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9 *Attorneys for Defendant*

10 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
11 **MARICOPA COUNTY**

12 NORMAN ZWICKY,) NO. CV2015-051911
13)
14 Plaintiff,)
15) **DEFENDANT’S CONTROVERTING**
16 v.) **AND SEPARATE STATEMENT OF**
17) **FACTS IN RESPONSE TO**
18 PREMIERE VACATION COLLECTION) **PLAINTIFF’S STATEMENT OF**
OWNERS ASSOCIATION, f.k.a. Premiere) **FACTS AND IN SUPPORT OF**
Vacation Club, an Arizona nonprofit) **DEFENDANT’S CROSS-MOTION**
corporation,) **FOR SUMMARY JUDGMENT**
Defendant.)
) (Assigned to the Honorable John Hannah)

19 Pursuant to Arizona Rule of Civil Procedure 56(c)(3), Defendant hereby responds to
20 Plaintiff Norman Zwicky’s Statement of Facts in Support of Motion for Summary Judgment
21 and also provides a separate statement of facts in support of Defendant’s Cross-Motion for
22 Summary Judgment. Defendant notes, generally, that nearly all of the Statements of Facts
23 offered by Mr. Zwicky are irrelevant to the issues in this case.

24 1. Undisputed.

25 2. Disputed, in part. It is undisputed that Premiere Vacation Collection is a
26 timeshare plan and that PVCOA is the timeshare association for that plan. It is undisputed
27 that an affiliate of Diamond Resorts International, Inc. (“DRI”) acquired the assets of the
28

1 original developer of the properties that became known as the Premiere Vacation Collection.
2 The excerpts of the 10-K filing of Diamond Resorts International, Inc. do not support the
3 allegation that the Premiere Vacation Collection is “owned or controlled” by PVCOA, or that
4 the Premiere Vacation Collection is “part of” DRI. Mr. Zwicky conflates a number of
5 distinct corporate entities, including Diamond Resorts Management, Inc., Diamond Resorts
6 International, Inc., and Diamond Resorts Corporation. These entities are separate and
7 distinct.

8 3. Undisputed.

9 4. Undisputed.

10 5. Disputed, in part. Undisputed that Mr. Zwicky is contractually obligated to
11 pay annual and special assessments levied by PVCOA, and that each member’s assessment is
12 calculated using an Operational Assessment and a Points Assessment. The excerpts from the
13 Second Amended and Restated Premiere Vacation Collection Membership Plan and DRI’s
14 10-K filing do not support the allegation that the assessments “ostensibly represent[] his
15 proportionate share of common expenses of the Association.”

16 6. Disputed, in part. Undisputed that PVCOA is a nonprofit corporation.
17 Undisputed that ownership of unsold inventory provides appointment and voting power
18 under the Membership Plan. Disputed that DRI “controls” the board of directors of PVCOA
19 through its appointment and voting power.

20 7. Disputed. Exhibit D to Plaintiff’s Statement of Facts does not support the
21 allegations in paragraph 7.

22 8. Disputed. Exhibit D to Plaintiff’s Statement of Facts does not support the
23 allegations in paragraph 8.

24 9. Disputed, in part. Undisputed that PVCOA is the timeshare association for the
25 Premiere Vacation Collection.

26 10. Disputed, in part. Undisputed that PVCOA has a management agreement with
27 an affiliate of DRI.

1 11. Undisputed.

2 12. Disputed. The excerpts from Diamond Resorts Corporation’s SEC registration
3 statement and DRI’s 2014 10-K report do not support the allegations in paragraph 12.

4 13. Disputed. The excerpts from DRI’s 2014 10-K report do not support the
5 allegations in paragraph 13.

6 14. Disputed. The excerpts from Diamond Resorts Corporation’s SEC registration
7 statement and DRI’s 2014 10-K report do not support the allegations in paragraph 14.

8 15. Disputed. When Mr. Zwicky purchased his membership in the ILX Premiere
9 Vacation Club in 2004, he acknowledged that “Maintenance Fees are established annually by
10 the Club and are subject to change.” Declaration of Kathy Wheeler (“Wheeler Decl.”),
11 attached as Exhibit 1, ¶ 8.

12 16. Disputed, in part. Undisputed that Mr. Zwicky received a bill dated November
13 20, 2014, showing his 2015 assessments in the amount of \$350.00 for Base Standard
14 Assessment, \$1812.59 for Point Standard Assessment, and \$175.00 for Premiere Club
15 Connection Fee. Mr. Zwicky has not provided any evidence showing the amount of
16 maintenance fees related to his timeshare interest in Kohl’s Ranch prior to his 2004
17 conversion to a points-based interest with ILX Resorts, and, moreover, any such comparison
18 is irrelevant to the issues in this lawsuit.

19 17. Disputed. Mr. Zwicky’s declaration does not support the allegation that “there
20 is no appreciable net economic benefit of membership.” Mr. Zwicky’s subjective feeling
21 that he now regrets his 2004 purchase decision is irrelevant to the issues in this lawsuit.

22 18. Disputed. When Mr. Zwicky purchased his membership in the ILX Premiere
23 Vacation Club in 2004, he acknowledged that “Maintenance Fees are established annually by
24 the Club and are subject to change.” Declaration of Kathy Wheeler (“Wheeler Decl.”),
25 attached as Exhibit 1, ¶ 8.

26 19. Disputed. Mr. Zwicky’s declaration does not support the allegations in
27 Paragraph 19, and, indeed, his declaration constitutes merely conjecture and speculation.

28

1 and paid an additional \$7,495 for his membership in the ILX Premiere Vacation Club. Wheeler
2 Decl., Ex. 1, ¶¶ 2-4.

3 3. As a Platinum member of the ILX Premiere Vacation Club, Mr. Zwicky gained
4 access to a variety of resort properties, rather than only the Kohl's Ranch property. Wheeler
5 Decl., Ex. 1, ¶ 5.

6 4. When he purchased his interest in the ILX Premiere Vacation Club, Mr. Zwicky
7 acknowledged that "Members are required to pay annual dues or maintenance fees
8 ("Maintenance Fees") and may be subject to other types of special assessments." Wheeler Decl.,
9 Ex. 1, ¶ 6.

10 5. The purchase agreement never promised that maintenance fees would remain what
11 they were in 2004 in perpetuity. Instead, Mr. Zwicky acknowledged that "Maintenance Fees are
12 established annually by the Club and are subject to change." Wheeler Decl., Ex. 1, ¶¶ 7-8.

13 6. He also acknowledged that "Maintenance Fees are due in advance by January 1 of
14 such year." Wheeler Decl., Ex. 1, ¶ 8.

15 7. Premiere Development Incorporated was the original developer of the ILX
16 Premiere Vacation Club, and unsold inventory was sold through ILX Resorts Incorporated.
17 Wheeler Decl., Ex. 1, ¶ 9.

18 8. In 2010, ILX Resorts went into bankruptcy, and a substantial portion of its assets
19 were acquired by a subsidiary of Diamond Resorts Corporation, including unsold inventory of
20 the Premiere Vacation Club, now known as the Premiere Vacation Collection. Wheeler Decl.,
21 Ex. 1, ¶ 10.

22 9. PVCOA has a management agreement with Diamond Resorts Management, Inc.,
23 an affiliate of Diamond Resorts International, Inc. PSOF Ex. E; Wheeler Decl., Ex. 1, ¶ 11.

24 10. In order to avoid the financial problems that forced the original developer into
25 bankruptcy, PVCOA has arranged for management services and has assessed maintenance fees
26 as necessary to continue to provide members with the same level of quality of services and
27 vacation experiences. Wheeler Decl., Ex. 1, ¶ 12.

1 11. Mr. Zwicky has refused to pay his maintenance fee assessments for a number of
2 years. Wheeler Decl., Ex. 1, ¶ 13.

3 12. Pursuant to the membership plan, maintenance assessments must be paid in
4 advance at the beginning of the year. Wheeler Decl., Ex. 1, ¶ 14.

5 13. On June 6, 2013, PVCOA sent a final notice indicating a delinquent amount of
6 \$7,522.64, including his 2013 assessments. Wheeler Decl., Ex. 1, ¶¶ 15-16.

7 14. On November 26, 2013, PVCOA sent a bill reflecting a past due balance of
8 \$7,675.09, plus additional charges totaling \$2,178.09 for the 2014 assessments. Wheeler Decl.,
9 Ex. 1, ¶¶ 17-18.

10 15. At that time, PVCOA also provided him with a copy of the 2014 budget, showing
11 revenues, expenses, and assessment calculations, as well as the 2014 assessment billing and
12 collection policy. Wheeler Decl., Ex. 1, ¶ 19.

13 16. On November 20, 2014, PVCOA sent Mr. Zwicky a bill reflecting a past due
14 balance of \$10,972.36, with additional charges for the 2015 assessments, totaling \$13,314.95.
15 Wheeler Decl., Ex. 1, ¶ 20; Plaintiff's Statement of Facts Ex. H.

16 17. Mr. Zwicky has not paid these bills and now owes over \$13,000 in arrears.
17 Wheeler Decl., Ex. 1, ¶ 21.

18 18. On April 16, 2013, Mr. Zwicky requested production of PVCOA's Member Plans,
19 Articles of Incorporation, Bylaws, and Rules and Regulations. Wheeler Decl., Ex. 1, ¶ 22.

20 19. In response to Mr. Zwicky's request, PVCOA provided the following
21 documents on May 1, 2013:

- 22 • Second Amended and Restated Premiere Vacation Collection Membership Plan;
- 23 • Articles of Incorporation;
- 24 • Bylaws;
- 25 • Second Amended and Restated Rules and Regulations of Premiere Vacation Collection
26 Owners Association, Inc.

27 Wheeler Decl., Ex. 1, ¶¶ 24-25.

1 20. Mr. Zwicky then requested from Diamond Resorts International a copy of the
2 membership plans and rules and regulations in place in October 2004. Wheeler Decl., Ex. 1,
3 ¶ 26.

4 21. In a letter dated February 3, 2014, Patricia Rosado, Consumer and Regulatory
5 Affairs Officer for Diamond Resorts International, responded to that request. Wheeler
6 Decl., Ex. 1, ¶ 27.

7 22. Ms. Rosado explained that in 2010, ILX Acquisition, Inc., a subsidiary of
8 Diamond Resorts International, acquired a substantial portion of the assets of ILX Resorts,
9 including the rights as the seller of unsold inventory for the Premiere Vacation Collection.
10 Wheeler Decl., Ex. 1, ¶ 28.

11 23. Although PVCOA remained in place after the acquisition, there were
12 adjustments to assessments that were necessary to avoid going into bankruptcy, as the
13 original developer had. Wheeler Decl., Ex. 1, ¶ 29.

14 24. For this reason, Ms. Rosado explained to Mr. Zwicky's counsel that the
15 historic 2004 documents were not available to Diamond Resorts International, and that she
16 had previously provided the membership plans and rules and regulations that were
17 available. Wheeler Decl., Ex. 1, ¶ 30.

18 25. On March 16, 2015, Mr. Zwicky sent a letter to Diamond Resorts International
19 requesting records showing the information set forth in Paragraph 20 of the Verified
20 Complaint, related to the allocation of Premiere Vacation Collection "points" and the amount
21 paid by Diamond Resorts to PVCOA in the form of assessments. Wheeler Decl., Ex. 1, ¶ 31.

22 26. Mr. Zwicky filed suit on May 13, 2015, seeking production of these records as
23 well as an order enforcing his inspection rights under A.R.S. § 10-11602, A.R.S. § 33-2209,
24 and/or the common law. Wheeler Decl., Ex. 1, ¶ 32.

25 27. In response to Mr. Zwicky's discovery requests, and without conceding that
26 he was entitled to any of the information sought based on A.R.S. § 10-11602, A.R.S. § 33-
27 2209, and/or the common law, on August 31, 2015, PVCOA produced documents showing
28

1 the allocation of sold and unsold points, maintenance fee calculations and assessment fees per
2 point, as well as PVCOA's annual budget showing revenues and expenses:

- 3 • Maintenance Fee Expense Report (PVCOA0001-02)
- 4 • Member Summary–Point Analysis (PVCOA0003)
- 5 • 2015 Maintenance Fee Calculation (PVCOA0004)
- 6 • 2015 Budget (PVCOA0005)

7 Wheeler Decl., Ex. 1, ¶¶ 33-34.

8

9 DATED this 11th day of January, 2016.

10

COPPERSMITH BROCKELMAN PLC

11

By /s/ John E. DeWulf
John E. DeWulf
Katherine DeStefano
2800 N. Central Avenue, Suite 1200
Phoenix, Arizona 85004
Attorneys for Defendant

12

13

14

15 ORIGINAL e-filed and a copy mailed
16 this 11th day of January, 2016, to:

16

Jon L. Phelps, Esq.
17 PHELPS & MOORE
4045 E. Union Hills Drive
18 Suite A-102
Phoenix, Arizona 85050
19 Attorneys for Plaintiff

17

18

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By /s/ Verna Colwell

21

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23

24

25

26

27

28

EXHIBIT 1

1 John E. DeWulf (#006850)
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3 **COPPERSMITH BROCKELMAN PLC**
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9 *Attorneys for Defendant*

10 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
11 **MARICOPA COUNTY**

12 NORMAN ZWICKY,) NO. CV2015-051911
13)
14 Plaintiff,)
15) **DECLARATION OF KATHY**
16 v.) **WHEELER**
17)
18 PREMIERE VACATION COLLECTION)
19 OWNERS ASSOCIATION, f.k.a. Premiere) (Assigned to the Honorable John Hannah)
20 Vacation Club, an Arizona nonprofit)
21 corporation,)
22)
23 Defendant.)
24)
25)
26)
27)
28)

19 I, Kathy Wheeler, hereby state:

20 1. I currently serve as a Director of Premiere Vacation Collection Owners
21 Association ("PVCOA") and have served in that role since December 2010. I have personal
22 knowledge of the facts set forth below.

23 2. Plaintiff Norman Zwicky originally owned a timeshare interest in Kohl's Ranch,
24 which he converted to a points-based membership interest in the ILX Premiere Vacation Club in
25 2004.

26 3. A true and correct copy of PVCOA's business records related to that transaction,
27 including the original Deed of Trust, Purchase Agreement, and Owner's Understanding and
28

1 Acknowledgement form, are attached hereto as **Exhibit A**.

2 4. Mr. Zwicky received \$18,900 for his original timeshare interest in Kohl's Ranch,
3 and paid an additional \$7,495 for his membership in the ILX Premiere Vacation Club. See
4 Exhibit A.

5 5. As a Platinum member of the ILX Premiere Vacation Club, Mr. Zwicky gained
6 access to a variety of resort properties, rather than only the Kohl's Ranch property.

7 6. When he purchased his interest in the ILX Premiere Vacation Club, Mr. Zwicky
8 acknowledged in the Owner's Understanding and Acknowledgement form dated October 25,
9 2004 that "Members are required to pay annual dues or maintenance fees ("Maintenance Fees")
10 and may be subject to other types of special assessments." See Exhibit A.

11 7. The Purchase Agreement never promised that maintenance fees would remain
12 what they were in 2004 in perpetuity. See Exhibit A.

13 8. Instead, Mr. Zwicky acknowledged that "Maintenance Fees are established
14 annually by the Club and are subject to change." He also acknowledged that "Maintenance Fees
15 are due in advance by January 1 of such year." See Exhibit A.

16 9. Premiere Development Incorporated was the original developer of the ILX
17 Premiere Vacation Club, and unsold inventory was sold through ILX Resorts Incorporated. See
18 Exhibit A.

19 10. In 2010, ILX Resorts went into bankruptcy, and a substantial portion of its assets
20 were acquired by a subsidiary of Diamond Resorts Corporation, including unsold inventory of
21 the Premiere Vacation Club, now known as the Premiere Vacation Collection.

22 11. PVCOA has a management agreement with Diamond Resorts Management, Inc.,
23 an affiliate of Diamond Resorts International, Inc. See Plaintiff's Statement of Facts Ex. E.

24 12. In order to avoid the financial problems that forced the original developer into
25 bankruptcy, PVCOA has arranged for management services and has assessed maintenance fees
26 as necessary to continue to provide members with the same level of quality of services and
27 vacation experiences.

1 13. Mr. Zwicky has refused to pay his maintenance fee assessments for a number of
2 years.

3 14. Pursuant to the membership plan, maintenance assessments must be paid in
4 advance at the beginning of the year.

5 15. On June 6, 2013, PVCOA sent a final notice indicating a delinquent amount of
6 \$7,522.64, including his 2013 assessments.

7 16. A true and correct copy of the final notice dated June 6, 2013 is attached hereto as
8 **Exhibit B.**

9 17. On November 26, 2013, PVCOA sent a Statement reflecting a past due balance of
10 \$7,675.09, plus additional charges totaling \$2,178.09 for the 2014 assessments.

11 18. A true and correct copy of the Statement dated November 26, 2013 is attached
12 hereto as **Exhibit C.**

13 19. At that time, PVCOA also provided him with a copy of the 2014 budget, showing
14 revenues, expenses, and assessment calculations, as well as the 2014 assessment billing and
15 collection policy. See Exhibit C.

16 20. On November 20, 2014, PVCOA sent Mr. Zwicky a Statement reflecting a past
17 due balance of \$10,972.36, with additional charges for the 2015 assessments, totaling
18 \$13,314.95. [PSOF Ex. H]

19 21. Mr. Zwicky has not paid these bills and now owes over \$13,000 in arrears.

20 22. On April 16, 2013, Mr. Zwicky sent a letter to Diamond Resorts International
21 requesting production of PVCOA's Member Plans, Articles of Incorporation, Bylaws, and Rules
22 and Regulations.

23 23. A true and correct copy of the letter dated April 16, 2013 is attached hereto as
24 **Exhibit D.**

25 24. In response to Mr. Zwicky's request, PVCOA provided the following
26 documents on May 1, 2013:

- 27 • Second Amended and Restated Premiere Vacation Collection Membership Plan;

- 1 • Articles of Incorporation;
- 2 • Bylaws;
- 3 • Second Amended and Restated Rules and Regulations of Premiere Vacation Collection
- 4 Owners Association, Inc.

5 25. A true and correct copy of the documents provided to Mr. Zwicky's counsel
6 on May 1, 2013 is attached hereto as **Exhibit E**.

7 26. Mr. Zwicky then requested from Diamond Resorts International a copy of the
8 membership plans and rules and regulations in place in October 2004. A true and correct
9 copy of that request is attached hereto as **Exhibit F**.

10 27. In a letter dated February 3, 2014, Patricia Rosado, Consumer and Regulatory
11 Affairs Officer for Diamond Resorts International, responded to that request. A true and
12 correct copy of Ms. Rosado's letter is attached hereto as **Exhibit G**.

13 28. Ms. Rosado explained that in 2010, ILX Acquisition, Inc., a subsidiary of
14 Diamond Resorts International, acquired a substantial portion of the assets of ILX Resorts,
15 including the rights as the seller of the Premiere Vacation Collection timeshare plan.
16 [Exhibit G]

17 29. Ms. Rosado stated that although PVCOA remained in place after the
18 acquisition, there were adjustments to assessments that were necessary to avoid going into
19 bankruptcy, as the original developer had. [Exhibit G]

20 30. For this reason, Ms. Rosado explained that the historic 2004 documents were
21 not available to Diamond Resorts International, and that she had previously provided the
22 membership plans and rules and regulations that were available. [Exhibit G]

23 31. On March 16, 2015, Mr. Zwicky sent a letter to Diamond Resorts International
24 requesting information which was later requested in Paragraph 20 of the Verified Complaint,
25 related to the allocation of Premiere Vacation Collection "points" and the amount paid by
26 Diamond Resorts to PVCOA in the form of assessments. [Verified Compl. Ex. D]

27 32. Mr. Zwicky filed suit on May 13, 2015, seeking production of these records, as
28

1 well as an order enforcing his inspection rights under A.R.S. § 10-11602, A.R.S. § 33-2209,
2 and/or the common law.

3 33. In response to Mr. Zwicky's discovery requests, and without conceding that
4 he was entitled to any of the information sought based on A.R.S. § 10-11602, A.R.S. § 33-
5 2209, and/or the common law, on August 31, 2015, PVCOA produced documents showing
6 the allocation of sold and unsold points, maintenance fee calculations and assessment fees per
7 point, as well as PVCOA's annual budget showing revenues and expenses:

- 8 • Maintenance Fee Expense Report (PVCOA0001-02)
- 9 • Member Summary–Point Analysis (PVCOA0003)
- 10 • 2015 Maintenance Fee Calculation (PVCOA0004)
- 11 • 2015 Budget (PVCOA0005)

12 34. A true and correct copy of PVCOA's discovery responses and the documents
13 produced in response to Mr. Zwicky's requests for production of documents is attached
14 hereto as **Exhibit H**.

15
16 I declare under the penalty of perjury that the foregoing is true and correct.

17
18 DATED this 7th day of January, 2016.

19
20 

21 Kathy Wheeler

EXHIBIT A

CHECKLIST FOR PAID IN FULL PROCESSING
PROPERTY: Premiere Vacation Club
LENDER: Concord

Owner Name: Zwicky, Norman H and

Membership #: PL-A-P-00262
Processing Status: PIF 04/05

I PREPARE PAID PAPERS FOR PENDING DRAWERS:

- Make sure we have the original Purchase Agreement and Deed of Trust
- Stamp Purchase Agreement "Paid"
- Make a note in HOA of the date the loan was Paid in Full
- Log in the necessary information into the Access Paid in Full Database
- Prepare the Releases, Paid in Full Letters, and Checklists from Access/Word
- Make one set of copies of the original PA
- Clip copy of PA to Checklist along w/any other docs provided by lender
- Send Releases to Margaret for Signature and Notary
- Mark the Index Cards PIF
- File pending paid papers in the pending drawers until Release comes back Recorded.

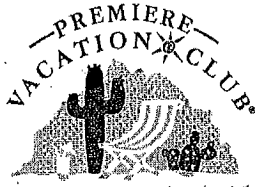
II WHEN RELEASE COMES BACK FROM RECORDERS OFFICE:

- Log recording information into the Recording database in Access
- Pull paid packet from pending drawers
- Print out PIF Letter with release recording information and mail to owner
- Staple checklist and copy of PA to the remaining paid papers and give to Kay for files

If Release it is a *BLANKET RELEASE* the recorded info is:

Date recorded: 7/13/05 Recording Number: 3331844

NOTES: Processing Group Number:



August 15, 2005

Norman H Zwicky
5514 N. 5th Lane
Phoenix, AZ 85013

RE: Premiere Vacation Club - Membership Number # PL-A-P-00262

PIF 04/05

Dear Vacation Club Owner,

Thank you very much for the payoff on your Vacation Club membership. We appreciate the attention you have paid to your account and look forward to serving you at the ILX Resorts soon. *(If you are an owner who has recently upgraded your membership, the enclosed documents are referring to your returned unit and do not reflect the status of your new membership, unless otherwise stated above.)*

Enclosed is your original Deed of Trust and Purchase Agreement you signed at the time of purchase. A Deed of Release and Reconveyance was recorded on 7/13/05 at document number 3331844. If you should need a copy of this Release for any reason, please feel free to call and request one at 1.800.822.2589. However, if you should require a certified copy of the Release, you may request it directly from the Coconino County Recorder's Office.

PLEASE NOTE THAT THESE DOCUMENTS ARE THE ORIGINAL DOCUMENTS YOU SIGNED ON THE DATE OF PURCHASE AND WILL NOT REFLECT ANY CHANGES YOU MAY HAVE MADE TO THE TITLE.

Please keep these documents in a safe place as they represent the paid papers for your loan.

We thank you again and remain available to assist you with all your vacation needs!

Sincerely,

Loan Administration Department
ILX Resorts Incorporated



VACATION CLUB MEMBERSHIP PURCHASE AGREEMENT

511412 Contract Number

This Purchase Agreement (the "Agreement") is entered into as of the 25th day of October, 2004 by and between Premiere Development Incorporated

(as "Developer" and "Seller," each term being inclusive of the other below unless otherwise stated or the context requires otherwise), and Norman H. Zwicky

(the "Buyer," sometimes referenced by "you" or "your")

- 1. Agreement to Purchase. Buyer agrees to buy from Seller, and Seller agrees to sell to Buyer, the vacation club membership (the "Membership") described as follows: Name of Resort/Program: ILX Premiere Vacation Club; Location: Phoenix, Arizona; Membership No.: Membership number to be assigned at closing; Unit Type or Number: Platinum Membership; Duration of Occupancy/Occupancy Period: Full Week; Seasonal Priority/Membership Category: Prime; Annual Frequency: Every Year (Annual); Type and Duration of Ownership: Deed; Maximum Occupancy/Occupancy Right: not less than four (4) persons; Current Exchange Company and Color: Interval International - Red; Club/Owner's Association: ILX Premiere Vacation Club; Developer: Premiere Development Incorporated

Subject to certain terms and conditions, Buyer's purchase of the Membership entitles Buyer to periodically occupy lodging accommodations and affords Buyer various other benefits. Buyer understands that the various rights and obligations associated with Buyer's purchase are set forth in this Agreement as well as in the Membership Plan, Articles, Bylaws, Rules & Regulations and/or other governing documents associated with the Membership and the other documents executed concurrently or in connection herewith, all of which are incorporated herein by this reference and all of which are collectively referred to as the "Membership Documents." Capitalized terms used in this Agreement and not defined herein shall have the same meanings as set forth in the other Membership Documents.

2. Purchase Price and Itemization of Amount Financed. The Purchase Price for the Membership shall be \$26,395.00 payable by Buyer as follows: Total Purchase Price \$26,395.00; Less: Cash at execution ("Deposit") \$0.00; Cash by N/A \$0.00; Net Value of Other Consideration \$18,900.00; Total Down Payment \$18,900.00; Balance Due and Amount Financed, if any \$7,495.00. PAID IN FULL APR 0 0 2005 R.C. (This is the amount of credit, if any, provided to you for the purchase of the Membership.)

Receipt of the Deposit is hereby acknowledged by Seller. The Deposit and any other funds paid by Buyer, if any, prior to the expiration of the cancellation period referred to below, will be held in trust in the ILX Resorts Incorporated Sales Account at Wells Fargo (Arizona). Such funds shall be released: (a) to Seller (subject to the requirements of any applicable governmental authority or Seller's lender) upon expiration of the cancellation period, if any; or (b) to Buyer, without interest, if Buyer has exercised any such right of cancellation. Seller shall pay all closing costs.

- 3. Promissory Note. The undersigned Buyer promises to pay to the order of Seller, its successors and assigns, the principal sum of Seven Thousand Four Hundred Ninety-five Dollars (\$7,495.00) with interest that shall accrue on the unpaid principal balance commencing 30 days prior to the first scheduled date of payment as set forth in the Federal Truth-In-Lending Disclosures below. Until the principal sum is paid in full, interest shall accrue at the rate of 16.900% per annum. The principal and interest shall be payable to Seller, 2111 East Highland Ave., Suite 210, Phoenix, Arizona 85016, or such other place as the holder may designate in writing, in consecutive monthly installments of \$152.74 commencing on December 14, 2004 and continuing on the same day of each month thereafter until the entire indebtedness evidenced hereby is fully paid, except that any remaining indebtedness, if not sooner paid, shall be due and payable on November 14, 2011.

Interest will be calculated and charged on the balance of the Amount Financed which is outstanding as of the due date of each payment. If a payment is late, you will be charged the lesser of 15% of your monthly payment, or the maximum amount allowed by law. If you pay off early, you will not have to pay a penalty. Except as otherwise required by law, each payment shall be applied first to late charges or collection charges, next to interest, and last to principal. Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorser hereof. This Agreement shall be the joint and several obligation of all those listed as Buyer above, sureties, guarantors and endorser and shall be binding upon them and their heirs, personal representatives, successors and assigns. Section 8 of this Agreement, concerning defaults and remedies is incorporated herein by this reference. This Section 3 shall be deemed and defined as the "Promissory Note," which is a material part of this Agreement. Seller reserves the right to sell, assign, hypothecate, pledge or otherwise dispose of this Promissory Note without Buyer's consent.

- 4. Federal Truth-In-Lending Disclosures. The disclosures below, which are made by Seller as "Creditor" are part of this Agreement.

FEDERAL TRUTH-IN-LENDING DISCLOSURES table with columns: ANNUAL PERCENTAGE RATE (16.900%), FINANCE CHARGE (\$5,335.16), AMOUNT FINANCED (\$7,495.00), TOTAL OF PAYMENTS (\$12,830.16), TOTAL SALE PRICE (\$31,730.16). Includes payment schedule: 84 payments of \$152.74 per month starting Dec 14, 2004. Includes security, late charges, and prepayment information.



VACATION CLUB MEMBERSHIP
PURCHASE AGREEMENT

511412
Contract Number

ADDITIONAL TERMS AND CONDITIONS

5. **Personal Use.** BUYER HEREBY REPRESENTS AND WARRANTS THAT THE PURCHASE OF THIS MEMBERSHIP IS MADE FOR BUYER'S PERSONAL USE, AND NOT FOR ANY RENTALS, RETURNS OR INVESTMENT POTENTIAL.
6. **Annual Maintenance Fees and Other Assessments.** According to the terms and conditions of the Membership Documents, Buyer shall pay to the Club annual maintenance fees and other assessments for each Membership purchased, which maintenance fees may be increased pursuant to the terms and conditions of the applicable Membership Documents.
7. **Amendments to Governing Documents.** The Club and Developer shall have the right to amend the Membership Plan, the Articles of Incorporation, the Bylaws, and the Rules and Regulations in their discretion at any time for reasons described in such documents or to comply with the regulatory requirements of any jurisdiction in which the Club or Developer plan to conduct activities. Any such amendment shall be binding upon Buyer, and a copy thereof will be provided by Club upon request.
8. **Membership V. Lease.** Buyer understands and hereby agrees that the interest created by the Membership Documents shall not be defined as a lease or a rental agreement, nor shall it be subject to the provisions of state law governing residential landlord/tenant relations or landlord/tenant matters in general.
9. **Default by Buyer.** Buyer shall be deemed to be in default of this Agreement if Buyer (i) fails to make any payment under this Agreement when and as due; (ii) fails to perform any of Buyer's obligations under this Agreement when and as due; or (iii) fails to make any payment or perform any other obligation to the Club or Seller when and as due under any of the Membership Documents. Failure of Buyer to pay to Club all or any part of the annual maintenance fees or other assessments when the same become due and payable shall create a default. Buyer may not occupy a Unit while a default exists. Upon default, the holder hereof may, in its sole discretion, declare the entire balance of unpaid principal, all accrued and unpaid interest, and all other sums due under this Agreement to be immediately due and payable. The holder's failure to exercise such option shall not constitute a waiver of its right to do so as long as Buyer is in default under this Agreement. In addition, Seller may also take any or all of the following actions, as well as all others available to it in law and equity: (a) terminate this Agreement; (b) retain all payments made by Buyer hereunder; and (c) elect to cover administrative costs, marketing costs, the cost of taking occupancy rights off the market and other reasonable costs incurred by Seller as payment for services rendered; and (d) sell the Membership without any reimbursement to the Buyer. The Club may terminate a Buyer's Membership upon receipt of Seller's written notice to the Club of said Buyer's default under the terms of this Agreement. Neither Seller, the Club nor any holder's pursuit of a particular remedy or remedies, nor the delay in pursuing a remedy or remedies shall operate as an election of remedies; and Seller, the Club or such holder may at any time or from time to time, pursue any remedy or remedies available to it in law or equity. Except as otherwise required by state law, the parties hereby acknowledge that neither Seller, the Club nor any holder hereof shall be under any obligation to extend any cure period to Buyer. No failure to enforce any covenants against Buyer shall waive the right to demand strict compliance with this Agreement from Buyer.
10. **Evidence of Ownership.** Provided no default or cancellation shall have occurred; and provided that Buyer's financing (if applicable) has been approved by Seller (and in such event further subject to the provisions of Section 16 below), Seller as soon as practicable shall cause formal written transfer of the ownership of the Membership into Buyer's name by recorded deed, membership certificate or otherwise, as described in the Membership Documents. All provisions contained in this Agreement shall survive the execution and delivery of such evidence of ownership.
11. **Transfer.** THE MEMBERSHIP IS TRANSFERABLE ONLY IN ACCORDANCE WITH THE MEMBERSHIP DOCUMENTS AND IS NOT SEPARABLE FROM THE DEED.
12. **Notices.** All notices provided for in this Agreement shall be in writing. Notice to Buyer shall be deemed given when hand delivered (in which event such notice shall be deemed effective upon delivery) or the earlier of actual receipt of any notice or seventy-two (72) hours after deposit of same in any authorized mailbox, postage prepaid. Any notice to Buyer shall be addressed to Buyer at the last address for Buyer provided to Seller. Notices to Seller shall be hand delivered or sent by certified mail, return receipt requested, and shall be deemed effective upon actual receipt. Notices to Seller shall be addressed to ILX, Incorporated, Attention: General Counsel, 2111 East Highland Ave., Suite 210, Phoenix, Arizona 85018. The addresses for purposes of this Section may be changed by giving written notice in the manner herein provided for giving notice. Unless and until such written notice is received, the last address as stated by written notice shall be deemed to continue in effect for all purposes hereunder.
13. **Attorneys' Fees.** In any action or proceeding to enforce or interpret this Agreement, the prevailing party or parties shall be entitled to reimbursement of its reasonable attorneys' fees and litigation expenses from the non-prevailing party or parties to this Agreement, as the court or arbitrator may determine.
14. **Entire Agreement.** This Agreement supercedes any previous understandings and agreements between Buyer and Seller and, together with the Membership Documents, represents the entire agreement between Buyer and Seller. No previous representations or inducements not included in this Agreement shall be of any force or effect and Buyer acknowledges that Buyer is not relying on representations other than those included in this Agreement and the Membership Documents. This Agreement may be amended or modified only by a writing signed by both Buyer and Seller. If there is any conflict between this Agreement and the Membership Documents, the Membership Documents shall control. The Membership is subject to prior sale. This Agreement becomes binding only when signed by Seller.
15. **Miscellaneous.** The waiver by any party of the performance of any provisions of this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other provision of this Agreement. The exercise of any remedy provided by law and this Agreement shall not exclude the exercise of any other remedy. Subject to the restriction on transfer set forth in the Membership Documents, this Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by, the successors and assigns of Buyer and Seller. If there is more than one person shown above as Buyer, then each of such persons shall be jointly and severally liable for the obligations in this Agreement. This Agreement shall be enforced and interpreted in accordance with the laws of the State of Arizona. Time is the essence of this Agreement. This Agreement, and both Seller's and Buyer's rights and obligations hereunder, are subject to the requirements of all applicable governmental authorities and Seller's lender(s), if any.
16. **Financing.**
 - (a) If any portion of the purchase price of the Membership is to be financed by Seller, then Seller's obligations hereunder are contingent upon approval of financing for Buyer. If, upon investigation, Seller is not satisfied with Buyer's credit standing, Seller may by notice to Buyer given within sixty (60) business days of the date hereof (plus such additional period of time as may be reasonably necessary for Seller to investigate Buyer's credit standing) cancel this Agreement, in which event Seller shall refund to Buyer all sums paid by Buyer, and each party shall be relieved of all further obligations hereunder. Buyer hereby agrees to cooperate with any investigation regarding Buyer's credit standing. Failure of Buyer to promptly provide documents or authorize review of credit information shall constitute a breach of this Agreement by Buyer and shall, without requirement of notice or cure period, result in forfeiture by Buyer of the Deposit and any other sums paid to Seller by Buyer hereunder, as liquidated damages.
 - (b) If this is a financed sale, Buyer hereby grants to Seller a first lien and security interest against the Membership to secure Buyer's obligations under the Promissory Note and all other sums due under the terms of this Agreement (collectively referred to hereinafter as "Buyer's Obligations"). For such purposes, simultaneously herewith, and as a condition to Seller's obligations, Buyer shall execute and deliver to Seller a Deed of Trust or Mortgage and/or such other instruments as may be reasonably required by Seller due to the location or nature of the Membership or otherwise. Buyer agrees and acknowledges that Seller may record and/or file such instruments against Buyer's interest in the Membership in the applicable public records.

Seller may in addition require that Buyer execute and deliver to Seller an Agreement for Sale Addendum hereto which Seller may instead use to secure Buyer's Obligations. In such event, until all amounts are paid hereunder, such document will not appear in any public record but will nonetheless solely constitute Buyer's evidence of ownership (equitable) in lieu of any deed, membership certificate or other document. Seller may elect to cancel said Agreement for Sale Addendum at any time and to substitute therefor as security for Buyer's Obligations the Deed of Trust or Mortgage or other instrument executed simultaneously herewith.
17. **Further Acts.** Buyer agrees to promptly cooperate with Seller and any lender in the completion or correction of all documents reasonably requested or necessary in order to effectuate Buyer's purchase; provided that such documents are consistent with, and do not materially and negatively alter, the basic terms of the underlying transaction. Buyer understands that this may include, but not be limited to, the execution of a new Purchase Agreement or security documents or providing Buyer's initials on additions, deletions or other modifications.



VACATION CLUB MEMBERSHIP PURCHASE AGREEMENT

511412 Contract Number

VACATION CLUB MEMBERSHIP PURCHASE AGREEMENT (CONT.) ARIZONA SIGNATURE PAGE

ILX PREMIERE VACATION CLUB

ADDENDUM TO OWNER'S UNDERSTANDING AND ACKNOWLEDGMENT

- 1. the undersigned Buyer understand and acknowledge the following:
18. For health and safety reasons, pets are not permitted at a Timeshare Resort, except for Kohl's Ranch Lodge advance kennel arrangements;
19. References in the separate Owner's Understanding of Paragraph 12 to "Club facilities," and in Paragraph 13 to "Resort" both mean Timeshare Resort and/or the Club;

SELLER'S NOTICES

- 1. READ THIS AGREEMENT BEFORE SIGNING.
2. DO NOT SIGN THIS AGREEMENT IF IT CONTAINS ANY BLANK SPACES.
3. THIS IS AN ORIGINAL DOCUMENT AND CONTAINS A PROMISSORY NOTE. YOU AS BUYER SHOULD SIGN ONLY ONE SUCH AGREEMENT.
4. YOU ARE ENTITLED TO AN EXACT COPY OF EACH DOCUMENT YOU SIGN.

Buyer acknowledges by initialing here (initials) that Buyer has, prior to the execution hereof, received copies of the Membership Documents.

NOTICES REQUIRED BY STATE LAW

The Purchaser (Buyer) has the legal right to rescind (cancel) this agreement without cause or reason of any kind by sending or delivering a written notice of rescission to the seller by midnight of the 7th calendar day following the day the purchaser (Buyer) executed the agreement to: ILX Resorts Incorporated, 2111 East Highland Avenue, Suite 210, Phoenix, Arizona 85016, Telephone 602-957-2777.

THE PURCHASER SHALL BE GIVEN A COPY OF THE PUBLIC REPORT BEFORE SIGNING THIS DOCUMENT.

Seller:

PREMIERE DEVELOPMENT INCORPORATED an Arizona Corporation

Buyer:

Signature

Date

By:

Accardo Zarullo Authorized Representative

Norman H. Zwicky Typed or Printed Name

Jalynn Crawford Sales Agent's Signature

Signature

Date

Jalynn Crawford

Sales Agent's Name (type or print)

Typed or Printed Name

Address:

5514 N. 5th Lane

Phoenix, AZ 85013

PHONE: (602) 631-9444

Taking Title As

Community Property with Right of Survivorship

Community Property

Joint Tenants with Right of Survivorship

Tenants in Common

A Married Person as Their Sole and Separate Property (additional documentation required)

An Unmarried Person

Other:

Broker's Initials

Date

10/27/04

13060373



When recorded return to:
ILX Resorts Incorporated
Attention: Secretary
2111 East Highland Ave., Suite 210
Phoenix, AZ 85016

APPROVED 105
2/11/05

**ILX PREMIERE VACATION CLUB
DEED OF TRUST**

This Deed of Trust is made this 25th day of October, 2004 by _____

Norman H. Zwicky AN UNMARRIED MAN

whose mailing address is 5514 N. 5th Lane Phoenix, AZ 85013

("Trustor") to Security Title Agency, an Arizona corporation, whose mailing address is 3620 North 3rd Avenue, Phoenix, AZ 85013 ("Trustee") for the benefit of Premiere Development Incorporated, an Arizona corporation, whose mailing address is 2111 East Highland, Suite 210, Phoenix, AZ 85016 ("Beneficiary").

WITNESSETH:

That Trustor conveys, transfers and assigns to Trustee in Trust, with Power of Sale, the following described real property:

an 1 81,500 Undivided Fractional Interest in and to the real property described in Docket No. 1738, Page 236 et.seq., in the official records of the Coconino County Recorder, Coconino County, Arizona, as corresponds to a 1 Membership Share(s) as described in the Membership Plan for ILX Premiere Vacation Club, as such plan may be amended from time to time (the "Plan"), recorded on January 6, 1998, at Instrument No. 98-0007090, official records of the Maricopa County, Arizona, Recorder, which Plan is incorporated herein by this reference.

Together with all buildings, improvements and fixtures thereon.

Subject to the terms and conditions set forth in the Plan with respect to the following type of Membership:

- Seasonal Priority: Prime
- Unit Type: PLATINUM
- Annual Frequency: Every Year (Annual)
- Occupancy Period: Seven days including one weekend
- Membership No.: PL-A-P-00262

That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above described real property, together with leases, rents, issues, profits, and income thereof (all of which are hereinafter called "property income"); subject, however, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; and subject to current taxes and other assessments, reservations in patents, and all easements, rights of way, covenants, conditions, restrictions, obligations, liabilities and all other matters as may appear of record.

FOR THE PURPOSES OF SECURING:

- A. Performance of each agreement of Trustor herein contained.
- B. Payment of the indebtedness evidenced by a Purchase Agreement of even date herewith and any extension or renewal thereof in the principal sum of \$ 7,495.00 executed by Trustor in favor of Beneficiary or order.
- C. Payment of additional sums and interest thereon that may hereafter be loaned to Trustor, or Trustor's successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.
- D. All indebtedness, expenses or liabilities incurred by the Beneficiary of this Deed of Trust for the protection of this security or for the collection of this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

To keep said property in good condition and repair; not to damage it or any building thereon; to pay for or, at Beneficiary's option, restore promptly in good and workmanlike manner any such damage by the Trustor, its agents, invitees, licensees or Permitted Users (collectively "Users"), and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law by any Users; and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

Consistent with the Plan, to pay: before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior to or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay such counsel's reasonable fees.

To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Deed of Trust or at such rate plus five (5) percentage points, whichever be the greater rate. Any amounts so paid by Beneficiary or Trustee shall become a part of the debt secured by this Deed of Trust and a lien on said premises or immediately due and payable at option of Beneficiary or Trustee.

IT IS MUTUALLY AGREED:

That any award of damages in connection with any condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, but subject to the Plan, the right to sue therefor and the ownership thereof subject to this Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

That time is of the essence of this Deed of Trust, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

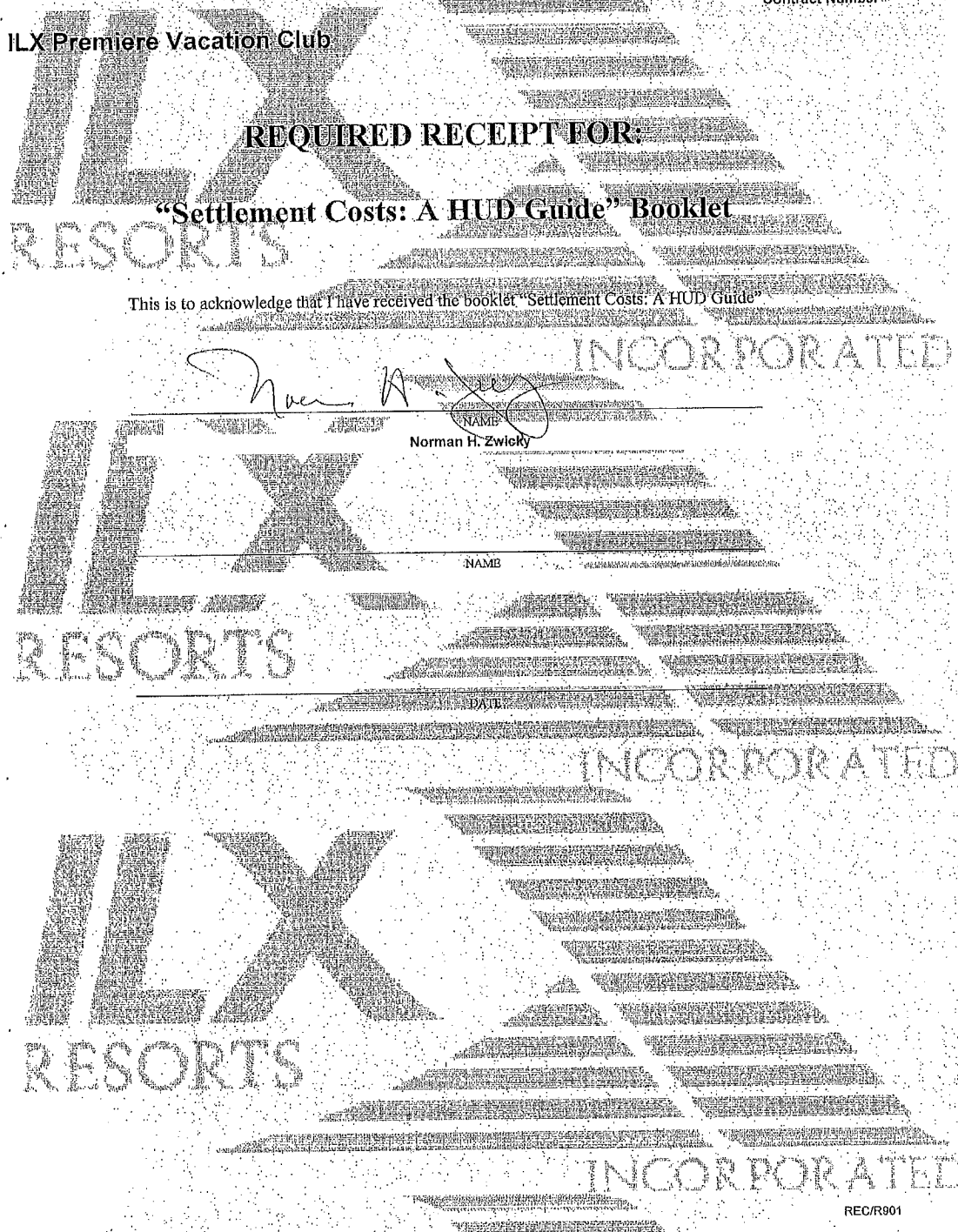
That Trustor may not further encumber the property that is subject to this Deed of Trust without Beneficiary's prior written consent, which may be withheld in its sole discretion. That any extension of time on this Deed of Trust, whether with or without the consent of any junior lienholder, shall not affect the priority of this Deed of Trust over such junior lien. If any action is instituted by a junior lienholder, or if Trustor is in default with respect to a debt or obligation secured by a junior lien, then Beneficiary may declare the Deed of Trust and the indebtedness and obligations secured by it, as accelerated and immediately due and payable.

