in full prior to commencing with the transfer.
- 5 Upon transfer of Points or a week to a third party, a transfer fee is payable to Diamond. As at today's date, that fee is set in according with the following tariff:
 - Points transferred to immediate family: £75 / € 86.25 per certificate transferred.
 - Points transferred to a new or existing Member: £299 / € 343.85 per certificate transferred.
 - Week transferred to immediate family: £75 / € 86.25 per certificate transferred.
 - Week transferred to a new owner: £200 / € 230 per certificate transferred.
- 6 Once a Member's membership is terminated, the Member's rights and obligations in relation to their membership of the European Collection will cease as will their rights to access accommodations and utilise the benefits available through The Club® and Destination Xchange.
- 7 In the event that there is an outstanding balance under a credit agreement taken out by the Member to pay for their Points purchase, the Member will remain responsible for discharging that loan.

(iii) Exceptional Circumstances

Diamond does of course appreciate that from time to time, serious changes to personal circumstances can occur, and we therefore have the discretion (in exceptional circumstances) to consider whether a surrender of membership is appropriate.

Exceptional circumstances that we will consider are:

- Death of either Member.
- Bankruptcy, debt issues or clear inability to afford the membership (and in this regard specific documentary evidence detailing income, outgoings, assets and liabilities will be required which will need to be verified by CAB / a solicitor or accountant).
- Either Member being over 75 years of age.
- Medical problems/terminal illness of either Member necessitating reduced travel and/or a decrease in financial resources to maintain the membership.

There is no intention to change the exceptional circumstances criteria, and a change is highly unlikely. The exceptional circumstances policy (which was implemented following a change to the Articles at the AGM of June 1999) could be changed in the future, but only if the change was approved by the Members by a 75% majority. Any surrender offered will be in full and final settlement and will be subject to the execution of a surrender agreement on Diamond's standard terms.

(iv) Non –Qualified Relinquishment Option

In the event that the Member does not meet the exceptional circumstance criteria or does not wish to utilise any of the other options available, a further option (referred to for ease as “**the Non-Qualified Relinquishment Option**”) is offered at the discretion of Diamond. This enables the Member to relinquish some or all of their Points on payment of a relinquishment fee.

In order to invoke the “Non-Qualified” Relinquishment option, the Member must:

1. Submit a written request to relinquish some or all of their Points (as the Member so wishes) to the Communications Department of Diamond at Citrus House, Caton Road, Lancaster, Lancashire England, LA1 3UA by no earlier than **1st January** and no later than **1st September** of the Use Year in which they wish their relinquishment request to be processed. A form will be made available for this purpose although its use is not mandatory. If the Member wishes to relinquish only part of their Points holding, the partial relinquishment must be per Points certificate held. For example, if the Member owns 20,000 Points across two Points certificates of 10,000 Points each, the Member can elect to relinquish 20,000 Points (both Points certificates) or 10,000 Points (one Points certificate).
2. The Member must be current in the payment of their Management Fees on their Points at the time of submitting their written request to relinquish.
3. The Member will be required to pay a relinquishment fee for future loss of Management Fee income equivalent to TWO years' Management Fees on the Points they wish to relinquish. The fee shall be based on the rate in force in the year that their relinquishment request is submitted. In respect of a partial relinquishment, the fee shall be calculated on a percentage basis as compared with the Management Fees on their entire Points holding.
4. The relinquishment fee must be paid by the Member in cleared funds by no later than **1st November** of the Use Year that their relinquishment request is submitted.
5. Subject to strict compliance with the above conditions, 21 days after the relinquishment fee has been received, the Points being relinquished will be removed from the Member's Points holding and, if the entire Points holding is being relinquished, the Member's membership will also be terminated. In either case, the Member will have no further usage rights (or obligations) in respect of their relinquished Points, **SAVE THAT**;
 - (i) if (in respect of Points that they wish to relinquish) the Member has not used all of their Points in that Use Year and, within 14 days of the date on which their relinquishment request is submitted, they make a reservation (or reservations) using their unused Points for a stay (or stays) during that Use Year, their reservation/s will be honoured, and
 - (ii) if they have elected to save some or all of the Points that they wish to relinquish to the following Use Year in accordance with the Points saving procedures and deadlines detailed at Regulation 3.14 of the Rules and Regulations of the European Collection (as currently in force) and, within 14 days of the date on which their