That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said Purchase Agreement and note(s) for endorsement, and without liability therefor, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, and upon payment of its fees, the Trustee may (a) release and reconvey all or any part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance, or charge hereof.

That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Purchase Agreement and note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee shall release and reconvey, without covenant or warranty, express or implied, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as the "person or persons legally entitled thereto."



ILX Premiere Vacation Club



REQUIRED RECEIPT FOR:

"Settlement Costs: A HUD Guide" Booklet

This is to acknowledge that I have received the booklet "Settlement Costs: A HUD Guide"

Norman H. Zwicky

NAME
Norman H. Zwicky

NAME

DATE

ILX Premiere Vacation Club

PUBLIC REPORT RECEIPT

The developer shall furnish you, as a prospective customer, with a copy of the Public Report required by the Arizona Department of Real Estate. It is recommended that you read the report before you make any written offer to purchase an interest in the development, and before you pay any money or other consideration toward the purchase of an interest in the development.

FOR YOUR PROTECTION, DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE REPORT AND HAVE HAD THE OPPORTUNITY TO READ IT. BY SIGNING THIS RECEIPT, THE BUYER HAS ACCEPTED THE PUBLIC REPORT AND ACKNOWLEDGES THE INFORMATION IT CONTAINS.

DM98-014798

PUBLIC REPORT REGISTRATION NO.

ILX Premiere Vacation Club

DEVELOPMENT RECORDED NAME

I understand that the report is not a recommendation or endorsement of the development by the Department of Real Estate, but is for information only.

Norman H. Zwicky
BUYER'S NAME
Norman H. Zwicky

6514 N. 5th Lane

Phoenix, AZ 85013

CURRENT ADDRESS

BUYER'S NAME

October 25, 2004

DATE

PRE/RPR/R0202



Request for Verification of Employment

Privacy Act Notice: This information is to be used by the agency collecting it or its employees in determining whether you qualify as a prospective mortgagee under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do, not doing so may result in your application for approval as a prospective mortgagee of borrower being delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); 12 USC, Section 1701 et seq. (if HUD/FHA); 42 USC, Section 1462a (if HUD/CPD); and Title 42 USC, 1462a, 462, 6, 7 USC, 1921 et seq. (if USDA/FMHA).

Instructions: Lender - Complete items 1 through 7. Have applicant complete item 8. Forward directly to employer named in item 1.
 Employer - Please complete either Part II or Part III as applicable. Complete Part IV and return directly to lender named in item 2.
 The form is to be transmitted directly to the lender and is not to be transmitted through the applicant or any other party.

Part I - Request

1. To: (Name and address of employer)

2. From: (Name and address of lender)

I certify that this verification has been sent directly to the employer and has not passed through the hands of the applicant or any other interested party.

3. Signature of Lender

4. Title

5. Date

6. Lender's Number (Optional)

I have applied for a mortgage loan and stated that I am now or was formerly employed by you. My signature below authorizes verification of this information.

7. Name and Address of Applicant (Include employee or badge number)

8. Signature of Applicant

Part II - Verification of Present Employment

9. Applicant's Date of Employment

10. Present Position

11. Probability of Continued Employment

12A. Current Gross Base Pay (Enter Amount and Check Period)

Annual Hourly

Monthly Other (Specify)

Weekly

13. For Military Personnel Only

Pay Grade	Monthly Amount
Type	
Base Pay	\$
Allowances	\$
Flight or Hazard	\$
Clothing	\$
Quarters	\$
Pro Pay	\$
Overshoot or Combat	\$
Variable Housing Allowance	\$

14. If Overtime or Bonus is Applicable, is its Continuance Likely?

Overtime Yes No

Bonus Yes No

12B. Gross Earnings

Type	Year To Date	Past Year 10	Past Year 13
Base Pay	\$	\$	\$
Overtime	\$	\$	\$
Commissions	\$	\$	\$
Bonus	\$	\$	\$
Total	\$	\$	\$

15. If paid hourly - average hours per week

16. Date of applicant's next pay increase

17. Projected amount of next pay increase

18. Date of applicant's last pay increase

19. Amount of last pay increase

20. Remarks (If employee was off work for any length of time, please indicate time period and reason).

Part III - Verification of Previous Employment

21. Date Hired

22. Date Terminated

23. Salary/Wage at Termination Per (Year) (Month) (Week)

24. Reason for Leaving

25. Position Held

Part IV - Authorized Signature - Federal statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal conspiracy or conspiracy purposed to influence the issuance of any guaranty or insurance by the VA Secretary, the U.S.D.A., FmHA/FHA Commissioner, or the HUD/CPD Assistant Secretary.

26. Signature of Employer

27. Title (Please print or type)

28. Date

29. Print or type name signed in item 26

30. Phone No.

NOTICE TO MORTGAGE LOAN APPLICANTS

The Right to Collect Your Mortgage Loan Payments may be Transferred. Federal Law Gives you Certain Related Rights. Read This Statement and Sign it Only if you Understand its Contents.

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.) you have certain rights under that Federal law. This statement tells you about those rights. It also tells you what the chances are that the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest and escrow account payments, if any. If your loan servicer changes, there are certain procedures that must be followed. This statement generally explains those procedures.

Transfer Practices and Requirements

If the servicing of your loan is assigned, sold, or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the effective date of the transfer. The new loan servicer must also send you notice within 15 days after the effective date of the transfer. The present servicer and the new servicer may combine this information in one notice as long as the notice is sent to you 15 days before the effective date of transfer. The 15-day period is not applicable if a notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (not more than 30 days after a transfer for servicers to notify you under certain limited circumstances, when your servicer is changed abruptly. This exception applies only if your servicer is fired for cause, is in bankruptcy proceedings, or is involved in a conservatorship or receivership initiated by a Federal agency.

Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, the name, address, and toll-free or collect call telephone number of the new servicer, and toll-free or collect call telephone numbers of a person or department for both your present servicer and your new servicer to answer your questions about the transfer of servicing. During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

Complaint Resolution

Section 6 of RESPA (12 U.S.C. 2605) gives you certain consumer rights, whether or not your loan servicing is transferred. If you send a "qualified written request" to your loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgment within 20 Business Days of receipt of your request. A "qualified written request" is a written correspondence, other than notice on payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and your reasons for the request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, or must provide you with a written clarification regarding any dispute. During this 60 Business Day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request.

A Business Day is any day, excluding public holidays (State or Federal), Saturday, and Sunday.

Damages and Costs

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that Section.

Servicing Transfer Estimated by Lender

1. The following is the best estimate of what will happen to the servicing of your mortgage loan. We do not service mortgage loans, and we presently intend to assign, sell, or transfer the servicing of your mortgage loan. You will be informed about your servicer.
2. For all the mortgage loans that we make in the 12 month period after your mortgage loan is funded, we estimate that the percentage of mortgage loans for which we will transfer servicing is between:

- 0 to 25%
- 26 to 50%
- 51 to 75%
- 76 to 100%

(This estimate does include assignments, sales or transfers to affiliates or subsidiaries.) This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.

3. This is our record of transferring the servicing of the mortgage loans we have made in the past:

Year	Percentage of Loans Transferred (rounded to nearest quartile)
1999	100%
2000	100%

(This information does include assignments, sales or transfers to affiliates or subsidiaries.)

10/28/04
DATE

Acknowledgment of Mortgage Loan Applicant

I/We have read this disclosure form, and understand its contents as evidenced by my/our signature(s) below.

Norman H. Zwicky
APPLICANT'S SIGNATURE

Norman H. Zwicky

10/28/04
DATE

CO-APPLICANT'S SIGNATURE



Contract# 511412

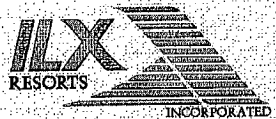
October 25, 2004

I, Norman H. Zwicky, will be starting use of my ILX Premiere Vacation Club unit in the year 2005.

Norman H. Zwicky

Norman H. Zwicky

Date: 10/25/04



Contract#: 511412

October 25, 2004

We are happy to respond to your interest to upgrade your current membership to a PLATINUM Annual membership through the ILX Premiere Vacation Club.

As part of your upgrade, you will continue to receive Unlimited Passport Weeks as per your original agreement included in Contract # 102979

Norman H. Zwicky

Date: *10/25/04*

**TO ALL CONSUMER REPORTING AGENCIES, EMPLOYERS
AND CREDITORS OF THE UNDERSIGNED:**

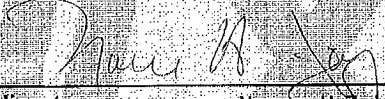
Norman H. Zwicky and

has/have made application to ILX Resorts Incorporated requesting an extension of credit. Therefore, the above named applicant(s) authorize ILX Resorts Incorporated, their employees, agents or assignees to; obtain a consumer credit report, verify my/our employment and checking and/or savings balances. I/we authorize you to exchange credit information with others in connection with this application.

I/we hereby agree to allow ILX Resorts Incorporated and any of its Representatives the right to review my/our credit history and to discuss with me/us any credit concerns that may affect my application for vacation ownership.

A photographic or facsimile of this authorization bearing my/our signature(s) may be deemed to be the equivalent of the original hereof and may be used as a duplicate original.

10/25/04
Date


Applicant Norman H. Zwicky

CO-Applicant

Contract Number 511412



October 25, 2004

To ILX Resorts Customer: Norman H. Zwicky

As required by federal law, banks, investment companies and other financial institutions must provide consumers with information about how personal information provided to them is used and protected. Because ILX Resorts Incorporated and/or its subsidiaries provide financing to certain buyers of our vacation ownership interests, we are providing our customers this disclosure notice:

- A. We collect nonpublic personal information from customers from the following sources:
 - 1) Information we receive on credit applications, purchase documents and other forms
 - 2) Information about transactions with us, our affiliates, or others, and
 - 3) Information we receive from consumer reporting agencies.
- B. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.
- C. We restrict access to nonpublic personal information to those employees who need to know that information to provide products or services to customers. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard our customers' nonpublic personal information.

We appreciate the opportunity to serve you, and look forward to welcoming you soon at one of the ILX Resorts.

Received:

Norman H. Zwicky

Premiere Vacation Club and ILX Resorts Incorporated and its affiliates have my/our permission to contact us for promotional or other purposes by telephone, email, or facsimile at the addresses and telephone numbers we have provided or may provide in the future.

(602) 631-9444

Telephone Number

Norman H. Zwicky

(602) 225-3030

Telephone Number

Owner Understanding and Acknowledgement

Maintenance, Interval International and Interval Preferred Fees

I, the undersigned BUYER, understand and acknowledge the following current annual fees, which have been explained to me by our Sales Executive

Talyn Crawford

Maintenance Fees

We have purchased a PLAT - A suite and the maintenance fees are \$775 per year.

Interval International Fees

- Optional*
1. Annual Membership is \$79.00 (multiple year discount available).
 2. Interval Preferred (which is optional at \$54.00).
 3. Exchange Fee: \$121.00 Domestic and \$149.00 International per exchange.

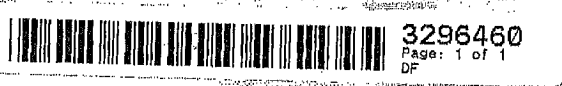
I/we, the undersigned buyer, understand that specific unit amenities and floor plans as well as property features will vary at all ILX Premiere Vacations Club locations.

X
Buyer

Date

Buyer

Date



When recorded return to:
ILX Resorts Incorporated
Attention: Secretary
2111 East Highland Ave., Suite 210
Phoenix, AZ 85016

**ILX PREMIERE VACATION CLUB
SPECIAL WARRANTY DEED**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Premiere Vacation Club, an Arizona nonprofit corporation ("Grantor"), hereby conveys to _____

Norman H. Zwicky AN UNMARRIED MAN
("Grantee") an 1 / 81,500 Undivided Fractional Interest in and to the real property described at Docket No. 1738, page 236 et seq., in the official records of the Coconino County Recorder, Coconino County, Arizona, as corresponds to a 1 Membership Share(s) as described in the Membership Plan for ILX Premiere Vacation Club, as such plan may be amended from time to time (the "Plan"), recorded on January 6, 1998, at Instrument No. 98-0007090, official records of the Maricopa County, Arizona, Recorder, which Plan is incorporated herein by this reference.

Together with all rights and privileges appurtenant thereto.

Subject to the general terms and conditions set forth in the Plan and subject to the specific terms and conditions set forth in the Plan with respect to the following type of Membership:

Seasonal Priority: Prime
Unit Type: Platinum Membership
Annual Frequency: Every Year (Annual)
Occupancy Period: Seven days including one weekend
Membership No.: PL-A-P-00262

Subject further to current taxes and other assessments, reservations in patents and all easements, rights of way, covenants, conditions, restrictions, obligations, liabilities and all other matters as may appear of record. Subject to the foregoing, the Grantor warrants the title against its acts, and none other, against all persons whomsoever.

Dated this 25th day of October, 2004

PREMIERE VACATION CLUB,
an Arizona nonprofit corporation

By: Margaret Eardley
Its: Vice President



STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 15 day of November 2004
by Margaret Eardley, the Vice President
of PREMIERE VACATION CLUB, an Arizona nonprofit corporation, on behalf of the corporation.

My Commission Expires:
4-17-08



Alicia Fabian
Notary Public

ACCEPTANCE

If the above conveyance is to Grantee as community property with right of survivorship or as joint tenants with right of survivorship, then Grantee by signing the acceptance below evidence their intention to acquire said premises as such and not as tenants in common or any other form of ownership.

ACCEPTED AND APPROVED:

State of _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____

My Commission Expires:

Notary Public



OWNER'S UNDERSTANDING AND ACKNOWLEDGEMENT

Name Norman H. Zwicky

The Seller would like to minimize the possibility that either an unauthorized representation or misunderstanding of the facts could have occurred during the sales presentation that may have influenced my decision to purchase. For that reason, I have been provided this summary highlighting some of the more significant details concerning my purchase. I, the undersigned Buyer, understand and acknowledge the following:

Initials

- 1. I am purchasing a Membership of the type described in the Vacation Club Membership Purchase Agreement ("Purchase Agreement") that I signed today.
- 2. There are various terms, conditions and obligations associated with my Membership as set forth in the Membership Documents. I have been given a copy of and opportunity to review forms of all of the Membership Documents, including but not limited to the Membership Plan, Rules & Regulations, Bylaws, and/or other governing documents associated with the Membership. In general, I understand the concepts of timesharing and exchange programs.
- 3. Members are required to pay annual dues or maintenance fees ("Maintenance Fees") and may be subject to other types of special assessments. The current Maintenance Fees for my Membership are set forth on the Budget I was provided today. Maintenance Fees are established annually by the Club and are subject to change.
 - A. If I have purchased an "Every Year" Membership, the full amount of the Maintenance Fees for this year is payable shortly after my purchase. For each full year thereafter, Maintenance Fees are due in advance by January 1 of such year.
 - B. If I have purchased an "Every Other Year" Membership, special rules apply concerning Maintenance Fees for this year, and for the years thereafter.
 - 1. Regarding this year, if I have occupancy rights this year, the entirety of what would be the annual amount of Maintenance Fees is payable shortly after my purchase. If I do not have occupancy rights until next year, one-half (1/2) of the Maintenance Fees will be payable shortly after my purchase and the remaining one-half (1/2) prior to December 31 of this year.
 - 2. Following this year (including next year), in each year I will pay one-half (1/2) of what would be the annual amount of Maintenance Fees for my year of use, in advance by December 31 of each year.
- If as part of my purchase the requirement of paying any particular year's Maintenance Fees has been waived in writing I am also agreeing to waive the occupancy right associated with that Maintenance Fee. If I decide I still wish to use or exchange my waived occupancy right, I will be required to pay the waived Maintenance Fees.
- 4. All of my rights as a Member are conditioned upon my being current in my obligations to the Club and to Seller (if any). If I fail to timely pay my Maintenance Fees or other special assessments or amounts owed to Seller, my Membership may be suspended or terminated, and I would forfeit all monies I have paid to date. If I violate any provision of the Membership Documents, the Club may impose other sanctions against me in accordance with the Membership Documents.
- 5. If Seller has provided financing of a portion of my purchase price, I have executed a Deed of Trust, Mortgage or other security instrument that secures the payment of my obligations to Seller pursuant to the Purchase Agreement. If I fail to honor any of my obligations, Seller has the right to institute foreclosure proceedings. If I purchased my membership pursuant to an Agreement for Sale Addendum to my Purchase Agreement, I will not receive full legal title until such time as my Membership has been paid for in full.
- 6. The Club currently has an agreement with the Exchange Company named on the Purchase Agreement wherein it has agreed to offer exchange services to Members of the Club. Exchange Company is an independently owned and operated service company. Seller is not an agent for the Exchange Company, and no representations or promises made by Seller or its agents are binding on the Exchange Company. The Exchange Company's responsibility for representations regarding its exchange program, as well as its current or future services, is limited to those made in written materials furnished by it. The agreement between the Club and the Exchange Company remains subject to change.
- 7. My purchase entitles me to apply for membership in the Exchange Company, unless I have purchased less than a full week membership. Seller will pay my initiation fee and first year membership fee for exchange company membership. Thereafter, if I wish to remain a member, I must pay the Exchange Company's annual membership fee. For each exchange I make, I must also pay the exchange fee imposed by the Exchange Company. The annual membership fee and the exchange fee are subject to change as determined by the Exchange Company. I understand that I am not required to be or remain a member of the Exchange Program.
- 8. I specifically understand that desired exchanges are subject to reservation availability and that the more lead time and flexibility I have, the more likelihood of a successful exchange. There are various rules and procedures I must follow in order to make an exchange. The minimum exchange is one week. Weeks deposited with the Exchange Company are considered used at the date of deposit. The Club's current rules are that deposits to the Exchange Company must be made on or before October 15 of the use year, notwithstanding any later date allowed by the Exchange Company. In order to make a deposit to the Exchange Company, I must have paid my Maintenance Fees for the deposited year, and be current in any obligations to the club and/or to the seller.
- 9. No representations have been made to me that my Membership can be resold or rented in the future at a profit. No resale, repurchase or rental services are provided by the Club or Seller. I have acquired my Membership for personal vacation use and enjoyment and not as a potential source of investment or tax benefits. As part of my purchase, I may have been granted special privileges that are personal to me and not transferable upon resale. If I elect to transfer my Membership, I must do so in accordance with the procedures described in the Plan.
- 10. I understand the occupancy rights and reservation procedures associated with my Membership as set forth in the Plan, the Rules & Regulations and the other Membership Documents. I understand that the availability of weekends and holidays may be limited. My use at any ILX Resort is limited to the occupancy right of my unit. Benefits which may be offered to me at ILX owned and operated resorts may not be available at resorts affiliated with, but not owned and operated by, ILX Resorts Incorporated.
- 11. Even if I do not intend to use or exchange my time during any year, I still must pay Maintenance Fees for that year and am not entitled to any refunds regarding or carryover of, such unused time.
- 12. I am liable for damage or destruction of Club facilities beyond normal wear and tear caused by me, my co-owners, my guests or my other Permitted Users, and for any personal charges we incur, such liability being joint and several if there is more than one Buyer of this Membership.
- 13. Seller or its affiliates or other third parties will operate the Resort as a hotel to the extent of unsold or unused Memberships, conduct other revenue generating activities at or near the Resort and provide management and other services to the Club under long term contracts, the financial benefits of which will accrue to them and to which I am not entitled in any way.
- 14. If in connection with my purchase I have received "Bonus Weeks," travel certificates or similar items, I understand that the benefits thereunder are subject to various terms and conditions and are provided by third party vendors independent of Seller and its affiliates. I understand that Seller has no control over such third parties and therefore cannot be held responsible relative to said benefits.
- 15. Resort amenities, programs, activities and common area facilities are subject to change over time. Future improvements to the Resort facility may vary from drawings, floor plans and site plans shown to me. The Unit I occupy on a particular visit may vary in some details from the model unit or drawings I was shown (if any), and Units may be subject to future modification or renovation.
- 16. Everything important to me in deciding to purchase is either in writing or has been visually inspected by me. I am not relying on any verbal statements, representations or promises except those that are also in writing. I have been given the opportunity to review the Membership Documents to determine the existence in writing of any such verbal statements, representations or promises, or have requested and received a separate written confirmation of any such verbal statement, representation or promise upon which I am relying. All terms must be in writing and cannot be modified verbally in any way. The agreements contained in my Purchase Agreement, the other Membership Documents and any such separate written confirmation represent the sole and entire agreement between me and the Club and Seller.
- 17. I have read and understand the section of the Signature Page to the Purchase Agreement entitled "Addendum to Owner's Understanding and Acknowledgment," which contains important additional information about the specific Membership I am purchasing.

Capitalized terms used in this document have the meanings set forth in the other "Membership Documents" as such term is defined in the Purchase Agreement

October 25, 2004

Date

Beth M. Lee
Representative of Seller

Norman H. Zwicky
Buyer

Buyer

NOTICE TO MORTGAGE LOAN APPLICANTS

The Right to Collect Your Mortgage Loan Payments may be Transferred. Federal Law Gives you Certain Related Rights. Read This Statement and Sign it Only if you Understand its Contents.

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.) you have certain rights under that Federal law. This statement tells you about those rights. It also tells you what the chances are that the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest and escrow account payments, if any. If your loan servicer changes, there are certain procedures that must be followed. This statement generally explains those procedures.

Transfer Practices and Requirements

If the servicing of your loan is assigned, sold, or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the effective date of the transfer. The new loan servicer must also send you notice within 15 days after the effective date of the transfer. The present servicer and the new servicer may combine this information in one notice, so long as the notice is sent to you 15 days before the effective date of transfer. The 15 day period is not applicable if a notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (not more than 30 days after a transfer) for servicers to notify you under certain limited circumstances, when your servicer is changed abruptly. This exception applies only if your servicer is fired for cause, is in bankruptcy proceedings, or is involved in a conservatorship or receivership instituted by a Federal agency.

Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, the name, address, and toll-free or collect call telephone number of the new servicer, and toll-free or collect call telephone numbers of a person or department for both your present servicer and your new servicer to answer your questions about the transfer of servicing. During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

Complaint Resolution

Section 6 of RESPA (12 U.S.C. 2605) gives you certain consumer rights, whether or not your loan servicing is transferred. If you send a "qualified written request" to your loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgment within 20 Business Days of receipt of your request. A "qualified written request" is a written correspondence, other than notice on payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and your reasons for the request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, or must provide you with a written clarification regarding any dispute. During this 60-Business Day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request.

A Business Day is any day, excluding public holidays (State or Federal), Saturday and Sunday.

Damages and Costs

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that Section.

Servicing Transfer Estimated by Lender

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:

We do not service mortgage loans, and we presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be informed about your servicer.

2. For all the mortgage loans that we make in the 12 month period after your mortgage loan is funded, we estimate that the percentage of mortgage loans for which we will transfer servicing is between:

- 0 to 25%
- 26 to 50%
- 51 to 75%
- 76 to 100%

(This estimate does include assignments, sales or transfers to affiliates or subsidiaries.) This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.

3. This is our record of transferring the servicing of the mortgage loans we have made in the past:

Year	Percentage of Loans Transferred (rounded to nearest quartile)			
	0%	25%	50%	75% or 100%
1999				100%
2000				100%

(This information does include assignments, sales or transfers to affiliates or subsidiaries.)

10/25/04
DATE

Acknowledgment of Mortgage Loan Applicant

I/we have read this disclosure form, and understand its contents, as evidenced by my/our signature(s) below.

Norman H. Zwicky
APPLICANT'S SIGNATURE

Norman H. Zwicky

10/25/04
DATE

CO-APPLICANT'S SIGNATURE

HUD-1 UNIFORM SETTLEMENT STATEMENT

(Rev. August 1987)

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		SETTLEMENT STATEMENT	
B. TYPE OF LOAN		6. File Number:	7. Loan Number:
1. FHA 2. FmHA 3. X CONV. UNINS. 4. VA 5. CONV. INS.		511412	
		8. Mortgage Insurance Case Number:	
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. NOTE: TIN=Taxpayer's Identification Number			
D. NAME AND ADDRESS OF BORROWER:		E. NAME, ADDRESS AND TIN OF SELLER:	
Norman H. Zwicky 5514 N. 5th Lane Phoenix, AZ 85013		ILX Resorts Incorporated, Agent 2111 East Highland Ave. Suite 210 Phoenix, AZ 85016 86-0564171	
		F. Name and Address of Lender	
		ILX Resorts Incorporated, Agent 2111 East Highland Ave. Suite 210 Phoenix, AZ 85016	
G. Property Location:		H. Settlement Agent Name, Address and TIN:	
160 Portal Lane Sedona, AZ 86336		Place of Settlement Offices of ILX Incorporated	
		I. Settlement date	

J. SUMMARY OF BORROWER'S TRANSACTION	
100. Gross Amount Due From Borrower:	
101. Contract sales price	\$26,395.00
102. Personal property	0.00
103. Settlement charges to borrower (line 1400)	\$0.00
104.	
105.	
<i>Adjustments for items paid by seller in advance</i>	
106. City/town taxes to	0.00
107. County taxes to	0.00
108. Assessments to	0.00
109.	
110.	
111.	
112.	
120. GROSS AMOUNT DUE FROM BORROWER	\$26,395.00
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	
201. Deposit or earnest money	\$0.00
202. Principal amount of new loan(s)	\$7,495.00
203. Existing loan(s) taken subject to	0.00
204. Administrative Fee:	\$0.00
205. Trade In	\$18,900.00
206.	
207.	
208.	
209.	
<i>Adjustments for items unpaid by seller</i>	
210. City/town taxes to	0.00
211. County taxes to	0.00
212. Assessments to	0.00
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)	\$26,395.00
302. Less amounts paid by/for borrower (line 220)	\$26,395.00
303. Cash (From) (To) Borrower	0.00

K. SUMMARY OF SELLER'S TRANSACTION	
400. Gross Amount Due To Seller:	
401. Contract sales price	\$26,395.00
402. Personal property	0.00
403.	
404. Administrative Fee:	\$0.00
405.	
<i>Adjustments for items paid by seller in advance</i>	
406. City/town taxes to	0.00
407. County taxes to	0.00
408. Assessments to	0.00
409.	
410.	
411.	
412.	
420. GROSS AMOUNT DUE TO SELLER	\$26,395.00
500. REDUCTION IN AMOUNT DUE TO SELLER:	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	\$0.00
503. Existing loan(s) taken subject to	0.00
504. Payoff of first mortgage loan	0.00
505. Payoff of second mortgage loan	0.00
506.	
507.	
508.	
509.	
<i>Adjustments for items unpaid by seller</i>	
510. City/town taxes to	0.00
511. County taxes to	0.00
512. Assessments to	0.00
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)	\$26,395.00
602. Less reductions in amount due seller (line 520)	\$26,395.00
603. Cash (To) (From) Seller	0.00

SUBSTITUTE FORM 1099 SELLER STATEMENT

The information contained in Blocks E, G, H and I and on line 401 (or, if line 401 is asterisked, line 403 and 404) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. If this real estate is your principal residence, file Form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of Form 4797, Form 6252 and/or Schedule D (Form 1040). You are required to provide the Settlement Agent (named above) with your correct taxpayer identification number. If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law. Under penalties of perjury, I certify that the number shown on this statement is my correct taxpayer identification number.

(Seller's Signature)

L. SETTLEMENT CHARGES

				PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL SALES/BROKER'S COMMISSION based on price	\$	@	% =		
Division of Commission (line 700) as follows:					
701. \$		to			
702. \$		to			
703. Commission paid at Settlement					
704.					
800. ITEMS PAYABLE IN CONNECTION WITH LOAN					
801. Loan Origination Fee	%		\$250.00		POC
802. Loan Discount	%				
803. Appraisal Fee to		to			
804. Credit Report to		to			
805. Lender's Inspection Fee					
806. Mortgage Insurance Application Fee		to			
807. Assumption Fee					
808. ADMINISTRATIVE PROCESSING FEE				\$0.00	
809.					
810.					
811.					
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
901. Interest from		to	@ \$	/ day	
902. Mortgage Insurance Premium for			months to		
903. Hazard Insurance Premium for			years to		
904.			years to		
905.					
1000. RESERVES DEPOSITED WITH LENDER					
1001. Hazard insurance		Months @ \$		Per month	
1002. Mortgage insurance		Months @ \$		Per month	
1003. City property taxes		Months @ \$		Per month	
1004. County property taxes		Months @ \$		Per month	
1005. Annual assessments		Months @ \$		Per month	
1006.		Months @ \$		Per month	
1007.		Months @ \$		Per month	
1008.		Months @ \$		Per month	
1100. TITLE CHARGES					
1101. Settlement or closing fee		to			
1102. Abstract or title search		to			
1103. Title examination		to			
1104. Title insurance binder		to			
1105. Document preparation		to			
1106. Notary fees		to			
1107. Attorney's fees		to			
(includes above items numbers:)					
1108. Title insurance		to			
(includes above items numbers:)					
1109. Lender's coverage	\$				
1110. Owner's coverage	\$				
1111.					
1112.					
1113.					
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					
1201. Recording fees	Deed \$ 15.00 ; Mortgage \$ 13.00 ; Releases \$ 22.00				POC
1202. City/county tax/stamps:	Deed \$; Mortgage \$				
1203. State tax/stamps:	Deed \$; Mortgage \$				
1204.					
1205.					
1300. ADDITIONAL SETTLEMENT CHARGES					
1301. Survey		to			
1302. Pest inspection		to			
1303.					
1304.					
1305.					
1400. TOTAL SETTLEMENT CHARGES (enter on lines 103, Section J and 502, Section K)				\$0.00	\$0.00

CERTIFICATION

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

..... Seller

Marie A. [Signature] Borrower

..... Seller

..... Borrower

To the best of my knowledge the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Beth M. Lee Settlement Agent

October 25, 2004 Date

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

When recorded return to:
ILX Resorts Incorporated
Attention: Secretary
2111 East Highland Ave., Suite 210
Phoenix, AZ 85016



**ILX PREMIERE VACATION CLUB
DEED OF TRUST**

This Deed of Trust is made this 25th day of October, 2004 by _____

Norman H. Zwicky AN UNMARRIED MAN

whose mailing address is 5514 N. 5th Lane Phoenix, AZ 85013

("Trustor") to Security Title Agency, an Arizona corporation, whose mailing address is 3620 North 3rd Avenue, Phoenix, AZ 85013 ("Trustee") for the benefit of Premiere Development Incorporated, an Arizona corporation, whose mailing address is 2111 East Highland, Suite 210, Phoenix, AZ 85016 ("Beneficiary").

WITNESSETH:

That Trustor conveys, transfers and assigns to Trustee in Trust, with Power of Sale, the following described real property:

an 1 81,500 Undivided Fractional Interest in and to the real property described in Docket No. 1738, Page 236 et seq., in the official records of the Coconino County Recorder, Coconino County, Arizona, as corresponds to a 1 Membership Share(s) as described in the Membership Plan for ILX Premiere Vacation Club, as such plan may be amended from time to time (the "Plan"), recorded on January 6, 1998, at Instrument No. 98-0007090, official records of the Maricopa County, Arizona, Recorder, which Plan is incorporated herein by this reference.

Together with all buildings, improvements and fixtures thereon.

Subject to the terms and conditions set forth in the Plan with respect to the following type of Membership:

Seasonal Priority: Prime
Unit Type: PLATINUM
Annual Frequency: Every Year (Annual)
Occupancy Period: Seven days including one weekend
Membership No.: _____

That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above described real property, together with leases, rents, issues, profits, and income thereof (all of which are hereinafter called "property income"); subject, however, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; and subject to current taxes and other assessments, reservations in patents, and all easements, rights of way, covenants, conditions, restrictions, obligations, liabilities and all other matters as may appear of record.

FOR THE PURPOSES OF SECURING:

- A. Performance of each agreement of Trustor herein contained.
- B. Payment of the indebtedness evidenced by a Purchase Agreement of even date herewith and any extension or renewal thereof in the principal sum of \$ 7,495.00 executed by Trustor in favor of Beneficiary or order.
- C. Payment of additional sums and interest thereon that may hereafter be loaned to Trustor, or Trustor's successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.
- D. All indebtedness, expenses or liabilities incurred by the Beneficiary of this Deed of Trust for the protection of this security or for the collection of this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

To keep said property in good condition and repair; not to damage it or any building thereon; to pay for or, at Beneficiary's option, restore promptly in good and workmanlike manner any such damage by the Trustor, its agents, invitees, licensees or Permitted Users (collectively "Users"), and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law by any Users; and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

Consistent with the Plan, to pay: before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior to or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay such counsel's reasonable fees.

To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Deed of Trust or at such rate plus five (5) percentage points, whichever be the greater rate. Any amounts so paid by Beneficiary or Trustee shall become a part of the debt secured by this Deed of Trust and a lien on said premises or immediately due and payable at option of Beneficiary or Trustee.

IT IS MUTUALLY AGREED:

That any award of damages in connection with any condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, but subject to the Plan, the right to sue therefor and the ownership thereof subject to this Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

That time is of the essence of this Deed of Trust, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

That Trustor may not further encumber the property that is subject to this Deed of Trust without Beneficiary's prior written consent, which may be withheld in its sole discretion. That any extension of time on this Deed of Trust, whether with or without the consent of any junior lienholder, shall not affect the priority of this Deed of Trust over such junior lien. If any action is instituted by a junior lienholder, or if Trustor is in default with respect to a debt or obligation secured by a junior lien, then Beneficiary may declare the Deed of Trust and the indebtedness and obligations secured by it, as accelerated and immediately due and payable.

That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said Purchase Agreement and note(s) for endorsement, and without liability therefor, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, and upon payment of its fees, the Trustee may (a) release and reconvey all or any part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance, or charge hereof.

That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Purchase Agreement and note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee shall release and reconvey, without covenant or warranty, express or implied, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as the "person or persons legally entitled thereto."

That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Trust, to collect the property income. Upon any such default, Beneficiary may at any time, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such property income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such property income, and the application thereof as aforesaid, shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold said property under this Deed of Trust. At the time of giving such written notice, Beneficiary (or its nominee) also shall deposit with Trustee this Deed of Trust, said Purchase Agreement and/or note(s), and all documents evidencing expenditures secured hereby.

Trustee shall record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee shall sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee, or Beneficiary (including Beneficiary's credit bid), may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with the sale and reasonable attorneys' fees, Trustee shall apply the proceeds of sale to payment of: All sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. § 33-712. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder.

That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.

That, notwithstanding anything to the contrary in this Deed of Trust, the Club has no right to take action or demand that Beneficiary take action under this Deed of Trust, and that the Club shall have no claim under this Deed of Trust against Beneficiary for any action or failure to act by Beneficiary. That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder of the Purchase Agreement and note(s) secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law, Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to such Trustor at the address set forth above.

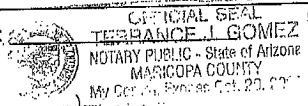
Norman H. Zwicky
Trustor, Norman H. Zwicky

Trustor,

STATE OF _____)
County of _____) ss.

The foregoing instrument was acknowledged before me this 25th day of October 2004 by Norman H. Zwicky

My Commission Expires: _____



Terrance J. Gomez
Notary Public

STATE OF _____)
County of _____) ss.

The foregoing instrument was acknowledged before me this 25th day of October 2004 by _____

My Commission Expires: _____

Notary Public

When recorded return to:
ILX Resorts Incorporated
Attention: Secretary
2111 East Highland Ave., Suite 210
Phoenix, AZ 85016



**ILX PREMIERE VACATION CLUB
SPECIAL WARRANTY DEED**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Premiere Vacation Club, an Arizona nonprofit corporation ("Grantor"), hereby conveys to _____

Norman H. Zwicky AN UNMARRIED MAN
("Grantee") an 1 / 81,500 Undivided Fractional Interest in and to the real property described at Docket No. 1738, page 236 et seq., in the official records of the Coconino County Recorder, Coconino County, Arizona, as corresponds to a 1 Membership Share(s) as described in the Membership Plan for ILX Premiere Vacation Club, as such plan may be amended from time to time (the "Plan"), recorded on January 6, 1998, at Instrument No. 98-0007090, official records of the Maricopa County, Arizona, Recorder, which Plan is incorporated herein by this reference.

Together with all rights and privileges appurtenant thereto.

Subject to the general terms and conditions set forth in the Plan and subject to the specific terms and conditions set forth in the Plan with respect to the following type of Membership:

Seasonal Priority: Prime
Unit Type: Platinum Membership
Annual Frequency: Every Year (Annual)
Occupancy Period: Seven days including one weekend
Membership No.: _____

Subject further to current taxes and other assessments, reservations in patents and all easements, rights of way, covenants, conditions, restrictions, obligations, liabilities and all other matters as may appear of record. Subject to the foregoing, the Grantor warrants the title against its acts, and none other, against all persons whomsoever.

Dated this 25th day of October, 2004

PREMIERE VACATION CLUB,
an Arizona nonprofit corporation

By: _____
Its: Vice President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____
by Margaret Eardley, the Vice President
of PREMIERE VACATION CLUB, an Arizona nonprofit corporation, on behalf of the corporation.

My Commission Expires: _____ Notary Public

ACCEPTANCE

If the above conveyance is to Grantee as community property with right of survivorship or as joint tenants with right of survivorship, then Grantee by signing the acceptance below evidence their intention to acquire said premises as such and not as tenants in common or any other form of ownership.

ACCEPTED AND APPROVED:

State of _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____

My Commission Expires: _____ Notary Public



VACATION CLUB MEMBERSHIP PURCHASE AGREEMENT

511412 Contract Number

This Purchase Agreement (the "Agreement") is entered into as of the 25th day of October, 2004 by and between Premiere Development Incorporated

(as "Developer" and "Seller," each term being inclusive of the other below unless otherwise stated or the context requires otherwise), and Norman H. Zwicky (the "Buyer," sometimes referenced by "you" or "your").

1. Agreement to Purchase. Buyer agrees to buy from Seller, and Seller agrees to sell to Buyer, the vacation club membership (the "Membership") described as follows:

Name of Resort/Program: ILX Premiere Vacation Club; Location: Phoenix, Arizona; Membership No.: Membership number to be assigned at closing; Unit Type or Number: Platinum Membership; Duration of Occupancy/Occupancy Period: Full Week; Seasonal Priority/Membership Category: Prime; Annual Frequency: Every Year (Annual); Type and Duration of Ownership: Deed; Maximum Occupancy/Occupancy Right: not less than four (4) persons; Current Exchange Company and Color: Interval International - Red; Club/Owner's Association: ILX Premiere Vacation Club; Developer: Premiere Development Incorporated

Subject to certain terms and conditions, Buyer's purchase of the Membership entitles Buyer to periodically occupy lodging accommodations and affords Buyer various other benefits. Buyer understands that the various rights and obligations associated with Buyer's purchase are set forth in this Agreement as well as in the Membership Plan, Articles, Bylaws, Rules & Regulations and/or other governing documents associated with the Membership and the other documents executed concurrently or in connection herewith, all of which are incorporated herein by this reference and all of which are collectively referred to as the "Membership Documents." Capitalized terms used in this Agreement and not defined herein shall have the same meanings as set forth in the other Membership Documents.

2. Purchase Price and Itemization of Amount Financed. The Purchase Price for the Membership shall be \$26,395.00 payable by Buyer, as follows:

Table with 2 columns: Description and Amount. Rows include Total Purchase Price (\$26,395.00), Less Cash at execution (Deposit) (\$0.00), Cash by N/A (\$0.00), Net Value of Other Consideration (\$18,900.00), Total Downpayment (\$18,900.00), and Balance Due and Amount Financed, If any (\$7,495.00).

Receipt of the Deposit is hereby acknowledged by Seller. The Deposit and any other funds paid by Buyer, if any, prior to the expiration of the cancellation period referred to below, will be held in trust in the ILX Resorts Incorporated Sales Account at Wells Fargo (Arizona). Such funds shall be released (a) to Seller (subject to the requirements of any applicable governmental authority or Seller's lender) upon expiration of the cancellation period, if any, or (b) to Buyer, without interest, if Buyer has exercised any such right of cancellation. Seller shall pay all closing costs.

3. Promissory Note. The undersigned Buyer promises to pay to the order of Seller, its successors and assigns, the principal sum of Seven Thousand Four Hundred Ninety-five Dollars (\$7,495.00) with interest that shall accrue on the unpaid principal balance commencing 30 days prior to the first scheduled date of payment as set forth in the Federal Truth-in-Lending Disclosures below, until the principal sum is paid in full. Interest shall accrue at the rate of 16.90% per annum. The principal and interest shall be payable to Seller, 2111 East Highland Ave., Suite 210, Phoenix, Arizona 85016, or such other place as the holder may designate in writing, in consecutive monthly installments of \$152.74 commencing on December 14, 2004 and continuing on the same day of each month thereafter, until the entire indebtedness evidenced hereby is fully paid, except that any remaining indebtedness, if not sooner paid, shall be due and payable on November 14, 2011.

Interest will be calculated and charged on the balance of the Amount Financed which is outstanding as of the due date of each payment. If a payment is late, you will be charged the lesser of 15-18% of your monthly payment or the maximum amount allowed by law. If you pay off early, you will not have to pay a penalty. Except as otherwise required by law, each payment shall be applied first to late charges or collection charges, next to interest, and last to principal. Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Agreement shall be the joint and several obligation of all those listed as Buyer above, sureties, guarantors and endorsers and shall be binding upon them and their heirs, personal representatives, successors and assigns. Section 9 of this Agreement concerning defaults and remedies is incorporated herein by this reference. This Section 3 shall be deemed and defined as the "Promissory Note," which is a material part of this Agreement. Seller reserves the right to sell, assign, hypothecate, pledge or otherwise dispose of this Promissory Note without Buyer's consent.

4. Federal Truth-in-Lending Disclosures. The disclosures below, which are made by Seller as "creditor," are part of this Agreement.

FEDERAL TRUTH-IN-LENDING DISCLOSURES table with columns for Annual Percentage Rate, Finance Charge, Amount Financed, Total of Payments, and Total Sale Price. Includes payment schedule details and security information.



VACATION CLUB MEMBERSHIP PURCHASE AGREEMENT

511412 Contract Number

ADDITIONAL TERMS AND CONDITIONS

- 5. **Personal Use:** BUYER HEREBY REPRESENTS AND WARRANTS THAT THE PURCHASE OF THIS MEMBERSHIP IS MADE FOR BUYER'S PERSONAL USE, AND NOT FOR ANY RENTALS, RETURNS OR INVESTMENT POTENTIAL.
- 6. **Annual Maintenance Fees and Other Assessments:** According to the terms and conditions of the Membership Documents, Buyer shall pay to the Club annual maintenance fees and other assessments for each Membership purchased, which maintenance fees may be increased pursuant to the terms and conditions of the applicable Membership Documents.
- 7. **Amendments to Governing Documents:** The Club and Developers shall have the right to amend the Membership Plan, the Articles of Incorporation, the Bylaws, and the Rules and Regulations in their discretion at any time for reasons described in such documents or to comply with the regulatory requirements of any jurisdiction in which the Club or Developer plan to conduct activities. Any such amendment shall be binding upon Buyer and a copy thereof will be provided by Club upon request.
- 8. **Membership vs. Lease:** Buyer understands and hereby agrees that the interest created by the Membership Documents shall not be defined as a lease or a rental agreement, nor shall it be subject to the provisions of state law governing residential landlord/tenant relations or landlord/tenant matters in general.
- 9. **Default by Buyer:** Buyer shall be deemed to be in default of this Agreement if Buyer: (i) fails to make any payment under this Agreement when and as due; (ii) fails to perform any of Buyer's obligations under this Agreement when and as due; or (iii) fails to make any payment or perform any other obligation to the Club or Seller when and as due under any of the Membership Documents. Failure of Buyer to pay to Club all or any part of the annual maintenance fees or other assessments when the same become due and payable shall create a default. Buyer may not occupy a Unit while a default exists. Upon default, the holder hereof may, in its sole discretion, declare the entire balance of unpaid principal, all accrued and unpaid interest, and all other sums due under this Agreement to be immediately due and payable. The holder's failure to exercise such option shall not constitute a waiver of its right to do so as long as Buyer is in default under this Agreement. In addition, Seller may also take any or all of the following actions, as well as all others available to it in law and equity: (a) terminate this Agreement; (b) retain all payments made by Buyer hereunder; and (c) elect to cover administrative costs, marketing costs, the cost of taking occupancy rights of the matter and other reasonable costs incurred by Seller as payment for services rendered; and resell the Membership without any reimbursement to the Buyer. The Club may terminate a Buyer's Membership upon receipt of Seller's written notice to the Club of said Buyer's default under the terms of this Agreement. Neither Seller, the Club nor any holder's pursuit of a particular remedy or remedies, nor the delay in pursuing a remedy or remedies shall operate as an election of remedies and Seller, the Club or such holder may, at any time or from time to time, pursue any remedy or remedies available to it in law or equity. Except as otherwise required by state law, the parties hereby acknowledge that neither Seller, the Club nor any holder hereof shall be under any obligation to extend any cure period to Buyer. No failure to enforce any covenants against Buyer shall waive the right to demand strict compliance with this Agreement from Buyer.
- 10. **Evidence of Ownership:** Provided no default or cancellation shall have occurred, and provided that Buyer's financing (if applicable) has been approved by Seller (and in such event further subject to the provisions of Section 16 below), Seller as soon as practicable shall cause formal written transfer of the ownership of the Membership into Buyer's name by recorded deed, membership certificate or otherwise, as described in the Membership Documents. All provisions contained in this Agreement shall survive the execution and delivery of such evidence of ownership.
- 11. **Transfer:** THE MEMBERSHIP IS TRANSFERABLE ONLY IN ACCORDANCE WITH THE MEMBERSHIP DOCUMENTS AND IS NOT SEPARABLE FROM THE DEED.
- 12. **Notices:** All notices provided for in this Agreement shall be in writing. Notice to Buyer shall be deemed given when hand delivered (in which event such notice shall be deemed effective upon delivery) or the earlier of actual receipt of any notice or seven (7) days after deposit of same in any authorized mailbox, postage prepaid. Any notice to Buyer shall be addressed to Buyer at the last address for Buyer provided to Seller. Notices to Seller shall be hand delivered or sent by certified mail, return receipt requested, and shall be deemed effective upon actual receipt. Notices to Seller shall be addressed to ILX Incorporated, Attention: General Counsel, 2111 East Highland Ave., Suite 210, Phoenix, Arizona 85016. The addresses for purposes of this Section may be changed by giving written notice in the manner herein provided for giving notice. Unless and until such written notice is received, the last address as stated by written notice shall be deemed to continue in effect for all purposes hereunder.
- 13. **Attorneys' Fees:** In any action or proceeding to enforce or interpret this Agreement, the prevailing party or parties shall be entitled to reimbursement of its reasonable attorneys' fees and litigation expenses from the non-prevailing party or parties to this Agreement, as the court or arbitrator may determine.
- 14. **Entire Agreement:** This Agreement supersedes any previous understandings and agreements between Buyer and Seller and together with the Membership Documents, represents the entire agreement between Buyer and Seller. No previous representations or inducements not included in this Agreement shall be of any force or effect and Buyer acknowledges that Buyer is not relying on representations other than those included in this Agreement and the Membership Documents. This Agreement may be amended or modified only by a writing signed by both Buyer and Seller. If there is any conflict between this Agreement and the Membership Documents, the Membership Documents shall control. The Membership is subject to prior sale. This Agreement becomes binding only when signed by Seller.
- 15. **Miscellaneous:** The waiver by any party of the performance of any provisions of this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other provision of this Agreement. The exercise of any remedy provided by law and this Agreement shall not exclude the exercise of any other remedy. Subject to the restriction on transfer set forth in the Membership Documents, this Agreement shall be binding upon and shall inure to the benefit of, and shall be enforceable by the successors and assigns of Buyer and Seller. If there is more than one person shown above as Buyer, then each of such persons shall be jointly and severally liable for the obligations in this Agreement. This Agreement shall be enforced and interpreted in accordance with the laws of the State of Arizona. Time is the essence of this Agreement. This Agreement, and both Seller's and Buyer's rights and obligations hereunder, are subject to the requirements of all applicable governmental authorities and Seller's lenders, if any.
- 16. **Financing**
 - (a) If any portion of the purchase price of the Membership is to be financed by Seller, then Seller's obligations hereunder are contingent upon approval of financing for Buyer. If, upon investigation, Seller is not satisfied with Buyer's credit standing, Seller may by notice to Buyer given within sixty (60) business days of the date hereof (plus such additional period of time as may be reasonably necessary for Seller to investigate Buyer's credit standing) cancel this Agreement, in which event Seller shall refund to Buyer all sums paid by Buyer, and each party shall be relieved of all further obligations hereunder. Buyer hereby agrees to cooperate with any investigation regarding Buyer's credit standing. Failure of Buyer to promptly provide documents or authorize review of credit information shall constitute a breach of this Agreement by Buyer and shall, without requirement of notice or cure period, result in forfeiture by Buyer of the Deposit and any other sums paid to Seller by Buyer hereunder, as liquidated damages.
 - (b) If this is a financed sale, Buyer hereby grants to Seller a first lien and security interest against the Membership to secure Buyer's obligations under the Promissory Note and all other sums due under the terms of this Agreement, (collectively referred to hereinafter as "Buyer's Obligations"). For such purposes, simultaneously herewith, and as a condition to Seller's obligations, Buyer shall execute and deliver to Seller a Deed of Trust or Mortgage and such other instruments as may be reasonably required by Seller due to the location or nature of the Membership or otherwise. Buyer agrees and acknowledges that Seller may record and/or file such instruments against Buyer's interest in the Membership in the applicable public records.

Seller may in addition require that Buyer execute and deliver to Seller an Agreement for Sale Addendum hereto which Seller may instead use to secure Buyer's Obligations. In such event, until all amounts are paid hereunder, such document will not appear in any public record but will nonetheless solely constitute Buyer's evidence of ownership. (equitable) In lieu of any deed, membership certificate or other document, Seller may elect to cancel said Agreement for Sale Addendum at any time and to substitute therefor as security for Buyer's Obligations the Deed of Trust or Mortgage or other instrument executed simultaneously herewith.
- 17. **Further Acts:** Buyer agrees to promptly cooperate with Seller and any lender in the completion or correction of all documents reasonably requested or necessary in order to effectuate Buyer's purchase; provided that such documents are consistent with, and do not materially and negatively alter, the basic terms of the underlying transaction. Buyer understands that this may include, but not be limited to, the execution of a new Purchase Agreement or security documents or providing Buyer's initials on additions, deletions or other modifications.

ILX RESORTS

INCORPORATED



VACATION CLUB MEMBERSHIP PURCHASE AGREEMENT

511412 Contract Number

VACATION CLUB MEMBERSHIP PURCHASE AGREEMENT (CONT.) ARIZONA SIGNATURE PAGE

ILX PREMIERE VACATION CLUB

ADDENDUM TO OWNER'S UNDERSTANDING AND ACKNOWLEDGMENT

I, the undersigned Buyer, understand and acknowledge the following:

- 18. For health and safety reasons, pets are not permitted at a Timeshare Resort, except for Kohl's Ranch Lodge advance kennel arrangements.
19. References in the separate Owner's Understanding of Paragraph 12 to "Club facilities," and in Paragraph 9 to "Resort," both mean "Timeshare Resort and/or the Club."

SELLER'S NOTICES

- 1. READ THIS AGREEMENT BEFORE SIGNING.
2. DO NOT SIGN THIS AGREEMENT IF IT CONTAINS ANY BLANK SPACES.
3. THIS IS AN ORIGINAL DOCUMENT AND CONTAINS A PROMISSORY NOTE. YOU AS BUYER SHOULD SIGN ONLY ONE SUCH AGREEMENT.
4. YOU ARE ENTITLED TO AN EXACT COPY OF EACH DOCUMENT YOU SIGN.

Buyer acknowledges by initialing here (initials) that Buyer has, prior to the execution hereof, received copies of the Membership Documents.

NOTICES REQUIRED BY STATE LAW

The Purchaser (Buyer) has the legal right to rescind (cancel) this agreement without cause or reason of any kind by sending or delivering a written notice of rescission to the seller by midnight of the 7th calendar day following the day the purchaser (Buyer) executed the agreement to: ILX Resorts, Incorporated, 2111 East Highland Avenue, Suite 210, Phoenix, Arizona 85016, Telephone 602-957-2777.

THE PURCHASER SHALL BE GIVEN A COPY OF THE PUBLIC REPORT BEFORE SIGNING THIS DOCUMENT.

Seller:

PREMIERE DEVELOPMENT INCORPORATED an Arizona Corporation

Buyer:

Signature

Date

By:

Authorized Representative

Norman H. Zwicky

Typed or Printed Name

Jalynn Crawford Sales Agent's Signature

Signature

Date

Jalynn Crawford

Sales Agent's Name (type or print)

Typed or Printed Name

Address:

5514 N. 5th Lane

Phoenix, AZ 85013

PHONE: (602) 631-9444

Broker's Initials

Date

Taking Title As:

Community Property with Right of Survivorship

Community Property

Joint Tenants with Right of Survivorship

Tenants in Common

A Married Person as Their Sole and Separate Property (additional documentation required)

An Unmarried Person

Other

EXHIBIT B

10615 Park Run Dr.
Las Vegas NV 89144

US POSTAGE AND FEES PAID

Jun 06 2013
Mailed from ZIP 33065
1 oz First Class Mail
Letter Rate (No surcharge)



endicia.com

071S00777793

USPS CERTIFIED MAIL



9414 8102 0082 8791 1571 00

57274_002120
Norman Zwicky
18811 N 13th Ave
Phoenix AZ 85027-5503



June 6, 2013

VIA CERTIFIED MAIL

» 002120
Norman Zwicky
18811 N 13th Ave
Phoenix AZ 85027-5503

**PREMIER VACATION COLLECTION
OWNERS ASSOCIATION, INC.**

FINAL NOTICE

Re: Premier Vacation Collection Owners Association, Inc.
(" Association")
Membership Number: 1554010
Delinquent Amount: \$7,522.64 as of the above date

According to the Assessment Billing and Collection Policy ("ABC Policy") sent to you with your original invoice (a copy of which is attached for your reference), your annual assessment was due January 1, 2013 and to date, we have not received your payment.

The following will happen if you do not bring your account current within 30 days from the date of this notice:

- A. Your right to make a reservation, or use the accommodations and facilities at the resort(s), or through exchange companies, will be suspended.
- B. If the account remains in default 30 days from the date of this notice, the Association may take any necessary action to collect the unpaid assessments and dues together with late fees and interest. At that time, any reservations held in your name will be cancelled. These actions may include, but are not limited to the following: (i) Send the delinquent account to an attorney, which will result in additional collection and legal fees; (ii) Engagement of a professional collections agency, and (iii) Recovery of points through enforcement of its security interest and termination of Membership.

Your options to remedy the default are:

Option 1. Immediately bring your account current (please call 1.877.374.2582 for a current balance prior to sending a payment) or provide satisfactory evidence of prior payment of the assessment. After the account is brought current, rights and privileges of your membership will be reinstated.

Please write your contract number on the check to ensure proper application of payment and remit your payment to the address listed below. You may also pay by check or credit card over the phone or online at DiamondResorts.com.

Option 2. Allow your account to remain delinquent and the Association will recover the Points through enforcement of its security interest, and terminate your membership.

No further notice will be sent.

We understand that this delinquency may have been an oversight, if that is the case, we apologize for any inconvenience this letter may have caused. If you have made a recent payment, please disregard this letter or visit DiamondResorts.com to verify that your account balance reflects recent payments. If you find your balance is incorrect, please contact us immediately at 1.800.279.7764.

If you are in the process of transferring ownership, please send an e-mail to Inventory@DiamondResorts.com or fax to 1.702.765.8770 to the attention of Pending Transfers to ensure proper documentation has been received.

Sincerely,

Diamond Resorts Management, Inc., on behalf of
Premier Vacation Collection Owners Association, Inc.

**PREMIERE VACATION COLLECTION OWNERS ASSOCIATION, INC.
2013 ASSESSMENT BILLING AND COLLECTION POLICY**

The following was adopted by the Board of Directors on August 23, 2012.

ANNUAL ASSESSMENT BILLING

The annual assessment notice for the next year's assessment will be sent on or before December 15. Assessments are due regardless of whether the billing notice is actually received. If the assessment notice is not received, it does not relieve the member's payment obligation. It is the member's responsibility to request the assessment notice if not received, and to notify the Association of any address change. A late fee notice will be sent, but **no additional notices will be sent prior to recovery efforts** in accordance with the Membership Plan, as amended.

JANUARY 1—PAYMENT IS DUE

A \$30.00 charge will be added to the member's account for any payment that is not honored, regardless of reason.

If the assessment is not paid in full by **January 1**, the account becomes delinquent. The following charges will be added to all delinquent accounts on **January 2**:

1. An interest charge of 18% per annum from the due date, which will continue to accrue until the account is paid in full; and
2. An administrative late fee equal to the larger of \$10.00 or 10% of the amount due for each payment that is delinquent.

FEBRUARY 1—SUSPENSION OF USE RIGHTS

1. Reservation requests will not be accepted and a member may suffer suspension of use rights;
2. Previously confirmed exchanges or use rights may be cancelled and an exchange (deposit or confirmation) cancellation fee of \$25.00, if applicable, will be imposed;
3. If full payment is received after March 1st, there is no guarantee that the member will be able to receive a confirmed reservation or exchange at that time.

Use rights revoked because of delinquencies may be used by the Association and the net proceeds therefrom may be utilized by the Association for collection costs.

MARCH 1—BOARD ACTION

The Board of Directors may authorize any necessary actions to collect outstanding assessments. Actions may include but are not limited to the following:

1. Determination of whether to send delinquent accounts to an attorney, which will result in additional collection and legal fees.
2. Engagement of professional collection agency.
3. Initiation of small claims suit or legal action.

All related costs for the above will be added to the delinquent member's account.

JANUARY 1, 2014—NOTICE OF DELINQUENCY AND FORECLOSURE

The Board of Directors will/may send a Notice of Delinquency and Foreclosure to the owner pursuant to Arizona Revised Statutes Section 33-2211. If the delinquency is not cured within 30 days of mailing the Notice of Delinquency and Foreclosure, the Board will/may commence foreclosure proceedings. All related costs will be added to the delinquent owner's account.

EXHIBIT C

Premiere Vacation Collection Owners Association, Inc.
Assessment Fee Department
10600 West Charleston Boulevard
Las Vegas, NV 89135-1014

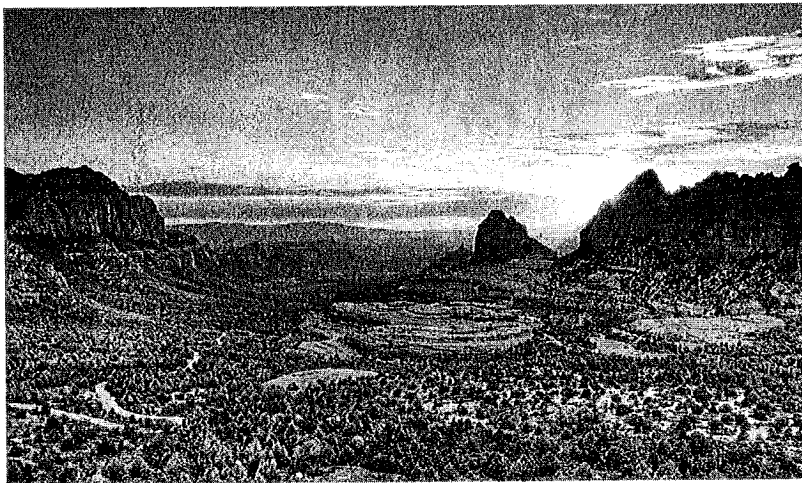
2014 Assessment Fee
Account#: 1554010

Description	Debit	Credit	Amount
Balance As Of 11/18/2013	.00	.00	7675.09
ARDA-ROC Voluntary Contribution	5.00	.00	5.00
2014-PVC Base Standard Assessment	275.00	.00	275.00
2014-PVC Point Standard Assessment	1728.09	.00	1728.09
2014-Premiere Club Connection Fee	170.00	.00	170.00

Save your association credit card fees,
pay by check (US funds only)

Amount Due \$9853.18

For more information regarding this bill please call **1.877.374.2582**.
Please make check payable to: **Premiere Vacation Collection Owners Association, Inc.**



Save money for your association and
PAY YOUR FEES ONLINE!

Log in to your account and select **Payments**
from within the **My Accounts** section.

If you have never logged in, please **register**:

1. Go to **DiamondResorts.com**
2. Click **Register**
3. Follow the online instructions
4. Once complete, a confirmation e-mail will be sent asking you to validate your account.
5. You can now pay your fees online!

20992

Please detach and return coupon with payment

Premiere Vacation Collection Owners Association, Inc.
Assessment Fee Department
10600 West Charleston Boulevard
Las Vegas, NV 89135-1014

2014 Assessment Fee

Account #: 1554010
Due Date: Jan 1, 2014
Statement Date: Nov 26, 2013
Amount Due: \$9853.18



DIAMOND RESORTS
INTERNATIONAL

Make Check Payable to:

Premiere Vacation Collection
Owners Association, Inc.
PO Box 863596
Orlando, FL 32886-3596



DR_CLUB » 0 0 0 1 7 7
Norman Zwicky T5 P1
18811 N 13th Ave
Phoenix AZ 85027-5503

850000155401009853186

IMPORTANT MEMBER INFORMATION

FREQUENTLY ASKED ASSESSMENT FEE QUESTIONS

Q.1. What are assessment fees and who determines them?

A.1. Assessment fees are made up of three components.

Premiere Club Connection Fee. This is the fee for being a member of the Premiere Club Connection and covers all the services required to operate and provide the benefits of the Premiere Club Connection, such as administrative and operational services, member publications and collateral materials, as well as audit fees. The Premiere Club Connection fee is the same for every member irrespective of how many points the member owns, and allows everyone to enjoy a wider selection of resorts and benefits.

Base Standard Assessment. This fee, which covers the fixed costs to operate the Collection, is paid equally by all members regardless of the number of points they own. It is determined by the Association's board of directors.

Point Standard Assessment. This fee encompasses the expenses to operate, maintain and refurbish the resorts in the Collection, as well as variable costs incurred by the Association. The board of directors of each resort in the Collection creates an annual budget that estimates the expenses to operate the resort. These expenses are apportioned across all owners and therefore the charge to the Collection is dependent on the amount of inventory that the Collection owns at that resort. This process is completed for all the resorts in the Collection and the total is divided by the number of points in the Collection.

Q.2. When are assessment fees billed and when are they due?

A.2. Assessment fees are billed by November for the following year and are due before January 1. If you don't receive a bill, it is up to you to request it. Please refer to the enclosed copy of your Association's Assessment Billing and Collection Policy for more information or log on to DiamondResorts.com for more information.

Q.3. How do I pay my assessment fees?

A.3. There are a number of options to pay your fees:

1. Mail your check and payment coupon in the enclosed envelope. **Please note:** When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.
2. Log in to your member account on DiamondResorts.com, and click on Accounts to pay by electronic debit or credit card.
3. Call 1.877.DRI.CLUB (1.877.374.2582) and pay by credit card by using our fully automated payment service available 24 hours a day.

Q.4. Can I pay my assessment fees at a resort?

A.4. Payments cannot be accepted at any resort.

Q.5. Can I pay my assessment fees in installments?

A.5. Yes, you can prepay your fees in any number of installments between now and December, as long as the entire balance is paid before January 1. You may also prepay your 2015 fees in installments. Log on to DiamondResorts.com to schedule your payments through the EFT option or by credit card.

Q.6. If I don't use my points this year, do I have to pay the assessment fees and dues for the Premiere Vacation Collection and Club Connection?

A.6. Yes, all members must pay their fees regardless of whether or not they use or save their points.

Q.7. What happens if I do not pay my assessment fees before they are due?

A.7. Non-payment of assessment fees could result in forfeiture of your membership. Collection and recovery charges may be added to your account for non-payment of fees. Please refer to the enclosed copy of your Association's Assessment Billing and Collection Policy for more information.

Q.8. What if I have a question about my mortgage?

A.8. If you financed through Diamond Resorts International®, all questions concerning your mortgage (i.e. interest, monthly payments, coupon books, balance and pay-off amounts, or interest 1098s) should be directed to 1.877.DRI.CLUB (1.877.374.2582) (U.S. calls). Otherwise, please refer to your coupon book to determine your mortgage company.

Q.9. What is the "ARDA-ROC PAC" assessment for? Do I have to pay it and is it part of the assessment fee?

A.9. ARDA's political arm, ARDA-ROC PAC (American Resort Development Association Resort Owners Coalition Political Action Committee), enables owners to engage government officials at all levels in constructive, ongoing dialogue and to participate in policy decisions affecting their vacation ownership experience. Year after year, timeshare owners are targeted by federal, state and local lawmakers searching for various ways to raise revenue, and this committee is dedicated to protecting your economic interests. ARDA-ROC PAC contributions are political contributions not deductible for federal income tax purposes. You may refuse to contribute or contribute more or less without reprisal or otherwise affecting your membership. Only U.S. citizens or permanent resident aliens (green card holders) may contribute to ARDA-ROC PAC.

Mailing Address / Phone Updates

Please return to: **Premiere Vacation Collection Owners Association, Inc.**

10600 West Charleston Boulevard
Las Vegas, Nevada 89135-1014

Print only the information that requires a change.

Address Line 1: _____

Address Line 2: _____

City: _____ State: _____ Zip: _____

E-mail: _____

Home Phone: _____

Work Phone: _____

Fall 2013

Dear Premiere Vacation Collection Member,

As 2013 begins to draw to a close, your Board of Directors hopes this letter finds you and your family well and looking forward to your next vacation. We would like to take this opportunity to discuss some of the exciting things that will be happening at the resorts within your Collection in 2014.

Maintenance Fees

The Premiere Vacation Collection holds inventory at 13 resorts across the Continental U.S. and México. The Board of Directors of each resort's association meets annually to create a budget for the upcoming year. The boards review the actual year-to-date expenses to operate the resorts and then forecast the operating costs for the upcoming year by making assumptions about changes—increases and decreases—in those expenses. The boards also determine what amount should be contributed to the resorts' reserve funds for future refurbishments, repairs and replacements. These costs are then apportioned across all members and therefore, the fees billed to your Collection are dependent on the amount of inventory that PVC owns at each resort.

Enclosed is a copy of our Association's 2014 budget; there is an increase in your 2014 maintenance fees, the amount of which is dependent upon your membership type. Operationally we are seeing an increase in health insurance costs, employee wages, contract services, property insurance, etc. There will be approximately \$6,500,000 invested in property improvements at the resorts within your Collection. We recommend you visit your Association's website at DiamondResortsHOA.com. Here you will find information on your Association, details of board meetings, audited financials, etc.

- Golden Eagle Resort – furniture replacement and new entrance walkway
- Los Abrigados Resort & Spa – furniture replacement in select buildings
- Kohl's Ranch Lodge – 300 Cabin Series refurbishments
- Varsity Clubs of America – South Bend – carpet and tile replacement, and new granite countertops
- Varsity Clubs of America – Tucson – room renovation: 17 one-bedrooms and 3 two-bedrooms
- Bell Rock Inn – studio floor refinishing
- PVC at The Roundhouse Resort – replacement of flooring in all cabins
- Sea of Cortez Beach Club – installation of new phone system
- Rancho Mañana Resort – repair roofs, stucco, and paint half of the buildings

Payment Information

Please remember that payment is due January 1, 2014. If you prepaid your 2014 assessment fee based on the 2013 rate, the incremental increase is also due by January 1, 2014. Please see the enclosed Assessment, Billing and Collection Policy for additional information on late fees and interest. We encourage you to send payment by check in the enclosed envelope or use the electronic debit (EFT) feature available at DiamondResorts.com because payments made by check or EFT save money for our Association. For more information on how to pay your bill, please refer to the Frequently Asked Questions on the back of your statement, call 1.877.DRI.CLUB (1.877.374.2582) or e-mail BillingHelp@diamondresorts.com.

Sincerely,

Board of Directors
Premiere Vacation Collection Owners Association, Inc.

PREMIERE VACATION COLLECTION OWNERS ASSOCIATION, INC.
2014 ASSESSMENT BILLING AND COLLECTION POLICY

The following was adopted by the Board of Directors on October 14, 2013.

Annual Assessment Billing

The annual assessment notice for the next year's assessment will be sent on or before **December 15**. Assessments are due regardless of whether the billing notice is actually received. If the assessment notice is not received, it does not relieve the member's payment obligation. It is the member's responsibility to request the assessment notice if not received, and to notify the Association of any address change. A late fee notice will be sent, but **no additional notices will be sent prior to recovery efforts** in accordance with the Membership Plan, as amended.

January 1—Payment is Due

A \$30.00 charge will be added to the member's account for any payment that is not honored, regardless of reason. If the assessment is not paid in full by **January 1**, the account becomes delinquent. The following charges will be added to all delinquent accounts on **January 2**:

1. An interest charge of 18% per annum from the due date, which will continue to accrue until the account is paid in full; and
2. An administrative late fee equal to the larger of \$10.00 or 10% of the amount due for each payment that is delinquent.

February 1—Suspension of Use Rights

1. Reservation requests will not be accepted and a member may suffer suspension of use rights;
2. Previously confirmed exchanges or use rights may be cancelled and an exchange (deposit or confirmation) cancellation fee of \$25.00, if applicable, will be imposed;
3. If full payment is received after March 1, there is no guarantee that the member will be able to receive a confirmed reservation or exchange at that time.

Use rights revoked because of delinquencies may be used by the Association and the net proceeds therefrom may be utilized by the Association for collection costs.

March 1—Board Action

The Board of Directors may authorize any necessary actions to collect outstanding assessments. Actions may include but are not limited to the following:

1. determination of whether to send delinquent accounts to an attorney, which will result in additional collection and legal fees
2. engagement of professional collection agency
3. initiation of small claims suit or legal action

All related costs for the above will be added to the delinquent member's account.

January 1, 2015—NOTICE OF DELINQUENCY AND FORECLOSURE

The Board of Directors will/may send a Notice of Delinquency and Foreclosure to the owner pursuant to Arizona Revised Statutes Section 33-2211. If the delinquency is not cured within 30 days of mailing the Notice of Delinquency and Foreclosure, the Board will/may commence foreclosure proceedings. All related costs will be added to the delinquent owner's account.

**Premiere Vacation Collection Owners Association, Inc.
2014 Budget**

Revenues		
Assessment Revenue - Owners	\$	20,663,281
Assessment Revenue - Developer(A)		8,899,536
Other Income		218,000
		29,780,817
Total Revenues		29,780,817
Expenses		
Maintenance Fee Obligation		23,001,833
Management Fees		3,682,648
Bad Debt Expense		5,165,820
Developer Delinquency Contribution		(3,099,492)
Assessment, Billing & Accounting Fees		886,159
General & Administrative		343,849
		29,980,817
Total Expenses		29,980,817
Surplus/(Deficit)		(200,000)
Fund Balance/(Deficit), prior years		466,847
Proj. Fund Balance/(Deficit), end of year		\$ 266,847

Points Values	2014 Assessments			
	0-3500	3501-6000	6001-8500	8501+
Base Standard Assessment	\$ 400.00	\$ 360.00	\$ 360.00	\$ 275.00
Point Standard Assessment	\$ 0.13293	\$ 0.13293	\$ 0.13293	\$ 0.13293
Premiere Club Connection	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00

Points Values	2014 Assessments - Every Other Year			
	0-3500	3501-6000	6001-8500	8501+
Base Standard Assessment	\$ 200.00	\$ 180.00	\$ 180.00	\$ 137.50
Point Standard Assessment	\$ 0.13293	\$ 0.13293	\$ 0.13293	\$ 0.13293
Premiere Club Connection	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00

Premiere Club Connection Dues are provided for informational purposes only. They are not part of the assessments, but are fees associated with Premiere Club Connection

Books and records of the Association are currently being maintained at 10600 W. Charleston Blvd., Las Vegas, NV 89135.

EXHIBIT D

LAW OFFICES
PHELPS LAW GROUP
Professional Limited Liability Company

Street Address:
4045 East Union Hills Drive
Suite A-104
Phoenix, Arizona 85050

JON L. PHELPS
Phone (602) 788-2089
Fax (602) 663-9050
jon@rplawaz.com

April 16, 2013

RECEIVED

04/22/13

Sent via email and U.S. mail

Diamond Resorts International
Attn.: Legal Department
10600 W. Charleston Blvd.
Las Vegas, NV 89135

BY _____
Initial _____

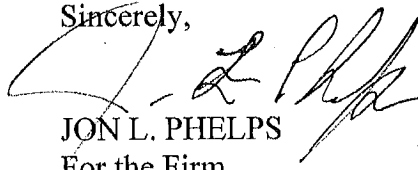
Norman Zwicky: Contract No. 51141; Membership No.: 1554010

To Whom It May Concern:

I represent Norman Zwicky in the above-referenced matter. Mr. Zwicky purchased a vacation club membership timeshare package with ILX Resorts, the predecessor to your company, Diamond Resorts International. As other members have noted, since Diamond Resorts International has assumed (presumably) the contracts originated with ILX Resorts, members have seen substantial increases in their fees.

On behalf of my client, and pursuant to Provision 7 of the Purchase Agreement, I request that within fifteen days of receipt of this letter, you send to my office the following documents and subsequent, corresponding amended documents: (1) Member Plans; (2) Articles of Incorporation; (3) Bylaws; and (4) Rules and Regulations. Please send the requested documents to the address listed above.

Sincerely,



JON L. PHELPS
For the Firm

JLP/jjt

Y:\JLP\Zwicky, Norman\Correspondence\Corr. Diamond Resorts Legal 001 4.16.13.doc

EXHIBIT E



DIAMOND RESORTS
INTERNATIONALSM

tara.young@diamondresorts.com

Tel: 702.823.7315 | Fax: 702.684.8710

May 1, 2013

VIA FEDERAL EXPRESS

Jon L. Phelps
Phelps Law Group
4045 East Union Hills Drive, suite A-104
Phoenix, Arizona

**Re: Norman Zwicky / Contract No. 51141 / Membership No. 1554010
(Our File No.: 13-121)**

Dear Mr. Phelps:

We are in receipt of your letter dated April 16, 2013. Per your request, attached please find copies of the following documents:

- Second Amended and Restated Premiere Vacation Collection Membership Plan
- Articles of Incorporation
- Bylaws
- Second Amended and Restated Rules and Regulations of Premiere Vacations Collection Owners Association, Inc.

Sincerely yours,

Tara Young, PR2
Tara Young
Vice President – Legal
Corporate Headquarters

TY/pr
Enclosure(s)

WHEN RECORDED, PLEASE RETURN TO:
ILX ACQUISITION, INC.
ATTENTION CLUB MANAGER
10615 Park Run Drive
Las Vegas, NV 89144.

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20101029760 11/24/2010 11:18
ELECTRONIC RECORDING

2461053A-96-1-1-- ,N

**SECOND AMENDED AND RESTATED
PREMIERE VACATION COLLECTION
MEMBERSHIP PLAN**

THIS SECOND AMENDED AND RESTATED PREMIERE VACATION COLLECTION MEMBERSHIP PLAN (this "Plan") is executed and effective as of the 8th day of November, 2010 (the "Effective Date"), pursuant to the Original Membership Plan described in Recital "A" below by ILX Acquisition, Inc., a Delaware corporation ("Seller"), as assignee of those certain Assignors defined in Recital "B" below, and the Board of Directors for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation (the "Board" and together with Seller, the "Parties"). Unless context suggest otherwise, all capitalized terms have the meanings given them in Article I below.

RECITALS

A. The Premiere Vacation Club Membership Plan (Restated) recorded in the Official Records of Maricopa County, Arizona on February 15, 2008 as Instrument No. 2008-0133225, as amended by that certain First Amendment to Premiere Vacation Club Membership Plan (Restated) recorded in the Official Records of Maricopa County, Arizona on NOVEMBER 24, 2010 as Instrument No. 2010-1029162 (collectively referenced the "Original Membership Plan"), amended all other membership plans and related documents referenced therein. The Original Membership Plan created the multi-site vacation ownership membership program previously known as the "Premiere Vacation Club," which Club is now known as the Premiere Vacation Collection, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

B. ILX Resorts Incorporated, an Arizona corporation (f/k/a International Leisure Enterprises, Inc.), ILE Sedona Incorporated, an Arizona corporation, Premiere Development Incorporated, an Arizona corporation, Los Abrigados Partners Limited Partnership, an Arizona limited partnership, VCA Tucson Incorporated, an Arizona corporation, and VCA South Bend Incorporated, an Arizona corporation (collectively, "Assignors") and Seller, as "Assignee," Recorded on September 2, 2010, in the Official Records of the Maricopa County, Arizona Recorder as Instrument No. 20100761955; and Recorded on September 3, 2010 in the Official Records of the Coconino County, Arizona Recorder as Instrument No. 3572888, in the Official Records of the Maricopa County, Arizona Recorder as Instrument No. 20100766541, and in the Official Records of the Pima County, Arizona Recorder as Docket No. 13887, at Page 5012,

Instrument No. 20101710803; and on September 7, 2010 Recorded in the Official Records of the Gila County, Arizona Recorder as Instrument No. 2010-009842 that certain Absolute Assignment of Declarant Rights ("**Assignment**") wherein Assignors assigned, transferred, conveyed and set over to Assignee all of Assignors' rights, title and interest as "Declarant" and/or "Seller" or in any other capacity, in and to or arising out of and related to the Original Membership Plan and the other Membership Plans defined therein.

C. The Original Membership Plan in its entirety is attached hereto as Exhibits B and C, which are incorporated herein by this reference. This Plan, together with those certain portions of the Original Membership Plan which are not in direct conflict with this Plan, amends, restates and supersedes the Original Membership Plan. Upon recording of this Plan, the terms and provisions of the Original Membership Plan that conflict with the intent of this Plan shall be and are hereby terminated. In the event of any disagreement or uncertainty as to which of the provisions of the Original Membership Plan conflict with the intent and provisions of this Plan, Seller, so long as it has any rights of Seller hereunder and under the Original Membership Plan (collectively referenced "**Seller Rights**"), and thereafter the Board, shall have the sole and exclusive power to make such determination, and Seller's or the Board's determination shall be conclusive, final and unappealable. It is expressly agreed, understood and acknowledged by the Parties that pursuant to the Original Membership Plan, all Seller Rights concerning the Collection reserved to Seller in the Original Membership Plan, including without limitation those certain rights described in Article VII therein, are hereby incorporated and reserved to Seller with respect to this Plan. The exercise of Seller Rights concerning the Collection shall be governed by this Plan and by the same terms and provisions set forth in the Original Membership Plan regarding the exercise of Seller Rights.

D. Pursuant to Section 2.01 of the Original Membership Plan, Assignors reserved the unilateral right to create and offer other types of membership in the Association with such rights and obligations as it may determine in its sole discretion without the need for any Member's consent, or the approval of the Board, or any other third party. Seller as Assignee and holder of all Declarant Rights defined in the Assignment, now desires to exercise its unilateral right to amend the Original Membership Plan as required by Section 2.01 of the Original Membership Plan in order to create a new class of Memberships consisting of Points as further detailed herein ("**Points Membership**"). Furthermore, pursuant to Section 7.02 of the Original Membership Plan, Assignors reserved the unilateral right to convert the structure of the Membership program to an alternate format, such as a flexible point system or other program selected by Assignors without the need for any Member's consent, or the approval of the Board, or any other third party. Seller as Assignee and holder of all Declarant Rights defined in the Assignment, now desires to exercise its unilateral right to amend and restate the Original Membership Plan as required by Section 7.02 of the Original Membership Plan in order to effectuate the conversion of the Premiere Vacation Club to a flexible points-based program.

E. This Plan converts the existing vacation membership program under the Original Membership Plan to a point system and outlines the privileges and procedures for operation of the membership program. As set forth above, Seller has the unilateral right to effectuate such conversion pursuant to the Original Membership Plan as the assignee of the Assignors. The Board has joined in the execution of this Plan as required by Section 7.02 of the Original

Membership Plan solely to amend those certain sections of this Plan subject to a Board vote and not otherwise unilaterally amended by Seller.

F. Pursuant to Section 8.01(c) of the Original Membership Plan, the Board, acting on behalf of the Members, has made other such revisions as it deems beneficial to the Members in its discretion and in order to facilitate Seller's conversion to a points-based program.

G. It is the intent of Seller and the Board to distinguish between the Premiere Vacation Club established by the Original Membership Plan and the new points-based program established by this Plan. Accordingly, the current Premiere Vacation Club shall henceforth be known as the Premiere Vacation Collection (referred to herein as the "**Collection**").

H. Seller intends to convey or has caused to be conveyed, and may in the future convey or cause to be conveyed, to the Premiere Vacation Collection Owners Association, Inc., ("**Association**") specific interval ownership interests or other types of real property interests ("**Resort Interests**") in one or more resort properties ("**Component Sites**") to be owned or leased by Association on behalf of and for the benefit of Association and its Members. The Resort Interests initially conveyed to Association, and any subsequently conveyed to Association are described in one or more separate Recorded documents entitled "Declaration of Annexation".

I. Prior to each such conveyance of Resort Interests, Seller will assign values denominated in units known as "**Points**" to the subject Resort Interests based on various factors, including supply and demand, unit size, location and time of year, as well as by comparing each Resort Interest with other Resort Interests. Immediately upon the conveyance of any Resort Interests to Association and the annexation of such Resort Interests into this Plan by recordation of a Declaration of Annexation, Association shall, in accordance with the terms of this Plan, issue a bulk membership in Association (herein referred to as a "**Bulk Membership**" and more particularly described below) to Seller. Each Bulk Membership will have ascribed to it an aggregate number of Points quantifying the cumulative rights of Seller, as the owner of such Bulk Membership, to the use and occupancy of the Collection Accommodations in accordance with this Plan. Upon the subsequent sale of an individual membership in the Collection (herein referred to as a "**Membership**" and more particularly described below) by Seller, Seller will assign a specified number of Points from the related Bulk Membership to the Membership, in accordance with this Plan, and will promptly notify Association regarding such sale and assignment so that Association can reflect the same in its official records. Unless the specific context requires another construction, any reference to "Membership" herein shall include and apply to any Bulk Membership.

J. Under the Original Membership Plan, Members received either a Deed or Leasehold Assignment evidencing their Membership. Pursuant to the terms of this Plan, such Members who purchased their Membership under the Original Membership Plan will have a specified number of Points allocated to their Membership based on the categories of Memberships owned, such that those Members shall be entitled to reasonably comparable rights and privileges afforded to such Members immediately prior to the conversion to this Points program. As of the Effective Date, Association and Seller will not issue any Deeds or Leasehold Assignments to individual Members. Rather, from and after the Effective Date all new Members will be issued a Points Certificate by the Association evidencing their Membership in the

Collection. Because all Members, whether they purchased prior to the Effective Date or after the Effective Date will have a specified number of Points allocated to their respective Memberships, their voting rights, assessment obligations and reservation privileges and all other aspects of the Membership program will be calculated based on Points.

K. Seller and Association acknowledge that conversion of the Collection to Points under this Plan may take some time to implement. Accordingly, to the extent it is not feasible or practical to convert certain elements of the Membership program to Points as of the Effective Date, Seller and Association reserve a transition period until December 31, 2011 to convert all operations of the Collection to a Points system. Seller and Association further acknowledge that there are certain provisions and elements of the Original Membership Plan which remain intact after the Effective Date. To the extent there are any provisions in the Original Membership Plan which do not conflict or are not inconsistent with this Plan, such provisions of the Original Membership Plan shall govern and supplement this Plan.

L. Seller shall be exclusively entitled to offer and sell the Memberships all as more particularly provided herein, the proceeds from the sale of such Memberships belonging solely to Seller. Provided, however, that Association shall retain legal record title to such Resort Interests and Memberships in trust for the use and benefit of Seller in connection with the matters described herein and Association shall issue Memberships directly to purchasers designated by Seller. Association hereby reserves and grants to Seller those certain continuing rights with respect to the Resort Interests deeded to Association by Seller, in perpetuity for deeded Resort Interests and for the term of the leasehold interest for leased Resort Interests as described hereinafter, including but not limited to, the right to utilize and rent unused or unsold Resort Interests and unoccupied Collection Accommodations and otherwise conduct hotel or other operations with respect to the Resort Interests and Collection Accommodations.

M. In sum, this Plan has been created to establish a common plan based on Points for the use, enjoyment, management and operation of the Resort Interests, Memberships and Collection Accommodations. In furtherance thereof, Seller and Association declare that the Resort Interests, Memberships and Collection Accommodations shall be held, transferred, sold, conveyed, encumbered, leased, used and occupied subject to the limitations, covenants, conditions, restrictions, liens, assessments, easements, licenses, privileges, rights, rules and regulations ("Covenants") set forth in, or created by authority of, this Plan, as this Plan may be amended from time to time. All such Covenants shall be binding upon and for the benefit of Association, each Member thereof, Seller and any party having or acquiring any right, title, interest or estate in the Resort Interests, Deeds and Memberships evidenced therein. The Covenants shall be enforceable equitable servitudes and shall run with the land.

NOW, THEREFORE, the Parties hereby declare, covenant and agree that each of the Recitals A through M is incorporated into and made a part of this Plan for all purposes and further declare, covenant and agree as follows:

ARTICLE I DEFINITIONS

Capitalized terms used in this Plan shall have the meanings set forth in this Article I, unless the context otherwise requires or otherwise expressly provides. Certain terms in the Original Membership Plan are hereby expressly amended as further outlined below. To the extent any of the definitions in this Article I are inconsistent with the same terms defined in the Original Membership Plan, those definitions are hereby amended to be consistent with the definitions set forth herein.

1.1 "Articles" means the articles of incorporation of Association, as the same may be amended from time to time.

1.2 "Assessments" means any amount that, from time to time, is levied by the Board upon one (1) or more Members, including, but not limited to, Capital Assessments, Special Assessments, and Personal Charges which a Member is required to pay, which will include any assessments made pursuant to Component Site Instruments.

1.3 "Association" means Premiere Vacation Collection Owners Association, Inc., an Arizona nonprofit corporation, being the organization of persons who own Memberships in Association, together with its successors and assigns.

1.4 "Blanket Lien" means any encumbrance on title to a Component Site (a) that secures or evidences the obligation to pay money or to sell or transfer such Component Site or an interest therein; and (b) that authorizes, permits or requires the holder of such encumbrance to foreclose and sell, or to cause the loss of use of, the Component Site or an interest therein or subject thereto (such as a mortgage, option to purchase or a judgment). The following shall not be deemed to be Blanket Liens: (i) lien of real estate taxes or other taxes and assessments levied by public authority that are not yet due and payable; (ii) the lien of assessments charged under Collection Instruments, the External Exchange Program Instruments or the Component Site Instruments that are not yet due and payable; and (iii) the lease of a single Collection Accommodation or of a Component Site, which lease is assigned or transferred to Association and constitutes the principal basis for the use rights to be exercised by Members in such Collection Accommodation or Component Site.

1.5 "Board" means the board of directors of Association.

1.6 "Bylaws" means the bylaws of Association, as the same may be amended from time to time.

1.7 "Calendar Year" means the one year period commencing on January 1 of each year and ending on December 31.

1.8 "Capital Assessment" means a charge against each Member (other than Seller) and such Member's Membership which the Board may approve from time to time, representing the cost to Association for purchase, lease, installation, construction or reconstruction of any capital improvements for the benefit of Association, or for any other item for which sufficient funds are otherwise unavailable.

1.9 "Check-In-Time" and "Check-Out-Time" mean such times as may be designated as such in the then current rules and regulations for a particular Component Site.

1.10 "Collection" has the meaning assigned to it in Recital E.

1.11 "Collection Accommodation" means the accommodations, where such accommodations are an apartment, condominium, home, villa, cooperative unit, cabin, lodge, hotel or motel room, or any other private or commercial structure or facility forming part of a parcel of real property, in which Association owns one or more Resort Interests for the benefit of Association and its Members. The definition of Unit in the Original Membership Plan is replaced with this definition of Collection Accommodation and all references in the Original Membership Plan to "Unit" shall be replaced with "Collection Accommodation."

1.12 "Collection Instruments" means this Plan, the Articles, the Bylaws, the Rules and Regulations, the Purchase Agreement, a deed if a Membership was purchased prior to the Effective Date, the Owners Understanding and Acknowledgment, the Points Certificate and any other documents executed concurrently or in connection with the Purchase Agreement, and, where applicable, any Component Site Instruments. The definition of Membership Documents in Article I of the Original Membership Plan is replaced with this definition of Collection Instruments and all references in the Original Membership Plan to "Membership Documents" shall be replaced with "Collection Instruments."

1.13 "Common Expenses" means the actual and estimated costs of operating and managing Association and its property including, but not limited to: Assessments, Association administrative costs, taxes, insurance, utilities, reserves, legal fees and accounting fees; the annual maintenance fees or dues and other costs of ownership of the Resort Interests and any Common Furnishings.

1.14 "Component Site" means a resort or other location at which at least one (1) Resort Interest and Collection Accommodation is located. The definition of Timeshare Resort in the Original Membership Plan is replaced with this definition of Component Site and all references in the Original Membership Plan to "Timeshare Resort" shall be replaced with "Component Site."

1.15 "Component Site Instruments" means the written instrument(s) pursuant to which any of the Resort Interests or Collection Accommodations were legally created or presently exist and/or which provide for the management, operation, maintenance, use and enjoyment of any of the Component Sites by the common owners thereof and which establishes benefits and burdens running with, and/or equitable servitudes upon, such property. The definition of Underlying Plan in Article I of the Original Membership Plan is replaced with this definition of Component Site Instruments and all references in the Original Membership Plan to "Underlying Plan" shall be replaced with "Component Site Instruments."

1.16 "Exchange Program" means such service (if any) provided by any one or more external exchange companies as may, from time to time, be selected by Association and Seller, whereby Members, for a fee, may exchange Occupancy Periods for comparable use privileges in other projects in an exchange company network.

1.17 “Exchange User” means an owner of an interval in an unrelated timeshare project who temporarily possesses the occupancy and use rights of a Member pursuant to an Exchange Program.

1.18 “Lender” means any financial institution, that may from time to time provide financing to Seller for Resort Interests or unpaid Membership contracts.

1.19 “Manager” means the person or entity, its successors and assigns, engaged from time to time by Association to undertake the duties, responsibilities, and obligations of managing the Collection and Association, pursuant to the then-effective management agreement.

1.20 “Membership Share” means that fraction assigned to each Membership wherein the numerator is equal to the total number of Points assigned to the Membership and the denominator is equal to the total number of Points, of all types, that exist from time to time. The Membership Share will determine, or will be used to calculate, as the case may be, the Member’s voting rights and the amount of the Assessments for which such Member is liable.

1.21 “Minimum Points Threshold” has the meaning assigned to it in Section 4.6 below.

1.22 “Non-Disturbance Agreement” means a recorded agreement signed by the holder of a Blanket Lien which states that the holder shall not disturb or interfere with the rights of Members who are in good standing under: (i) the Plan, (ii) the purchase agreement by which such Member purchased a Membership, and (iii) any deeds of trust recorded against such Membership (“Member in Good Standing”) to use the Resort Interests in accordance with the terms and provisions of the Plan, and further states: (a) that the holder subordinate its rights to the rights of the Members in Good Standing as described in the Plan; (b) holder and any successor or assign, or any person who acquires any Resort Interests through foreclosure or by deed in lieu of foreclosure or in fulfillment of the Blanket Lien shall take the Resort Interests subject to the Plan; and (c) the holder and any successor acquiring any Resort Interests under a Blanket Lien may not use or cause the Resort Interests to be used in a manner which would negatively impact the rights of Members in Good Standing to use and occupy the Collection Accommodations in a manner contemplated by the Plan, as amended, and other Collection Instruments.

1.23 “Occupancy Period” means that number of Days during which a Member may reserve the use of a Collection Accommodation in one or more Component Sites in accordance with the provisions of the Collection Instruments.

1.24 “Occupancy Right” means the maximum number of persons who are permitted to occupy a Collection Accommodation during a Member’s Occupancy Period and otherwise share in the use rights of a Membership as specified for each type of Membership. Association shall be permitted to deviate from the Occupancy Right in its discretion.

1.25 “Occupancy Year” means each Calendar Year during which a Member is entitled to occupy a Collection Accommodation pursuant to the terms hereof. Association may designate another period as constituting the Occupancy Year.

1.26 "Owner's Understanding and Acknowledgement" means the document executed by Seller and the person named therein as "Buyer" summarizing some of the more significant rights and obligations associated with a Membership.

1.27 "Permitted User" means any person, other than a Member, an Exchange User or a hotel guest, occupying a Collection Accommodation or otherwise using a Component Site with or in lieu of, but with the permission of, any Member, such as such Member's family, guests, employees, licensees or invitees. Any act or omission by a Permitted User shall be deemed the act or omission of the Member under whom such Permitted User occupies or uses.

1.28 "Personal Charges" means a charge against a particular Member and such Member's Membership equal to: (a) any and all charges attributable to or incurred by a Member or a Permitted User during the use of a Collection Accommodation or Component Site; (b) the cost incurred by Association for any corrective action performed pursuant to the provisions of this Plan; or (c) a reasonable fine or penalty assessed by Association, plus interest and other charges thereon as provided for in this Plan.

1.29 "Plan" means this instrument, together with those certain portions of the Original Membership Plan attached hereto as Exhibits B and C that are not otherwise in direct conflict with this Plan as Seller shall determine in its sole and subjective discretion so long as it holds any Seller Rights, and thereafter determined by the Board, as the same may be further amended from time to time.

1.30 "Points" means the currency of use within the Collection through which Members reserve the use and occupancy of Collection Accommodations in accordance with the Collection Instruments, with a specific number and type of Points being ascribed to each Membership.

1.31 "Points Certificate" means the certificate issued by Association to a Member naming that person(s) as a Member and specifying the number and type of Points held by that Member.