relinquishment request is submitted, they make a reservation (or reservations) at a Diamond managed or affiliate resort (i.e. Interval International reservations excluded) using their saved Points, their reservation/s for the following Use Year will be honoured.

6. For the avoidance of doubt:
 - (i) with the exception of the saved Points, no Points will be allocated for use in the following Use Year, and saved Points cannot be carried forward again to a subsequent year,
 - (ii) if the Member has borrowed Points from the following Use Year, they will not be in a position to invoke the "Non-Qualified" relinquishment option until the following Use Year, and only if the maintenance fees on those borrowed Points has been paid in full at the time of submitting the relinquishment request,
 - (iii) the Member must be cognisant of the fact that a partial reduction in their Points holding could impact on their Loyalty Tier status and Member Benefits redemption entitlements, and
 - (iv) If the submission of the relinquishment request AND payment of the relinquishment fee are not made on or before the deadlines referenced in paragraphs 1 and 4 above, the ability to relinquish in that Use Year will be lost (although it will of course be open to the Member to invoke the relinquishment option the following year if they wish to do so).
7. In the event that there is an outstanding balance under a credit agreement taken out by the member to pay for their Points purchase, the member will remain responsible for discharging that loan.

Any relinquishment offered will be in full and final settlement and will be subject to the execution of a surrender agreement on Diamond's standard terms.

(v) Inheritance

Whilst the above options are available to a Member, in the event of the death of a Member where the membership is jointly owned, the membership will automatically transfer to the sole surviving Member.

In the event of the death of a sole Member, and for a period of 6 months from the date of the Member's death, the personal representatives of the Member's estate are entitled to request the transfer of the Points and membership to a beneficiary. Alternatively, they can take steps to sell the Points (in which case, any proceeds of sale will be paid to the Member's estate). In either case, Articles 8(b) and (d) shall apply to any resulting transfer.

The ability to transfer a membership and Points to a beneficiary enables the Member's loved ones to continue to benefit from their Points after their death. Of course, if the beneficiary does not wish to inherit the Points and membership, they are under NO obligation to do so. They can simply disclaim the gift, in which case, the membership will terminate.

(vi) Resale Points

For completeness, with effect from 25 April 2016 (and with the exception of a transfer of Points to an immediate family member/ a transfer made as part of an inheritance), any second hand points acquired on the second hand market are recorded in a separate account on our systems and do not enjoy the same status as Points bought from Diamond. These second hand points (for ease called "**Resale Points**") may of course be used to make accommodation reservations at any of the European Collection Resorts (as defined in paragraph 3 of PART 1)) and can be used to make reservations through the Destination Xchange Points Program and through the Interval exchange programme (provided that you have taken out individual membership with Interval). However Resale Points cannot be used to make exchanges into the other resorts featuring in The Club® exchange programme. Nor can they be used for Member Benefit Point Redemption Opportunities or be taken into account when assessing a Member's Loyalty tier (as described in paragraph 3 of PART 1) save that for any Member who only owns Resale Points then for the purposes of using Destination Xchange only that Member will be classified as having a standard loyalty level. Finally, reservations made using Resale Points must be made by way of a separate booking - independent of any reservations made using Points purchased from Diamond (although reservations consecutive or concurrent with Points reservations can be made).

5. ADDITIONAL INFORMATION

In respect of the resorts numbered 1 to 19 on the inventory schedule and at which the European Collection has accommodations, the European Collection owns weeks in a fixed/floating timeshare club, each of which is managed by an Associated Diamond entity.