1.32 "Purchase Agreement" means the purchase agreement between Seller and the person named therein as "Buyer" providing for the sale by Seller and the purchase by Buyer of one or more Memberships.

1.33 "Register of Members" means the official register of the then current Members of Association, including each Member's name, address, telephone number and other information, as kept by the Secretary of Association.

1.34 "Recordation," "Recorded" or "Recording" means an appropriate official recording with a County Recorder in a county in the State of Arizona, or an equivalent official in any other state or country, for the official recording of real estate records, membership plans or other documents.

1.35 "Rules and Regulations" means the rules and regulations of Association, including and subject to any applicable rules and regulations as to any particular Component Site and the Collection Accommodations at such resort, all as the same may be amended from time to time.

1.36 "Security Interest" has the meaning as provided in the Uniform Commercial Code as adopted in the applicable State or for jurisdictions outside of the United States of America, as provided in any applicable law.

1.37 "Seller" means the Delaware corporation identified as Seller in the first paragraph of this Plan and its successors and assigns, or any designated affiliate or subsidiary thereof and their successors and assigns.

1.38 "Special Assessment" means an Assessment levied by the Board upon Members as provided in Section 5.06 of the Original Membership Plan.

1.39 "Term Points" means Points attributable to Resort Interests that will be available for a defined term.

1.40 "Total Authorized Voting Membership Shares" means the total number of Points, of all types, ascribed to all Memberships, of any Membership category.

ARTICLE II PURPOSES AND EFFECT OF THIS PLAN

2.1 Purpose and Effect. By signing and recording this Plan, Seller and Association hereby:

2.1.1 Convert the structure of the Membership program to an alternate Points based system;

2.1.2 Amend and restate the Original Membership Plan to permit the sale of Points in the Collection by allocating a specified number of Points to each Membership sold by Seller after the Effective Date;

2.1.3 Assign Point values to those Memberships which were sold prior to the Effective Date, such that the Membership Share and all use rights, voting privileges and assessment obligations associated with those Memberships are calculated using the number and type of Points owned;

2.1.4 Retain those provisions in the Original Membership Plan which are not expressly or constructively terminated, amended or restated by this Plan as Seller shall determine in its sole and subjective discretion so long as it has any Seller Rights, and thereafter as determined by the Board; and

2.1.5 Confirm that existing Members who received either a Deed or Leasehold Assignment evidencing the Membership shall be entitled to the number of Points necessary under the Rules and Regulations relating to the reservation process which permits them to retain reasonably comparable rights and privileges after this conversion as such Members enjoyed immediately prior to the Effective Date.

ARTICLE III
TITLE, MEMBERSHIP AND VOTING

3.1 Transfer to Association. As contemplated by and in continued accordance with the Original Membership Plan, Seller will cause or has caused certain Resort Interests to be transferred to Association, free and clear of all Blanket Liens or with a Non-Disturbance Agreement in place with respect to any Blanket Lien that continues to encumber such Resort Interests, to be held by the Association for the use and benefit of the Members. It is the intention of the Parties that a short memorandum or notice of this Plan shall be recorded in the county in which a Resort Interest is located, together with a listing of only the respective Resort Interests located in such county as an Exhibit thereto.

3.2 Effect of Transfer to the Association. As also contemplated by and in continued accordance with the Original Membership Plan, the terms of this Plan (as amended from time to time) shall apply to all Resort Interests conveyed to the Association. Upon the transfer of initial or additional Resort Interests to the Association, such Resort Interests shall be deemed part of the Collection and shall be subject to the terms of this Plan and the other Collection Instruments, subject to all Seller Rights including without limitation the Seller Rights identified in Article VII of the Original Membership Plan. Seller reserves the unilateral right to require an officer of the Association to execute and record one or more instruments from time to time to evidence the Seller Rights. Notwithstanding any provision of the Collection Instruments to the contrary, for so long as Seller holds for sale in the ordinary course of its business one (1) or more Memberships, the Association shall not take any action which would be detrimental to the sale by Seller of Memberships.

3.3 Memberships. In return for transferring Resort Interests to the Association, and as provided in the Original Membership Plan, (a) the Association will cause the related Bulk Memberships to be registered in the name of any Person(s) so instructed by Seller or its affiliates in accordance with the Collection Instruments and (b) notwithstanding any amendment to any of the Collection Instruments to the contrary, Seller alone will have the right to sell Memberships and to receive amounts paid for such Memberships in accordance with and as contemplated by the Original Membership Plan. As further described in the Original Membership Plan, any Person who is entered into the Register of Members at the instruction of Seller shall automatically become a Member of the Association in accordance with the provisions of the Collection Instruments and shall be issued a Points Certificate. Regardless of whether or not there has been any entry into the Register of Members with respect to Points available for sale by Seller, Seller shall be deemed to be a Member of the Association based on its Bulk Membership and its related Points.

3.4 Voting. The voting power assigned to each Membership is based on the Membership Share, wherein the numerator is equal to the total number of Points assigned to the Membership and the denominator is equal to the total number of Points, of all types, that exist from time to time (the "**Total Authorized Voting Membership Shares**"). Recognizing that the Membership Share will be calculated based on the number of Points assigned to each Membership, all other provisions in the Original Membership Plan which govern voting continue in full force and effect. By way of example and not limitation, Section 3.03 of the Original Membership Plan remains in effect and provides that until such time as 95% of the Total

Authorized Voting Membership Shares in the Collection (including those held for sale by Seller and its affiliates) have been sold by Seller and its affiliates, Seller shall be entitled to cast a number of votes equal to Seller's total Membership Share for all Memberships held by Seller and its affiliates (including those held for sale by Seller and its affiliates) multiplied by nine (9). For each Membership, the Primary Member shall be the only Person entitled to vote in respect of such Membership.

3.5 Register of Members. The Association shall cause to be maintained the Register of Members in accordance with the Original Membership Plan, which shall identify for each Membership sold by Seller from time to time the name, address, number of Points, type of Points and Primary Member. The Register of Members may be maintained in paper or electronic format. Notwithstanding anything in any of the Collection Instruments to the contrary, the Register of Members shall be the definitive list for purposes of determining those Members entitled to notice of meetings of Members and to vote on matters which are to be determined by the Members, as well as those Members entitled to distribution of funds upon any termination or liquidation of the Collection in accordance with the Collection Instruments.

3.6 Assessments and Special Assessments. Each Member, other than Seller, shall pay all Assessments levied by the Association, through the Board, for each Membership owned in accordance with the Collection Instruments. Each Member's Assessment shall be calculated using an Operational Assessment and a Points Assessment. For purposes of this Plan, "Operational Assessment" means that amount of the Assessment that is charged on a Points Category basis; "Points Assessment" means that amount of the Assessment that is charged on a per Point basis; and "Points Category" means a grouping of Members as determined by the Board based on the number of Points owned by a Member, for example, the Board may create Points Categories whereby Members owning less than or equal to 3,500 Points are in one Points Category, Members owning 3,501 to 6,000 Points are in another Points Category, etc. The Board shall have the right to adopt, revise, and promulgate policies further describing the methodology used, under advice from the Manager, to determine the Points Categories, and establish the Operational Assessment and Points Assessment, as it shall determine in its sole and subjective discretion. The Board may, in an assessment period, determine the need for, and levy a Special Assessment applicable to that period only, as may be necessary. Such Special Assessment shall be levied by the Board pursuant to the procedures described in the Original Membership Plan, subject to the "CPI Dues Adjustment Percentage," as such term is defined therein, which currently means a percentage equal to the sum of the percentage increase during the twelve (12) months ending on June 30th in the current Calendar Year in the U.S. city average all items Consumer Price Index for all urban consumers (1982-4 = 100) as determined by the United States Department of Labor, Bureau of Labor Statistics, plus twenty five percent (25%).

ARTICLE IV CONVERSION TO A POINTS PROGRAM

4.1 Conversion to Points. Notwithstanding anything contained in the Original Membership Plan to the contrary, which provisions are hereby expressly amended to be consistent with this Article IV, Points shall be the currency of use in the Collection through which Members reserve the use and occupancy of the Collection Accommodations in the Component Sites in accordance with the Collection Instruments. Accordingly, the Rules and

Regulations will set forth the various Point requirements for reserving and occupying the Collection Accommodations in the Component Sites. Members who did not initially purchase Points will have a specified number of Points allocated to their Membership based on the categories of Memberships owned, such that those Members shall be entitled to reasonably comparable rights and privileges afforded to such Members immediately prior to the conversion to a Points program. Members who receive an allotment of Points correlating to their Membership category will also be issued a "Points Certificate" detailing the number of Points associated with their Membership.

4.2 New Points Memberships. **AS OF THE EFFECTIVE DATE, PURCHASERS WHO PURCHASE A MEMBERSHIP IN THE COLLECTION WILL NOT RECEIVE A DEED OR ASSIGNMENT OF LEASE OR OTHER INTEREST IN REAL PROPERTY. AS OF THE EFFECTIVE DATE MEMBERSHIPS SOLD UNDER THIS PLAN CONSTITUTE PERSONAL PROPERTY INTERESTS.** Seller hereby exercises its unilateral rights to create a new category of Membership to be known as a "Points Membership" which has an Occupancy Right of unit type, duration, annual frequency and destination as further described in the Rules and Regulations. In connection therewith, Seller will also convey undivided fraction interests in Los Abrigados or other Resort Interests to Association, to be held in trust for the use and benefit of the Members. Each new Points Membership sold will be ascribed a specific number of Points, which information shall be entered in the Register of Members. As a matter of convenience, each time a Points Membership is issued or the number of Points ascribed to a Points Membership changes as entered in the Register of Members, Association will issue a Points Certificate detailing the number of Points associated with the particular Points purchase or transaction of a Member. In the event of any conflict between the Register of Members and the information contained in the Points Certificate(s) held by a Member, the Register of Members shall in all instances control and prevail.

4.3 Establishing Points Valuations. Seller, or Seller and the Manager acting together, will establish a basis upon which to value, in terms of Points, individual Resort Interests and their associated Collection Accommodations, and thereby establish Point values applicable to the Collection Accommodations for the operation of the Collection. In establishing such Points valuation basis, Seller, or Seller and the Manager acting together, will exercise skill and business judgment, and will have regard to such various factors as are considered the practice and custom of the timeshare industry to be indicators of the relative positions of one Resort Interest in a certain Collection Accommodation against another.

4.3.1 Having thus established a suitable basis for valuing Resort Interests in the various Collection Accommodations, Seller or Seller and the Managing Entity acting together, will determine the Point values of each of the fifty-two (52) contiguous weekly use periods in each type of Collection Accommodation at each Component Site for which Resort Interests are to be subjected to the Plan. Seller or Seller and the Manager acting together will also determine the Point values for use periods other than weekly. The Manager will distribute to Members annually, in such form as it may from time to time determine, a calendar, chart or other format which identifies the Point values for all permissible use periods in the Collection.

4.3.2 The aggregate Point values of all fifty-two (52) contiguous weekly use periods for a Calendar Year attributed to any individual Collection Accommodation, once so determined, shall not be increased or decreased, except with the approval of the Board.

4.4 Adjustments to Points for a Timeshare Property or Collection Accommodation. In order to meet the needs of the Members and of the Collection generally, and to reflect changes in the demand for Collection Accommodations over time, Seller, or Seller and Manager working together, may adjust the Point value for a Collection Accommodation for any particular use period in accordance with the terms and provisions set forth herein.

4.5 Types of Points.

4.5.1 Unless otherwise indicated on the Points Certificate, all Points are perpetual and will only terminate if the Collection itself is terminated.

4.5.2 From time to time, Seller may assign "Term Points" to Members that are available only for a term. All Specific Term Memberships which are converted to Points will be converted to Term Points and the Expiry Date (as defined below) will be the same as the expiration date for the Specific Term Membership. Seller reserves the unilateral right to establish the specified term associated with the Term Points and to create terms of different increments, which may by way of example and not by way of limitation include terms of five, ten, thirty years, or any other increment of time for any specified term, as it shall determine in its sole and subjective discretion without requiring an amendment to this Declaration. Term Points will be designated as such on the Points Certificate and will expire by a specified date ("**Expiry Date**"). The Expiry Date will also be included on the Membership Certificate and no later than thirty (30) days before the Expiry Date, Developer shall provide notice of expiration to the Member. Upon the expiration of any Term Points, provided title to the Resort Interests associated with such Term Points remains with Association, ownership and use of such Points shall automatically revert to Seller on the Expiry Date and Seller shall have the unilateral right to resell such Points. Upon Seller's request, Association shall execute any and all documents as Seller deems necessary to confirm Seller's ownership of such Points upon the Expiry Date.

4.5.3 To the extent any Resort Interests are leasehold interests, all Points associated with such Resort Interests shall automatically be Term Points. At no time will Seller sell Term Points, where the Expiry Date of the Term Points under contract will be later than the date at which Term Points are no longer valid Points held by Association.

4.5.4 In addition the types of Points identified in this Section 4.5, Seller reserves the unilateral right in its sole and absolute discretion to create, without requiring an amendment to this Plan, one or more additional types of categories of Points, which shall generally be known as "Specific Use Points", that may be different in duration or in the type of use and reservation rights that are attributable to them from other Points now sold or hereafter sold. Any Purchase Agreement to purchase Specific Use Points shall describe the exact nature of the Specific Use Points and the term of the Specific Use Points. Upon execution of each Purchase Agreement for Specific Use Points, Seller shall

notify Association of the nature of the Specific Use Points so sold; the name of the Member acquiring the Specific Use Points and the term of such Member's Specific Use Points and thereupon, Association shall cause the Register of Members to reflect such information. Upon expiration or termination of any Member's Specific Use Points, Seller shall be deemed to be the holder of such Specific Use Points.

4.6 Minimum Points Threshold. Seller has the right to establish minimum numbers of Points a Member needs to own in order to hold a valid Membership (the "**Minimum Points Threshold**"). The Developer has the right to lower the Minimum Points Threshold at any time and from time to time upon notice to Association in accordance with the Collection Instruments.

4.7 Use of Points.

4.7.1 Subject to the provisions of the Rules and Regulations and the Bylaws and any special reservation and use rights set forth in a Member's Points Certificate and entered in the Register of Members, a Member may use his or her Points to reserve a Collection Accommodation, subject always to availability. A Member may request and obtain as many different Occupancy Periods in an Occupancy Year as his or her available Points allocated to that Occupancy Year will allow.

4.7.2 Each Member's right to reserve and occupy a Collection Accommodation using his or her Points allocated for an Occupancy Year shall expire at the end of that Occupancy Year unless such Points are saved. At the beginning of the next Occupancy Year, the Member's Points shall again be allocated and he or she shall have the right to use such Points to reserve an Occupancy Period during that Occupancy Year, as provided in the Rules and Regulations. The ability of a Member to either save or borrow Points shall be subject to the Rules and Regulations.

4.7.3 Members who purchased Every Other Year Memberships (as further described in Section 2.01 (c) of the Original Membership Plan) will receive an annual allotment of half of the Points ascribed to their Every Other Year Membership category, such that their use rights and privileges after conversion to a Points program provides reasonably comparable rights and privileges afforded to such Members immediately prior to conversion. Because half of the Points for such Members are distributed annually, owners of Every Other Year Memberships will be able to choose between using half of their Points annually, or saving their Points in order to use their full Membership biennially. Owners of Every Other Year Memberships must save their Points in accordance with the Rules and Regulations.

4.7.4 A Member with Specific Use Points must comply with the Rules and Regulations and the Bylaws, together with any other stipulations relating to the use of such Specific Use Points, whether set out on the relevant Points Certificate or elsewhere, including, where applicable, a requirement to notify the Manager that the Member does or does not intend to use his or her Specific Use privileges in any particular Occupancy Year.

4.7.5 The Rules and Regulations shall establish one or more reservation windows in order to preserve and retain after the Effective Date the reasonably comparable rights and privileges which the Members enjoyed immediately prior to the Effective Date. Members who acquire Points Memberships after the Effective Date may be subject to the same or different reservation windows as further outlined in the Rules and Regulations.

4.8 Point Calculations for Membership Share. Notwithstanding anything contained in this Plan to the contrary, which provisions are hereby expressly amended to be consistent with this Article IV, the Membership Share will be based upon the number and type of Points owned and will be used to calculate each Member's voting rights and the portion of Common Expenses for which Member is liable. Accordingly, the "Total Authorized Voting Membership Shares" referenced in the Original Membership Plan shall equal the total number of Points, of all types which exist from time to time.

ARTICLE V ENFORCEMENT PROVISIONS

5.1 Security Interests and Financial Obligations. All Security Interests, and the obligation to pay Assessments and Personal Charges provided for herein, shall be automatically enforceable in any manner authorized by law. The Board, acting on behalf of the Members, shall have the discretion to enforce such Security Interests, to sue to enforce the personal obligations and covenants, or to accept transfer of the applicable Membership and underlying deed or Points Certificate as applicable, in-lieu thereof.

5.2 Termination of Membership. If a Membership is terminated pursuant to this Article V, Association shall reacquire such Member's Points and Seller, in exchange for payment of the lesser of (a) all delinquent amounts owing to Association by such Member and interest thereon and (b) an amount equal to the most recent year's Assessment on the applicable Membership, may, within sixty (60) days of the date that Association notifies Seller that it has reacquired such Member's Points, elect in its sole discretion, either (i) to require Association to transfer to it all Points attributable to such terminated Membership, or (ii) to act as the exclusive agent of Association for the re-sale of the Points attributable to such terminated Membership and in either case, Seller shall be entitled to receive and retain for its own account all proceeds from the sale of all Points attributable to such terminated Membership. If Seller does not elect either option within sixty (60) days of the date Association notifies Seller that it has reacquired a Member's Points, then Association may cause such Member's Membership to be resold upon such terms as Association deems appropriate.

5.3 Remedies Are Cumulative. All of the remedies granted by the Collection Instruments are cumulative, and the exercise of one right or remedy shall not impair the right to exercise any other remedy. Association, Board, Manager, and Seller shall not be limited to the remedies set forth in this Plan and may invoke any other or additional remedies provided for or allowed by law or in equity.

5.4 Preservation of Remedies. The Board's election to pursue one remedy shall not obviate its right to pursue other remedies against the same Member. The failure of Association,

Board, Manager, or Seller to enforce any provision of the Collection Instruments shall not be construed as a waiver of any such provision or right. Rather, such provision shall continue and remain in full force and effect.

ARTICLE VI
MISCELLANEOUS PROVISIONS

6.1 Liberal Interpretation. The provisions of this Plan shall be liberally construed to effectuate the purpose of converting the Collection to a Points-based program.

6.2 Additional Documentation. Seller is hereby granted the right and shall be authorized to unilaterally execute and Record if necessary or desirable, without the vote, consent or joinder of any Member or any other third person, such additional documents as it deems necessary, in its sole and exclusive discretion to implement and to otherwise effectuate the purposes of this Plan. Association shall join in the recordation of such amendments upon request by Seller. To the extent that any terms or provisions of this Plan modify or conflict with any provisions of the Plan, such provisions are hereby expressly amended to be consistent with this Plan and the terms of this Plan shall control.

6.3 Status of the Original Membership Plan. To the extent certain terms and provisions in the Original Membership Plan are not inconsistent and do not conflict with the intent of this Plan, such terms and provisions remain in full force and effect.

The undersigned Parties have executed this Plan to be effective as described herein.

[Signatures commence on the following page.]

NOW THEREFORE, the undersigned hereby consent to and adopt this Second Amended and Restated Premiere Vacation Collection Membership Plan.

ASSOCIATION:

Premiere Vacation Collection Owners
Association, Inc.,
an Arizona nonprofit corporation

- countersigned
By: Jason Toste
Its: Vice - President and Director

SELLER:

ILX Acquisition, Inc.,
a Delaware corporation

Elizabeth R. Brennan
By: Elizabeth R. Brennan
Its: Secretary

MEMBERS:

Premiere Vacation Collection Owners Association, Inc.,
an Arizona nonprofit corporation,
as Attorney-in-Fact

By: - Countersigned
Jason Toste
Its: Vice President and Director

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2010 by Jason Toste, as Vice President and Director of Premiere Vacation Collection Owners Association, Inc., an Arizona nonprofit corporation on behalf of such entity.

Notary Public

My Commission Expires:

STATE OF Nevada)
) ss.
COUNTY OF Clark)

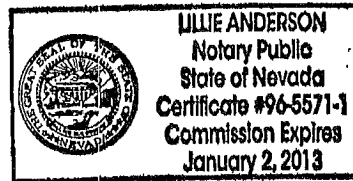
This instrument was acknowledged before me this 10th day of November, 2010 by Elizabeth Brennan, as Secretary of ILX Acquisition, Inc., a Delaware corporation, on behalf of such entity.

Lillie Anderson

Notary Public

My Commission Expires:

1/2/2013



STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2010 by Jason Toste, as Vice President and Director of Premiere Vacation Collection Owners Association, an Arizona nonprofit corporation as attorney-in-fact for all members.

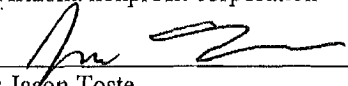
Notary Public

My Commission Expires:

NOW THEREFORE, the undersigned hereby consent to and adopt this Second Amended and Restated Premiere Vacation Collection Membership Plan.

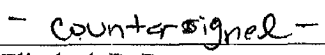
ASSOCIATION:

Premiere Vacation Collection Owners
Association, Inc.,
an Arizona nonprofit corporation


By: Jason Toste
Its: Vice – President and Director

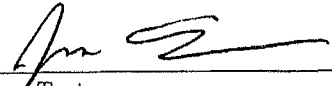
SELLER:

ILX Acquisition, Inc.,
a Delaware corporation


By: Elizabeth R. Brennan
Its: Secretary

MEMBERS:

Premiere Vacation Collection Owners Association, Inc.,
an Arizona nonprofit corporation,
as Attorney-in-Fact

By: 
Jason Toste
Its: Vice President and Director

CITY ^{AP}
STATE OF LANCASTER)
COUNTRY ^{AP}) ss.
COUNTY OF ENGLAND)

This instrument was acknowledged before me this 11 day of November, 2010 by Jason Toste, as Vice President and Director of Premiere Vacation Collection Owners Association, Inc., an Arizona nonprofit corporation on behalf of such entity.

Andrew Bilal

Notary Public



My Commission Expires:

Upon My death

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me this _____ day of _____, 2010 by Elizabeth Brennan, as Secretary of ILX Acquisition, Inc., a Delaware corporation, on behalf of such entity.

Notary Public

My Commission Expires:

CITY ^{AP}
STATE OF LANCASTER)
COUNTRY ^{AP}) ss.
COUNTY OF ENGLAND)

This instrument was acknowledged before me this 11 day of November, 2010 by Jason Toste, as Vice President and Director of Premiere Vacation Collection Owners Association, an Arizona nonprofit corporation as attorney-in-fact for all members.

Andrew Bilal

Notary Public



My Commission Expires:

Upon My death

APOSTILLE

(Hague Convention of 5 October 1961 / Convention de La Haye du 5 octobre 1961)

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

1. Country: United Kingdom of Great Britain and Northern Ireland
Pays: Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
This public document / Le présent acte public

2. Has been signed by **Andrew M Pollock**
a été signé par

3. Acting in the capacity of **Notary Public**
agissant en qualité de

4. Bears the seal/stamp of **The Said Notary Public**
est revêtu du sceau/timbre de

5. at London/à Londres

Certified/Attesté

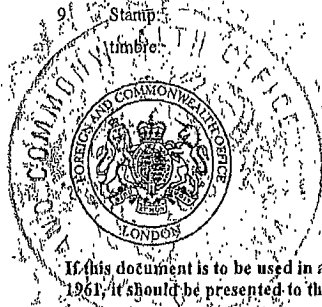
6. the/le **15 November 2010**

7. by Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs /
par le Secrétaire d'Etat Principal de Sa Majesté aux Affaires Etrangères et du Commonwealth.

8. Number/sous No **I691560**

9. Stamp:
timbre:

10. Signature: **P. Taylor**



For the Secretary of State / Pour le Secrétaire d'Etat

If this document is to be used in a country which is not party to the Hague Convention of 5th October 1961, it should be presented to the consular section of the mission representing that country.

An apostille or legalisation certificate only confirms that the signature, seal or stamp on the document is genuine. It does not mean that the content of the document is correct or that the Foreign & Commonwealth Office approves of the content.

CONSENT TO RECORD, SUBORDINATION

AND NON-DISTURBANCE AGREEMENT

PREMIERE VACATION COLLECTION

The undersigned, Textron Financial Corporation ("Lender"), is the beneficiary under the following documents (collectively, the "Deeds of Trust"):

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Yavapai County Recorder on September 2, 2010 at Book 4761, Page 987, Entry No. 2010-4412623;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Clark County Recorder on September 7, 2010 as Instrument No. 201009070004413;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Coconino County Recorder on September 2, 2010 as Entry No. 3572756;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Larimer County Recorder on September 3, 2010 as Reception No. 20100052267;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Coconino County Recorder on September 2, 2010 as Entry No. 3572679;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Gila County Recorder on September 7, 2010 as Entry No. 2010-009841;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Coconino County Recorder on September 2, 2010 as Entry No. 3572723;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Maricopa County Recorder on September 2, 2010 as Entry No. 20100761953;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Maricopa County Recorder on September 13, 2010 as Entry No. 20100790991;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Navajo County Recorder on September 2, 2010 as Entry No. 2010-14612;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Maricopa County Recorder on September 2, 2010 as Entry No. 20100761954;

Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Joseph County Recorder on September 8, 2010 as Entry No. 1024326; and

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Pima County Recorder on September 3, 2010 as Docket No. 13887, at Page 4983, Sequence No. 20101710802.

The Deeds of Trust constitute liens of record against that certain real property annexed into the Premiere Vacation Collection ("Property").

Lender hereby subordinates the lien and encumbrance of the Deeds of Trust to that certain Second Amended and Restated Premiere Vacation Collection Membership Plan ("Plan") and consents to and approves the terms and provisions and recordation of the Plan.

Lender agrees that it shall not disturb or interfere with the rights of Members (as defined in the Plan) who are in good standing under: (i) the Plan, (ii) the purchase agreement by which such Member purchased a Membership (as defined in the Plan), and (iii) any deeds of trust recorded against such Membership ("Member in Good Standing") to use the Property in accordance with the terms and provisions of the Plan. Lender further agrees that: (a) Lender's rights in the Property are subordinate to the rights of the Members in Good Standing as described in the Plan; (b) Lender and any successor or assign, or any person who acquires the Property through foreclosure or by deed in lieu of foreclosure or in fulfillment of the Deed of Trust shall take the Property subject to the Plan; and (c) Lender and any successor acquiring the Property under the Deeds of Trust may not use or cause the Property to be used in a manner which would negatively impact the rights of Members in Good Standing to use and occupy the Property in a manner contemplated by the Plan, as amended, and other governing documents.

TEXTRON FINANCIAL CORPORATION,
a Delaware corporation

By: _____
Name: Kyle Shanak
Its: VP

STATE OF CT
COUNTY OF Hartford, ss.

The foregoing instrument was acknowledged before me this 10th day of November, 2010, by Kyle Shanak, the Vice President of Textron Financial Corporation.

Loretta E. Sparver
NOTARY PUBLIC
Residing at: _____
My Commission Expires: _____

LORETTA E. SPARVERI
NOTARY PUBLIC
MY COMMISSION EXPIRES MAR 31, 2012



Exhibit A—Legal Description

Exhibit B—First Amendment to Premiere Vacation Club Membership Plan (Restated)

Exhibit C—Premiere Vacation Club Membership Plan (Restated)

Exhibit A

Legal Description

Parcel A

The land referred to in this Commitment is in the State of Arizona, County of Maricopa and described as follows:

Parcel I

Lot 3, of RANCHO MANANA RESORT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 457 of Maps, Page 37.

Parcel II

Unit 32, Intervals 33 through 52, inclusive, of THE CASITAS AT RANCHO MANANA CONDOMINIUMS "PHASE 1B", according to the Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona, as 98-0319228 of Official Records, and re-recorded as 98-760740 of Official Records, as amended by that First Amendment to Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona as 98-0360812 of Official Records (as amended, the "Declaration"), and as shown on the Plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 575 of Maps, Page 45, together with an undivided interest in the Common Elements (as defined in the Declaration), calculated in accordance with Article 10 of the Declaration.

Parcel III

Units 33 through 38, inclusive, of THE CASITAS AT RANCHO MANANA CONDOMINIUMS "PHASE 1B", according to the Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona, as 98-0319228 of Official Records, and re-recorded as 98-760740 of Official Records, as amended by that First Amendment to Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona as 98-0360812 of Official Records (as amended, the "Declaration"), and as shown on the Plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 575 of Maps, Page 45, together with an undivided interest in the Common Elements (as defined in the Declaration), calculated in accordance with Article 10 of the Declaration.

Parcel IV

A portion of Lot 4, of RANCHO MANANA RESORT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 457 of Maps, Page 37.

Parcel V

Non-exclusive easements as created in that certain document entitled, "Cross Easement and Maintenance Agreement (CASITAS AT RANCHO MANANA)", recorded April 9, 1998 as Document No. 98-0285653.

Parcel VI

A non-exclusive easement for a pedestrian and vehicular access way and underground utility lines as created in Rancho Main Road Easement Agreement, recorded April 26, 1996 as Document No. 96-0284641 and thereafter Main Road Easement Agreement, recorded April 9, 1998 as Document No. 98-0285654.

Parcel VII

An exclusive easement for pedestrian access way and tennis courts, as created in Rancho Tennis Easement Agreement, recorded April 26, 1996 as Document No. 96-0284645 and thereafter Rancho Tennis Easement Assignment Agreement, recorded April 9, 1998 as Document No. 98-0285655.

Parcel VIII

A portion of Lot 9, of RANCHO MANANA RESORT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 457 of Maps, Page 37.

PARCEL IX:

Units 19 through 27, inclusive, of THE CASITAS AT RANCHO MANANA CONDOMINIUMS "PHASE 1B", according to the Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona, as 98-0319228 of Official Records, and re-recorded as 98-760740 of Official Records, as amended by that First Amendment to Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona as 98-0360812 of Official Records (as amended, the "Declaration"), and as shown on the Plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 575 of Maps, Page 45, together with an undivided interest in the Common Elements (as defined in the Declaration), calculated in accordance with Article 10 of the Declaration.

Less and except the interests of others heretofore or hereafter granted as owners of undivided interests and their rights to use common elements in common with each other.

Parcel B

All that parcel of land located in the State of Arizona, County of Maricopa and described as follows:

Interval Interest Number A3802, Interval Interest Number A1924, Interval Interest Number A0427, Interval Interest Number A1838, Interval Interest Number A3049, Interval Interest Number D0303, Interval Interest Number C0240, Interval Interest Number B3625, Interval Interest Number B4728, Interval Interest Number B0441, Interval Interest Number B0442, and Interval Interest Number B1051, SCOTTSDALE/CAMELBACK RESORT, as set forth in Declaration of Dedication recorded in Docket 15909, Page 934, Amendments recorded in Docket 16513, Page 456, in Document No. 89-0457929, and in Document No. 2006-0369642, Plat recorded in Book 240 of Maps, Page 39, and Amended Plats recorded in Book 329 of Maps, Page 26, and in Book 332 of Maps, Page 34, records of Maricopa County, Arizona.

As described in the Declaration, each Interval Interest is a fee simple estate in an undivided 1/51 fractional interest in the Residence Unit designated by the Interval Interest Number as shown on the Plat, (said interest consists of (1) week time period designated by the Interval Interest Number, and (2) an undivided 1/51 fractional interest in the Maintenance Period), together with an undivided 1/51 fractional interest in the undivided interest in the Common Area which is appurtenant to said Residence Unit.

Less and except the interests of others heretofore or hereafter granted as owners of undivided interests and their rights to use common elements in common with each other.

<u>Underlying Property and Unit Type</u>	
Property:	Sea of Cortez Beach Club
Number of Resort Interests:	700
Unit Type:	2 Bedroom
Property:	Sea of Cortez Beach Club
Number of Resort Interests:	100
Unit Type:	Penthouse
Property:	Sea of Cortez Beach Club
Number of Resort Interests:	300
Unit Type:	1 Bedroom
Property:	Sea of Cortez Beach Club
Number of Resort Interests:	400
Unit Type:	Studio
Property:	Los Abrigados Resort & Spa
Number of Resort Interests:	42
Unit Type:	Stonehouse

Underlying Property and Unit Type

Property:	Los Abridados Resort & Spa
Number of Resort Interests:	104
Unit Type:	Orchard
Property:	Los Abridados Resort & Spa
Number of Resort Interests:	312
Unit Type:	Cottonwood
Property:	Los Abridados Resort & Spa
Number of Resort Interests:	190.5
Unit Type:	Flagstaff
Property:	Los Abridados Resort & Spa
Number of Resort Interests:	224.5
Unit Type:	Oak Creek
Property:	Los Abridados Resort & Spa
Number of Resort Interests:	2879.5
Unit Type:	Jerome
Property:	Los Abridados Resort & Spa
Number of Resort Interests:	976
Unit Type:	Sedona
Property:	Golden Eagle Resort
Number of Resort Interests:	368
Unit Type:	Studio
Property:	Golden Eagle Resort
Number of Resort Interests:	601
Unit Type:	Executive
Property:	Golden Eagle Resort
Number of Resort Interests:	155
Unit Type:	Imperial
Property:	Golden Eagle Resort
Number of Resort Interests:	88
Unit Type:	Deluxe
Property:	Inn at Los Abridados
Number of Resort Interests:	306.5
Unit Type:	Inn

Underlying Property and Unit Type

Property:	Inn at Los Abridados
Number of Resort Interests:	34
Unit Type:	Morris House
Property:	Varsity Clubs of America – South Bend Chapter
Number of Resort Interests:	2656
Unit Type:	One Bedroom
Property:	Varsity Clubs of America – South Bend Chapter
Number of Resort Interests:	282.5
Unit Type:	Two Bedroom
Property:	Varsity Clubs of America – South Bend Chapter
Number of Resort Interests:	45
Unit Type:	Rockne's Roost (Two Bedroom)
Property:	Varsity Clubs of America – South Bend Chapter
Number of Resort Interests:	45
Unit Type:	Leahy's Lair (Two Bedroom)
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	52
Unit Type:	Horton House
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	624
Unit Type:	Canyon Creek
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	1539
Unit Type:	Zane Grey
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	484.5
Unit Type:	Ponderosa
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	141.5
Unit Type:	Tonto Creek
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	157
Unit Type:	Christopher Creek

Underlying Property and Unit Type

Property:	Varsity Clubs of America – Tucson Chapter
Number of Resort Interests:	171
Unit Type:	Studio
Property:	Varsity Clubs of America – Tucson Chapter
Number of Resort Interests:	2134.5
Unit Type:	One Bedroom
Property:	Varsity Clubs of America – Tucson Chapter
Number of Resort Interests:	601
Unit Type:	Two Bedroom
Property:	Roundhouse Resort
Number of Resort Interests:	7
Unit Type:	Oak (Studio)
Property:	Roundhouse Resort
Number of Resort Interests:	129
Unit Type:	Pine (One Bedroom)
Property:	Roundhouse Resort
Number of Resort Interests:	26
Unit Type:	Aspen (One Bedroom)
Property:	Roundhouse Resort
Number of Resort Interests:	32
Unit Type:	Juniper (Two Bedroom)
Property:	Carriage House Resort
Number of Resort Interests:	806
Unit Type:	Studio
Property:	Carriage House Resort
Number of Resort Interests:	1305
Unit Type:	One Bedroom
Property:	Carriage House Resort
Number of Resort Interests:	122
Unit Type:	Two Bedroom
Property:	Premiere Vacation Club at Bell Rock
Number of Resort Interests:	2704
Unit Type:	Studio

Underlying Property and Unit Type

Property:	Premiere Vacation Club at Bell Rock
Number of Resort Interests:	1300
Unit Type:	One Bedroom
Property:	Premiere Vacation Club at Bell Rock
Number of Resort Interests:	416
Unit Type:	Two Bedroom
Property:	Celebrity House
Number of Resort Interests:	52
Unit Type:	Celebrity House
Property:	Scottsdale Camelback Resort
Number of Resort Interests:	12
Unit Type:	Studio
Property:	Scottsdale Camelback Resort
Number of Resort Interests:	98
Unit Type:	Two Bedroom – Plan A
Property:	Scottsdale Camelback Resort
Number of Resort Interests:	40
Unit Type:	Two Bedroom – Plan D
Property:	Scottsdale Camelback Resort
Number of Resort Interests:	24
Unit Type:	Three Bedroom
Property:	Rancho Manana Resort
Number of Resort Interests:	104
Unit Type:	Two Bedroom
Property:	Rancho Manana Resort
Number of Resort Interests:	613
Unit Type:	Two Bedroom
Property:	Premiere Vacation Club at the Roundhouse Resort
Number of Resort Interests:	988
Unit Type:	Two Bedroom
Property:	Premiere Vacation Club at the Roundhouse Resort
Number of Resort Interests:	104
Unit Type:	Two Bedroom Deluxe

Underlying Property and Unit Type

Property:	Winners Circle at Los Abrigados
Number of Resort Interests:	104
Unit Type:	Winners Circle

Exhibit B

First Amendment to Premiere Vacation Club Membership Plan (Restated)

(Attached)

EXHIBIT "B"

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

20101029162 11/24/2010 09:53
ELECTRONIC RECORDING

WHEN RECORDED, PLEASE RETURN TO:
ILX ACQUISITION, INC.
ATTENTION CLUB MANAGER
10615 Park Run Drive
Las Vegas, NV 89144.

2461053-24-1-1-- ,N

**FIRST AMENDMENT
TO
PREMIERE VACATION CLUB
MEMBERSHIP PLAN
(Restated)**

This FIRST AMENDMENT TO PREMIERE VACATION CLUB MEMBERSHIP PLAN (Restated) ("**Amendment**") is effective as of November 8, 2010 ("**Effective Date**") pursuant to the provisions of that certain Premiere Vacation Club Membership Plan (Restated), described in Recital A hereof, and the provisions of Arizona Revised Statutes, Title 32, Article 9, by Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation ("**Association**").

RECITALS

A. On February 15, 2008, Association, on behalf of itself and as attorney-in-fact for the Members, and Premiere Development Incorporated, an Arizona corporation, recorded that certain Premiere Vacation Club Plan (Restated) in the Official Records of Maricopa County, Arizona as Instrument No. 2008-0133225 ("**Membership Plan**"), covering certain real property as more fully described in Exhibit A, attached hereto and incorporated herein by reference.

B. Pursuant to Section 8.01(c) of the Membership Plan, the Membership Plan may be amended "by the unanimous vote or written consent of the Board, acting on behalf of the Association, in its discretion at any time."

C. The Board of Directors of the Association has unanimously consented to this Amendment. Accordingly, the Board, acting on behalf of the Association, hereby amends the Membership Plan as stated herein.

NOW, THEREFORE, the Board, acting on behalf of the Association, hereby amends the Membership Plan as follows:

1. Defined Terms and Status of Recitals. Capitalized terms used and not otherwise defined in this Amendment shall have the meaning or meanings given to them in the Membership Plan. For all current and future purposes, the Membership Plan, as amended and supplemented pursuant to this Amendment, as the same may be further amended and supplemented pursuant to certain other amendments that Seller and/or the Board has or may in the future record, are collectively referred to as the "**Plan**", which term shall, for all purposes hereof or of any related document, mean and refer to the Membership Plan defined in Recital A above, as so amended, supplemented, or otherwise modified. The Recitals set forth above shall constitute a portion of the terms of this Amendment and are hereby incorporated by this reference.

2. Club Name Change. The references to "Club" in the Membership Plan shall be replaced with "**Collection.**"

3. Amendment to Section 1.01. The following definitions in Section 1.01 of the Membership Plan are hereby amended and restated in their entirety as described below.

3.1 The definition of Assessments shall be replaced in its entirety as follows:

"**Assessments**" means Maintenance Fees, Capital Assessments, Special Assessments, and Personal Charges which a Member is required to pay, which will include any assessments made pursuant to an Underlying Plan and any other assessments or charges levied by the Board on behalf of the Association that may from time to time be created by the Board, including without limitation all expenses denominated as Common Expenses by this Plan or unilaterally by the Board. Assessments is further defined in Article V hereof.

3.2 The definition of Association shall be replaced in its entirety as follows:

"**Association**" means Premiere Vacation Collection Owners Association, Inc., an Arizona nonprofit corporation, being the organization of persons who own Memberships in the Association, together with its successors and assigns.

3.3 The definition of Member shall be replaced in its entirety as follows:

"**Member**" means (a) any individual who executes a Purchase Agreement and thereby becomes a member of the Association and who is the grantee shown on the Deed or Leasehold Assignment or a properly Transferred and Recorded subsequent Deed or Leasehold Assignment in proper form, Transferred in compliance with the Membership Documents and/or (b) any individual who executes a Purchase Agreement and thereby becomes a member of the Association and who acquires points in the Collection. Member includes his or her permitted successors and assigns whose name is entered in the Register of Members. Member also includes Seller with respect to any points owned by Seller.

3.4 The definition of Membership shall be replaced in its entirety as follows:

"**Membership**" means the collection of occupancy and other rights and obligations of a Member set forth and described in the Membership Documents,

including without limitation occupancy and other rights of a Member who acquires points in the Collection. The Membership is initially conveyed, transferred and evidenced by the Deed, Leasehold Assignment or points certificate.

3.5 The definition of Special Assessment shall be inserted directly before Specified Term as follows:

“Special Assessment” means an Assessment levied by the Board upon Members as provided in Section 5.06 hereof.

4. Amendment to Section 2.03. Section 2.03 of the Membership Plan is hereby amended and restated in its entirety as follows:

Exchange Privileges. The Association will use reasonable efforts to affiliate with an external exchange membership program (“**Exchange Company**”) and participate in an Exchange Program at all times, and all Members will be given the opportunity to participate, for a fee, in the Exchange Program. Membership in such Exchange Program may be mandatory, as the Board shall determine in its sole and subjective discretion, in which case all Members shall automatically participate in the Exchange Program and shall pay any and all participation fees related thereto (“**Exchange Program Fees**”). If determined by the Board, or as may be required in an affiliation agreement between the Association and the Exchange Company, the Association may elect or otherwise be contractually required to collect Exchange Program Fees together with the Assessments paid by all Members. Seller is not an agent for Exchange Company and no representations or promises made by Seller or its agents are binding on Exchange Company. Exchange Company’s responsibility for representations regarding the Exchange Program, as well as Exchange Company’s current or future services, is limited to those made in written materials furnished by Exchange Company. All exchange privileges are subject to availability, the rules and regulations of the Exchange Company and the then-current trading ability within the Exchange Program, if any. In general, as a prerequisite to exchange, one must “bank” with the Exchange Company a full, unused Seven Day Occupancy Period consisting of seven (7) continuous Days which include a Weekend. A Member wishing to exchange such Member’s Occupancy Period in this Plan for use privileges in another project through an Exchange Program must, at the time of deposit to the Exchange Program, have paid in full all Assessments for the year in which the Occupancy Period falls, as well as all prior Assessments. In the event the Occupancy Period being deposited is in a future year for which the Assessments are not yet known, the Member shall pay the equivalent of the current year Assessment for each such unknown year through and including the year of the Occupancy Period.

(a) Opt Out Right. If a Member does not want to participate in a mandatory Exchange Program, then the Member must send a letter to the Association, signed by the Member (and any co-owner of the same Membership)

and addressed to Premiere Vacation Collection Owners Association, Inc., Attn: Exchange Program Opt-Out, 10615 Park Run Drive, Las Vegas, NV 89144 (the "Opt Out Notice"). The Opt Out Notice must be sent within 1 year after the Effective Date, and must state that the Member does not want to participate in a mandatory Exchange Program. Any Opt Out Notice received within 1 year after the Effective Date will excuse such Member from participation in a mandatory Exchange Program, but will have no other effect on the Member's rights and obligations as set forth in this Membership Plan. Any Exchange Program Fees associated with the mandatory Exchange Program will be refunded to the Member upon the receipt of the Opt Out Notice so long as Member has not availed himself or herself of any of the benefits or programs offered by the Exchange Program. To the extent a Member has used or benefited from the mandatory Exchange Program prior to sending the Opt Out Notice, the Exchange Program Fees paid to the Exchange Program for that use year will not be refunded, but Member will have no ongoing obligation to participate in the mandatory Exchange Program and no ongoing obligation to remit any Exchange Program Fees.

(b) Automatic Membership. In the event the Association enters into an affiliation agreement with an Exchange Company that requires mandatory membership, Members shall automatically become members of a mandatory Exchange Program. Through such Exchange Program membership, Members may have the option to temporarily exchange, from time to time, their occupancy rights in the Exchange Program with the owners of timeshares in other timeshare resorts participating in the same Exchange Program. Use of such Exchange Program shall be conditional on the payment of the Exchange Program Fee. The Association is authorized to collect such Exchange Program Fee along with the Assessments.

5. Amendment to Section 2.10. The first sentence in Section 2.10 of the Membership Plan is hereby amended and restated in its entirety as follows:

Membership in the Collection shall be evidenced by a Deed, Leasehold Assignment, or points certificate and is not separable therefrom.

6. Amendment to Section 3.01. The second paragraph in Section 5.01 of the Membership Plan is hereby amended and restated in its entirety as follows:

Each original owner of a Membership (and any subsequent owner of a properly Transferred Membership) shall be a Member of the Association and shall remain a Member thereof until such Member ceases to own a Membership. Membership may be evidenced by the Deed, Leasehold Assignment or points certificate.

7. Amendment to Section 3.03. Section 3.03 of the Membership Plan is hereby amended and restated in its entirety as follows:

Voting, Total Authorized Voting Shares. Each Member shall be entitled to cast a number of votes equal to such Member's total Membership Share. Notwithstanding the foregoing, until such time as 95% of the Total Authorized

Voting Membership Shares in the Collection (including those held for sale by Seller and its affiliates) have been sold by Seller and its affiliates, Seller shall be entitled to cast a number of votes equal to Seller's total Membership Share for all Memberships held by Seller and its affiliates (including those held for sale by Seller and its affiliates) multiplied by nine (9). At such time as 95% of the Total Authorized Voting Membership Shares have been sold by Seller and its affiliates, then Seller (including its affiliates) shall be required to vote in the manner provided above for all other Members (e.g., Seller may cast a number of votes equal to Seller's total Membership Share). If the 95% sale figure has been achieved and Weeks are subsequently annexed to the Collection, again causing less than 95% of the Total Authorized Voting Membership Shares to have been sold, this Section shall again become operative. All references to votes by Seller in this Plan include its affiliates.

(a) Affiliate. An "affiliate" of Seller for all purposes of this Plan shall be defined as any of (i) Seller or any agent, officer or director of Seller, and (ii) any person or entity owned by, controlled by, or under common control with or by those described in (i).

(b) Primary Member. Where there is more than one (1) record owner of a Membership in Perpetuity ("co-owners"), all of those co-owners shall constitute the Member and may attend any meeting of the Club, but only one (1) of those co-owners shall be entitled to exercise the vote to which the Membership is entitled. Co-owners shall from time to time designate in writing one (1) of their number to vote (the "**Primary Member**"). The Primary Member will be the one individual designated to be the principal contact for that Membership for all purposes. The Primary Member for each Membership shall be identified in the Register of Members and the current Primary Member shall not be removed from the Register of Members until a successor Primary Member is properly appointed by the applicable Member and communicated to the Association. The Primary Member shall exercise all of the rights of Membership as provided by the Collection Instruments. It shall be conclusively presumed that the Primary Member is acting with the consent of the co-owners. The nonvoting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly-owned Membership and shall be entitled to all other benefits of ownership.

8. Amendment to Section 5.01. The second paragraph in Section 5.01 of the Membership Plan is hereby amended and restated in its entirety as follows:

The Assessments, together with interest, costs of collection and reasonable attorneys' fees, shall be the personal obligation of each Member (other than Seller and its affiliates for Memberships owned or held for sale) at the time the Assessments become due and payable, shall bind such Member's successors and assigns, and shall be a lien and charge upon the Membership against which the Assessments are made. No Member may waive or otherwise avoid liability for the

Assessments by non-use or abandonment of such Member's Membership or any part thereof.

9. Amendment to Section 5.03. Section 5.03 of the Membership Plan is hereby amended to change the CPI Dues Adjustment Percentage from "a percentage equal to the sum of the percentage increase during the twelve (12) months ending on June 30th in the current Calendar Year in the U.S. city average all items Consumer Price Index for all urban consumers (1982-4 = 100) as determined by the United States Department of Labor, Bureau of Labor Statistics, plus ten percent (10%)" to "a percentage equal to the sum of the percentage increase during the twelve (12) months ending on June 30th in the current Calendar Year in the U.S. city average all items Consumer Price Index for all urban consumers (1982-4 = 100) as determined by the United States Department of Labor, Bureau of Labor Statistics, plus twenty-five percent (25%)."

10. Insertion of a New Section 5.06. A new Section 5.06 of the Membership Plan is hereby inserted as follows:

Special Assessments. The Board may, in a given Calendar Year and in its sole discretion determine the need for, and levy a Special Assessment applicable to that Calendar Year only, as may be necessary (i) for the purpose of defraying, in whole or in part, the cost of any acquisition, construction, reconstruction, repair or replacement of any Collection accommodation, including the Furnishings related thereto, for which the Association has such responsibility under the terms of the Membership Documents and for which there are either no reserves established or deficiencies in such reserves; (ii) for the purpose of defraying other extraordinary expenses relating to the mutual health, benefit, safety and welfare of the Members and the Association; or (iii) for purposes of funding any deficits in standard Assessments. Notwithstanding anything in the Membership Documents to the contrary, so long as Seller is actively marketing and selling Memberships in the Collection, no Special Assessment shall be levied or assessed without, in each instance, the prior written consent of Seller.

(a) Any Special Assessment shall be due and payable within thirty (30) days after the date upon which the written notice of such Special Assessment is mailed to the Members, unless the Board determines that installment payments shall be permitted and provides each Member with an approved payment schedule, in which case each Member's payments shall be made no later than the time specified in such payment schedule. If the Board authorizes the payment of any Special Assessment in installments, no notice of the due date of each individual installment payment shall be required to be given, other than the initial Special Assessment notice.

(b) The basis for computing the amount of any Special Assessment levied against each Member shall be determined by the Board in its sole discretion. In that regard, the Board may levy the Special Assessment against less than all Members and less than all Membership Categories based upon the purpose of the Special Assessment and the Members benefited thereby,

11. Deletion of Section 8.10. Section 8.10 of the Membership is hereby deleted in its entirety.

12. Membership Plan Remains in Effect. This Amendment shall be considered supplemental to the Membership Plan. Except as expressly amended by the foregoing, the Membership Plan shall remain in full force and effect and shall not be canceled, suspended or otherwise abrogated by the recording of this Amendment.

13. Effective Date. This Amendment shall be effective as of the date first set forth above.

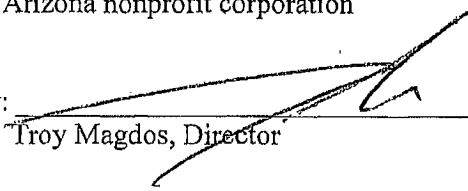
14. Authority. The Board hereby certifies that it may execute this Amendment on behalf of the Association without the consent or signature of any other party or Member as provided in Section 8.01(c) of the Membership Plan.

15. Counterparts. This Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same agreement.

[Signature pages follow.]

NOW THEREFORE, the undersigned, constituting all of the members of the Board of Directors for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation, as of this 15th day of November, 2010 hereby consent to and adopt this First Amendment to Premiere Vacation Club Membership Plan (Restated).

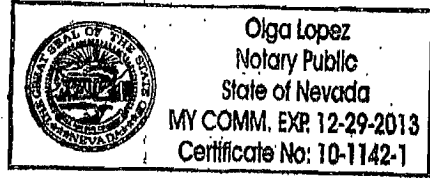
PREMIERE VACATION COLLECTION
OWNERS ASSOCIATION, INC.
an Arizona nonprofit corporation

By: 
Troy Magdos, Director

By: - Countersigned -
Jason Toste, Director

By: - Countersigned -
Jeff Pearson, Director

STATE OF Nevada)
 : ss.
COUNTY OF Clark)



The foregoing instrument was acknowledged before me this 15 day of November, 2010, by Troy Magdos, a Director for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation.

Olga Lopez
NOTARY PUBLIC
Residing at: Las Vegas Nevada

My Commission Expires: 12/29/13

STATE OF _____)
 : ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2010, by Jason Toste, a Director for Premiere Vacation Collection Owners Association, Inc., an Arizona nonprofit corporation.

My Commission Expires: _____ NOTARY PUBLIC
Residing at: _____

STATE OF _____)
 : ss.
COUNTY OF _____)

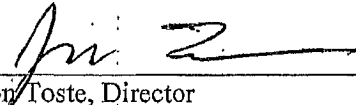
The foregoing instrument was acknowledged before me this ___ day of _____, 2010, by Jeff Pearson, a Director for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation.

My Commission Expires: _____ NOTARY PUBLIC
Residing at: _____

NOW THEREFORE, the undersigned, constituting all of the members of the Board of Directors for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation, as of this 11th day of November, 2010 hereby consent to and adopt this First Amendment to Premiere Vacation Club Membership Plan (Restated).

PREMIERE VACATION COLLECTION
OWNERS ASSOCIATION, INC.
an Arizona nonprofit corporation

By: - Countersigned -
Troy Magdos, Director

By: 
Jason Toste, Director

By: - Countersigned -
Jeff Pearson, Director

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2010, by Troy Magdos, a Director for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation.

My Commission Expires: _____ NOTARY PUBLIC
Residing at: _____

^{CITY AP}
STATE OF LANCASTER)
^{AP} COUNTRY : ss.
COUNTY OF ENGLAND)

The foregoing instrument was acknowledged before me this 11 day of NOVEMBER, 2010, by Jason Toste, a Director for Premiere Vacation Collection Owners Association, Inc., an Arizona nonprofit corporation.

My Commission Expires: Upon My death NOTARY PUBLIC
Residing at: LANCASTER
ENGLAND



STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2010, by Jeff Pearson, a Director for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation.

My Commission Expires: _____ NOTARY PUBLIC
Residing at: _____

APOSTILLE

(Hague Convention of 5 October 1961 / Convention de La Haye du 5 octobre 1961)

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

1. Country: United Kingdom of Great Britain and Northern Ireland
Pays: Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
This public document / Le présent acte public
2. Has been signed by **Andrew M Pollock**
a été signé par
3. Acting in the capacity of **Notary Public**
agissant en qualité de
4. Bears the seal/stamp of **The Said Notary Public**
est revêtu du sceau/timbre de
5. at London/à Londres
6. Certified/Attesté
the/le 15 November 2010
7. by Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs /
par le Secrétaire d'Etat Principal de Sa Majesté aux Affaires Etrangères et du Commonwealth,
8. Number/sous No **I691561**
9. Stamp:
timbre:
10. Signature: **P. Taylor**



For the Secretary of State / Pour le Secrétaire d'Etat

If this document is to be used in a country which is not party to the Hague Convention of 5th October 1961, it should be presented to the consular section of the mission representing that country.

An apostille or legalisation certificate only confirms that the signature, seal or stamp on the document is genuine. It does not mean that the content of the document is correct or that the Foreign & Commonwealth Office approves of the content.

NOW THEREFORE, the undersigned, constituting all of the members of the Board of Directors for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation, as of this 9 day of November, 2010 hereby consent to and adopt this First Amendment to Premiere Vacation Club Membership Plan (Restated).

PREMIERE VACATION COLLECTION
OWNERS ASSOCIATION, INC.
an Arizona nonprofit corporation.

By: - Countersigned -
Troy Magdos, Director

By: - Countersigned -
Jason Toste, Director

By: [Signature]
Jeff Pearson, Director

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by Troy Magdos, a Director for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation.

My Commission Expires: _____ NOTARY PUBLIC
Residing at: _____

STATE OF _____)
: ss.
COUNTY OF _____)

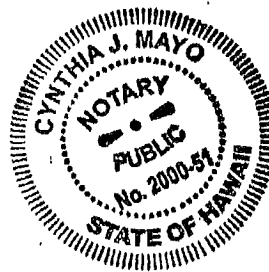
The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by Jason Toste, a Director for Premiere Vacation Collection Owners Association, Inc., an Arizona nonprofit corporation.

My Commission Expires: _____ NOTARY PUBLIC
Residing at: _____

STATE OF Hawaii)
: ss.
COUNTY OF Maui)

The foregoing instrument was acknowledged before me this 9th day of November 2010, by Jeff Pearson, a Director for Premiere Vacation Collection Owners Association, Inc. an Arizona nonprofit corporation.

My Commission Expires: _____ Cynthia J. Mayo
February 6, 2012 NOTARY PUBLIC
Residing at: Maui, Hawaii



**CONSENT TO RECORD, SUBORDINATION
AND NON-DISTURBANCE AGREEMENT
PREMIERE VACATION COLLECTION**

The undersigned, Textron Financial Corporation ("Lender"), is the beneficiary under the following documents (collectively, the "Deeds of Trust"):

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Yavapai County Recorder on September 2, 2010 at Book 4761, Page 987, Entry No. 2010-4412623;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Clark County Recorder on September 7, 2010 as Instrument No. 201009070004413;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Coconino County Recorder on September 2, 2010 as Entry No. 3572756;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Larimer County Recorder on September 3, 2010 as Reception No. 20100052267;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Coconino County Recorder on September 2, 2010 as Entry No. 3572679;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Gila County Recorder on September 7, 2010 as Entry No. 2010-009841;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Coconino County Recorder on September 2, 2010 as Entry No. 3572723;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Maricopa County Recorder on September 2, 2010 as Entry No. 20100761953;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Maricopa County Recorder on September 13, 2010 as Entry No. 20100790991;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Navajo County Recorder on September 2, 2010 as Entry No. 2010-14612;

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Maricopa County Recorder on September 2, 2010 as Entry No. 20100761954;

Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Joseph County Recorder on September 8, 2010 as Entry No. 1024326; and

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, recorded in the official records of the Pima County Recorder on September 3, 2010 as Docket No. 13887, at Page 4983, Sequence No. 20101710802.

The Deeds of Trust constitute liens of record against that certain real property annexed into the Premiere Vacation Collection ("Property").

Lender hereby subordinates the lien and encumbrance of the Deeds of Trust to that certain First Amendment to Premiere Vacation Club Membership Plan (Restated) ("First Amendment") and consents to and approves the terms and provisions and recordation of the First Amendment.

Lender agrees that it shall not disturb or interfere with the rights of Members (as defined in the Premiere Vacation Club Membership Plan (Restated) (the "Plan")) who are in good standing under: (i) the Plan, (ii) the purchase agreement by which such Member purchased a Membership (as defined in the Plan), and (iii) any deeds of trust recorded against such Membership ("Member in Good Standing") to use the Property in accordance with the terms and provisions of the Plan and the First Amendment. Lender further agrees that: (a) Lender's rights in the Property are subordinate to the rights of the Members in Good Standing as described in the Plan and the First Amendment; (b) Lender and any successor or assign, or any person who acquires the Property through foreclosure or by deed in lieu of foreclosure or in fulfillment of the Deed of Trust shall take the Property subject to the Plan and the First Amendment; and (c) Lender and any successor acquiring the Property under the Deeds of Trust may not use or cause the Property to be used in a manner which would negatively impact the rights of Members in Good Standing to use and occupy the Property in a manner contemplated by the Plan, as amended, and other governing documents.

TEXTRON FINANCIAL CORPORATION,
a Delaware corporation

By: _____
Name: Kyle Shanak
Its: VP

STATE OF CT
COUNTY OF Hartford ss.

The foregoing instrument was acknowledged before me this 10th day of November 2010, by Kyle Shanak, the V. President of Textron Financial Corporation.

Loretta E. Sparver
NOTARY PUBLIC
Residing at: _____
MY Commission Expires: _____
NOTARY PUBLIC
MY COMMISSION EXPIRES MAR. 31, 2012

EXHIBIT A
LEGAL DESCRIPTION

Parcel A

The land referred to in this Commitment is in the State of Arizona, County of Maricopa and described as follows:

Parcel I

Lot 3, of RANCHO MANANA RESORT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 457 of Maps, Page 37.

Parcel II

Unit 32, Intervals 33 through 52, inclusive, of THE CASITAS AT RANCHO MANANA CONDOMINIUMS "PHASE 1B", according to the Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona, as 98-0319228 of Official Records, and re-recorded as 98-760740 of Official Records, as amended by that First Amendment to Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona as 98-0360812 of Official Records (as amended, the "Declaration"), and as shown on the Plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 575 of Maps, Page 45, together with an undivided interest in the Common Elements (as defined in the Declaration), calculated in accordance with Article 10 of the Declaration.

Parcel III

Units 33 through 38, inclusive, of THE CASITAS AT RANCHO MANANA CONDOMINIUMS "PHASE 1B", according to the Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona, as 98-0319228 of Official Records, and re-recorded as 98-760740 of Official Records, as amended by that First Amendment to Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona as 98-0360812 of Official Records (as amended, the "Declaration"), and as shown on the Plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 575 of Maps, Page 45, together with an undivided interest in the Common Elements (as defined in the Declaration), calculated in accordance with Article 10 of the Declaration.

Parcel IV

A portion of Lot 4, of RANCHO MANANA RESORT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 457 of Maps, Page 37.

Parcel V

Non-exclusive easements as created in that certain document entitled, "Cross Easement and Maintenance Agreement (CASITAS AT RANCHO MANANA)", recorded April 9, 1998 as Document No. 98-0285653.

Parcel VI

A non-exclusive easement for a pedestrian and vehicular access way and underground utility lines as created in Rancho Main Road Easement Agreement, recorded April 26, 1996 as Document No. 96-0284641 and thereafter Main Road Easement Agreement, recorded April 9, 1998 as Document No. 98-0285654.

Parcel VII

An exclusive easement for pedestrian access way and tennis courts, as created in Rancho Tennis Easement Agreement, recorded April 26, 1996 as Document No. 96-0284645 and thereafter Rancho Tennis Easement Assignment Agreement, recorded April 9, 1998 as Document No. 98-0285655.

Parcel VIII

A portion of Lot 9, of RANCHO MANANA RESORT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 457 of Maps, Page 37.

PARCEL IX:

Units 19 through 27, inclusive, of THE CASITAS AT RANCHO MANANA CONDOMINIUMS "PHASE 1B", according to the Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona, as 98-0319228 of Official Records, and re-recorded as 98-760740 of Official Records, as amended by that First Amendment to Declaration of Dedication and Covenants, Conditions and Restrictions for the CASITAS AT RANCHO MANANA CONDOMINIUMS (Timeshare) recorded in the office of the County Recorder of Maricopa County, Arizona as 98-0360812 of Official Records (as amended, the "Declaration"), and as shown on the Plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 575 of Maps, Page 45, together with an undivided interest in the Common Elements (as defined in the Declaration), calculated in accordance with Article 10 of the Declaration.

Less and except the interests of others heretofore or hereafter granted as owners of undivided interests and their rights to use common elements in common with each other.

Parcel B

All that parcel of land located in the State of Arizona, County of Maricopa and described as follows:

Interval Interest Number A3802, Interval Interest Number A1924, Interval Interest Number A0427, Interval Interest Number A1838, Interval Interest Number A3049, Interval Interest Number D0303, Interval Interest Number C0240, Interval Interest Number B3625, Interval Interest Number B4728, Interval Interest Number B0441, Interval Interest Number B0442, and Interval Interest Number B1051, SCOTTSDALE/CAMELBACK RESORT, as set forth in Declaration of Dedication recorded in Docket 15909, Page 934, Amendments recorded in Docket 16513, Page 456, in Document No. 89-0457929, and in Document No. 2006-0369642, Plat recorded in Book 240 of Maps, Page 39, and Amended Plats recorded in Book 329 of Maps, Page 26, and in Book 332 of Maps, Page 34, records of Maricopa County, Arizona.

As described in the Declaration, each Interval Interest is a fee simple estate in an undivided 1/51 fractional interest in the Residence Unit designated by the Interval Interest Number as shown on the Plat, (said interest consists of (1) week time period designated by the Interval Interest Number, and (2) an undivided 1/51 fractional interest in the Maintenance Period), together with an undivided 1/51 fractional interest in the undivided interest in the Common Area which is appurtenant to said Residence Unit.

Less and except the interests of others heretofore or hereafter granted as owners of undivided interests and their rights to use common elements in common with each other.

<u>Underlying Property and Unit Type</u>	
Property:	Sea of Cortez Beach Club
Number of Resort Interests:	700
Unit Type:	2 Bedroom
Property:	Sea of Cortez Beach Club
Number of Resort Interests:	100
Unit Type:	Penthouse
Property:	Sea of Cortez Beach Club
Number of Resort Interests:	300
Unit Type:	1 Bedroom
Property:	Sea of Cortez Beach Club
Number of Resort Interests:	400
Unit Type:	Studio
Property:	Los Abrigados Resort & Spa
Number of Resort Interests:	42
Unit Type:	Stonehouse

Underlying Property and Unit Type

Property:	Los Abrigados Resort & Spa
Number of Resort Interests:	104
Unit Type:	Orchard
Property:	Los Abrigados Resort & Spa
Number of Resort Interests:	312
Unit Type:	Cottonwood
Property:	Los Abrigados Resort & Spa
Number of Resort Interests:	190.5
Unit Type:	Flagstaff
Property:	Los Abrigados Resort & Spa
Number of Resort Interests:	224.5
Unit Type:	Oak Creek
Property:	Los Abrigados Resort & Spa
Number of Resort Interests:	2879.5
Unit Type:	Jerome
Property:	Los Abrigados Resort & Spa
Number of Resort Interests:	976
Unit Type:	Sedona
Property:	Golden Eagle Resort
Number of Resort Interests:	368
Unit Type:	Studio
Property:	Golden Eagle Resort
Number of Resort Interests:	601
Unit Type:	Executive
Property:	Golden Eagle Resort
Number of Resort Interests:	155
Unit Type:	Imperial
Property:	Golden Eagle Resort
Number of Resort Interests:	88
Unit Type:	Deluxe
Property:	Inn at Los Abrigados
Number of Resort Interests:	306.5
Unit Type:	Inn

Underlying Property and Unit Type

Property:	Inn at Los Abridados
Number of Resort Interests:	34
Unit Type:	Morris House
Property:	Varsity Clubs of America – South Bend Chapter
Number of Resort Interests:	2656
Unit Type:	One Bedroom
Property:	Varsity Clubs of America – South Bend Chapter
Number of Resort Interests:	282.5
Unit Type:	Two Bedroom
Property:	Varsity Clubs of America – South Bend Chapter
Number of Resort Interests:	45
Unit Type:	Rockne's Roost (Two Bedroom)
Property:	Varsity Clubs of America – South Bend Chapter
Number of Resort Interests:	45
Unit Type:	Leahy's Lair (Two Bedroom)
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	52
Unit Type:	Horton House
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	624
Unit Type:	Canyon Creek
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	1539
Unit Type:	Zane Grey
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	484.5
Unit Type:	Ponderosa
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	141.5
Unit Type:	Tonto Creek
Property:	Kohl's Ranch Lodge
Number of Resort Interests:	157
Unit Type:	Christopher Creek

Underlying Property and Unit Type

Property:	Varsity Clubs of America – Tucson Chapter
Number of Resort Interests:	171
Unit Type:	Studio
Property:	Varsity Clubs of America – Tucson Chapter
Number of Resort Interests:	2134.5
Unit Type:	One Bedroom
Property:	Varsity Clubs of America – Tucson Chapter
Number of Resort Interests:	601
Unit Type:	Two Bedroom
Property:	Roundhouse Resort
Number of Resort Interests:	7
Unit Type:	Oak (Studio)
Property:	Roundhouse Resort
Number of Resort Interests:	129
Unit Type:	Pine (One Bedroom)
Property:	Roundhouse Resort
Number of Resort Interests:	26
Unit Type:	Aspen (One Bedroom)
Property:	Roundhouse Resort
Number of Resort Interests:	32
Unit Type:	Juniper (Two Bedroom)
Property:	Carriage House Resort
Number of Resort Interests:	806
Unit Type:	Studio
Property:	Carriage House Resort
Number of Resort Interests:	1305
Unit Type:	One Bedroom
Property:	Carriage House Resort
Number of Resort Interests:	122
Unit Type:	Two Bedroom
Property:	Premiere Vacation Club at Bell Rock
Number of Resort Interests:	2704
Unit Type:	Studio

Underlying Property and Unit Type

Property:	Premiere Vacation Club at Bell Rock
Number of Resort Interests:	1300
Unit Type:	One Bedroom
Property:	Premiere Vacation Club at Bell Rock
Number of Resort Interests:	416
Unit Type:	Two Bedroom
Property:	Celebrity House
Number of Resort Interests:	52
Unit Type:	Celebrity House
Property:	Scottsdale Camelback Resort
Number of Resort Interests:	12
Unit Type:	Studio
Property:	Scottsdale Camelback Resort
Number of Resort Interests:	98
Unit Type:	Two Bedroom – Plan A
Property:	Scottsdale Camelback Resort
Number of Resort Interests:	40
Unit Type:	Two Bedroom – Plan D
Property:	Scottsdale Camelback Resort
Number of Resort Interests:	24
Unit Type:	Three Bedroom
Property:	Rancho Manana Resort
Number of Resort Interests:	104
Unit Type:	Two Bedroom
Property:	Rancho Manana Resort
Number of Resort Interests:	613
Unit Type:	Two Bedroom
Property:	Premiere Vacation Club at the Roundhouse Resort
Number of Resort Interests:	988
Unit Type:	Two Bedroom
Property:	Premiere Vacation Club at the Roundhouse Resort
Number of Resort Interests:	104
Unit Type:	Two Bedroom Deluxe

Underlying Property and Unit Type

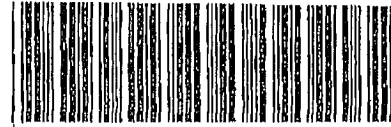
Property:	Winners Circle at Los Abrigados
Number of Resort Interests:	104
Unit Type:	Winners Circle

Exhibit C
Premiere Vacation Club Membership Plan (Restated)
(Attached)

EXHIBIT "C"

When Recorded Mail To:

ILX Resorts Incorporated
Attention: General Counsel
2111 East Highland Avenue, Suite 200
Phoenix, Arizona 85016



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2008-0133225 02/15/08 08:17 AM
1 OF 1

MARESA

PREMIERE VACATION CLUB

MEMBERSHIP PLAN

(Restated)

(Effective as of the date of Recording
or as otherwise described herein)

Recording Indices: Agreements: Miscellaneous

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PREMIERE VACATION CLUB

MEMBERSHIP PLAN
(Restated)

This Membership Plan (the "**Plan**") is, subject to Section 8.10 hereof, amended as of February 7, 2008, by Premiere Vacation Club, an Arizona nonprofit corporation ("**Club**") and Premiere Development Incorporated, an Arizona corporation ("**Seller**"). This Plan amends, restates and supersedes in their entirety any and all other previous documents entitled "Premiere Vacation Club Membership Plan" or "ILX Premiere Vacation Club Membership Plan" Recorded (as defined hereafter) by the Club and/or Seller including without limitation that certain ILX Premiere Vacation Club Membership Plan Recorded in the office of the Maricopa County, Arizona, Recorder on December 6, 2002 at Instrument No. 2002-1307518. However, reference in any document (whether previous or subsequent hereto and including without limitation the Membership Documents as defined below) to any Membership Plan previous hereto, or the Recording information thereof, for Premiere Vacation Club or ILX Premiere Vacation Club shall be deemed to be a reference to this current amended version of the Membership Plan (including all subsequent amendments hereto) and the Recording information hereof (and of any such amendments). Subject to Section 8.10 hereof, this Plan is to be effective on the date of Recording hereof.

PREAMBLE:

A. Club has been formed by Seller for the purpose of establishing and operating a multi-location vacation ownership membership program to be known as the "Premiere Vacation Club".

B. Seller has conveyed or caused to be conveyed, and may in the future convey or cause to be conveyed, to the Club specific interval ownership interests or other occupancy rights, each consisting primarily of a Seven (7) Day Occupancy Period in a type of Unit (a "**Week or Weeks**") in one or more timeshare properties ("**Timeshare Resort(s)**") owned by other than the Club. The Weeks initially conveyed to Club, and any subsequently conveyed to the Club are described in one or more separate Recorded documents entitled "Declaration of Annexation".

C. In general, this Plan provides for the creation of individual memberships in the Club ("**Membership(s)**") whereby the person owning the Membership ("**Member**") shall have the right to lodging accommodations represented by the Weeks at Timeshare Resorts, subject to certain terms and conditions. Except for Specific Term Memberships each Member's Membership will be evidenced by a Deed reflecting an owner's Membership Share and an ownership interest in a portion of the real property represented by certain Weeks conveyed to this Plan, as hereinafter described. Specific Term Memberships will be evidenced by a Leasehold Assignment in a portion of the real property represented by certain Weeks conveyed to this Plan, as hereinafter described.

D. Seller, as the grantor to the Club of fee simple title interest or a leasehold interest in the Weeks (for all purposes in this Plan, Weeks deeded or assigned to the Club by ILX Resorts Incorporated shall also be deemed included in Weeks conveyed to the Club by Seller), currently and

in the future, whether or not the deed to the Club therefor makes reference to this Plan, hereby acknowledges that such conveyance includes, for the sole benefit of the Members, the right forever ("in perpetuity") or for the term of the leasehold interest to use the Weeks subject to the terms and conditions set forth in this Plan, as this Plan may be amended from time to time. In consideration of Seller's conveyance to the Club of the Weeks, the Club hereby grants and conveys in bulk to Seller equitable ownership of such Memberships in the Club, now existing or hereafter created pursuant hereto, and the right to issue Deeds and/or Leasehold Assignments (in the Club's name) creating and evidencing same in connection with individual Members, all for the purpose, in connection with Weeks deeded or assigned to the Club by Seller, of Seller's resale or holding for investment, the proceeds from the sale of such Weeks or of Seller's rights described below, belonging solely to Seller. Provided, however, that the Club shall retain legal record title to such Weeks and Memberships in trust for the use and benefit of Seller in connection with the matters described herein and the Club shall issue Deeds and Leasehold Assignments directly to purchasers designated by Seller. In further consideration of Seller's conveyance to the Club of such Weeks, Club hereby reserves and grants to Seller those certain continuing rights with respect to the Weeks deeded to Club by Seller, in perpetuity for deeded Weeks and for the term of the leasehold interest for leased Weeks as described hereinafter, including but not limited to, the right to utilize and rent unused or unsold Weeks and unoccupied Units and otherwise conduct hotel or other operations with respect to the Weeks and Units, and further reserves and grants unto Seller the exclusive right to market and sell the Memberships deeded or assigned to Club by Seller and to issue Deeds and Leasehold Assignments as aforesaid.

E. In sum, subject to any applicable Underlying Plan, this Plan has been created to establish a common plan for the use, enjoyment, management and operation of the Weeks, Memberships and Units. In furtherance thereof and subject to any applicable Underlying Plan, Seller and Club declare that the Weeks, Memberships and Units shall be held, transferred, sold, conveyed, encumbered, leased, used and occupied subject to the limitations, covenants, conditions, restrictions, liens, assessments, easements, licenses, privileges, rights, rules and regulations ("Covenants") set forth in, or created by authority of, this Plan, as this Plan may be amended from time to time. All such Covenants shall be binding upon and for the benefit of the Club, each Member thereof, Seller and any party having or acquiring any right, title, interest or estate in the Weeks, Deeds and Memberships evidenced therein.

ARTICLE I DEFINITIONS

Section 1.01. Definitions. In addition to other definitions provided for herein, the following terms shall have the following meanings:

"Articles" means the articles of incorporation of the Club, as the same may be amended from time to time.

"Assessments" means Maintenance Fees, Capital Assessments and Personal Charges which a Member is required to pay, which will include any assessments made pursuant to an Underlying Plan. Assessments is further defined in Article V hereof.

“**Board**” means the board of directors of the Club.

“**Bylaws**” means the bylaws of the Club, as the same may be amended from time to time.

“**Calendar Year**” means the one year period commencing on January 1 of each year and ending on December 31.

“**Capital Assessment**” means a charge against each Member (other than Seller) and such Member's Membership which the Board may approve from time to time, representing the cost to the Club for purchase, lease, installation, construction or reconstruction of any capital improvements for the benefit of the Club, or for any other item for which sufficient funds are otherwise unavailable.

“**Check-In-Time**” and “**Check-Out-Time**” mean such times as may be designated as such in the then current rules and regulations for a particular Timeshare Resort.

“**Club**” means the Arizona nonprofit corporation identified as Club in the first paragraph of this Plan and its successors and assigns.

“**Common Expenses**” means the actual and estimated costs of operating and managing the Club and its property including, but not limited to: Assessments, Club administrative costs, taxes, insurance, utilities, reserves, legal fees and accounting fees; the annual maintenance fees or dues and other costs of ownership of the Weeks and any Common Furnishings.

“**Common Furnishings**” means all furniture, furnishings, appliances, fixtures, equipment and other personal property from time to time owned, leased or held for use by the Club, if any.

“**Day**”, subject to the terms of any applicable Underlying Plan, generally means a single overnight period of time commencing at Check-In-Time on any day and terminating at Check-Out-Time on the following day. (If a Member occupies a Unit on a Day and also the day immediately prior to such Day, then the period of time between Check-Out-Time of the prior day and Check-In-Time of the Day, shall be considered part of the Day.)

“**Deed**” means a recorded special warranty or similar deed, executed either by Club or by Seller, on its behalf and on behalf of the other, that transfers and conveys to a Member a Membership in the Club, and an undivided fractional interest (“**Undivided Fractional Interest**”) in the Los Abrigados Resort in Sedona, Arizona (“**Los Abrigados Resort**”) to be held in common with others, which Deed, the Membership inherent therein and the Los Abrigados Resort Undivided Fractional Interest shall be subject to the terms and conditions of this Plan, as well as all other matters of public record. The Deed need be executed only by one of the Club or Seller and shall be deemed to also transfer and convey any interest of the other necessary to the use and enjoyment of the Membership, all as described in and subject to the terms of this Plan as it may be amended from time to time.

“**Deed of Trust**” means one or more Recorded deeds of trust, mortgages or similar documents (Recorded or unrecorded) executed by a Member for the benefit of Seller and/or the Club that creates a lien on the Undivided Fractional Interest and on the Membership represented by

such Member's Deed to secure any unpaid balance of the Member's Membership, and/or to secure compliance with the Membership Documents and any unpaid Assessments or other sums owed by such Member pursuant to this Plan or the Deed of Trust.

"Exchange Program" means such service (if any) provided by any one or more independent exchange companies as may, from time to time, be selected by the Club and Seller, whereby Members, for a fee, may exchange Occupancy Periods for comparable use privileges in other projects in an exchange company network.

"Exchange User" means an owner of an interval in an unrelated timeshare project who temporarily possesses the occupancy and use rights of a Member pursuant to an Exchange Program.

"Hotel Guest" means an individual, other than a Member, Exchange User or Permitted User, who has been granted the right to occupy a Unit or otherwise use a Timeshare Resort.

"Leasehold Assignment" means a recorded lease, executed either by Club or by Seller, on its behalf and on behalf of the other, that transfers and conveys to a Member a Membership in the Club and assigns a leasehold interest in an Undivided Fractional Interest in Los Abridados Resort to be held in common with others, which Leasehold Assignment, the Membership inherent therein and the Los Abridados Resort Undivided Fractional Interest, shall be subject to the terms and conditions of this Plan, as well as all other matters of public record. The Leasehold Assignment need be executed only by one of the Club or Seller and shall be deemed to also transfer and assign for the specified term any interest of the other necessary to the use and enjoyment of the Membership, all as described in and subject to the terms of this Plan as it may be amended from time to time.

"Leasehold Deed of Trust" means one or more Recorded leasehold deeds of trust or similar documents (Recorded or unrecorded) executed by a Member for the benefit of Seller and/or the Club that creates a lien on the Undivided Fractional Interest and on the Membership represented by such Member's Leasehold Assignment to secure any unpaid balance of the Member's Membership, and/or to secure compliance with the Membership Documents and any unpaid Assessments or other sums owed by such Member pursuant to this Plan or the Leasehold Deed of Trust.

"Lender" means any financial institution(s) that may from time to time provide financing to Seller for Weeks or unpaid Membership contracts.

"Main County" means Maricopa County, Arizona, the county in which a complete copy of the currently effective Plan, as it may be amended, and all Declarations of Annexation of Weeks (or Deannexations) shall be Recorded, notwithstanding that Recordings related to conveyance of Deeds, Transfer deeds or Weeks to or from the Club, Members, Seller or others, as the case may be, may take place in other counties or states.

"Maintenance Fee(s)" means an annual charge against each Member and such Member's Membership, representing a pro-rata portion of the annual Common Expenses (including the annual maintenance fees, dues or other charges relating to the Weeks), but subject to the special provisions concerning Seller herein. The Maintenance Fee is more specifically defined in Section 5.03 hereof.

The Maintenance Fee shall be equal for all Memberships of a particular Membership type and Occupancy Period, but may vary among Memberships of different Membership types and Occupancy Periods.

"Member" means the owner of a Membership in the Club, including Seller with respect to any Memberships held by Seller, but subject to the special provisions concerning Seller herein. A Member is the grantee shown on the Deed or Leasehold Assignment or a properly Transferred and Recorded subsequent deed or leasehold assignment in proper form, Transferred in compliance with the Membership Documents.

"Membership" means the collection of occupancy and other rights and obligations of a Member set forth and described in the Membership Documents. The Membership is initially conveyed, transferred and evidenced by the Deed or Leasehold Assignment and is not separable thereafter from the Deed or Leasehold Assignment or the other interests described in and transferred by the Deed or Leasehold Assignment.

"Membership Documents" means this Plan, the Articles, the Bylaws, the Rules and Regulations, the Purchase Agreement, the Deed if a Membership in Perpetuity, the Deed of Trust (if any), the Leasehold Assignment if a Specific Term Membership, the Leasehold Deed of Trust (if any), the Owners Understanding and Acknowledgment, any other documents executed concurrently or in connection with the Purchase Agreement, and, where applicable, any Underlying Plan.

"Occupancy Period" means that number of Days during which a Member may reserve the use of a Unit in one or more Timeshare Resorts in accordance with the provisions of the Membership Documents.

"Occupancy Right" means the maximum number of persons who are permitted to occupy a Unit during a Member's Occupancy Period and otherwise share in the use rights of a Membership as specified for each type of Membership. The Club shall be permitted to deviate from the Occupancy Right in its discretion.

"Occupancy Year" means each Calendar Year during which a Member is entitled to occupy a Unit pursuant to the terms hereof. The Club may designate another period as constituting the Occupancy Year.

"Owner's Understanding and Acknowledgment" means the document executed by Seller and the person named therein as "Buyer" summarizing some of the more significant rights and obligations associated with a Membership.

"Permitted User" means any person, other than a Member, an Exchange User or a Hotel Guest, occupying a Unit or otherwise using a Timeshare Resort with or in lieu of, but with the permission of, any Member, such as such Member's family, guests, employees, licensees or invitees. Any act or omission by a Permitted User shall be deemed the act or omission of the Member under whom such Permitted User occupies or uses.

"Personal Charges" means a charge against a particular Member and such Member's Membership equal to: (a) any and all charges attributable to or incurred by a Member or a Permitted User during the use of a Unit or Timeshare Resort; (b) the cost incurred by the Club for any corrective action performed pursuant to the provisions of this Plan; or (c) a reasonable fine or penalty assessed by the Club, plus interest and other charges thereon, as provided for in this Plan.

"Plan" means this instrument, as the same may be amended from time to time.

"Purchase Agreement" means the purchase agreement between Seller and the person named therein as "Buyer" providing for the sale by Seller and the purchase by Buyer of one or more Memberships.

"Record Book of Members" means the official register of the then current Members of the Club, including each Member's name, address, telephone number and other information, as kept by the Secretary of the Club.

"Recordation," "Recorded" or "Recording" means an appropriate official recording with a County Recorder in a county in the State of Arizona, or an equivalent official in any other state or country, for the official recording of real estate records, membership plans or other documents.

"Rules and Regulations" means the rules and regulations of the Club, including and subject to any applicable rules and regulations as to any particular Timeshare Resort and the Units at such resort, all as the same may be amended from time to time.

"Seller" means the Arizona corporation identified as Seller in the first paragraph of this Plan and its successors and assigns, or any designated affiliate or subsidiary thereof and their successors and assigns.

"Seven Day Occupancy Period" means seven Days, consisting of one Weekend and five Weekdays during an Occupancy Year.

"Specified Term" means the period of time, stated in calendar years, for which a Specific Term Membership as defined in Section 2.01(b) hereof is in effect.

"Underlying Plan" means the written instrument(s) pursuant to which any of the Weeks or Units were legally created or presently exist and/or which provide for the management, operation, maintenance, use and enjoyment of any of the Timeshare Resorts by the common owners thereof and which establishes benefits and burdens running with, and/or equitable servitudes upon, such property.

"Unit" means each portion of a Timeshare Resort available for occupancy by a Member pursuant to this Plan and consisting of a single living unit designed or designated for separate use by a Member, Permitted User, Exchange User or Hotel Guest during such Member's Occupancy Period.

"Weekday", subject to the terms of any applicable Underlying Plan, generally means a single overnight period of time commencing at Check-In-Time on any Sunday, Monday, Tuesday, Wednesday or Thursday and terminating at Check-Out-Time on the following day. (If a Member occupies a Unit on a Weekday and also the day immediately prior to such Weekday, then the period of time between Check-Out-Time of the prior day and Check-In-Time of the Weekday, shall be considered part of the Weekday.)

"Weekend", subject to the terms of any applicable Underlying Plan, generally means two overnight time periods commencing at Check-In-Time on Friday and terminating at Check-Out-Time on the next succeeding Sunday. (If a Member occupies a Unit on a Weekend and also the day immediately prior to such Weekend, then the period of time between Check-Out-Time of the prior day and Check-In-Time of the Weekend, shall be considered part of the Weekend.)

ARTICLE II MEMBERSHIP STRUCTURE, PRIVILEGES AND PROCEDURES

Section 2.01. Membership Categories. The Club's Membership categories are defined based on four variables: unit type, duration, annual frequency, and destination.

(a) **Membership Categories by Unit Type.** There are four Membership categories based on type of lodging accommodations and maximum Occupancy Right as follows:

- (1) **"Copper Membership"**. A Copper Membership has an Occupancy Right of two (2) persons, with accommodations generally consisting of a standard hotel room or studio unit.
- (2) **"Silver Membership"**. A Silver Membership has an Occupancy Right of four (4) persons, with accommodations generally consisting of a one-bedroom suite or deluxe hotel room.
- (3) **"Gold Membership"**. A Gold Membership has an Occupancy Right of six (6) persons, with accommodations generally consisting of a two-bedroom suite.
- (4) **"Platinum Membership"**. A Platinum Membership has an Occupancy Right of no less than six (6) persons, with accommodations generally consisting of luxury or presidential suites or other unique lodging facilities.

The Declaration of Annexation for Weeks will categorize Units related thereto in accordance with the above.

(b) **Membership Categories by Duration.** There are two Membership categories based on duration as follows:

- (1) **"Membership in Perpetuity"**. A Membership in Perpetuity entitles the owner to Membership rights in perpetuity and a deed reflecting an owner's Membership Share

and ownership interest in a portion of the real property represented by certain Weeks conveyed to this Plan.

(2) "Specific Term Membership". A Specific Term Membership entitles the owner to Membership rights for the Specified Term and a Leasehold Assignment for the Specified Term in a portion of the real property represented by certain Weeks conveyed to this Plan.

(c) **Membership Categories by Annual Frequency.** There are two Membership categories based on annual frequency as follows:

(1) "Every Year Membership". An Every Year Membership entitles the owner to occupy a Unit in every Calendar Year.

(2) "Every Other Year Membership". An Every Other Year Membership entitles the owner to occupy a Unit only every other Calendar Year. At the time of the purchase of an Every Other Year Membership, the owner must make a permanent designation whether the Every Other Year Membership will apply to every even Calendar Year or every odd Calendar Year. So, for example, if the Member has purchased an Every Other Year Membership for every odd year, the Member may occupy a Unit only during those Calendar Years ending in an odd number (e.g., 1999, 2001 and so on).

(d) **Membership Category by Destination Type.** There are two Membership categories based on the rights to occupy the timeshare properties annexed into the Club, as follows:

(1) "Full Membership". A Full Membership entitles the owner to occupy a Unit in any property for which owner's Unit Type is annexed to the Club. All owners shall be deemed to have Full Memberships unless the owner's Purchase Agreement specifies otherwise.

(2) "Adventures Membership". An Adventures Membership entitles the owner to occupy a Unit (for which owner's Unit Type is annexed to the Club) in only the following properties:

- Kohl's Ranch Lodge
- Varsity Clubs of America – Tucson Chapter
- Roundhouse Resort
- Carriage House Resort
- Scottsdale Camelback Resort
- Rancho Mañana Resort
- Premiere Vacation Club at the Roundhouse Resort

This occupancy restriction applies to occupancy by Adventures Members and their Permitted Users. Club may allocate Units or weeks in Units to Exchange Company for the benefit of Adventures Members in any property annexed to the Club.

If an owner's Unit Type has not been annexed into the Club for any property, owner shall not have Occupancy Rights at that property regardless of Destination Type.

Subject to the limitations on the maximum number of Memberships existing hereunder from time to time, Seller equitably owns the Memberships in bulk and may use its discretion as to which Membership categories it might from time to time offer for sale. Seller reserves the right to create and offer other types of memberships in the Club with such rights and obligations as it may determine in its sole discretion, by amendment of this Plan, and to which Club hereby acquiesces and agrees to execute any requested consents upon request.

Section 2.02. Reservation Procedures. Any Member wishing to exercise such Member's right to occupy a Unit must first obtain a reservation in accordance with this Plan and the procedures described in the then current Rules and Regulations. The following general rules shall apply, subject to the Rules and Regulations:

(a) All reservations are on a first come, first served basis. The Rules and Regulations set forth any limitations on how far in advance a reservation may be made.

(b) All reservations are subject to space availability.

(c) Subject to any further limitations in an Underlying Plan, unless a Member owns only one day, a Member must reserve any combination of at least two or more consecutive Days at any Timeshare Resort, provided that the Weekend must remain intact as a two-Day unit for any reservation. A Member may reserve a Weekend for each owned Seven Day Occupancy Period or part thereof, so long as such part is at least two Days. Thus, a Member owning two to seven Days may reserve one Weekend, a Member owning nine to fourteen Days may reserve two Weekends, and so on. A Member owning one Day may not reserve on a Weekend.

(d) Reservations are subject to immediate cancellation without notice upon delinquency in payment of Assessments or delinquency in payment of any obligation owing to Seller, or if such reservations have been obtained in a manner designed to circumvent the intent of this Plan or any applicable Rules and Regulations.

The Rules and Regulations should be consulted for more detailed information on cancellation policies, reservation policies, occupancy and use restrictions and other important matters.

Section 2.03. Exchange Privileges. The Club will use all reasonable efforts to participate in an Exchange Program at all times, and all Members will be given the opportunity to participate, for a fee, in the Exchange Program. Any such Exchange Program will be offered by an independently owned and operated service company ("Exchange Company"). Seller is not an agent for Exchange Company and no representations or promises made by Seller or its agents are binding on Exchange Company. Exchange Company's responsibility for representations regarding the Exchange Program, as well as Exchange Company's current or future services, is limited to those made in written materials furnished by Exchange Company. All exchange privileges are subject to availability, the rules and regulations of the Exchange Company and the then-current

trading ability within the Exchange Program, if any. In general, as a prerequisite to exchange, one must "bank" with the Exchange Company a full, unused Seven Day Occupancy Period consisting of seven (7) continuous Days which include a Weekend. A Member wishing to exchange such Member's Occupancy Period in this Plan for use privileges in another project through an Exchange Program must, at the time of deposit to the Exchange Program, have paid in full all Assessments for the year in which the Occupancy Period falls, as well as all prior Assessments. In the event the Occupancy Period being deposited is in a future year for which the Assessments are not yet known, the Member shall pay the equivalent of the current year Assessment for each such unknown year through and including the year of the Occupancy Period.

Section 2.04. Occupancy and Other Rights of Members. Subject to the terms and conditions set forth in this Plan and the Membership Documents, each Member or such Member's Permitted User, for each Membership owned, shall have: (a) the exclusive right to occupy a Unit of a type purchased by such Member during such Member's reserved Occupancy Period; and (b) the non-exclusive right to use and enjoy the common areas associated with the Unit during such Member's reserved Occupancy Period. All rights of Members hereunder are subject to any applicable Underlying Plan; provided however that where not inconsistent, the terms of this Plan shall prevail. Club shall accept as Members all purchasers of Memberships from Seller. Membership in the Club shall not be limited by race, color, religion, national origin, sex, marital status or age (provided the buying Member has the capacity to contract).

Section 2.05. Additional Membership Benefits. In addition to all other benefits of Membership described in this Plan, each Member shall be entitled to such discounts and other privileges as may be made available to all Members by Club, Seller or others, all of which are subject to change at any time and from time to time.

Section 2.06. Additional "Original Member" Benefits. As a special incentive, (including, but not limited to, a special first day purchase incentive), a Member who purchases a Membership directly from Seller (an "Original Member") may be offered permanent enrollment in a specially named "owner benefits" program or programs ("Program"), in which case such Original Member will be entitled to various special privileges made available from time to time exclusively to all such Original Members enrolled in the Program offered. A Program may be made personal to the Original Member and not transferable to subsequent Members except in conjunction with gift or inheritance (but not sale) of the Week or Occupancy Period connected with the Membership. All individual components of any Program are subject to change from time to time in Seller's sole discretion, such as availability, applicable limitations, proof of identity, reasonable rules and regulations and applicable fees, and any Program or component is void if prohibited by law. Any Program benefits may only be used by a current Member in good standing, including being current in Assessments and obligations to Seller, if any.