At each of these resorts, the timeshare club has a Committee. The Committee comprises a minimum of 2 fixed/floating timeshare members, one European Collection Points Member and two representatives of Diamond. The Points member of the Committee is appointed following an interview process conducted by the two Non-Executive Board members of the European Collection. The fixed and floating Committee members are elected at the AGM of the respective timeshare club by a majority vote of the members of that timeshare club.

The Points Member of the various Committees is there to represent the interests of Points Members for that particular resort, and is responsible for liaising with Members and conveying their views to the Committee. Each Committee member has one vote (and the Chairperson has the casting vote in the event of a tie).

The Committee at each of these resorts is responsible for reviewing the budget prepared by the local management company which details estimated costs for the forthcoming year for the maintenance and management of the resort, the proposed refurbishments and developments to be carried out at the resort and the amount of money to be spent on those works, and how much money should be set aside by way of contingency fund for future expenditure. Once the budget is

agreed and signed off by the Committee, the management charge for the forthcoming year for that resort can be calculated.

Meetings of the individual resort Committees are generally held two or three times a year, generally either in the United Kingdom (at a venue to be determined and agreed by the Committee each year) or at the resort itself. European Collection representatives are also required to attend two European Collection representative meetings. Participation on the Committee is purely voluntary. However Committee members are reimbursed for their out of pocket expenses such as travel and accommodation costs.

The European Collection has a Board of Directors as opposed to a Committee. The Board is comprised of three Executive Members (each of whom are Diamond employees) and two non-Executive Members who are Ordinary Members of the European Collection and who are elected at the AGM of the European Collection by a majority vote of the Members of the European Collection.

The Board of the European Collection is responsible for endorsing the pro rata allocation of the budgets that have been approved through The Club® Committee procedures (described above). The management charges for the accommodations at Gala, Cypress Pointe, Malta, and the five marinas (which are not managed by Diamond), are put forward by the local management companies and are similarly presented to the Board for endorsement. The Board reviews and approves the budgets at the 5 resorts which are utilised exclusively by the European Collection Points Members listed at numbers 20 to 24 on the inventory schedule, and also determines and approves the necessary level of funding for the management of the European Collection itself.

All Committee related correspondence, Committee meetings and AGMs are in English. The AGM of the European Collection is held at least once a year at a venue in the United Kingdom and is conducted in English. Notices, agenda items and minutes of the meetings (including questions raised by Members and answers thereto) are in English.

Members of the European Collection are serviced (in accordance with the Member's preference) by English, Spanish, French, German, Italian, Russian, Norwegian or Swedish speaking operatives.

Diamond's website (DiamondResorts.com) contains a great deal of helpful information and guidance, and certain transactions can be completed on line. The entire website is currently in English only. However resort and accommodation descriptions, resort services and facilities and all publicly accessible pages of the website are translated into Spanish, French, German, Italian, Norwegian, Swedish, Portuguese, Bulgarian, Russian, Brazilian, Greek, Japanese and Chinese.

Diamond does not currently operate a resale or buy-back programme.

In the event of a complaint, our UK Customer Services Team can be contacted on telephone number 0044 345 359 0010, by email at AssistanceEurope@hgv.com or by writing to:

Customer Services Department
Citrus House, Caton Road,
Lancaster, Lancashire,
England, LA1 3UA.

Communications with our UK Customer Services Team will be conducted in English.

Alternatively, enquiries can be dealt with in the following languages on the following dedicated telephone numbers:

- Italian: +39 (0) 269 682 220
- Finnish: +358 80 041 7454
- French: +33 (0) 155 174 164
- German: +49 (0) 699 508 6364
- Norwegian: +46 851 761 810
- Russian: +8800 555 1346
- Spanish: +34 917 496 518
- Swedish: +46 851 761 810

In the event that your complaint cannot be resolved to your satisfaction, you have the right to refer the matter for conciliation and/or arbitration through the Resort Development Organisation's Alternative Dispute Resolution Scheme.

Acknowledgement of receipt of information:

Signature of the consumer:

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