Section 2.07. Obligations of Members.

(a) Obligations Prior to Occupancy. Each Member's right to occupy a Unit or to make reservations to occupy, or be placed on any waiting list to occupy, a Unit (or to otherwise in any way use a Unit or rights granted hereunder) is expressly conditioned upon such Member being, at the time of such request and at the commencement of any Occupancy Period (or

during such use):

- (1) Current on all Assessments and any other amounts owing to the Club;
- (2) Current in all payments owed to Seller or its assigns pursuant to the Purchase Agreement for such Member's Membership;
- (3) Registered in the Record Book of Members as a Member of the Club; and
- (4) Otherwise in compliance with all of the terms and conditions set forth in the Membership Documents.

(b) Obligations During Occupancy. Each Member shall keep the Unit occupied by such Member and the Common Furnishings therein in good condition during the Occupancy Period, vacate the Unit at the expiration of the Occupancy Period, remove all persons and property therefrom, excluding only the common furnishings of the Timeshare Resort, leave the Unit and such common furnishings therein in good and sanitary condition and otherwise comply with such check-out and other regulations as may be contained in the rules and regulations of the Timeshare Resort. Any Member may permit a Permitted User to exercise such Member's Occupancy Right for the purposes permitted by this Plan during such Member's Occupancy Period, but such Member shall be responsible for any loss, damage, or violation of this Plan or the Rules and Regulations that occurs during such Occupancy Period as if such Member were occupying the Unit.

Except as required to prevent damage or injury to persons or property in an emergency, no Member shall make or authorize any alterations to a Unit or its common furnishings, paint or otherwise refinish or redecorate the inner surfaces of the walls, ceilings, floors, windows or doors bounding any Unit which such Member may from time to time occupy, or remove, alter or replace any portion of the common furnishings, without the prior written consent of the Club and the applicable Timeshare Resort. Any right to perform all of the foregoing acts has been retained by the Club and by Seller unless otherwise expressly stated in this Plan. The foregoing prohibitions, however, shall not modify or affect the obligation of each Member for the prudent care and ordinary maintenance and upkeep of all property subject to such Member's use.

(c) Failure to Vacate. If any Member or any Permitted User fails to vacate a Unit at the end of such Member's Occupancy Period, or otherwise makes unauthorized use of a Unit during a period other than such Member's Occupancy Period, or improperly prevents another Member, Permitted User, Exchange User or Hotel Guest (the "Detained Party") from using or occupying a Unit, such Member or Permitted User (the "Detaining Party") shall be subject to immediate removal and shall reimburse the Club, the Timeshare Resort and the Detained Party for any and all costs and expenses incurred as a result of such conduct, including but not limited to costs of alternate accommodations, travel, court costs and reasonable attorneys' fees. In addition, the Detaining Party shall pay to the Detained Party, the Club or the Timeshare Resort, as the case may be, as liquidated damages, a sum equal to two hundred percent (200%) of the fair rental value per day of the Unit for each day

or portion thereof that the Detaining Party prevents use of the Unit. Upon reasonable notice, the Club shall use reasonable efforts to find comparable alternate accommodations for any Detained Party.

Section 2.08. Membership Share. Each owner of a Membership in Perpetuity will own, and each owner of a Specific Term Membership will lease for the Specified Term, and to each Membership there will be attached, a "Membership Share" in the Club based upon the Occupancy Period and Annual Frequency of such Member's Membership. For each Week at any time existing under this Plan, there will exist the equivalent of one (1) "Authorized Membership Share" available in the Club. The "Total Authorized Membership Shares" shall equal the number of Weeks then existing under this Plan. Each Member's Membership Share as shown on the Deed shall be the equivalent of the Member's Occupancy Period per Occupancy Year. Thus, for example, the Membership Share for an Every Year Membership consisting of one Week shall be represented by "1" (one), or consisting of one Day shall be represented by ".1428" (one-seventh). The Membership Share for an Every Other Year Membership consisting of one Week shall be represented by ".5" (one-half), or consisting of one Day shall be represented by ".0714" (one-fourteenth). Member's Occupancy Periods representing a different number of Weeks/Days/Annual-Frequency shall be represented consistent with the foregoing. Although the following extension will not be shown as such on the Deed or Leasehold Assignment, a one-Day Membership Share expressed as a decimal number shall be deemed extended (rounded up) to sufficient decimal places (or parts thereof) to equal exactly one (1), so that if the decimal numbers for seven (7) one-Day Membership Shares were added together, they would equal exactly one (1).

A Member's Membership Share will determine, or will be used to calculate, as the case may be, the following:

- (1) The Member's voting rights;
- (2) Along with the Unit type purchased by such Member, the amount of Maintenance Fees and Capital Assessments for which such Member is liable; and
- (3) If the Deed or Leasehold Assignment conveys an Undivided Fractional Interest in Los Abridados Resort, along with the Total Authorized Membership Shares and that portion of the total Los Abridados Resort Weeks subject to this Plan which are utilized in connection with the following calculation, the Member's Los Abridados Resort Undivided Fractional Interest in such Member's Deed or Leasehold Assignment, as the case may be.

The number of Weeks (and, thus, the Total Authorized Membership Shares) subject to this Plan at any time and from time to time, together with the portion of the total Los Abridados Resort Weeks subject to this Plan used in calculating the Los Abridados Resort Undivided Fractional Interest, shall be described in the Declarations Recorded pursuant to this Plan. While Seller may add or subtract Weeks in various Timeshare Resorts through Recordation of a Declaration of Annexation, or of Deannexation (either is a "Declaration"), which Declaration shall always include an updated exhibit attached thereto which will show the then current Total Authorized Membership Shares and total Weeks as a result of such Declaration, there shall always be sufficient Weeks

subject to the Plan to cause the Total Authorized Membership Shares to equal the type and number of Membership Shares sold or leased to Members other than Seller. To the extent the Seller has contracted to have available, for use by the Club, Weeks which are (a) not owned by the Club or (b) owned by the Club in less than perpetuity (collectively "Contractual Weeks"), then for the Unit types and the period of time during which such Weeks are available, such Weeks shall be deemed to satisfy the "sufficient Weeks" requirement above and Seller may withdraw from availability for, and use by, the Club a like number and type of corresponding Weeks ("Withdrawn Weeks") for the duration of the period applicable to any Contractual Week(s), at any time and from time to time, without the requirement of Recording an Annexation for the Contractual Weeks or a Deannexation for the Withdrawn Weeks (but nothing herein shall prohibit the Recording of such documents in Seller's discretion).

Total Authorized Membership Shares shall be automatically changed hereunder when Weeks are added to or subtracted from this Plan by a Declaration. Thus, if by Declaration, additional Weeks are added to or subtracted from the Plan by Seller, then the number of Total Authorized Membership Shares and the Memberships available for sale by Seller will change accordingly, and included therein the Los Abridados Resort Undivided Fractional Interest denominator incorporated by reference into the Deed or Leasehold Assignment for any previously sold Membership shall be deemed automatically adjusted accordingly, but notwithstanding the type of Undivided Fractional Interest, such Member's Membership Share (including the numerator of the Los Abridados Resort Undivided Fractional Interest) will remain constant as shown on the Deed or Leasehold Assignment and described below.

The Deed or Leasehold Assignment to be issued to each Member shall convey an Undivided Fractional Interest in and to the Los Abridados Resort, to be held in common with all other owners of the Los Abridados Resort. While the numerator of such Undivided Fractional Interest (which corresponds to a Member's Membership Share) will never change for a Membership Share (and thus a Member's Occupancy Period will not change), the denominator may change from time to time depending upon the number of Weeks from all sources subject to this Plan in relation to the portion of Los Abridados Weeks (out of all Los Abridados Resort Weeks subject to this Plan) utilized for such deeding pursuant to this Plan. Only the numerator (Membership Share) will be shown on such Deed or Leasehold Assignment and the denominator of a Los Abridados Resort Undivided Fractional Interest shall not appear in such Deed or Leasehold Assignment, but rather will be determined by reference to this Plan. Seller shall at all times be permitted to sell Membership Shares in such category and Deed and Leasehold Assignment combinations as it chooses, constituting up to the Total Authorized Membership Shares then existing.

Each Declaration shall contain, on the exhibit showing the Weeks then currently subject to this Plan, a statement substantially as follows: "Based upon the number of Weeks subject to this Plan (including those annexed by this Declaration) on the Recording date of this Declaration (namely, _____ Weeks, including the _____ Los Abridados Resort Weeks utilized in connection with calculating the Los Abridados Resort Undivided Fractional Interest pursuant to this Plan), the Total Authorized Membership Shares in the Club equals: _____. For a Deed or Leasehold Assignment conveying an Undivided Fractional Interest in Los Abridados Resort, (a) the current denominator of the Los Abridados Resort Undivided Fractional Interest is _____; (b) the Los Abridados Resort Undivided Fractional Interest corresponding to one Week for

an Every Year Membership is $1/\underline{\hspace{2cm}}$; (c) the Los Abrigados Resort Undivided Fractional Interest corresponding to one Day for an Every Year Membership is $.1428/\underline{\hspace{2cm}}$; (d) the Los Abrigados Resort Undivided Fractional Interest corresponding to one Week for an Every Other Year Membership is $.5/\underline{\hspace{2cm}}$; and (e) the Los Abrigados Resort Undivided Fractional Interest corresponding to one Day for an Every Other Year Membership is $.0714/\underline{\hspace{2cm}}$.

Seller reserves the right, and is hereby authorized hereunder, without the necessity of approval of the Club or its Members, to (i) prepare and record an amendment to, or restatement of, this Plan to modify the examples contained in, or otherwise clarify, this Section; and/or (ii) to Record a Declaration, at any time and from time to time.

Section 2.09. Units Available for Occupancy by Members. The Club may allocate the Units available for use by Members at any timeshare property annexed into the Club. Additionally, the Club is not required to space the necessary number of available Units evenly throughout the year, but may allocate such Units or weeks in such Units to varying times of the year based on its estimates of the projected demand from time to time in its sole discretion. As part of this allocation, the Club may set aside Units or weeks in such Units in advance for use by an Exchange Company in anticipation of Members' exercise of their opportunity to bank their room rights through such Exchange Company, and such rooms will not be available for use by Members. The Units or weeks in Units set aside for use by an Exchange Company may be allocated among Destination Types as Club in its sole discretion determines. The number of Units of each type that shall be available for occupancy by Members on average shall be determined by multiplying the total number of Units of a given type by a fraction, the numerator of which is the total number of Membership Shares with respect to such type of Unit that have been sold by Seller, and the denominator of which is the total number of Membership Shares with respect to such type of Unit; provided however that if such formula yields a fraction of a Unit, then the Unit total shall be rounded up to the next whole number; and further provided that to the extent Members have used their Occupancy Periods with respect to a particular type of Unit in excess of that required to be held available by the Club during a Calendar Year, then the Club may make a corresponding reduction in the number of such Units held available for the remainder of such Calendar Year.

Section 2.10. Evidence of Ownership. Membership in the Club shall be evidenced by a Deed or Leasehold Assignment and is not separable therefrom. Such Deed or Leasehold Assignment shall be executed on behalf of the Club and shall transfer and convey the Membership to a Member and an Undivided Fractional Interest in the Los Abrigados Resort to be held in common with others. Seller or the Club shall cause the Deed or Leasehold Assignment to be Recorded in the appropriate public records. A Deed shall create rights that shall exist forever ("in perpetuity"), and a Leasehold Assignment shall create rights that shall exist only for the Specified Term, both of which are subject to the terms and conditions of the Membership Documents and the Underlying Plan related to the appropriate property.

Neither the Deed nor Leasehold Assignment conveys a right to occupy or use the Los Abrigados Resort except through the reservation procedures in this Plan and subject to all of the terms of the Membership Documents. Further, the Deed or Leasehold Assignment does not convey a right to vote in the owners' association of Los Abrigados Resort. All of the foregoing rights are reserved to the Club.

Contemporaneous with the execution of a Deed or Leasehold Assignment to a Member who has not paid in full for such Member's Membership, such Member shall execute and deliver to Seller a Deed of Trust or Leasehold Deed of Trust, as appropriate, encumbering the Membership and the Undivided Fractional Interest in the Los Abrigados Resort, which Deed of Trust or Leasehold Deed of Trust shall be released or amended to show payment of such purchase price amounts by Seller following payment in full of all amounts owing under said Member's Purchase Agreement and the Deed of Trust or Leasehold Deed of Trust, by Seller executing and delivering for Recording and subsequent delivery to the Member a deed of release and reconveyance of the Deed of Trust or Leasehold Deed of Trust or an amendment of the Deed of Trust or Leasehold Deed of Trust, as the case may be. If a Member purchases a Membership pursuant to an agreement for sale, such Member shall not be entitled to receive the Deed or Leasehold Assignment until such Member has made payment in full of all amounts owing under, and shall have otherwise complied with the terms and conditions of, the Agreement for Sale Addendum to the Purchase Agreement and the Purchase Agreement. At Seller's or the Club's request, a Member may also be required to execute a Deed of Trust or Leasehold Deed of Trust secured by such Member's Undivided Fractional Interest and Membership rights, or execute a similar agreement, for the purposes of securing and/or implementing the Member's obligations pursuant to this Plan, including without limitation the obligation to timely pay Assessments, Personal Charges and other amounts which may become due hereunder. Such Deed of Trust or Leasehold Deed of Trust may be combined with the purchase money Deed of Trust or Leasehold Deed of Trust into a single Deed of Trust or Leasehold Deed of Trust which will be amended upon payment of the purchase price as described above, but will remain in effect as to the obligations of this Plan.

All Deeds shall be subject to the terms and conditions of this Plan and all matters of public record relating to the Los Abrigados Resort and no Member shall convey, transfer, sell or assign such Member's Deed or Leasehold Assignment or any interest therein separate from said Member's Membership or any other interest in the Deed or Leasehold Assignment or vice-versa; thus, no Membership or any other interest may be separated from the Deed or Leasehold Assignment, and all such conveyances, transfers, sales or assignments of any nature shall be accomplished in accordance with the terms and conditions set forth in this Plan. In addition, no Member shall have the right to compel a partition of the real property underlying the Deed or Leasehold Assignment or any other real property subject to this Plan. Any attempt to effect a transfer or partition prohibited by this Section shall be void. No Membership interest created pursuant to this Plan shall be, or be defined as, a lease or a rental agreement for purposes of any state law governing residential landlord/tenant relations or landlord/tenant matters in general.

Section 2.11. Encumbrances and Title. All Memberships shall be conveyed to Members by Seller and the Club free and clear of any voluntary monetary encumbrances other than any Deed of Trust or Leasehold Deed of Trust securing the Member's purchase price and/or the obligations of the Member pursuant to the Membership Documents. Other than the foregoing, all Weeks conveyed to the Club by Seller, and Memberships to be conveyed to a Member, shall be, and remain, free and clear of any voluntary monetary encumbrances securing obligations of Seller, its affiliates or the predecessors of either; provided, however, that such voluntary monetary encumbrances or other encumbrances shall be permissible so long as such encumbrances contain provisions that result at all times in there being, at least, sufficient free and clear Weeks and Memberships of the number and Unit type of Memberships sold (other than to Seller) which allow

such Members to exercise their occupancy and other rights hereunder without interference by a beneficiary of such encumbrance, as further described below. Examples of such provisions include those where the beneficiary of an encumbrance has agreed to execute for the benefit of the Club, Member or Seller, as the case may be, either: (a) a deed of partial release and reconveyance, or (b) a certificate of non-disturbance (all of such documents being referred to hereinafter as a **"Partial Release"**). Any Partial Release will be delivered for Recording in the appropriate public records. So long as a Member is in full compliance with the Membership Documents, the Partial Release will protect such Member's Membership interest in the event the beneficiary of the monetary encumbrance exercises its legal rights with respect to such Weeks.

Section 2.12. Transfer of Memberships. No Member (other than Seller) shall sell, assign, transfer in any manner (including gift, will or intestate succession), or otherwise convey (**"Transfer"** including any derivative of such word as the context shall require), or encumber, in single units of less than a Week of such Member's aggregate Membership comprised of the same Membership categories (the Membership **"types"**), unless the Member's aggregate ownership of such type consists of less than a Week, in which event all of such Membership interest of that type must be Transferred as a single unit; provided, however, that nothing herein contained shall restrict the manner in which title to the Deed may lawfully be held under applicable law (e.g., joint tenants, community property, or the like). Any attempted Transfer or encumbrance by any Member (other than Seller) in violation of the foregoing, or of the Seller's first refusal rights described below, shall be null, void and of no effect, unless the Club or the Seller, as the case may be, specifically refers to and waives such violation in writing. All Transfers of Memberships in Perpetuity shall be by general or special warranty deed and all transfers of Specified Year Memberships shall be by Leasehold Assignment and such deed or leasehold assignment must incorporate by reference and Transfer all rights and obligations in the original Deed or Leasehold Assignment (and any subsequent deeds or leasehold assignments) which relate to the Transferred Membership Share. Whether or not such incorporation by reference is made, it shall be deemed to have been made and any Transfer shall be deemed to include all rights and interests, and all obligations, relating to the Transferred Membership Share, and any attempted exercise of such rights by the Transferee shall be deemed an acceptance of such obligations

Seller Has Right of First Refusal. Subject to Section 3.02 hereof, Seller, on behalf of itself, its successors and assigns, has retained a right of first refusal on all Transfers. A Member seeking to Transfer such Member's Membership must first submit a written offer to Transfer the Membership to Seller on the same terms and conditions to which Selling Member (defined below) and Buying Member (defined below) have agreed in writing, and a copy of such agreement containing all the applicable terms set out below in this Section shall be attached to the offer to Seller and must also set forth the price agreed to between the Selling Member and Buying Member, the Occupancy Period and the type of Membership. Seller shall be entitled to repurchase the Membership on the terms and conditions set forth in such written offer. In the event Seller does not respond within 20 days after the date of actual receipt of the written offer, then said Member may Transfer the Deed or Leasehold Assignment to the third-party, but only in accordance with the agreement submitted to Seller which shall include the terms and conditions set forth below.

Subject to the foregoing, any Member seeking to Transfer said Member's Membership (**"Selling Member"**) may do so, but such Transfer and Selling Member's Transferee (**"Buying**

Member") is only required to be recognized by the Club as a Member upon satisfaction of the following terms and conditions with respect to said Membership and Transfer:

- (a) If Selling Member's purchase of the Membership was financed by Seller, the Membership must be paid in full such that any principal and all other amounts owing to Seller (or its successors or assigns) by Selling Member under the Purchase Agreement or otherwise have been satisfied.
- (b) Any unpaid Assessments or other amounts owing to the Club shall have been paid in full.
- (c) Buying Member has delivered to Club such Member's written acknowledgement of receipt of a copy of the Membership Documents and such Member's written agreement to abide by the terms contained in the Membership Documents.
- (d) Club has been furnished, in writing, Buying Member's name, address, telephone number and such other identifying information as may be reasonably requested and a statement as to the type of Membership being transferred.
- (e) Club has been furnished with a legible and complete copy of the Recorded deed or leasehold assignment or other instrument of conveyance from Selling Member to Buying Member, such instrument to be in proper form and in accordance with this Plan.
- (f) Club has been provided the Selling Member's original Certificate of Membership for cancellation, if one had been issued to Selling Member. (Effective with a prior amendment, such Certificates have been discontinued.)
- (g) Club has been provided the Selling Member's original Membership Cards, or a written affidavit (in form acceptable to the Club) that they have been lost, along with a processing fee in the amount of \$50 or such other amount as the Club may determine from time to time.
- (h) Club has been provided a processing fee in the amount of \$100 or such other amount as it may determine from time to time.

Upon compliance with all of the above terms and conditions, the Club shall enter the Buying Member's name in the Record Book of Members in substitution for Selling Member, and the Buying Member shall be entitled to exercise the use and occupancy rights of a Member. Until such time, the Club shall not be required to recognize the Buying Member for any purpose, and any action taken by the Selling Member as a Member, from time to time and at any time, may or may not be recognized by the Club in its sole discretion. During the Occupancy Year in which the Buying Member properly acquired such Member's Membership, said Buying Member shall be entitled to the occupancy of a Unit only to the extent of the time periods remaining in the Selling Member's Occupancy Period for that Occupancy Year. Buying Member shall not be entitled to any other rights which Selling Member did not own, to which Selling Member was not entitled at the time of sale, or which Selling Member was not entitled to sell, including without limitation any rights relating to Section 2.06 above where applicable.

Section 2.13. Annexation of Weeks. Seller shall have the exclusive right to convey or cause to be conveyed to Club; and to have annexed to this Plan in accordance with the procedure described below, additional Weeks without the consent of Club or any Member at any time and from time to time. Following such annexation, this Plan shall be fully applicable to such Weeks.

The annexation of Weeks to the coverage of this Plan shall be effected by the execution and Recordation by Seller of a Declaration which shall be maintained with the records of the Club. The Club is hereby deemed to consent thereto, and upon Seller's request, will execute a consent thereto to be Recorded. The Declaration shall be Recorded in the Main County. Each Declaration shall be in a form substantially similar to the form of Declaration attached to this Plan, and shall substantially contain at least the following information:

- (a) A statement annexing and subjecting the Weeks to this Plan, stating the Recording information of this plan;
- (b) On Exhibit "A" thereto, a statement setting forth the applicable resort or hotel property being then currently annexed, number of Weeks and type of Units in accordance with the Underlying Plan;
- (c) On Exhibit "A" thereto, a statement categorizing said annexed Weeks in accordance with the Club's Membership Categories;
- (d) On Exhibit "B" thereto, which shall be deemed automatically incorporated by reference into the then current version of this Plan, referring to the Recording information hereof at the time of such Declaration, and shall state all of the then current Weeks subject to this Plan, including the Weeks annexed by such then current Declaration (describing all the foregoing in the same manner as in Exhibit "A"), and such exhibit will automatically be deemed the current exhibit referred to in this Plan (including any subsequent amendment hereof) until a subsequent Annexation is Recorded; and
- (e) On the Exhibit "B" described above, the statement required by Section 2.08 above.

A form of Declaration of Annexation is attached hereto.

Section 2.14. Deannexation of Units. Seller reserves the right to rescind any prior annexation of Weeks to this Plan ("Deannexation") by the execution and Recordation by Seller of a "Declaration of Deannexation" according to the same procedure and containing substantially the same information (with such modifications as are necessary to accommodate Deannexation) as stated above for a Declaration of Annexation; provided, however, that no Deannexation shall occur that would cause there to exist an insufficient amount of interval inventory to accommodate the occupancy rights of all then existing Members (other than Seller) in the manner described in this Plan. Upon such Deannexation, Club further agrees to reconvey said Weeks to Seller or its designee.

Section 2.15. Complete Current Version of the Plan. A complete, current version of the Plan shall, from time to time as necessary, be Recorded in the Main County, including amendments,

Declarations and Deannexations, regardless of where else such items may be Recorded. Any such Recorded item may incorporate by reference (referring to the title and Recording information thereof) previously Recorded items which are then still effective. The conveyance of Weeks to the Plan from a Timeshare Resort or otherwise, need not be Recorded in the Main County, but the Declaration reflecting their addition shall be so Recorded.

ARTICLE III THE CLUB

Section 3.01. Membership in the Club. Each original owner of a Membership (and any subsequent owner of a properly Transferred Membership) shall be a Member of the Club and shall remain a Member thereof until such Member ceases to own a Membership. The Membership of each Member of the Club is connected to and inseparable from such Member's Deed or Leasehold Assignment (or properly Transferred subsequent deed or leasehold assignment).

Section 3.02. Transfer of Memberships By Gift, Will or Intestate Succession. Membership in the Club is in perpetuity for Memberships in Perpetuity and for the Specified Term for Specific Term Memberships, subject to, and provided that, the Member complies with all terms of the Membership Documents. In accordance with this Plan, Memberships are transferable by gift or by will or intestate succession; provided that, the Transfer is subject to all of the requirements of Section 2.12 hereof, except the Seller shall have no first right of refusal in a bona fide Transfer by gift, will or intestate succession, and provided further that, the Transfer is accomplished by the required deed or leasehold assignment and the Transferee shall be subject to and shall comply with all the requirements of a Buying Member in Section 2.12 hereof.

Section 3.03. Voting. Total Authorized Voting Membership Shares shall equal the number of weeks then existing under the Plan less the number of weeks sold as Specific Term Memberships. Each Member shall be entitled to cast a number of votes equal to such Member's total Membership Share for all Memberships in Perpetuity owned by such Member. Specific Term Memberships do not have voting rights.

Notwithstanding the foregoing, until such time as 95% of the Total Authorized Voting Membership Shares in the Club (including those held for sale by Seller and its affiliates) have been sold by Seller and its affiliates, there shall be no requirement of annual meetings and Seller shall in any event be entitled to cast a number of votes equal to Seller's total Membership Share for all Memberships held by Seller and its affiliates (including those held for sale by Seller and its affiliates) multiplied by nine (9). So, for example, if Seller's Membership Share determined as provided herein were equal to 1,000, then Seller would be entitled to cast 9,000 votes (1,000 x 9). At such time as 95% of the Total Authorized Voting Membership Shares have been sold by Seller and its affiliates, then Seller (including its affiliates) shall be required to vote in the manner provided above for all other Members (e.g., Seller may cast a number of votes equal to Seller's total Membership Share). If the 95% sale figure has been achieved and Weeks are subsequently annexed to the Club, again causing less than 95% of the Total Authorized Voting Membership Shares to have been sold, this Section shall again become operative. All references to votes by Seller in this Plan include its affiliates.

An "affiliate" of Seller for all purposes of this Plan shall be defined as any of (i) Seller or any agent, officer or director of Seller, and (ii) any person or entity owned by, controlled by, or under common control with or by those described in (i).

Where there is more than one (1) record owner of a Membership in Perpetuity ("co-owners"), all of those co-owners shall constitute the Member and may attend any meeting of the Club, but only one (1) of those co-owners shall be entitled to exercise the vote to which the Membership in Perpetuity is entitled. Co-owners of a Membership in Perpetuity shall from time to time designate in writing one (1) of their number to vote. The vote for each Membership in Perpetuity shall be exercised, if at all, as a unit. Where no voting co-owner is designated or if the designation has been revoked, the vote for the Membership in Perpetuity shall be exercised as the co-owners owning the majority interests in the Membership in Perpetuity mutually agree. Unless the Board receives a written objection in advance from a co-owner, it shall be conclusively presumed that the corresponding voting co-owner is acting with the consent of the co-owners. No vote shall be cast for any Membership in Perpetuity if the co-owners present in person or by proxy owning the majority interests in such Membership in Perpetuity cannot agree to said vote or other action. The nonvoting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly-owned Membership in Perpetuity and shall be entitled to all other benefits of ownership, subject to Occupancy Rights.

Section 3.04. Actions of the Club Requiring Membership Approval. Notwithstanding any other provisions of the Plan or the Membership Documents, the following actions of the Club shall require voting approval of the Membership as set forth below:

(a) Any action taken by the Club to fail to renew any existing contract with Seller or its subsidiary or affiliate for the management and maintenance of the Club shall require the affirmative vote of ninety-five percent (95%) of the Total Authorized Voting Membership Share votes including votes cast by Seller in accordance with Section 3.03 above.

(b) Ninety-five percent (95%) of the Total Authorized Voting Membership Share votes shall be required to approve the dissolution of the Club at any time prior to the year 2050; from the year 2050 and thereafter, seventy-five percent (75%) of the Total Authorized Voting Membership Share votes shall be required to approve dissolution of the Club. All such votes shall include votes cast by Seller in accordance with Section 3.03 above.

Any other action requiring approval of the Membership shall be by majority vote (unless otherwise stated in this Plan) based on Total Authorized Voting Membership Share votes, including votes cast by Seller in accordance with Section 3.03 above.

Section 3.05. Counting of Votes. At the request of Members in Perpetuity representing 50% of the Total Authorized Voting Membership Share votes including Seller's votes in accordance with Section 3.03 above, the votes on any action taken by the Club shall be counted by an independent organization or individual selected by the Board.

Section 3.06. Board of Directors. During such time as the 95% provisions of Section 3.03 are operative, the Board of Directors may be appointed by the Seller (or its successor in interest). Otherwise, the Directors shall be elected annually by a vote of the Members.

ARTICLE IV MANAGEMENT

Section 4.01. Powers and Duties Generally. The Club, acting through its Board, may, subject to the provisions of the Articles, the Bylaws and this Plan, exercise any and all of its rights and, except as specifically limited herein, all the rights and powers of a nonprofit corporation formed under the laws of the State of Arizona.

Section 4.02. Specific Powers and Duties of the Club. The Club shall be responsible for the management and operation of the Club including the administration of the use and occupancy of the Units by Members and, contingent on the payment of Assessments by Members, the payment of all related expenses and costs described in the Plan. The Club shall have the duty to administer the Membership Plan and to levy, collect and enforce the Assessments provided for in this Plan.

Subject to the rights of Seller, the Club shall have the power to do all things and incur all expenses that are required to be done or incurred pursuant to this Plan.

Without limitation of the above powers and duties, the Board is expressly authorized, in its discretion and on behalf of the Members, to do any or all of the following, the costs and expenses of which shall be Common Expenses of the Members:

(a) **Management, Administration and Operation.** The Club shall be responsible for the management, administration and operation of the Weeks, including but not limited to payment of the costs and expenses incurred by Managing Agent described below on behalf of the Club, the payment of any assessments pursuant to an Underlying Plan and the establishment and maintaining of a reservation system for the Units.

(b) **Insurance.** The Club shall be responsible for obtaining any appropriate insurance, including, but not limited to liability, fire, extended coverage and workers' compensation insurance, deemed necessary or desirable. The policies of insurance shall cover such risks, be written by such insurers and be in such amounts as Club shall deem proper under the circumstances.

(c) **Legal and Accounting.** The Club shall obtain legal, accounting and other professional services necessary or proper in the operation of the Club and the enforcement of this Plan and the Membership Documents.

(d) **Levy and Collection of Assessments.** The Club shall levy, collect and enforce Assessments against the Members in the manner provided in this Plan in order to pay the expenses of operation, including the fee of the Managing Agent provided for below, and to enforce each Member's obligations.

(e) **Rules and Regulations.** The Club shall adopt and may amend, publish and enforce, from time to time, Rules and Regulations relating to the Club, which Rules and Regulations shall be consistent with this Plan and subject to the rules and regulations connected with any applicable Underlying Plan and Timeshare Resort. The Club may also establish and amend, from time to time, unpublished and/or unwritten operating procedures, which shall also be binding on Members.

(f) **Financial Statements and Accounting.** The Club shall cause to be prepared annual financial statements as soon as practicable after the end of each Calendar Year, consisting of the following: (1) a balance sheet as of the last day of each Calendar Year; and (2) an operating statement for such Calendar Year. Upon the written request of any Member, a copy of the financial statements will be provided. In the event the annual financial statements are not prepared by an independent accountant, upon the written request of the requesting Member, the financial statements shall be accompanied by the certificate of an authorized officer of the Club that the statements were prepared without audit from the books and records of the Club.

(g) **Accounts.** The Club shall establish an "Operating Account" and, if and when applicable, a "Reserve for Capital Expenditures Account." Disbursements shall be made from the accounts as provided herein in the performance of functions by the Club under this Plan. The accounts may be established as trust accounts, money market mutual funds or as any other type of account deemed appropriate by the Board. All monies paid to the Club shall be initially deposited into the Operating Account. Periodically, if and when applicable, there shall be transferred to the Reserve for Capital Expenditures Account the portion of each Member's Maintenance Fees and/or Capital Assessments intended to be held as a reserve for, or currently expended for, expenses of the Club considered capital in nature under the Internal Revenue laws of the United States. The Operating Account shall include: (1) operating funds for current Common Expenses of the Club, and (2) if and when applicable, reserves for non-capital Common Expenses, improvements, replacements, painting and repairs of any Common Furnishings. All determinations of applicability shall be in the sole discretion of the Board.

(h) **Statement of Status.** The Club shall, upon the request of and payment of an administration fee by any Member, purchaser or other prospective transferee of a Membership, issue a written statement setting forth any amounts unpaid with respect to the Member's Membership (subject to applicable laws and written authorization of the Member), the use entitlement for the remainder of the Occupancy Year and the reservation status respecting such Membership.

(i) **Administer Underlying Plans.** The Club shall be the owner of the Weeks and shall exercise all voting and other rights and privileges, and comply with all obligations, to which owners of such Weeks may be entitled or subject as may be described in any Underlying Plan (including, without limiting the foregoing, the right to use and occupy Los Abrigados Resort, which shall also include the right to vote in the related owners' association), except that use and occupancy privileges and obligations specifically associated with and during the actual use and occupancy of Units at Timeshare Resorts shall belong to, and be the

obligation of, the Member so using or occupying pursuant to this Plan.

(j) **Other Necessary Acts.** The Club shall do all other things or acts deemed by the Club to be necessary or proper for the operation and maintenance of the Club pursuant to this Plan.

(k) **Delegation.** The Club may delegate the authority and responsibilities of the Club to one or more agents, including, without limitation, the Managing Agent provided for below.

Section 4.03. Authority and Duty to Engage Managing Agent. The Club shall use its best efforts to engage and maintain a reputable firm as the Managing Agent for the Club pursuant to a written agreement (the "Management Agreement") meeting the requirements of this Section. Such Management Agreement shall:

(a) Obligate the Managing Agent to perform all the duties of the Club specified in this Article, provided that the Managing Agent may delegate its authority and responsibilities to one or more subsidiaries, affiliates or others for such periods and upon such terms as the Managing Agent deems necessary or proper.

(b) Provide for a term of not more than ten (10) years, except that the Management Agreement may provide that the term will be automatically renewed for successive ten (10) year terms unless notice of non-renewal is given no later than one hundred eighty (180) days prior to the end of any term by either party, provided the Club may not give notice of non-renewal unless authorized by the vote or written consent of ninety-five percent (95%) of the Total Authorized Voting Membership Share votes of the Club, including the votes of Seller pursuant to Article III hereof.

(c) Provide that the Managing Agent may resign only after it has given at least thirty (30) days prior written notice to the Club. On or before the effective date of the Managing Agent's resignation, the Managing Agent shall turn over all books and records relating to the management and operation of the Club to the successor Managing Agent.

(d) Provide for a management fee to be paid to the Managing Agent, or a subsidiary or affiliate thereof, not to exceed fifteen percent (15%) of the total Assessments assessed upon Members in each Fiscal Year. Such compensation may be increased if authorized by the vote or written consent of a majority of the Board or if the Club is unable to induce a qualified, reputable and experienced management firm to act as Managing Agent without increasing such compensation.

ARTICLE V ASSESSMENTS

Section 5.01. Assessments and Creation of Personal Obligations Therefor. Subject to the provisions of this Article, each Member (other than Seller and its affiliates for Memberships owned or held for sale) hereby promises to pay to the Club, for each Membership owned, Maintenance Fees charged for Common Expenses and Capital Assessments, reserves for any of the

foregoing and Personal Charges respectively (all of which are sometimes individually and collectively referred to as "Assessments").

The Assessments, together with interest, costs of collection and reasonable attorneys' fees, shall be the personal obligation of each Member (other than Seller and its affiliates for Memberships owned or held for sale) at the time the Assessments become due and payable, shall bind such Member's successors and assigns, and shall be a lien and charge upon the Membership and Deed against which the Assessments are made. No Member may waive or otherwise avoid liability for the Assessments by non-use or abandonment of such Member's Membership or any part thereof.

Section 5.02. Use of Assessments. Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the Members; for the management, operation and maintenance of the Club (including the payment of annual maintenance fees, dues or other assessments pursuant to an Underlying Plan); and to reimburse the Club for expenses incurred by the Club in the performance of the duties of the Club as set forth in this Plan. For any Calendar Year, Assessments collected in the aggregate may first be allocated to operating expenses and then to reserves, if any.

Section 5.03. Maintenance Fees. Maintenance Fees, in general, represent each Member's proportionate share of the costs of operating and maintaining the Club and its facilities (if any), including all assessments of any kind by Underlying Plans. Maintenance Fees shall be determined in accordance with the budget of the Club adopted by the Board. Except for Memberships owned or held for sale by Seller and its affiliates, the Board shall authorize and levy Maintenance Fees upon each Membership, as provided herein, by majority vote of the Board. Except for cost adjustments for Day and Every Other Year Memberships, and except for Memberships held for sale by Seller and its affiliates, Maintenance Fees for each Member shall be equal to a fraction composed of such Member's Membership Share (numerator), in relation to the number of Authorized Membership Shares for the type of Unit purchased by such Member (denominator), multiplied by the then current annual Maintenance Fees for the type of Unit purchased by such Member. Seller and its affiliates may, at Seller's option and in Seller's sole discretion, subsidize a portion of the Maintenance Fees payable by Members (other than Seller and its affiliates), excluding any charges for reserves of any kind, and may loan funds to the Club upon such terms and conditions as Club and Seller may establish. Further, from time to time the Board may determine that all excess funds be retained by the Club and used to reduce the following year's Maintenance Fees.

The Board may, in its sole discretion, determine that the Maintenance Fees are insufficient to meet the Common Expenses of the Club and the Board may, by majority vote, increase such Maintenance Fees; provided, however, that for each Calendar Year on a cumulative basis the Board shall not be authorized to increase the Maintenance Fees in an amount greater than the "CPI Dues Adjustment Percentage" of the then existing Maintenance Fees for a type of Unit without the approval of a majority of the Total Authorized Voting Membership Share votes for that type of Unit including the votes cast by Seller pursuant to Article III hereof. For example, the annual Maintenance Fees for a particular type of Unit shall not be increased in an amount greater than the CPI Dues Adjustment Percentage unless 51% of the Membership Share votes, determined as

provided herein, of those owning in perpetuity that type of Unit vote in favor of the Maintenance Fees increase. For purposes of this Section, the term CPI Dues Adjustment Percentage shall mean a percentage equal to the sum of the percentage increase during the twelve (12) months ending on June 30th in the current Calendar Year in the U.S. city average all items Consumer Price Index for all urban consumers (1982-4 = 100) as determined by the United States Department of Labor, Bureau of Labor Statistics, plus ten percent (10%). In the event the Consumer Price Index is discontinued, the Board shall select an appropriate alternative economic indicator.

Maintenance Fees shall be due and payable in advance by January 1st of each Calendar Year. Except for Seller and Seller's affiliates for Memberships owned or held for sale, annual Maintenance Fees with respect to Memberships purchased from Seller during any Calendar Year will be due and payable in accordance with policies established by Club and Seller and may require payment of the entire amount, without proration, upon or shortly after the purchase of such Membership. In such event, to the extent Seller and its affiliates have previously paid Maintenance Fees associated with such Membership for any such Calendar Year, or are otherwise obligated therefor, then Seller shall receive a credit in the applicable amount of any such Maintenance Fees paid to the Club by Seller and its affiliates.

Notwithstanding any other provision in this Plan, and in lieu thereof: (a) Seller and its affiliates may either (i) subsidize Maintenance Fees as set forth above, or in the alternative (ii) pay its Maintenance Fee on unsold Memberships but only at such time, from time to time, and only to the extent, that Maintenance Fees then paid by all other Members other than Seller and its affiliates are insufficient to pay when due the actually incurred portion of current Common Expenses; and (b) for purposes of determining the Maintenance Fees to be paid by Seller and its affiliates, there shall be excluded from Common Expenses any amounts constituting reserves.

Section 5.04. Personal Charges. Personal Charges shall be paid by each Member as follows:

- (a) If the Timeshare Resort is able to determine the amount of Personal Charges at Check-Out-Time, such Personal Charges shall be payable at Check-Out-Time.
- (b) Personal Charges which are not ascertainable at Check-Out-Time shall be payable within ten (10) days after receipt of an invoice therefor.

Section 5.05. Capital Assessments. Should the Club determine the need for a Capital Assessment, the Club may levy same. Such Capital Assessment shall be levied among all of the Memberships (other than those owned or held for sale by Seller and its affiliates) in the same proportions as are Maintenance Fees.

If any insurance proceeds or condemnation proceeds are received by the Club as a result of damage, destruction or taking of a Unit to which a Week relates and the Week is cancelled in the Underlying Plan, such proceeds shall be (i) used by Club to purchase an additional number of Weeks equal to the number of cancelled Weeks, or (ii) paid to Members to redeem and cancel a number of Memberships to the extent necessary to ensure that all remaining Members may fully exercise the Membership rights granted pursuant to this Plan and the Membership Documents,

provided that no payment shall be made to any Member to redeem such Member's Membership until any amounts due Seller under the Purchase Agreement for such Membership and any amounts due to the Club from such Member have been paid in full. Any excess insurance or condemnation proceeds over the costs above shall, at the option of the Board, be distributed to the Members pro rata or retained in satisfaction of future Assessments.

ARTICLE VI ENFORCEMENT OF RESTRICTIONS

Section 6.01. General. If any Member or such Member's Permitted User fails to comply with any of the terms of the Membership Documents, the Club shall have full power and authority to enforce compliance with such terms in any manner provided for in this Plan, or otherwise provided for by law or in equity. If the Club employs an attorney to enforce the terms of the Membership Documents against any Member, the Club shall be entitled to recover from such Member the Club's reasonable attorneys' fees and costs in addition to any other amounts due.

All sums payable by a Member under this Plan shall bear interest at the rate of eighteen percent (18%) per annum, or, if greater, at the "prime rate" (as quoted by the Wall Street Journal or such other source as may be chosen by the Board) plus ten percentage points (10%) per annum, from the due date, or, if advanced or incurred by the Club or any other Member pursuant to authorization contained in this Plan, from the date of such expenditure. Each Member who becomes delinquent in the payment of any amount due the Club shall also pay to the Club a late charge equal to the larger of \$10.00 or ten percent (10%) of the amount due for each payment that is delinquent. All enforcement powers of the Club shall be cumulative. Each Member by becoming a Member shall have promised and agreed that the Club shall have all of the rights, powers and remedies set forth in this Article and elsewhere in this Plan.

Section 6.02. Suspension and Termination of Privileges. If any Member or such Member's Permitted User fails to comply with any of the terms of the Membership Documents, or otherwise jeopardizes or threatens or appears to jeopardize the quiet enjoyment or prospective quiet enjoyment of Members of the Club, the Club may unilaterally and without notice or hearing suspend any or all rights of such Member for such period of time as it determines in its sole discretion and may assess such monetary penalties as may be reasonably established by the Club. If a Member fails to timely pay Assessments or other amounts due the Club or amounts due Seller under the Member's Purchase Agreement, said Member shall be in default hereunder, and said Member's Membership and all rights thereunder shall be automatically suspended without notice or hearing until the payment of said amounts along with applicable interest, late charges and costs of collection.

If a Member is in default hereunder, then the Club and/or Seller, as applicable, may by unilateral action and without notice or hearing, permanently terminate said Member's Membership as provided elsewhere herein.

Section 6.03. Grant of Lien; Foreclosure. In addition to the remedies otherwise available to the Club under Section 6.02 above and elsewhere herein, each Member (except Seller) hereby grants to the Club a security interest in, and lien against, the Member's Deed or Leasehold

Assignment or Transfer deed or leasehold assignment, as the case may be, and all the interests therein, to secure the payment to the Club of any and all Assessments levied against the Member's Membership together with interest, late charges and costs of collection. Any such security interest or lien asserted against such Deed or Leasehold Assignment or Transfer deed or leasehold assignment may be foreclosed by appropriate action in court, as otherwise provided herein, or in any other manner provided by law. The Club and Seller shall have the power, but not the obligation, to make a credit bid of the amount owed at any foreclosure, judgment or other sale and to purchase all the interests represented by said Deed or Leasehold Assignment or Transfer deed or leasehold assignment, which includes, without limitation, the Membership. The Member against whom enforcement of the security interest or lien is sought shall pay the Club's reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses to the extent permitted by law. The purchaser at any such sale shall obtain title to all the interests and rights represented by the Deed or Leasehold Assignment or Transfer deed or leasehold assignment free from the sums or performance claimed, but otherwise subject to the provisions of the Membership Documents; and no such sale or transfer shall relieve such Membership, or the purchaser thereof, from liability for any Assessments or other payments or performance thereafter becoming due or from the security interest and lien therefor as provided for in this Section.

All sums assessed hereunder but still unpaid shall remain the obligation of and shall be payable by the Member whose deed or leasehold assignment was foreclosed upon; but if such sum should be deemed by the Board in its discretion as not collectible (a) within a reasonable time, or (b) without unreasonable effort or expense, then it shall be deemed at such time, at the Board's election, to be a Common Expense, to be shared among such Members in the same manner as other Common Expenses are shared.

Section 6.04. Subordination to Deed of Trust. The security interest and lien provided for herein shall be prior to all encumbrances made by a Member or imposed by legal process upon any Member except taxes, bonds, assessments and other levies that by law are prior thereto; provided, however, that the security interest and lien provided for herein shall be subordinate to the Deed of Trust or Leasehold Deed of Trust. The sale or Transfer of any Membership shall not defeat or affect the security interest and lien provided for herein; provided, however, that the sale or Transfer of any Membership that is subject to any Deed of Trust or Leasehold Deed of Trust pursuant to a foreclosure under such Deed of Trust or Leasehold Deed of Trust shall extinguish the security interest and lien provided for herein as to payments that became due prior to such sale or Transfer, but, to the extent allowable by law, shall not extinguish the personal obligation of the foreclosed Member for such Member's defaults.

ARTICLE VII SELLER'S RIGHTS

Section 7.01. Rental of Units & Other Activities. Seller shall have the exclusive right in perpetuity to operate all Weeks and Units as a hotel operation which have been deeded by Seller or ILX Resorts Incorporated to the Club, and during all times such a Week is unsold or such a Unit is unoccupied, to utilize or rent same in connection with its operations. Notwithstanding the foregoing, Seller will not exercise its right to reserve Copper Weeks in the Inn at Los Abridados which have been deeded to the Club for use as a hotel operation more than ten (10) days in advance

of use. For purposes of this Plan, any Unit that is available for occupancy by Members pursuant to this Plan that has not been reserved by a Member within ten (10) days of its intended use (or such other period as may specifically be provided herein) shall be deemed an unoccupied Unit. Members shall not be entitled to receive any proceeds resulting from or related to Seller's operation of any Weeks or Units described above as a hotel operation, or as a result of any other activities that Seller may choose to conduct at a Timeshare Resort. No rental of Weeks or Units by Seller as described above shall interfere with or diminish the rights of Members to occupy Units in accordance with Section 2.09 of this Plan. Seller, on behalf of itself, its successors and assigns, and its and their agents, employees and other authorized personnel, reserves the right to enter the Units and any common areas for the purpose of conducting rental activities pursuant to this Section. Seller shall not be required to pay any fee, rental or other payment of any nature whatsoever to the Club or any Member for the right to operate the Weeks or Units described above as a hotel operation or to engage in any other revenue generating activities relative thereto. Notwithstanding the foregoing, Seller shall be under no obligation to operate any Weeks or Units as a hotel or other operation nor provide any facilities, activities, amenities or businesses. Seller may relinquish all or any portion of its rights under this Section from time to time by written notice to Club.

Section 7.02. Conversion to Alternate Program. Seller reserves the right, at some future date, to convert the structure of the Club's Membership program to an alternate format, such as a flexible point system or other program selected by Seller. Seller shall be entitled to take such action without approval of the Membership, provided each Member shall be entitled to reasonably comparable rights and privileges after such conversion as such Member enjoyed immediately prior to such conversion. In order to make such conversion, Seller shall prepare an Amended and Restated Membership Plan, which Seller and Club shall execute on behalf of its then existing and future Members. Such Amended and Restated Membership Plan shall supersede the then existing Plan and all Members' rights thereunder shall cease.

Section 7.03. Amendment. Notwithstanding any other provision of this Plan to the contrary, the prior written approval of Seller will be required before any amendment to the substance of this Article VII shall be effective. This Amendment restriction shall apply even if Seller no longer owns, controls or holds for sale any Memberships in the Club.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.01. Amendment. This Plan may be amended as follows:

- (a) By the vote or written consent of a majority of the Board, acting on behalf of the Club, in its discretion at any time, in order that the provisions of this Plan shall comply with the regulatory requirements of any jurisdiction in which the Seller plans to sell Memberships or have Members;
- (b) By the vote or written consent of a majority in interest of the Total Authorized Membership Share votes of all of the Members of the Club, including Seller's votes in accordance with Article III, except as otherwise provided in this Plan;

(c) By the unanimous vote or written consent of the Board, acting on behalf of the Club, in its discretion at any time;

(d) As otherwise provided in this Plan.

Any amendment shall be binding upon every Member. Any amendment authorized hereby shall be evidenced by an instrument in writing, signed and acknowledged by an officer of the Club and an officer of Seller if the 95% provisions of Section 3.03 are in effect, or as Seller's consent is otherwise required by this Plan, and shall be effective upon Recording, unless otherwise stated in the Amendment.

Section 8.02. Termination. This Plan may be terminated by the vote or written consent of 95% of the Total Authorized Membership Share votes including votes cast by Seller in accordance with Article III. Upon any termination, Club or Seller may unilaterally record an amendment to this Plan stating that this Plan is terminated pursuant to this Section. In the event of termination, the proceeds of any sale of the Memberships or, if applicable, the Weeks, after satisfaction of any debts owed to any Lender, Seller and the Club, shall be distributed to each Member (subject to the rights of any Lender) in the same proportion as each Member's Membership Share and Unit type as of the date of termination of the Plan bears to the Total Authorized Membership Shares and Unit types, provided that no payment shall be made to any Member until any amounts due Seller under the Purchase Agreement for such Membership and any amounts due to the Club from such Member have been paid from such Member's share.

Section 8.03. Notices. All notices provided for in this Plan shall be in writing. Notice to a Member may be transmitted by any reasonable means including, but not limited to, hand delivery (in which event such notice shall be deemed effective upon delivery), facsimile or e-mail communication (in which event such notice shall be deemed effective upon verified transmission), or mail (in which event such notice shall be deemed given on the earlier of actual receipt or seventy-two (72) hours after deposit of same in any authorized mailbox, postage prepaid). Any notice to a Member required under this Plan shall be addressed to the Member at the last address for such Member appearing in the records of the Club or, if there be none, at the address of the property underlying the Deed or Leasehold Assignment. Notices to Members may appear in general Club mailings such as newsletters, publications relating to Club Timeshare Resorts, invoices for Assessments and the like. Notices to the Club shall be hand delivered or sent postage prepaid by certified mail, return receipt requested, and shall be deemed effective upon actual receipt. Notices to the Club shall be addressed to Premiere Vacation Club, 2111 East Highland Avenue, Suite 200, Phoenix, Arizona 85016, Attention: Secretary. The addresses for purposes of this Section may be changed by giving written notice in the manner herein provided for giving notice. Unless and until such written notice is received, the last address as stated herein or changed by written notice shall be deemed to continue in effect for all purposes hereunder.

Section 8.04. Severability. If any provision of this Plan or the application thereof in any circumstance, shall be held invalid, the validity of the remainder of this Plan and the application of such provision or part under any other circumstance shall not be affected hereby.

Section 8.05. Successors. The provisions of this Plan shall be binding upon all parties having or acquiring any Membership, Deed, Leasehold Assignment, or any right, title or interest therein and shall be for the benefit of each Member and such Member's heirs, successors and assigns. Except as otherwise provided herein, each Member (including Seller) shall be fully discharged and relieved of liability on the covenants herein as such covenants relate to each Membership upon ceasing to own such Membership and upon paying all sums and performing all obligations relating to each Membership up to the time such Member's Membership interest terminated.

Section 8.06. Violation or Nuisance. Every act or omission whereby any provision of this Plan, the Bylaws or the Rules and Regulations is violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined or reduced whether or not the relief sought is for negative or affirmative action, by the Club or any Member.

Section 8.07. No Waiver. The failure to enforce any provision of this Plan shall not constitute a waiver thereof or of the right to later enforce such provision.

Section 8.08. Applicable Law. This Plan is to be enforced and interpreted according to the laws of the State of Arizona.

Section 8.09. Power of Attorney. Each Member, by acceptance of a Deed or Leasehold Assignment with its inherent Membership, whether or not it shall be so expressed in the Purchase Agreement or any other document, hereby appoints the Club and/or Seller (as evidenced by the signature of the Club and/or Seller on any exercise of such power of attorney) as such Member's attorney-in-fact, to execute, acknowledge and deliver on behalf of such Member any instrument or document that is required in order to effect a sale, foreclosure, conveyance or transfer of any Deed or Leasehold Assignment and Membership, Unit or, if applicable, Weeks, pursuant to this Plan, or to amend this Plan. Each Member does further give and grant unto the Club and/or Seller, as such Member's attorney-in-fact, full power and authority to do any act necessary and proper to be done in the exercise of the foregoing power as fully as each Member might or could do. This special power of attorney is coupled with an interest, irrevocable and binding on the Member and the successors and assigns of such Member.

Section 8.10. Effectiveness. The amendments to this Plan shall not become effective and binding unless and until the date the Arizona Department of Real Estate issues an Amended Public Report (Registration No. DM98-014798) applied for in connection with this restated Plan, or indicates in writing to Seller that no Amended Public Report is required. Until such time (in which case this Plan will be effective as of such date), the existing Membership Plan and Public Report shall remain in full force and effect and sales of Memberships shall continue pursuant to such Membership Plan and such Public Report.

The undersigned have executed this Plan to be effective as described herein.

[Signatures commence on the following page.]

CLUB:

Premiere Vacation Club,
an Arizona nonprofit corporation

By: Nancy J. Stone

Nancy J. Stone
Printed or Typed Name

Its: President

SELLER:

Premiere Development Incorporated,
an Arizona corporation

By: Nancy J. Stone

Nancy J. Stone
Printed or Typed Name

Its: President

MEMBERS:

Premiere Vacation Club,
an Arizona nonprofit corporation,
as Attorney-in-Fact

By: Nancy J. Stone

Nancy J. Stone
Printed or Typed Name

Its: President

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me this 14th day of February, 2008 by Nancy Stone, as President of Premiere Vacation Club, an Arizona nonprofit corporation on behalf of such entity.

Michelle Pechan

Notary Public

My Commission Expires:

June 13, 2011



STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me this 14th day of February, 2008 by Nancy J. Stone, as President of Premiere Development Incorporated, an Arizona corporation, on behalf of such entity.

Michelle Pechan

Notary Public

My Commission Expires:

June 13, 2011



STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me this 14th day of February, 2008 by Nancy J. Stone, as President of Premiere Vacation Club, an Arizona non-profit corporation, as attorney-in-fact for all Members.

Michelle Pechan

Notary Public

My Commission Expires:

June 13, 2011



When Recorded Mail To:

ILX Resorts Incorporated
Attention: General Counsel
2111 East Highland Avenue, Suite 200
Phoenix, Arizona 85016

Recording Indices: Agreements, Miscellaneous

DECLARATION OF ANNEXATION
OF WEEKS TO
PREMIERE VACATION CLUB

(Effective as of _____)

The undersigned Club and Seller, the holders of legal and equitable title to the Weeks more particularly described on Exhibit "A" attached hereto, hereby declare that the Weeks shall be annexed to and governed by the Premiere Vacation Club Membership Plan as it may be amended from time to time, the current version of which was recorded at _____ [docket and page or instrument number, as applicable] on [date recorded], in the records of the Maricopa County, Arizona Recorder (the "Plan"). Capitalized terms herein shall have the same definitions as in the Plan.

Exhibit "B" attached hereto sets forth all the current Weeks subject to the Plan (including those described on Exhibit "A" hereto). Exhibit "B" is incorporated into the Plan by this reference. Capitalized terms used in this Declaration of Annexation shall have the meanings ascribed to them in the Plan.

CLUB:

Premiere Vacation Club,
an Arizona nonprofit corporation

By: _____

Printed or Typed Name

Its: _____

SELLER:

Premiere Development Incorporated,
an Arizona corporation

By: _____

Printed or Typed Name

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me this ____ day of _____, _____, by _____, as _____ of Premiere Vacation Club, an Arizona nonprofit corporation, on behalf of such entity.

Notary Public

My Commission Expires:

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me this ____ day of _____, _____, by _____, as _____ of Premiere Development Incorporated, an Arizona corporation, on behalf of such entity.

Notary Public

My Commission Expires:

EXHIBIT A

PREMIERE VACATION CLUB

DESCRIPTION OF PROPERTY ANNEXED

BY THIS DECLARATION OF ANNEXATION

<u>Annexed Weeks</u>	<u>Premiere Membership Category</u>
Property:	Number of Weeks:
Number of Weeks:	Unit Type:
Unit Type:	

Exhibit A
Declaration of Annexation

EXHIBIT B

PREMIERE VACATION CLUB

CURRENT WEEKS SUBJECT TO THE MEMBERSHIP PLAN

Based upon on the number of Weeks subject to this Plan (including those annexed by this Declaration) on the Recording date of this Declaration (namely, _____ Weeks, including the _____ Los Abridados Resort Weeks utilized in connection with calculating the Los Abridados Resort Undivided Fractional Interest pursuant to this Plan), the Total Authorized Membership Shares in the Club equals _____. For a Deed or Leasehold Assignment conveying an Undivided Fractional Interest in Los Abridados Resort, (a) the current denominator of the Los Abridados Resort Undivided Fractional Interest is _____; (b) the Los Abridados Resort Undivided Fractional Interest corresponding to one Week for an Every Year Membership is 1/_____; (c) the Los Abridados Resort Undivided Fractional Interest corresponding to one Day for an Every Year Membership is .1428/_____; (d) the Los Abridados Resort Undivided Fractional Interest corresponding to one Week for an Every Other Year Membership is .5/_____; and (e) the Los Abridados Resort Undivided Fractional Interest corresponding to one Day for an Every Other Year Membership is .0714/_____.

**Underlying Property and
Membership Category**

Première Membership Category

Property:

Number of Weeks:

Number of Weeks:

Unit Type:

Unit Type:

[Repeat as Necessary]

ARTICLES OF INCORPORATION



AZ CORPORATION COMMISSION
FILED

OCT 13 2010

FILE NO. 0782243-8

NON-PROFIT CORPORATION
ARTICLES OF AMENDMENT
Pursuant to A.R.S. §10-11008

1. The name of the corporation is:
Preserve Vacation Club
2. Attached hereto as Exhibit A is the text of each amendment adopted.
3. The amendment was adopted the 4 day of October, 2010
4. The amendment was duly adopted by act of (choose one):
 - the members
 - the board of directors (without member action and either member action was not required or members are not entitled to vote).
5. and with approval, in writing, by the person or persons so specified in the corporation's Articles of Incorporation or bylaws.

Dated as of this 5 day of October, 2010

Signature: [Signature]
(Pursuant to ARS §10-8120 (F)(6), the Articles of Amendment must be executed by an officer of the corporation or the Chairman of the Board of Directors).

Title: PRESIDENT

Printed Name: TROY MAGDOS

78527-N

EXHIBIT A

The Non-Profit domestic corporation is hereby amending the name to:
Premiere Vacation Collection Owners Association, Inc.

EXPEDITED
AZ CORP COMMISSION
FILED

ARTICLES OF INCORPORATION
OF
ARIZONA VACATION CLUB

JUL 11 10 44 AM '96
APPR *A. W. J.*
DATE AFTER 7-11-96
TERM _____
DATE _____
0782243-8
OKMF

ARTICLE I

NAME: The name of the corporation shall be Arizona Vacation Club.

ARTICLE II

PURPOSE: The purpose for which the corporation is organized includes the conducting of any or all lawful affairs for which corporations may be incorporated under Title 10, Chapter 22 of the Arizona Revised Statutes, as the same may be amended from time to time.

ARTICLE III

INITIAL BUSINESS: The corporation initially intends to act as the membership organization for one or more interval ownership resorts.

ARTICLE IV

STATUTORY AGENT: The name and address of the initial statutory agent of the corporation is Brown & Bain, P.A., 2901 North Central Avenue, Phoenix, Arizona 85012.

ARTICLE V

BOARD OF DIRECTORS: Three (3) directors shall constitute the initial board of directors. The names and addresses of the persons who are to serve as directors until the first annual election of directors or until their successors be elected and qualified are:

Joseph P. Martori
2777 E. Camelback Road
Phoenix, Arizona 85016

Nancy J. Stone
2777 E. Camelback Road
Phoenix, Arizona 85016

Samuel L. Ciatu
2777 E. Camelback Road
Phoenix, Arizona 85016

ARTICLE VI


INCORPORATOR: The name and address of the incorporator of the corporation are:

Samuel L. Ciatu
2777 E. Camelback Road
Phoenix, Arizona 85016

ARTICLE VII

LIABILITY, INDEMNIFICATION AND EXCULPATION OF OFFICERS AND DIRECTORS: The corporation may indemnify and exculpate officers and directors to the fullest extent permitted under Arizona law. The personal liability of a director to the corporation or its members for monetary damages for breach of fiduciary duty as a director is hereby eliminated or limited to the fullest extent permitted by law.

DATED this 10th day of July, 1996.



Samuel L. Ciatu

AZ CORP COMMISSION
OF THE STATE OF AZ
FILED

NOV 7 2 35 PM '97

APPR. Carlyne Simon
DATE APPR 11-7-97 FILED
TERM _____
DATE _____ TIME _____

0782243-8

STATE OF ARIZONA
ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
ARIZONA VACATION CLUB
(CHANGED BY THIS AMENDMENT TO PREMIERE VACATION CLUB)

Pursuant to the provisions of Section 10-2363, Arizona Revised Statutes, the undersigned nonprofit corporation adopts these Articles of Amendment to the Articles of Incorporation:

1. The name of the corporation is Arizona Vacation Club.
2. The corporation adopts the amendments to its Articles of Incorporation set forth on the attached Exhibit A.
3. The aforesaid amendments were adopted by act of the Board of Directors of the corporation on October 29, 1997 in the manner prescribed by the Arizona Revised Statutes.

DATED: October 29, 1997.

ARIZONA VACATION CLUB
An Arizona nonprofit corporation

By Nancy J. Stone
Nancy J. Stone, President

By Stephanie D. Castronova
Stephanie Castronova, Secretary

EXHIBIT A

Article I of the Articles of Incorporation is amended in its entirety as follows:

ARTICLE I

NAME: The name of the corporation shall be
PREMIERE VACATION CLUB.

Article II of the Articles of Incorporation is amended in its entirety to read as follows:

ARTICLE II

PURPOSE: The purpose for which the corporation is organized includes the conduct of any or all lawful affairs for which nonprofit corporations may be incorporated under Title 10, Chapter 22 of the Arizona Revised Statutes, as the same may be amended from time to time.

Article VII of the Articles of Incorporation is amended in its entirety to read as follows:

ARTICLE VII

LIABILITY AND INDEMNIFICATION: The corporation may indemnify and defend officers, directors, employees and agents to the fullest extent permitted under Arizona law. The personal liability of (i) a director of the corporation for monetary damages for breach of fiduciary duty as a director, or (ii) a director, officer or member for any matter is hereby eliminated or limited to the fullest extent permitted under Arizona law enacted now or in the future (including without limiting the foregoing, A.R.S. Sections 10-2317(D), 10-2342(A)(8) and 10-3202(B)(1)).

Mailed 9/25/98

STATE OF ARIZONA
STATEMENT OF CHANGE
OF STATUTORY AGENT, AND
APPOINTMENT OF NEW STATUTORY AGENT
OF
PREMIERE VACATION CLUB
an Arizona nonprofit corporation

As authorized by Section 10-2309 of the Arizona Revised Statutes, the undersigned, on behalf of Premiere Vacation Club, submit the following information:

FIRST: Premiere Vacation Club is an Arizona nonprofit corporation.

SECOND: The name and address of the corporation's current statutory agent is:

George C. Wallach
2111 East Highland Avenue, Suite 210
Phoenix, Arizona 85016

THIRD: The statutory agent of the corporation has been changed. The name and address of the successor statutory agent is:

Nancy J. Stone
2111 East Highland Avenue, Suite 210
Phoenix, Arizona 85016

FOURTH: The foregoing action has been duly authorized by the corporation.

DATED: September 23, 1998

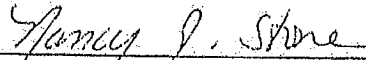
PREMIERE VACATION CLUB

By Nancy J. Stone
Nancy J. Stone, President

By Stephanie D. Castronova
Stephanie D. Castronova, Secretary

ACCEPTANCE OF STATUTORY AGENT

Nancy J. Stone, having been designated to act as Statutory Agent for Premiere Vacation Club, consents to act in that capacity until her removal or resignation in accordance with the Arizona Revised Statutes.



Nancy J. Stone

Address: 2111 East Highland Avenue, Suite 210
Phoenix, Arizona 85016

BYLAWS

PREMIERE VACATION CLUB

BYLAWS (RESTATED)

ARTICLE I - GENERAL

Section 1. Name

The name of the corporation is Premiere Vacation Club, an Arizona nonprofit corporation, hereinafter referred to as the "Club."

Section 2. Location

The principal office of the Club shall be located at 2111 E. Highland Ave., Suite 210, Phoenix, Arizona 85016, or at such other place as may be designated by the Board.

Section 3. Objectives

The objectives of the Club are to operate and maintain the Club and the property, both real and personal, allocated for use by Club Members for the pleasure and recreation of Club Members.

Section 4. Definitions

These Bylaws are to be construed in conjunction with the Membership Plan of the Club, as it may be amended from time to time (the "Plan"). Unless otherwise specifically provided herein, capitalized and other terms used in these Bylaws shall have the same meanings as are given to such terms in the Plan. Any conflict between the Plan and these Bylaws shall be governed by the Plan.

Section 5. Application

The acquisition of any Membership in the Club or the occupancy of any Unit subject to the Plan signifies that such Member or occupant has accepted and ratified these Bylaws.

ARTICLE II - BOARD OF DIRECTORS

Section 1. Responsibilities and Number

The affairs and property of the Club shall be managed for the benefit of its Members by the Board of Directors (the "Board" or the "Board of Directors"). The Board shall have a minimum of three and a maximum of seven Members.

Section 2. Election and Term of Office

The Board, which shall serve until the first election or appointment of Directors, shall be as appointed in the Articles of Incorporation. The Directors shall thereafter be elected or appointed as described in the Plan.

Section 3. Duties

(a) The Board shall establish and promulgate policies, procedures, rules and regulations in addition to these Bylaws as it deems necessary for the operation and benefit of the Club.

(b) The Board shall establish the organizational policies, guidelines, responsibilities and authorities as necessary to properly manage the Club.

(c) The Board shall establish or approve all contractual arrangements involving funds to be used on behalf of the Club that it deems necessary for the operation of the Club and the benefit of its Members.

(d) The Board is authorized and empowered to borrow from time to time on behalf of the Club such sums of money as the Board, in its sole and absolute discretion, deems necessary and advisable.

(e) The Board shall have the rights and powers prescribed by law, by the Plan, by the Articles of Incorporation and by these Bylaws. Without in any way abrogating, limiting, or modifying such powers, the Board is authorized to:

1. establish and enforce Rules and Regulations relevant to the governing of the Club;
2. fix penalties for violations of the Rules and Regulations or for conduct detrimental to the welfare of the Club;
3. make and fix charges relating to Assessments, and regulating the collections of Assessments and other monies owed to the Club;
4. establish and set Maintenance Fees necessary to successfully operate the Club and to provide appropriate services for its Members;
5. spend or designate expenditures on behalf of the Club deemed necessary for efficient operation of the Club and in the best interest of the Members; and
6. perform all other actions deemed necessary and appropriate in the best interest of the Club and the Members.

(f) The Board shall make available for inspection, within fifteen (15) days after receipt of written notice, the accounting books and records relating to the use of Assessments.

Section 4. Regular Meetings of the Board

Regular meetings may be held at such time and place reasonably convenient to the Directors as shall be determined, from time to time, by a resolution adopted by a majority of a quorum of the Directors; provided, however, that such meetings shall be held no less frequently than annually. Notice of the time and place of regular meetings of the Board shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the date named for such meeting.

Section 5. Special Meetings of the Board

Special meetings may be called by the President or by any two (2) Directors. At least three (3) days notice shall be given to each Director, personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

Section 6. Waiver of Notice

Before or at any meeting of the Board, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director at any meeting of the Board shall be a waiver by him/her of personal notice of the time, place and purpose thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting. The transactions at any meeting of the Board shall be valid if either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to the actions taken at such meeting or an approval of the minutes thereof.

Section 7. Action Without Meeting

Any action required or permitted to be taken by the Board may be taken without a meeting if all Directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

Section 8. Quorum

Except as otherwise expressly provided herein, at all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board.

ARTICLE III - OFFICERS

Section 1. Designation

The principal officers of the Club shall be a Chairman, a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board shall deem appropriate, all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as may be necessary. One person may hold more than one office, except that the same person shall not hold the offices of President and Secretary.

Section 2. Election of Officers

The officers of the Club shall be elected by the Board, and each officer shall hold office until he or she shall resign or be removed or otherwise disqualified to serve or a successor shall be elected and qualified to serve.

Section 3. Removal of Officers

Upon an affirmative vote of a majority of the entire Board, any officer may be removed, either with or without cause, and his/her successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Club. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein. Unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 4. Chairman

The Chairman shall be the chief executive officer of the Club. Unless he directs otherwise, the Chairman shall preside at all meetings. He or she shall, subject to the control of the Board, be responsible for the direction and control of the business of the Club. The Chairman shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 5. President

The President shall be the chief operating officer of the Club. The President shall preside at all meetings of the Club if the Chairman is absent. He or she shall have all of the general powers and duties which are usually vested in the office of the President of a club, and shall, subject to the control of the Board, be responsible for the general supervision of the Club. The President shall serve *ex officio* as a member of all standing committees, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 6. Vice President

The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or disabled or whenever the President refuses or is unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board or these Bylaws.

Section 7. Secretary

The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Club at the principal office of the Club or at such other place as the Board may order. The Secretary shall have charge of such books and papers as the Board may direct and the Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Club and of the Board required by these Bylaws or by law to be given. The Secretary shall maintain a Record Book of Members, listing the names and addresses of Members, as furnished to the Club, and such books shall be changed only at such time as satisfactory evidence of a valid change in ownership of a Membership, in conformance with the terms and conditions of the Plan, is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board or these Bylaws. All of the rights and duties of the Secretary shall also apply to any Assistant Secretary appointed.

Section 8. Treasurer

The Treasurer shall be the chief financial officer of the Club and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Club, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Club. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Club in such depositories as may from time to time be designated by the Board. The Treasurer shall disburse the funds of the Club as may be ordered by the Board and shall render to the President and Directors, upon request, an account of all transactions as Treasurer and of the financial conditions of the Club, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

ARTICLE IV - MEMBERS AND MEMBERSHIPS

Section 1. Rights of Membership

Each Member shall be entitled to enjoy the rights and privileges accorded to the type of Membership owned by each such Member as such Memberships are described in the Plan, provided that the Member has complied with the requirements and procedures set forth in the Membership Documents. In the event a Member does not exercise his/her right to an Occupancy Period during an Occupancy Year as described in the Plan, the right to unused time shall not accrue or carry over to any subsequent years.

Section 2. Other Categories of Membership

The Board, with the consent of Seller, may, from time to time, establish other categories of Membership. With the consent of Seller, the Board may, at some future date, convert the structure of the Club's Membership program to an alternate format; such as a flexible point system. The Board shall be entitled to take such action provided each Member shall be entitled to reasonably comparable rights and privileges after such conversion as such Member enjoyed immediately prior to such conversion.

Section 3. Reservations

Reservation of an Occupancy Period must be made in accordance with the Plan and the Rules and Regulations of the Club.

Section 4. Membership

The owner of a Membership shall be determined as described in the Plan.

Section 5. Voting Rights

Member's and Seller's voting rights shall be as described in the Plan.

Section 6. Meetings and Administration

The Members shall meet and transact business as follows:

(a) The annual meetings of the Members shall be governed by the Plan or held on such date as may be determined by the Board. At any annual meeting there may be elected or appointed a Board of

Directors of the Club. The Members may also transact such other business of the Club as may properly come before them.

(b) It shall be the duty of the Board to call a special meeting of the Members, as directed by resolution of a majority of the Board of Directors, or upon receipt by the Secretary of a petition signed by Members representing at least ten percent (10%) of the Total Authorized Membership Shares of the Club. The notice of any special meeting shall be given within twenty (20) days after adoption of such resolution or receipt of such petition and shall state the time and place of such meeting and the purpose thereof. The special meeting shall be held not less than thirty (30) days nor more than ninety (90) days after adoption of such resolution or receipt of such petition. No business shall be transacted at a special meeting except as stated in the notice.

(c) Any action which may be taken by the Club may be taken by a majority of the voting power of the Club at a properly called meeting at which a quorum is present in person or by proxy. Except as otherwise provided in these Bylaws or the Plan, the presence in person or by proxy of at least fifty percent (50%) of the voting power of the Club shall constitute a quorum.

(d) It shall be the duty of the Secretary to send a notice of each annual or special meeting by mail, at least ten (10) but not more than sixty (60) days prior to such meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record. The notice of any meeting at which Directors are to be elected shall include the names of all those nominees at the time the notice is given to the Members. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served forty-eight (48) hours after said notice has been deposited in a regular depository of the United States mail. The Board may fix any date on or prior to mailing as a record date for the determination of the Members entitled to notice of any meeting of Members. The record date so fixed shall be not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Only Members who on the record date for notice of the meeting are entitled to vote shall be entitled to notice of the meeting. Any notice given by the Secretary or the Club may be contained in a publication, newsletter or other writing promulgated by the Club, Seller or its affiliates, so long as it is mailed as described above.

(e) Any action which may be taken at a meeting of the Members may be taken without a meeting by written ballot of the Members solicited in a manner consistent with Arizona law, as may be designated by the Board.

(f) Notwithstanding other provisions in these Bylaws, the following actions of the Club will require approval of the Membership as set forth below:

(1) Any action taken by the Club to fail to renew any existing contract with ILX Resorts Incorporated or its successor or assign, as the Managing Agent, shall require the vote described in the Plan.

(2) The vote described in the Plan shall be required to approve the dissolution of the Club or the merger of the Club with any other organization.

Section 7. Assessments

Members shall pay annual Assessments (including Maintenance Fees) established by the Board and

such Capital Assessments or other assessments (if any) and Personal Charges as may be levied by the Board or as specified in the Plan.

Section 8. Transfer of Membership and Resale Restrictions

(a) Seller, on behalf of itself, its successors and assigns, has retained a right of first refusal on all Memberships. Members seeking to sell their Membership must first submit a written offer to sell the Membership to Seller in accordance with the terms and conditions of the Plan.

(b) Upon the death of a Member, all interests, rights and benefits in the Club may be transferred by the Member's will or, in the absence of a will, by intestate succession.

Section 9. Delinquency in Payments

(a) A Member's account shall be delinquent if Assessments are not paid in full by such time period as may be required. Members whose payments are delinquent shall be in default of their obligations and shall automatically be suspended. Suspended Members are not entitled to use the Timeshare Resort facilities or enjoy any of the privileges of Membership.

(b) If any Member shall have been suspended for delinquency in payments in accordance with the terms and conditions set forth in the Membership Plan, the Club and Seller shall be entitled to pursue all available remedies.

(c) In the event a Member's Membership is canceled, the Member shall not be entitled to the return of any monies paid toward such Member's Membership, Assessments or any other payments made to the Club.

Section 10. Permitted Users

(a) Permitted Users of the Club are those persons to whom privileges of the Club may be extended and for whom prior arrangements have been made with the Club by the Member.

(b) The name and residence of each person to whom privileges are extended, along with the name of the Member through whom the Permitted User is being granted privileges and the date of the Permitted User's use of the Unit, will be entered in the Club's records.

(c) Members to whom the privileges and use of the Club have been denied, suspended Members and former Members whose interests have been terminated shall not be entitled to Permitted User privileges.

(d) A Member shall be totally responsible for any acts or omissions (and any consequences thereof) of that Member's Permitted User, and neither the Club nor Seller shall in any way be responsible therefor.

ARTICLE V - MEMBER ADVISORY COMMITTEE

The Board may elect to establish a Member Advisory Committee (the "Committee"). If established, the Board shall provide guidance in the formation and maintenance of the Committee made up of Members of the Club. The Committee may be selected annually by the Board and shall consist of at least three, but not more than nine Committee Members. The Member Advisory Committee may:

- (a) make recommendations on matters at the request of the Board, including matters such as the handling of violations of the Plan, Bylaws or Rules and Regulations;
- (b) recommend Members to serve on the Member Advisory Committee;
- (c) meet to formally present its concerns to the Board, and otherwise set its own meeting schedule; and
- (d) have such additional powers and authority as delegated by the Board.

The Board may choose to terminate any such Committee at any time.

ARTICLE VI - CLUB RULES AND REGULATIONS

Section 1. Formation

Consistent with the Plan, the Board may promulgate or amend Rules and Regulations concerning Members and Permitted Users.

Section 2. Publication

Written copies of the Rules and Regulations shall be given to the Member at the time of Membership acceptance and published for Members at such times as the Rules and Regulations are materially amended by the Board. No failure of a Member to receive Rules and Regulations or their amendments shall invalidate or diminish the effectiveness of same.

Section 3. Enforcement and Penalties

In addition to these Bylaws, the Rules and Regulations may express such methods of enforcement and penalties as deemed necessary by the Board and which are not prohibited by the Plan.

Section 4. Appeal

Any Member shall have the right to appeal to the Board or its duly authorized representative(s) any decision with respect to its interpretation of the Plan, Bylaws or Rules and Regulations; provided, however, that no appeal process shall be available to Members who are delinquent in the payment of Assessments or of any amounts owing to Seller. Such appeal shall be made in writing to the Board within fifteen (15) days following receipt of notice by the Member of the appealable decision. At the Board's discretion, the Board may schedule a hearing to allow the Member to state such Member's case to the Board or to the Board's duly

authorized representative(s). Such hearing, if any, shall take place within ninety (90) days of receipt by the Board of written appeal. The decision in all such matters shall be considered final.

ARTICLE VII - COMPLAINTS

Any Member having a complaint regarding (1) such Member's Membership, or (2) the conduct of any other Member or Permitted User, must submit such complaint in written form to the Club at the address described in Article I of these Bylaws. Notification of any action taken by the Club will be sent to the Member within sixty (60) days of the receipt of the complaint. Notice of additional action, if any, shall be forwarded to the complaining Member.

ARTICLE VIII - CHANGES TO BYLAWS

The Bylaws may be modified, added to, restated or repealed by the Board at any time.


ARTICLE IX - LIMITATIONS

Membership in the Club shall not be limited by race, color, religion, national origin, sex, marital status or age (provided that all applicants have the capacity to contract).

ARTICLE X - DISCLAIMER

Each Member agrees that neither the Club nor Seller nor their officers, directors, employees and agents shall be legally responsible or liable for any injury or damage to said Member (or anyone claiming under his/her Membership) incurred during the use of Timeshare Resorts.

The undersigned, Stephanie D. Castronova, Secretary of the Club, hereby certifies that the foregoing Bylaws (Restated) of Premiere Vacation Club were duly adopted by proper written consent of the Board of Directors effective as of July 1, 1999, or at such date, if later, as the Third Amendment of the Public Report by the Arizona Department of Real Estate for Premiere Vacation Club becomes effective.


Stephanie D. Castronova, Secretary
Premiere Vacation Club

**SECOND AMENDED AND RESTATED
RULES AND REGULATIONS OF
PREMIERE VACATION COLLECTION
OWNERS ASSOCIATION, INC.**

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**SECOND AMENDED AND RESTATED RULES AND REGULATIONS OF
PREMIERE VACATION COLLECTION OWNERS ASSOCIATION, INC.**

THESE SECOND AMENDED AND RESTATED RULES AND REGULATIONS have been adopted by the Premiere Vacation Collection Owners Association, Inc. (formerly known as Premiere Vacation Club), an Arizona nonprofit corporation (“**Association**”). These Rules and Regulations (a) govern the operation of the Premiere Vacation Collection (formerly known as Premiere Vacation Club), a multi-site vacation plan (the “**Collection**”) for the development, use, occupancy and ownership of interval ownership interests or other types of real property interests (“**Resort Interests**”) and for the payment of all taxes, assessments, insurance premiums and other expenses relating to the Resort Interests and (b) provide for the rights, privileges, priorities, limitations and restrictions for reservation of Occupancy Periods in Collection Accommodations.

**ARTICLE 1
DEFINITIONS**

As used herein, except as otherwise defined herein, capitalized terms shall have the meanings accorded to said terms in the Second Amended and Restated Premiere Vacation Collection Membership Plan (“**Plan**”). Additionally, the following terms shall have the following meanings:

“**Common Expenses**” means and includes all costs incurred by the Association for and on behalf of the Members in respect of Active Resort Interests.

“**Component Site Owners Association**” means the entity responsible for the operation, physical maintenance and repair of a Component Site pursuant to its Component Site Instruments, where the Association is not the party so responsible.

“**Occupant**” means any person occupying or permitted to occupy a Collection Accommodation, including, but not limited to, any Member, members of the Member’s family, the Member’s guests, tenants, licensees, and invitees, and Exchange Users.

“**Person**” includes any individual, corporation, partnership, limited liability company, limited liability partnership, association, governmental body, society, mutual benefit corporation or other entity.

“**Reservation Rate Bands**” means the days of each calendar year which are configured by the Association into groups of time so that the same day of the week in the same Reservation Rate Band is allotted a consistent Reservation Rate.

“**Reservation Rate**” means the number of Points required to occupy any particular Collection Accommodation during any particular Occupancy Period.

“**Reservation System**” means the method, arrangement, or procedure by which Members reserve use and occupancy of Collection Accommodations pursuant to the terms of the Collection Instruments.

ARTICLE 2
SPECIFIC RULES AND REGULATIONS

2.1 General.

2.1.1 These Rules and Regulations establish the guidelines for Members in connection with the use of Points.

2.1.2 Membership is governed by the provisions of the Plan and the Bylaws.

2.1.3 All Members of the Collection shall be bound by the terms of these Rules and Regulations upon becoming a Member.

2.1.4 The annual allocation of Points to a Member for any Occupancy Year shall be available for use by that Member upon the payment of the Assessment for that Occupancy Year. The number of Points to which a Member is entitled annually shall be the aggregate of the Points purchased at various times by the Member and recorded in the Register of Members.

2.1.5 The Manager may periodically issue a Collection directory and may publish brochures and other membership materials and newsletters to provide information on various aspects of the Collection. The frequency and content of these publications and materials may be varied by Manager from time to time.

2.1.6 The Manager (under certain circumstances with the specific approval of the Board by resolution) may adjust the Reservation Rates of any particular Occupancy Periods, Reservation Rate Band classifications, and Collection Accommodations in accordance with the provisions set out in the Plan and the Bylaws.

2.1.7 These Rules and Regulations may be modified or deleted and additional rules may be added by the Board from time to time. All such alterations and additions shall be effective immediately upon creation except that such changes will not be effective as to an existing Member until the Membership has been generally informed of such changes by a notice, newsletter or similar communication by the Manager. Any amended version of these Rules and Regulations shall be distributed to the Members by the Manager in such manner as the Manager, in its sole discretion, deems appropriate in the circumstances. The latest version of these Rules and Regulations shall be available to Members from Manager, upon request, or from the Association's or Manager's website.

2.2 Reservations Procedures and Priorities.

2.2.1 Reservation requests for an Occupancy Period in a Collection Accommodation will be filled on a first-come, first-served basis. All reservation requests are subject to the reservation request timelines outlined within these Rules and Regulations, except as otherwise provided herein for identified circumstances. The confirmation of a reservation is dependent upon the availability of the desired Occupancy Period in the Collection Accommodation. There is no guarantee that any particular

reservation request will be fulfilled. A Member's proposed reservation must be confirmed in writing or by facsimile transmission before it is valid.

2.2.2 Except as these Rules and Regulations may otherwise specifically provide, the use and occupancy of Collection Accommodations that a Member reserves with his or her annual allocation of Points must occur during the same Occupancy Year as the Occupancy Year for which those Points were allocated.

2.2.3 All inquiries or requests for reservations must be made by the Member in writing or by telephone, or such other method as may be advised by Manager from time to time, to the Collection Reservation Services Provider or Reservation Department (collectively, "**Collection Reservations**"). The Manager will, in materials to be made available from time to time, notify Members of addresses, telephone numbers and other access information for Collection Reservations appropriate to their place of domicile.

2.2.4 Collection Reservations shall have complete discretion to refuse to confirm any specific reservation request if it is believed confirming such request would be contrary to the intent of these Rules and Regulations or to the best interests of the Members generally.

2.2.5 No reservation request for Collection Accommodations may be made earlier than thirteen (13) months in advance of the first day of the desired Occupancy Period.

2.2.6 The Manager may make available Occupancy Periods of durations less than seven (7) days at certain Component Sites and in certain Collection Accommodations to the extent such action is consistent with the efficient management of the Collection and acceptable to the respective Component Site Owners Association.

2.2.7 A Member may make as many reservations as necessary to utilize all of the Points available to such Member in the respective Occupancy Year.

2.2.8 A reservation may be confirmed only if the requesting Member has sufficient Points available for use in the Occupancy Year in which the use and occupancy of the Collection Accommodation requested will occur. If the reservation request pertains to use and occupancy of a Collection Accommodation during an Occupancy Year other than one for which the Member has been allocated and still retains sufficient Points, then the Member must create the availability of Points in the desired Occupancy Year by undertaking either a saving or borrowing transaction pursuant to these Rules and Regulations.

2.2.9 Points are always allocated for a specific Occupancy Year and unused Points will expire at the end of the applicable Occupancy Year. By means of saving and borrowing transactions, a Member may change the Occupancy Year with which certain Points are associated for reservation purposes.

2.2.10 A Member may borrow some or all of their future allocation of Points from the Occupancy Year immediately following the Occupancy Year for which the

Member desires to use such borrowed Points. The Points then available to the Member for reservation purposes in the desired Occupancy Year will be increased by the number of Points so borrowed. After the borrowing transaction has been effected, the number of Points available to the Member in the immediately following Occupancy Year will be reduced by the number of Points so borrowed. In order for a Member to complete a borrowing transaction, that Member will be required to make a deposit against future Assessments with respect to the Points to be borrowed. Once a Member has notified Collection Reservations of an intention to borrow Points, the instruction may not be canceled. Borrowed Points will expire if not utilized to make a reservation in the Occupancy Year for which the borrowing transaction occurred. Borrowed Points may not be carried forward and may not be used in the Occupancy Year from which such Points were originally borrowed.

2.2.11 Members who have fully paid their Assessment for a particular Occupancy Year may save all or a portion of the Points allocated for that Occupancy Year and have them reallocated into the immediately succeeding Occupancy Year. Notification of a desire to save Points must be given to Collection Reservations by the dates indicated below, depending on the proportion of the total annual number of Points which the Member wishes to save:

Percentage of Annual Allocation Which May Be Saved:	Notify Collection Reservations On or Before the Following Date of the Year From Which Points Are Being Saved:
Up to 100%	June 30
Up to 50%	August 31
Up to 25%	October 31

The Points then available to the Member for reservation purposes in the Occupancy Year from which Points have been saved will be reduced by the number of Points saved. The Points available to the Member for reservation purposes in the immediately following Occupancy Year will be increased by the number of Points which have been carried forward by saving under this rule. Once a Member has notified Collection Reservations of an intention to save Points, the instruction may not be canceled. Points which have been carried forward for use in the immediately following Occupancy Year must be used in that Occupancy Year and may not be carried forward to subsequent Occupancy Years.

2.2.12 Collection Reservations may effect a temporary suspension of either saving or borrowing or both if it considers such action to be necessary to preserve the general integrity of the Collection. Collection Reservations shall reintroduce the suspended feature as and when, in its sole discretion, Collection Reservations deems it appropriate to do so.

2.2.13 To effectively manage the inventory in the Collection, Collection Reservations shall be entitled, but not obligated, to:

(a) Discount by up to fifty percent (50%) the normal Reservation Rate for selected unreserved Occupancy Periods of seven (7) days duration between fifty-nine (59) and thirty-one (31) days inclusive prior to the commencement of the Occupancy Period;

(b) Discount by up to fifty percent (50%) the normal Reservation Rate for selected unreserved Occupancy Periods of seven (7) days and shorter, thirty (30) days or less prior to the commencement of the Occupancy Period, subject, however, to a minimum required stay that Collection Reservations shall establish for each Component Site;

(c) Occupancy Periods made available under (a) and (b) above shall be designated “**Late Availability Space**”;

(d) Offer reservations at varying discounts to the normal Reservation Rate of specific Occupancy Periods at certain Component Sites at any time, if Collection Reservations considers that inventory utilization may be increased and/or Collection Reservations considers that such action is necessary or beneficial to the overall management of the Collection; and

(e) Reserve available Occupancy Periods in Collection Accommodations during the final fifty-nine (59) days preceding the first day of the Occupancy Period under circumstances where Collection Reservations determines, in its reasonable judgment, that the Members will or may not be making use thereof, for its own purposes or for those of the Seller, including but not limited to, inspection of the respective Component Site, promotional use, rental or any other purpose which Collection Reservations determines. Collection Reservations shall incur no cost for the occupancy of the Collection Accommodations used under this rule.

2.2.14 The features of the Collection described in paragraphs (a) to (e) of Section 2.2.13 above may, if the relevant Exchange Program Instruments so provide, be offered through such Exchange Program.

2.3 **Grandfathered Reservation Privileges.** For Members who purchase a membership prior to the conversion to Points (“**Grandfathered Members**”), which conversion was accomplished by adoption of the Plan on November 8, 2010 (“**Points Conversion**”), the following additional reservation privileges apply:

2.3.1 Notwithstanding the number of Points allocated to a Grandfathered Member in a particular Occupancy Year, but subject to availability, such Grandfathered Member shall have the right to reserve any Occupancy Periods at each Collection Accommodations to which access was permitted prior to the Points Conversion. By way of example, if a Grandfathered Member was previously designated a “Silver” Member,

such Grandfathered Member shall have the right to reserve, subject to availability, every Collection Accommodation designated as “Silver” prior to the Points Conversion, regardless of the Reservation Rate for the particular Occupancy Period reserved.

2.3.2 The Points allocation for Grandfathered Members who purchased Every Other Year Memberships will automatically be saved every other year. If a Grandfathered Member purchased an odd-year Every Other Year Membership, the Points allocation from each even calendar year will automatically be saved for the subsequent odd calendar year, and saving will be automatic in odd calendar years for those who purchased even-year Memberships. A Grandfathered Member may elect not to have his or her allocated Points saved by contacting Collection Reservations prior to June 30 of the year in which such Points would otherwise be automatically saved.

2.4 **Cancellations, Alterations and No-Shows.**

2.4.1 Cancellation of a confirmed reservation will result in the percentage loss of the Points used to make such reservations as follows:

<u>Notification of Cancellation</u>	<u>% Loss of Points</u>
365-91 days prior to the commencement of the Occupancy Period (the “Start Date”)	0%
90-61 days prior to the Start Date	25%
60-14 days prior to the Start Date	50%
Less than 14 days prior to the Start Date	100%

If a Member cancels a confirmed reservation, a similar reservation may not be subsequently re-booked as a Late Availability Space reservation at the applicable discount of the normal Reservation Rate for that Occupancy Period in such Collection Accommodation. For this purpose, a similar reservation for Collection Accommodations will be a reservation which is in the same geographical region as that canceled by the Member and for which the Occupancy Period reserved commences within fourteen (14) days of the commencement of the canceled Occupancy Period. If a Member is identified as having broken this rule, an adjustment may be made retrospectively by Collection Reservations to the Member’s Point account in the same Occupancy Year, or for a subsequent Occupancy Year, to charge the full Point cost of the reservation.

2.4.2 A Member may re-submit a reservation request after having canceled a confirmed reservation, but there can be no guarantee that any alternative reservation requested will be available to the Member.

2.4.3 A Member who intends to check-in at the Component Site after the arrival day designated on the confirmed reservation must contact the check-in desk at the Component Site prior to the commencement of that Occupancy Period to state that such Member will be arriving subsequent to the designated arrival day or risk forfeiting the reservation.

2.4.4 Members who fail to check-in during the Occupancy Period for which they have been issued a confirmed reservation will forfeit one hundred percent (100%) of the Points used to make the reservation for that Occupancy Period.

2.4.5 Collection Reservations shall be entitled to cancel reservations in respect of any Collection Accommodations in any Component Site which shall become unsuitable for Member use, for any reason whatsoever. In such an event, Collection Reservations will give as much prior notice as possible to Members affected and will use its reasonable endeavors to offer suitable alternative reservations. Also,

(a) if any such cancellation by Collection Reservations shall be made during the same Occupancy Year as such canceled Collection Accommodations were to be used, the affected Member shall have the Points attributable to such cancelled reservation reinstated and such Member may save the reinstated Points for use in the following Occupancy Year, irrespective of the time of year in which the cancellation by Collection Reservations was made, and

(b) if Collection Reservations has confirmed a reservation to a Member for Collection Accommodations made uninhabitable or unavailable by disaster or act of God or other reason beyond the Collection's control, that Member waives any and all claims against the Collection and Collection Reservations, and the Collection and Collection Reservations shall have no obligation to provide that Member with an alternative reservation for that Occupancy Year. However, Collection Reservations shall use reasonable efforts to confirm an alternate reservation during the same or the following Occupancy Year. The Collection Accommodations which may be available under such circumstances may be limited or restricted.

2.5 **Payment of Collection Dues and Fees.**

2.5.1 Members will be invoiced for their Assessment on an annual basis.

2.5.2 Members must have paid the Assessment, Personal Charges and other amounts owed to the Association in full to request a reservation in any Occupancy Year.

2.5.3 In the event that a Member requests a reservation within an appropriate reservation window but the use and occupancy of the Collection Accommodations during the reserved Occupancy Period shall occur in the next succeeding Occupancy Year, the Manager will request and receive payment of the estimated Assessment for such next succeeding Occupancy Year prior to issuing a confirmed reservation. The Manager shall determine the estimated Assessment for any subsequent Occupancy Year.

2.5.4 In order to borrow Points from any Occupancy Year for use in the immediately preceding Occupancy Year, a Member will be required to pay all or a proportional part of the estimated Assessment for the Occupancy Year from which Points will be borrowed. The amount of the estimated Assessment and the proportion to be paid will be determined by the Manager.

2.5.5 In the event that the estimated Assessment charged to the Member in accordance with either Section 2.5.3 or 2.5.4 above is lower than the actual Assessment levied by the Association, the Member will be required to pay the amount of the difference within thirty (30) days of the due date of the Assessment in order to remain a Member in good standing.

2.5.6 In the event that the estimated Assessment charged to the Member in accordance with either Section 2.5.3 or 2.5.4 above is higher than the actual Assessment levied by the Association, the Member's account will show a credit, but neither the Association nor the Manager will be obligated to refund this amount to the Member.

2.5.7 The Manager shall remit to the Association any payments collected in advance, as described in the foregoing paragraphs, in accordance with any statutory obligation or agreement between the Manager and the Association.

2.5.8 If a Member has not paid his or her Assessment, Personal Charges and all other amounts owed to the Association within thirty (30) days after notice of delinquency from the Association or after the notice described in Section 2.5.5 above, the Member shall be deemed delinquent and his or her Membership rights may be suspended. A delinquent Member will not be allowed to make reservation requests, receive reservation confirmations, or check into any Collection Accommodations until the Assessment has been paid in full.

2.5.9 The Manager will use its best endeavors to advise Members in advance of additional charges they may face in visiting any particular Component Site, where such charges are not incurred as a consequence of the actions of the Member or at the Member's specific request (long distance telephone charges would be an example of an additional charge resulting from the actions of a Member for which the Manager would not advise the Member in advance). A Member may be subject to a housekeeping fee at a Component Site during such Member's Occupancy Period if the services requested by that Member exceeds the housekeeping services provided and the Component Site's rules require additional payment for such additional services.

2.6 Use of Collection Accommodations.

2.6.1 The use of Points to reserve Collection Accommodations for continuing commercial purposes or for any other purpose other than the personal use of the Member or the Member's family and guests is prohibited. The Seller is specifically exempted from this restriction, and is entitled to use reserved Collection Accommodations for promotional, rental, or other commercial purposes.

2.6.2 No prior approval is required from the Manager for the Member to allow another party to use a Collection Accommodation after the Member has obtained a confirmed reservation. However, such Member is obligated to inform Collection Reservations, of the names of such guests, family members, employees, licensees or invitees prior to the day of check in, and the Member will be responsible for the acts or omissions of such parties, including the failure to pay charges incurred at the Component Site.

2.7 Exchange.

2.7.1 The Association reserves the right to approve one or more Exchange Programs to provide additional exchange services to Members. The use of any Exchange Program without the approval of the Association is prohibited.

2.7.2 If applicable, and unless said Member has opted-out of mandatory membership as described in the Plan, each Member may be automatically enrolled as a member of an Exchange Program for each year of Membership that coincides with the term of the agreement with the Exchange Program.

2.7.3 The Assessments charged Members for the Occupancy Year may include the membership fee for the Exchange Program for that same year.

2.7.4 The use of any Exchange Program is subject to the payment of any Assessments, Personal Charges and any other amounts owed to the Association and any fees payable to or in respect of the Exchange Program.

2.7.5 The use of any Exchange Program is subject to the relevant affiliation agreement between the Association and the Exchange Program, and to the operating policies and procedures agreed upon from time to time between the Manager and Exchange Program.

2.8 Occupation of Collection Accommodations.

2.8.1 Each Occupant of a Collection Accommodation shall comply at all times with the provisions of all internal rules and local rules and regulations of the Component Site; and all laws, statutes and rules and regulations of the local, municipal, county and state jurisdictions in which the Collection Accommodations are located.

2.8.2 Use and occupancy of each Collection Accommodation shall be strictly in accordance with the provisions of these Rules and Regulations and the other Collection Instruments.

2.8.3 Each Collection Accommodation shall be vacated by the Occupants at the expiration of the relevant Occupancy Period and all personal property belonging to the Occupants shall be removed. Collection Accommodations shall be left in a good, clean and sanitary condition.

2.8.4 Each Occupant shall comply with such procedures for reporting such Occupant's departure from any Collection Accommodation and for discharging any expenses that may have been incurred during the occupancy.

2.8.5 No Occupant shall damage, interfere with or do anything likely to lower the value or attractiveness or appearance of any Collection Accommodation, of any of the common areas or of any furnishings, fixtures or fittings therein.

2.8.6 No Collection Accommodation or the common areas or the fixtures, fittings, furnishings or other equipment of any Collection Accommodation or any other common areas nor any part of, or area adjacent to, any Collection Accommodation shall be altered or damaged.

2.8.7 No Occupant shall do or permit to be done anything in a Collection Accommodation which shall be or tend to be a nuisance or annoyance to any other person lawfully entitled to enjoy the applicable Component Site at any time or commit waste or do any act or introduce any substance or thing which might violate any policy of insurance or require an increased premium be paid for the same.

2.8.8 No Occupant shall keep any animal, bird, fish or other livestock in or upon any Collection Accommodation, except such animals that assist persons with disabilities, e.g., seeing-eye dogs.

2.8.9 No Occupant shall use any Collection Accommodation or permit the same to be used for any purpose whatsoever other than as a temporary private vacation home occupied by no more than the published maximum number of persons. The Occupants of Collection Accommodations shall not make use thereof for any purpose from which a nuisance can arise to other occupiers of adjoining space or for any illegal or immoral purpose whatsoever or for the purpose of any trade, business, profession or manufacture.

2.8.10 The following additional rules shall apply:

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

(b) Clothes or other articles shall not be hung or exposed anywhere outside any Collection Accommodation or in any position visible from outside the building in which the Collection Accommodation is located.

(c) No Occupant shall throw dirt, garbage, rags or any other deleterious material from the windows or balconies of any Collection Accommodation, or deposit such items into sinks, bathtubs, toilets and other pipes or conduits of any Collection Accommodation.

(d) No Occupant shall allow any music or singing whether by instrument or voices, radio, television or other means in any Collection Accommodation so as to cause nuisance or annoyance to any other occupier of

adjoining space and in particular so as not to be audible outside the Collection Accommodation between 11:00 p.m. and 9:00 a.m.

(e) No Occupant shall obstruct the private roadway, passageways or pedestrian walkways serving the Collection Accommodation nor use them for any other purpose than for access to or egress from the Collection Accommodation which the Occupant is entitled to use.

(f) No Occupant shall store in any Collection Accommodation or near thereto any flammable or explosive material.

2.9 Miscellaneous.

2.9.1 Any action of the Manager pursuant to the terms of these Rules and Regulations, or the other Collection Instruments shall be taken unilaterally and in its sole discretion.

2.9.2 The Manager may waive or suspend any of these Rules and Regulations in the actual operation and management of the Collection to the extent determined reasonable by the Manager.

2.9.3 One or more of these Rules and Regulations may not apply to Members owning certain types of Points, as more particularly described in the relevant part(s) of the Collection Instruments.

End of Rules and Regulations

From: (702) 823-7551
Patricia Rosado
Diamond Resorts International
10600 W Charleston Blvd

Las Vegas, NV 89135

Origin ID: BLDA



J13111302120326

Ship Date: 01MAY13
Act/Wgt: 3.0 LB
CAD: 3322140/INET3370

Delivery Address Bar Code



SHIP TO: (602) 788-2089

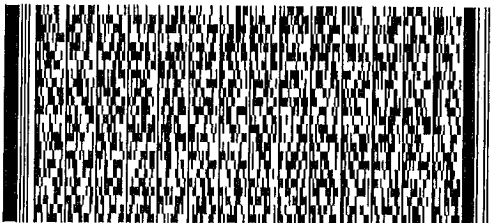
BILL SENDER

Jon L. Phelps
Phelps Law Group, PLLC
4045 E. Union Hills Dr.
Suite A-104
PHOENIX, AZ 85050

Ref # 1001.0752.501.000.513.55315
Invoice #
PO #
Dept #

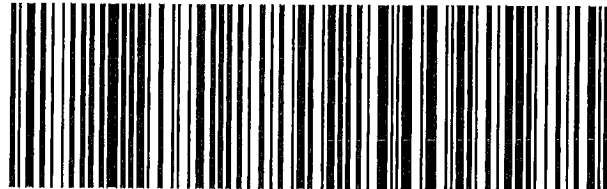
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EXHIBIT F

13-121

LAW OFFICES
PHELPS LAW GROUP
Professional Limited Liability Company

Street Address:
4045 East Union Hills Drive
Suite A-104
Phoenix, Arizona 85050

JON L. PHELPS
Phone (602) 788-2089
Fax (602) 663-9050
jon@phelpsllawgroupaz.com

ERICA M. FEDON
erica@phelpsllawgroupaz.com

January 16, 2014

RECEIVED

Sent U.S. mail to:

JAN 23 2014

Patricia Rosatto/Legal Department
Diamond Resorts International
10600 W. Charleston Blvd.
Las Vegas, NV 89135

BY: _____
Initial: _____

*Re: Norman Zwicky: Contract No. 51141; Membership No.: 1554010
Offer of compromise protected by Arizona Rule of Evidence 408*

Ms. Rosatto:

I represent Norman Zwicky ("Zwicky") in the above-referenced matter. Zwicky purchased a vacation club membership timeshare package ("Timeshare") with ILX Resorts, the predecessor to your company, Diamond Resorts International. In 2004, Zwicky's Timeshare was upgraded to "Platinum Membership" and his annual assessment fee was between \$800-\$850.

In 2010, when Diamond Resorts International acquired ILX Resorts, the annual assessment fee increased dramatically without justification.

Pursuant to Provision 7 of the Purchase Agreement, on April 16, 2013 we requested the following documents from you: (1) Member Plans; (2) Articles of Incorporation; (3) Bylaws; and (4) Rules and Regulations. We also requested corresponding amended documents. In response, we received: (1) the Articles of Incorporation, (2) Bylaws, (3) a 2008 Membership Plan, (4) a First Amended 2010 Membership Plan, (5) a Second Amended 2010 Membership Plan, and (6) the Second Amended and Restated Rules and Regulations.

On May 17, 2013 we sent you another letter requesting the following documents: (1) **original** Member Plans (specifically those that were in place in October 2004), and (2) the **original** Rules and Regulations (specifically those in place in October 2004). As of the date of this letter we have yet to receive the requested documents. Without these documents, we have yet to see any authority allowing for the dramatic rate increases.

In the event that you fail to provide the requested documents to us by **February 10, 2014**, my client has instructed me to seek a declaratory judgment establishing that Diamond Resorts International has breached the contract by arbitrarily increasing the fees and creating additional fees that were not contemplated in the original agreement. In addition to requiring the total annual fees for his Timeshare be reverted back to the \$800 fee from when he signed the Purchase

Patricia Rosatto/Legal Department
Diamond Resorts International
January 16, 2014
Page 2

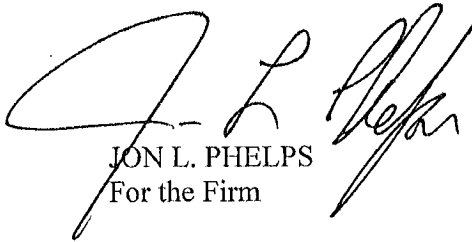
Agreement for the "Platinum Membership" in 2004, we will also be seeking monetary damages for loss of use of the Timeshare and any derogatory credit reporting which may have occurred since the fees were improperly increased.

In addition to vindicating my client's claims, I will seek to have a class of all similarly situated plaintiffs certified under Arizona Rule of Civil Procedure 23(b)(2) for injunctive relief and 23(b)(3) for monetary damages. Finally, in addition to seeking the foregoing damages on behalf of my client and all similarly situated plaintiffs, because this matter arises out of contract I will seek to recover all costs and reasonable attorneys' fees under A.R.S § 12-341.01.

If you are unable to provide the documents, my client will agree to settle this matter if Diamond Resorts International will: (1) retroactively reduce the unpaid fees to an annual rate of \$800 per year; (2) waive any late fees; (3) acknowledge that my client's annual fees will remain at \$800; and (4) issue a credit of \$1,500.00 to my client to reimburse him for the attorneys' fees he has already incurred in this matter.

I urge you to give this matter your immediate attention. If you do not timely respond to the demand, the litigation will be commenced without further demand.

Sincerely,



JON L. PHELPS
For the Firm

JLP/emf

EXHIBIT G



DIAMOND RESORTS
INTERNATIONAL™

February 3, 2014

VIA FAX 602-663-9050

Jon L. Phelps
Phelps Law Group
4045 East Union Hills Drive, suite A-104
Phoenix, Arizona

**Re: Norman Zwicky / Contract No. 51141 / Membership No. 1554010
(Our File No.: 13-121)**

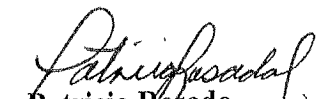
Dear Mr. Phelps:

We are in receipt of your letter dated January 14, 2014.

As you may be aware from your client, on September 2, 2010, ILX Acquisition, Inc. ("ILXA"), a subsidiary of Diamond Resorts Corporation acquired a substantial portion of the assets of ILX Resorts, including the rights as the Seller of Premiere Vacation Club, now known as Premiere Vacation Collection ("PVC"). This transition brought about changes. First, the Association itself had to make adjustments so that it did not go into bankruptcy as the developer did, and ILXA also made some changes based on rights set forth in the PVC documents. Throughout these changes, the Association and PVC have remained in place and continue to operate and provide the same fundamental services and vacation experiences to the members.

Regrettably, we do not have copies of the Membership Plan and Rules and Regulations from 2004. We have previously provided what we have.

Sincerely yours,


Patricia Rosado

Consumer and Regulatory Affairs Officer
Corporate Headquarters

PR

* * * Communication Result Report (Feb. 3. 2014 12:51PM) * * *

1/2

Date/Time: Feb. 3. 2014 12:50PM

File No.	Mode	Destination	Pg(s)	Result	Page Not Sent
0073	Memory TX	916026639050	P. 1	OK	

Reason for error

E. 1)	Hang up or line fall	E. 2)	Busy
E. 3)	No answer	E. 4)	No facsimile connection
E. 5)	Exceeded max. E-mail size	E. 6)	Destination does not support IP-Fax



February 3, 2014

VIA FAX 602-663-9050
 Jon L. Phelps
 Phelps Law Group
 4045 East Under Hills Drive, suite A-104
 Phoenix, Arizona

Re: Norman Zwicky / Contract No. 51141 / Membership No. 1554010
 (Our File No. 13-121)

Dear Mr. Phelps:

We are in receipt of your letter dated January 14, 2014.

As you may be aware from your client, on September 2, 2010, ILX Acquisition, Inc. ("ILXA"), a subsidiary of Diamond Resorts Corporation acquired a substantial portion of the assets of ILX Resorts, including the rights as the Seller of Primmite Vacation Club, now known as Primmite Vacation Collection ("PVC"). This transition brought about changes. First, the Association itself had to make adjustments so that it did not go into bankruptcy as the developer did, and ILXA also made some changes based on rights set forth in the PVC documents. Throughout these changes, the Association and PVC have remained in place and continue to operate and provide the same fundamental services and vacation experiences to the members.

Regrettably, we do not have copies of the Membership Plan and Rules and Regulations from 2004. We have previously provided what we have.

Sincerely yours,

Patricia Bardo
 Patricia Bardo
 Consumer and Regulatory Affairs Officer
 Corporate Headquarters

PR

EXHIBIT H

1 John E. DeWulf (#006850)
Katherine DeStefano (#025441)
2 **COPPERSMITH BROCKELMAN PLC**
3 2800 North Central Avenue, Suite 1200
Phoenix, Arizona 85004
4 (602) 224-0999
5 jdewulf@cblawyers.com
kdestefano@cblawyers.com

6 *Attorneys for Defendants*
7

8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
9 **MARICOPA COUNTY**

10 NORMAN ZWICKY,

11 Plaintiff,

12 v.

13 PREMIERE VACATION COLLECTION
14 OWNERS ASSOCIATION, f.k.a. Premiere
15 Vacation Club, an Arizona nonprofit
16 corporation,

17 Defendant.
18

) NO. CV2015-051911
)

) **DEFENDANT'S RESPONSE TO**
) **REQUESTS FOR PRODUCTION**

) (Assigned to the Honorable John Hannah)

19 Defendant Premiere Vacation Collection Owners Association answers Plaintiff's
20 Requests for Production as follows:

21 **GENERAL OBJECTIONS**

22 1. Defendant objects to Plaintiff's requests, including the Instructions, to the
23 extent they are unduly burdensome or otherwise purport to impose obligations beyond those
24 imposed by the Arizona Rules of Civil Procedure, the Local Rules of this Court, and/or the
25 orders of the assigned Judge to this action.

26 2. Defendant objects to Plaintiff's requests to the extent they seek information
27 that is protected from disclosure by the attorney-client communication privilege, the work
28 product doctrine, or any other applicable privilege or protection.

1 in Paragraph 20 of the Verified Complaint.

2 4. See Defendant's Response to Interrogatory No. 8(a), incorporated herein by
3 reference. Subject to and without waiving its objections, Defendant shall produce herewith
4 documents providing all information requested in Plaintiff's Verified Complaint, as specified
5 in Paragraph 20 of the Verified Complaint.

6 5. See Defendant's Response to Interrogatory No. 11(d), incorporated herein by
7 reference. Subject to and without waiving its objections, Defendant shall produce herewith
8 documents providing all information requested in Plaintiff's Verified Complaint, as specified
9 in Paragraph 20 of the Verified Complaint.

10 6. See Defendant's Response to Interrogatory No. 12(d), incorporated herein by
11 reference. Subject to and without waiving its objections, Defendant shall produce herewith
12 documents providing all information requested in Plaintiff's Verified Complaint, as specified
13 in Paragraph 20 of the Verified Complaint.

14 7. See Defendant's Response to Interrogatory No. 13(d), incorporated herein by
15 reference. Subject to and without waiving its objections, Defendant shall produce herewith
16 documents providing all information requested in Plaintiff's Verified Complaint, as specified
17 in Paragraph 20 of the Verified Complaint.

18 8. See Defendant's Response to Interrogatory No. 14(c)(ii), incorporated herein
19 by reference. Subject to and without waiving its objections, Defendant shall produce
20 herewith documents providing all information requested in Plaintiff's Verified Complaint, as
21 specified in Paragraph 20 of the Verified Complaint.

22 9. See Defendant's Response to Interrogatory No. 9(a), incorporated herein by
23 reference. Subject to and without waiving its objections, Defendant shall produce herewith
24 documents providing all information requested in Plaintiff's Verified Complaint, as specified
25 in Paragraph 20 of the Verified Complaint.

26 10. See Defendant's Response to Interrogatory No. 14(d)(ii), incorporated herein
27 by reference. Subject to and without waiving its objections, Defendant shall produce
28 herewith documents providing all information requested in Plaintiff's Verified Complaint, as

1 specified in Paragraph 20 of the Verified Complaint.

2 11. *See* Defendant's Response to Interrogatory No. 15(a)(ii)(5), incorporated
3 herein by reference. Defendant also objects that this request exceeds the number permitted
4 under Rule 34(b) of the Arizona Rules of Civil Procedure. Subject to and without waiving
5 its objections, Defendant shall produce herewith documents providing all information
6 requested in Plaintiff's Verified Complaint, as specified in Paragraph 20 of the Verified
7 Complaint.

8 12. *See* Defendant's Response to Interrogatory No. 16(c). Defendant also objects
9 that this request exceeds the number permitted under Rule 34(b) of the Arizona Rules of
10 Civil Procedure. Subject to and without waiving its objections, Defendant shall produce
11 herewith documents providing all information requested in Plaintiff's Verified Complaint, as
12 specified in Paragraph 20 of the Verified Complaint.

13 13. *See* Defendant's Response to Interrogatory No. 17(c). Defendant also objects
14 that this request exceeds the number permitted under Rule 34(b) of the Arizona Rules of
15 Civil Procedure. Subject to and without waiving its objections, Defendant shall produce
16 herewith documents providing all information requested in Plaintiff's Verified Complaint, as
17 specified in Paragraph 20 of the Verified Complaint.


18 14. *See* Defendant's Response to Interrogatory No. 18(b). Defendant also objects
19 that this request exceeds the number permitted under Rule 34(b) of the Arizona Rules of
20 Civil Procedure. Subject to and without waiving its objections, Defendant shall produce
21 herewith documents providing all information requested in Plaintiff's Verified Complaint, as
22 specified in Paragraph 20 of the Verified Complaint.

23 15. *See* Defendant's Response to Interrogatory No. 19(d). Defendant also objects
24 that this request exceeds the number permitted under Rule 34(b) of the Arizona Rules of
25 Civil Procedure. Subject to and without waiving its objections, Defendant shall produce
26 herewith documents providing all information requested in Plaintiff's Verified Complaint, as
27 specified in Paragraph 20 of the Verified Complaint.

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DATED this 31st day of August, 2015.

COPPERSMITH BROCKELMAN PLC

By 
John E. DeWulf
Katherine DeStefano
2800 N. Central Avenue, Suite 1200
Phoenix, Arizona 85004
Attorneys for Defendants

ORIGINAL e-filed and a copy mailed
this 31st day of August, 2015, to:

Jon L. Phelps, Esq.
PHELPS & MOORE
4045 E. Union Hills Drive
Suite A-102
Phoenix, Arizona 85050
Attorneys for Plaintiff

By 

Information request:
Premiere Vacation Collection (PVC) Maintenance Fee Expense

Resort / Unit Type	Component Site Totals			Intervals Owned by PVC			Intervals Owned by Deeded ("Private") Owners			Intervals Owned by ILX Acquisition, Inc.						
	Total Intervals (Weeks)	Total Units	2015 MF Per Week Assessment	Total Assessment	Intervals (Weeks)	Units Owned	Assessment to PVC	%	Intervals (Weeks)	Units Owned	Assessment to Deeded Owners	%	Intervals (Weeks)	Units Owned	Assessment to ILX	%
Bell Rock*																
Studio	2,704	52	825.25	2,231,476	2,704.0	52.0	2,231,476	100.0%	-	-	-	0.0%	-	-	-	0.0%
1 Bedroom	1,300	25	941.53	1,223,989	1,300.0	25.0	1,223,989	100.0%	-	-	-	0.0%	-	-	-	0.0%
2 Bedroom	416	8	1,216.50	506,054	416.0	8.0	506,054	100.0%	-	-	-	0.0%	-	-	-	0.0%
	4,420	85		\$ 3,961,529	4,420.0	85.0	\$ 3,961,529	100.0%	-	-	-	0.0%	-	-	-	0.0%
Roundhouse*																
2 Bedroom	988	19	1,149.98	1,136,180	988.0	19.0	1,136,180	100.0%	-	-	-	0.0%	-	-	-	0.0%
2 Bedroom Deluxe	104	2	1,454.32	151,249	104.0	2.0	151,249	100.0%	-	-	-	0.0%	-	-	-	0.0%
	1,092	21		\$ 1,287,430	1,092.0	21.0	\$ 1,287,430	100.0%	-	-	-	0.0%	-	-	-	0.0%
Sea of Cortez*																
Studio	400	8	827.27	330,908	400.0	7.7	330,908	100.0%	-	-	-	0.0%	-	-	-	0.0%
One Bedroom	300	6	960.74	288,222	300.0	5.8	288,222	100.0%	-	-	-	0.0%	-	-	-	0.0%
Two Bedroom	700	13	1,261.56	883,092	700.0	13.5	883,092	100.0%	-	-	-	0.0%	-	-	-	0.0%
Penthouse	100	2	1,802.40	180,240	100.0	1.9	180,240	100.0%	-	-	-	0.0%	-	-	-	0.0%
	1,500	29		\$ 1,662,462	1,500.0	28.8	\$ 1,662,462	100.0%	-	-	-	0.0%	-	-	-	0.0%
Rancho Maritana																
2 Bedroom	1,456	28	978.42	1,424,580	728.0	14.0	712,290	50.0%	728.0	14.0	712,290	50.0%	-	-	-	0.0%
	1,456	28		\$ 1,424,580	728.0	14.0	\$ 712,290	50.0%	728.0	14.0	\$ 712,290	50.0%	-	-	-	0.0%
Golden Eagle Resort																
Studio	468	9	873.26	408,686	368.0	7.1	321,360	78.6%	88.0	1.9	85,579	20.9%	2.0	0.0	1,747	0.4%
Executive 1 Bed	832	16	901.01	749,640	601.0	11.6	541,507	72.2%	222.0	4.3	200,024	26.7%	9.0	0.2	8,109	1.1%
Imperial 1 Bed	260	5	1,177.73	306,210	182.0	3.0	182,548	59.6%	101.0	1.9	118,951	38.8%	4.0	0.1	4,711	1.5%
Deluxe 2 bed	156	3	1,388.56	216,615	88.0	1.7	122,153	56.4%	68.0	1.3	91,645	42.3%	2.0	0.0	2,177	1.3%
	1,716	33		\$ 1,681,151	1,212.0	23.3	\$ 1,157,608	70.6%	487.0	9.4	\$ 496,199	28.4%	17.0	0.3	\$ 17,344	1.0%
Kohl's Ranch																
Zane Grey Studio	1,612	31	864.45	1,393,493	1,539.0	29.6	1,330,389	95.5%	70.0	1.3	60,512	4.3%	3.0	0.1	2,583	0.2%
Ponderosa Studio	572	11	864.45	494,465	484.5	9.3	418,826	84.7%	7.5	1.4	62,673	12.7%	15.0	0.3	12,967	2.6%
Christopher Creek 1 Bed	260	5	1,006.67	261,734	157.0	3.0	158,047	60.4%	88.0	1.9	98,654	37.7%	5.0	0.1	5,033	1.9%
Tonto Creek 2 bed	312	6	1,261.55	393,604	141.5	2.7	178,509	45.4%	157.5	3.0	198,694	50.5%	13.0	0.3	16,400	4.2%
Carayon Creek 2 bed	624	12	1,421.31	886,897	624.0	12.0	886,897	100.0%	-	-	-	0.0%	-	-	-	0.0%
Horton House 2 Bed	52	1	1,653.74	86,514	52.0	1.0	86,514	100.0%	-	-	-	0.0%	-	-	-	0.0%
	3,432	66		\$ 3,516,709	2,986.0	57.7	\$ 3,059,183	87.4%	398.0	7.7	\$ 420,532	11.6%	36.0	0.7	\$ 36,994	1.0%
VCA - South Bend																
1 bedroom	4,004	77	667.99	2,674,632	2,666.0	51.1	1,774,181	66.3%	1,009.5	19.4	674,336	25.2%	338.5	6.5	226,115	8.5%
2 bedroom	468	9	903.41	422,796	372.5	7.2	336,520	79.6%	52.0	1.0	46,977	11.1%	43.5	0.8	39,288	9.3%
Leahy's Lair	52	1	903.41	46,977	52.0	1.0	46,977	100.0%	52.0	1.0	46,977	100.0%	-	-	-	0.0%
Redness Roost	52	1	903.41	46,977	52.0	1.0	46,977	100.0%	52.0	1.0	46,977	100.0%	-	-	-	0.0%
	4,576	88		\$ 3,197,382	3,028.5	68.2	\$ 2,110,702	66.2%	1,163.5	22.4	\$ 815,268	25.5%	382.0	7.3	\$ 265,413	8.3%
VCA - Tucson																
Studio	208	4	808.25	168,116	171.0	3.3	138,211	82.2%	32.5	0.6	26,268	15.6%	4.5	0.1	3,657	2.2%
One Bedroom	2,288	44	919.29	2,103,336	2,134.0	41.0	1,962,225	93.3%	110.5	2.1	101,582	4.8%	43.0	0.8	39,529	1.9%
Two Bedroom	624	12	1,279.87	798,639	601.0	11.6	789,202	96.3%	13.5	0.3	17,278	2.2%	9.5	0.2	12,159	1.5%
	3,120	60		\$ 3,070,090	2,906.5	65.9	\$ 2,869,637	93.2%	156.5	3.0	\$ 145,128	5.0%	57.0	1.1	\$ 53,329	1.8%
Los Abregados - SVC																
Jerome 1 Bed	1,124	137	940.61	6,700,906	2,879.5	55.4	2,708,466	40.4%	3,374.5	64.9	3,174,088	47.4%	870.0	16.7	818,331	12.2%
Sedona 1 Bed	1,092	21	941.36	1,027,985	976.0	18.8	918,677	89.4%	47.5	0.9	44,715	4.3%	68.5	1.3	64,483	6.3%
Oak Creek 2 Bed	416	8	1,116.48	464,456	224.5	4.3	250,650	54.0%	159.0	3.1	177,520	38.2%	32.5	0.6	36,286	7.8%
Flagstaff 2 Bed	416	8	1,076.17	447,687	190.5	3.7	205,010	45.8%	188.5	3.6	203,934	45.6%	36.0	0.7	38,742	8.7%
Cottonwood 2 Bed	312	6	1,272.82	397,151	312.0	6.0	387,151	100.0%	-	-	-	0.0%	-	-	-	0.0%
Orchard 2 Bed	104	2	1,424.43	148,141	104.0	2.0	148,141	100.0%	-	-	-	0.0%	-	-	-	0.0%
Stonehouse 2 Bed	52	1	2,214.89	115,174	42.0	0.8	93,025	80.8%	8.0	0.2	17,719	15.4%	2.0	0.0	4,430	3.8%
Celebrity House 2 Bed	52	1	2,214.89	115,174	52.0	1.0	115,174	100.0%	-	-	-	0.0%	-	-	-	0.0%
Wagner Circle 2 Bed	104	2	2,214.89	230,349	104.0	2.0	230,349	100.0%	-	-	-	0.0%	-	-	-	0.0%
	9,672	186		\$ 9,647,002	4,884.5	93.9	\$ 5,066,764	50.5%	3,778.5	72.7	\$ 3,617,977	39.1%	1,009.0	19.4	\$ 962,271	10.4%

Information request
Premiere Vacation Collection (PVC) Maintenance Fee Expense

Resort / Unit Type	Component Site Totals				Intervals Owned by PVC				Intervals Owned by Deeded ("Private") Owners				Intervals Owned by ILX Acquisition, Inc.			
	Intervals (weeks)	Total Units	2015 MF Per Week	Total Assessment	Intervals (Weeks)	Units Owned	Assessment to PVC	%	Intervals (Weeks)	Units Owned	Assessment to Deeded Owners	%	Intervals (Weeks)	Units Owned	Assessment to ILX	%
Resort / Unit Type																
Studio	489	9	950.48	445,715	306.5	5.9	291,322	65.4%	54.5	1.0	51,801	11.6%	108.0	2.1	102,651.84	23.0%
Morris House	52	1	1,928.71	100,293	34.0	0.7	65,576	65.4%	18.0	0.3	34,717	34.6%	-	-	-	0.0%
Carriage House**																
Studio	806	16	488.22	393,505	340.5	6.5	356,898	65.4%	72.5	1.4	86,518	13.9%	108.0	2.1	102,651.84	20.7%
One Bedroom	10	0	527.36	5,274	10.0	0.2	5,274	100.0%	-	-	-	0.0%	-	-	-	0.0%
Two Bedroom	1,296	25	567.53	735,519	1,296.0	24.9	735,519	100.0%	-	-	-	0.0%	-	-	-	0.0%
Roundhouse Resort**																
Oak - Studio	7	0	541.00	3,787	7.0	0.1	3,787	100.0%	-	-	-	0.0%	-	-	-	0.0%
Pine - 1 bedroom	129	2	586.00	75,594	129.0	2.5	75,594	100.0%	-	-	-	0.0%	-	-	-	0.0%
Aspen - 1 bedroom	26	1	630.00	16,380	26.0	0.5	16,380	100.0%	-	-	-	0.0%	-	-	-	0.0%
Juniper - 2 bedroom	32	1	690.00	21,120	32.0	0.6	21,120	100.0%	-	-	-	0.0%	-	-	-	0.0%
Camelback Resort**																
Studio - B	12	0	756.02	9,072	12.0	0.2	9,072	100.0%	-	-	-	0.0%	-	-	-	0.0%
2 Bed - A	97	2	928.03	90,019	97.0	1.9	90,019	100.0%	-	-	-	0.0%	-	-	-	0.0%
2 Bed - D	40	1	994.88	39,799	40.0	0.8	39,799	100.0%	-	-	-	0.0%	-	-	-	0.0%
3 Bed - C	24	0	1,082.53	25,981	24.0	0.5	25,981	100.0%	-	-	-	0.0%	-	-	-	0.0%
TOTALS	34,105	656		\$ 31,477,984	25,710	494	\$ 23,744,074	75.4%	6,786	131	\$ 6,293,911	19.9%	1,609	31	\$ 1,439,999	4.7%

* Diamond managed property, wholly owned by the PVC
** Not a Diamond managed property, number of intervals reflected are owned by PVC

**Information Request
Premiere Vacation Collection Member Summary-Point Analysis**

Points/Members assumption for 2015 budget

Sold Points	106,860,500	68.39%
Unsold (Dev) Points	49,384,000	31.61%
Total Points	156,244,500	
Member Count	22,750	

Information Request
 Premiere Vacation Collection-2015 Maintenance Fee Calculation

Assessment Fee Per Point	Points	Fee per Point	Total
Members	106,860,500	\$ 0.1394	14,899,309
Developer	49,384,000	\$ 0.1993	9,843,646
Total Points	156,244,500		\$ 24,742,955

Operational (Base Fee) Assessment - Full Year Members	Members	Base Fee	Total
Copper: 0-3500 Points	1,392	\$ 400.00	556,800
Silver: 3501-6000 Points	6,555	\$ 400.00	2,622,000
Gold: 6001-8500 Points	1,000	\$ 400.00	400,000
Platinum: 8501 + Points	470	\$ 350.00	164,500
Total Full Year Members	9,417		\$ 3,743,300

Operational (Base Fee) Assessment - Every Other Year (EOY) Members	Members	Base Fee	Total
Copper EOY	4,695	200.00	939,000
Silver EOY	8,284	200.00	1,656,800
Gold EOY	-	200.00	-
Platinum EOY	354	175.00	61,950
Total EOY Members	13,333		\$ 2,657,750

TOTAL Premiere Vacation Collection Members and Assessments \$ 31,144,004

Premiere Vacation Collection Owners Association, Inc.
2015 Budget

REVENUES

Assessment Revenue - Owners	\$ 21,300,359
Assessment Revenue - Developer	9,843,646
Other Income	503,896

TOTAL REVENUES	31,647,901
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EXPENSES

Maintenance Fee Obligation	23,744,074
Management Fees	3,881,630
Bad Debt Expense	5,751,097
Developer Delinquency Contribution	(3,450,658)
Assessment, Billing & Accounting Fees	1,247,348
General & Administrative	357,798

TOTAL EXPENSES	31,531,289
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SURPLUS/(DEFICIT)

116,612

Fund Balance/(Deficit), prior years	(954,356)
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PROJ. FUND BALANCE/(DEFICIT), end of year

\$ (837,744)

2015 Assessments				
Points Values	3001 - 3500	4251 - 6000	6501 - 8500	8501+
Base Standard Assessment	\$ 400.00	\$ 400.00	\$ 400.00	\$ 350.00
Point Standard Assessment	\$ 0.13943	\$ 0.13943	\$ 0.13943	\$ 0.13943

2015 Assessments - Every Other Year				
Points Values	1-1750	1751 - 3000	3501 - 4250	6001 - 6500
Base Standard Assessment	\$ 200.00	\$ 200.00	\$ 200.00	\$ 175.00
Point Standard Assessment	\$ 0.13943	\$ 0.13943	\$ 0.13943	\$ 0.13943

Books and records of the Association are currently being maintained at 10615 Park Run Drive, Las Vegas, NV 89144.

1 John E. DeWulf (#006850)
2 Katherine DeStefano (#025441)
3 **COPPERSMITH BROCKELMAN PLC**
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5 Phoenix, Arizona 85004
6 (602) 224-0999
7 jdewulf@cblawyers.com
8 kdestefano@cblawyers.com

9 *Attorneys for Defendants*

10 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
11 **MARICOPA COUNTY**

12 NORMAN ZWICKY,) NO. CV2015-051911
13)
14 Plaintiff,) **DEFENDANT'S RESPONSES TO**
15) **NON-UNIFORM**
16 v.) **INTERROGATORIES**
17)
18 PREMIERE VACATION COLLECTION) (Assigned to the Honorable John Hannah)
19 OWNERS ASSOCIATION, f.k.a. Premiere)
20 Vacation Club, an Arizona nonprofit)
21 corporation,)
22 Defendant.)

23 Defendant Premiere Vacation Collection Owners Association responds to
24 Plaintiff's Non-Uniform Interrogatories as follows:

25 **GENERAL OBJECTIONS**

26 1. Defendant objects to Plaintiff's Interrogatories, including the Instructions,
27 to the extent they are unduly burdensome or otherwise purport to impose obligations
28 beyond those imposed by the Arizona Rules of Civil Procedure, the Local Rules of this
Court, and/or the orders of the assigned Judge to this action.

2. Defendant objects to Plaintiff's Interrogatories to the extent they seek
information that is protected from disclosure by the attorney-client communication
privilege, the work product doctrine, or any other applicable privilege or protection.

1 **RESPONSE:** Defendant objects to this Interrogatory because it is
2 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
3 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and
4 it is not reasonably calculated to lead to the discovery of admissible evidence. In
5 addition, Plaintiff is not entitled to this information based on A.R.S. §§ 10-11602 or 33-
6 2209 or the common law. Under Arizona law, there is no common law right of
7 inspection for members of non-profit corporations, and Plaintiff's rights are limited to
8 those provided by statute. A.R.S. § 10-11602 expressly provides that it does not apply to
9 timeshare plans or associations. The Interrogatory seeks information that does not fall
10 within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply with the
11 statutory conditions for a proper request under the statute. The four-year timeframe is
12 overbroad, because Plaintiff is not entitled to information spanning a four-year period
13 based on any statutory or common law.

14 Subject to and without waiving its objections, Defendant refers Plaintiff to
15 documents it already provided on May 1, 2013, specifically the Second Amended and
16 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
17 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
18 Vacation Collection Owners Association, Inc. Exhibit A to the Second Amended and
19 Restated Premiere Vacation Collection Membership Plan is a Legal Description
20 containing a list of the underlying property and unit types. Defendant also refers Plaintiff
21 to information that is publicly available through the Arizona Corporation Commission,
22 since the identity of Defendant's officers and directors is a matter of public record.

23 Subject to and without waiving its objections, Defendant shall also produce
24 herewith documents providing all information requested in Plaintiff's Verified Complaint
25 (as specified in Paragraph 20 of the Verified Complaint), including a list of the resorts in
26 the Premiere Vacation Collection. Those resorts include Bell Rock, Roundhouse, Sea of
27 Cortez, Rancho Mañana, Golden Eagle Resort, Kohl's Ranch, VCA-South Bend, VCA-

1 Tucson, Los Abrigados, The Inn at Los Abrigados, Carriage House, Roundhouse Resort,
2 and Camelback Resort.

3 2. Please identify any property contracts or similar agreements that Defendant
4 entered into in (or renewed) in the past 4 years, and identify any document setting forth
5 or describing any supplements or modifications thereto.

6 **RESPONSE:** Defendant objects to this Interrogatory because it is
7 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
8 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and
9 it is not reasonably calculated to lead to the discovery of admissible evidence.

10 Defendant's agreements with third parties also constitute confidential and/or proprietary
11 business information. In addition, Plaintiff is not entitled to this information based on
12 A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no
13 common law right of inspection for members of non-profit corporations, and Plaintiff's
14 rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that
15 it does not apply to timeshare plans or associations. The Interrogatory seeks information
16 that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply
17 with the statutory conditions for a proper request under the statute. The four-year
18 timeframe is overbroad, because Plaintiff is not entitled to information spanning a four-
19 year period based on any statutory or common law.

20 Subject to and without waiving its objections, Defendant refers Plaintiff to
21 documents it already provided on May 1, 2013, specifically the Second Amended and
22 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
23 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
24 Vacation Collection Owners Association, Inc. Subject to and without waiving its
25 objections, Defendant shall also produce herewith documents providing all information
26 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
27 Complaint).

1 3. Please identify any property management contracts that any individual
2 Resort owner's association within the Premiere Vacation Collection entered into in (or
3 renewed) in [sic] the past 4 years, and identify any document setting forth or describing
4 any supplements or modifications thereto.

5 **RESPONSE:** Defendant objects to this Interrogatory because it is
6 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
7 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and
8 it is not reasonably calculated to lead to the discovery of admissible evidence.
9 Defendant's agreements with third parties also constitute confidential and/or proprietary
10 business information. In addition, Plaintiff is not entitled to this information based on
11 A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no
12 common law right of inspection for members of non-profit corporations, and Plaintiff's
13 rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that
14 it does not apply to timeshare plans or associations. The Interrogatory seeks information
15 that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply
16 with the statutory conditions for a proper request under the statute. The four-year
17 timeframe is overbroad, because Plaintiff is not entitled to information spanning a four-
18 year period based on any statutory or common law.

19 Subject to and without waiving its objections, Defendant refers Plaintiff to
20 documents it already provided on May 1, 2013, specifically the Second Amended and
21 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
22 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
23 Vacation Collection Owners Association, Inc. Subject to and without waiving its
24 objections, Defendant shall also produce herewith documents providing all information
25 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
26 Complaint).

1 4. Please state the total number of “points” comprising the interests of all
2 members and owners (including Diamond Resorts International and including the
3 Defendant-Association itself) in the Premiere Vacation Collection overall as of the end of
4 each calendar year for the past 4 years _____, and

5 a. The number of points owned by Diamond Resorts International
6 _____ as unsold inventory; and

7 i. If the points owned by Diamond Resorts are in any way
8 treated differently for purposes of determining its liability for
9 assessments depending on whether they are original unsold
10 inventory or “recovered” inventory (meaning interests
11 reacquired from defaulting buyers), please state the number of
12 points in each category and explain the difference in
13 treatment, precisely and in full detail;

14 b. The number of points owned by the local Resort-association in its
15 own capacity _____;

16 c. The number of points held or controlled by individual (non-
17 developer) members of the Defendant-Association _____;

18 d. The number of points held or controlled by others (specify)
19 _____.

20 **RESPONSE:** Defendant objects to this Interrogatory because it is
21 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
22 information that is not relevant to the relief sought in Plaintiff’s Verified Complaint, and
23 it is not reasonably calculated to lead to the discovery of admissible evidence. In
24 addition, Plaintiff is not entitled to this information based on A.R.S. §§ 10-11602 or 33-
25 2209 or the common law. Under Arizona law, there is no common law right of
26 inspection for members of non-profit corporations, and Plaintiff’s rights are limited to
27 those provided by statute. A.R.S. § 10-11602 expressly provides that it does not apply to
28 timeshare plans or associations. The Interrogatory seeks information that does not fall

1 within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply with the
2 statutory conditions for a proper request under the statute. The four-year timeframe is
3 overbroad, because Plaintiff is not entitled to information spanning a four-year period
4 based on any statutory or common law.

5 Subject to and without waiving its objections, Defendant refers Plaintiff to
6 documents it already provided on May 1, 2013, specifically the Second Amended and
7 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
8 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
9 Vacation Collection Owners Association, Inc. Subject to and without waiving its
10 objections, Defendant shall also produce herewith documents providing all information
11 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
12 Complaint), including an analysis of points values and assessments. The 2015 budget
13 reflects sold points in the amount of 106,860,500 and unsold points in the amount of
14 49,384,000 (156,244,500 total points), with a member count of 22,750.

15 5. For each of the past 4 years, and as of the end of each calendar year, please
16 state the aggregate number of "points" comprising the interests of all members and
17 owners (including Diamond Resorts International and including the Defendant-
18 Association itself) in each individual Resort within the Premier Vacation Collection
19 _____, and

20 a. The number of points owned by Diamond Resorts International
21 _____ as unsold inventory; and

22 i. If the points owned by Diamond Resorts are in any way
23 treated differently for purposes of determining its liability for
24 assessments depending on whether they are original unsold
25 inventory or "recovered" inventory (meaning interests
26 reacquired from defaulting buyers), please state the number of
27 points in each category and explain the difference in
28 treatment, precisely and in full detail;

1 b. The number of points owned by the local Resort-association in its
2 own capacity _____;

3 c. The number of points held or controlled by individual (non-
4 developer) members of the Defendant-Association _____;

5 The number of points held or controlled by others (specify)
6 _____.

7 **RESPONSE:** Defendant objects to this Interrogatory because it is
8 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
9 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and
10 it is not reasonably calculated to lead to the discovery of admissible evidence. In
11 addition, Plaintiff is not entitled to this information based on A.R.S. §§ 10-11602 or 33-
12 2209 or the common law. Under Arizona law, there is no common law right of
13 inspection for members of non-profit corporations, and Plaintiff's rights are limited to
14 those provided by statute. A.R.S. § 10-11602 expressly provides that it does not apply to
15 timeshare plans or associations. The Interrogatory seeks information that does not fall
16 within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply with the
17 statutory conditions for a proper request under the statute. The four-year timeframe is
18 overbroad, because Plaintiff is not entitled to information spanning a four-year period
19 based on any statutory or common law.

20 Subject to and without waiving its objections, Defendant refers Plaintiff to
21 documents it already provided on May 1, 2013, specifically the Second Amended and
22 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
23 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
24 Vacation Collection Owners Association, Inc. Subject to and without waiving its
25 objections, Defendant shall also produce herewith documents providing all information
26 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
27 Complaint), including an analysis of points values and assessments. The 2015 budget
28

1 reflects sold points in the amount of 106,860,500 and unsold points in the amount of
2 49,384,000 (156,244,500 total points), with a member count of 22,750.

3 6. For each of the past 4 years, and as of the end of each calendar year, please
4 state, as to each individual Resort within the Premier Vacation Collection:

- 5 a. The total number of physical units in the Resort (apartments or suites
6 that are or can be occupied by members or guests) _____; and
7 the total number of "unit-weeks" in the Resort _____.
- 8 b. The total number of physical units in the Resort (apartments or suites
9 that are or can be occupied by members or guests) owned by Diamond
10 Resorts International (in any capacity, whether as unsold inventory,
11 "recovered" inventory, or otherwise) _____; and the total
12 number of "unit-weeks" in the Resort owned by Diamond Resorts
13 International (in any capacity, whether as unsold inventory,
14 "recovered" inventory, or otherwise) _____; and
- 15 i. If the physical units (or unit-weeks) owned by Diamond
16 Resorts are in any way treated differently for purposes of
17 determining its liability for assessments depending on whether
18 they are original unsold inventory or "recovered" inventory
19 (meaning interests reacquired from defaulting buyers), please
20 state the number of units or unit-weeks in each category and
21 explain the difference in treatment, precisely and in full detail;
- 22 c. The total number of physical units in the Resort (apartments or suites
23 that are or can be occupied by members or guests) owned by the local
24 Resort owner's association (if any) _____; and the total
25 number of "unit-weeks" in the Resort owned by the local Resort
26 owner's association (if any) _____.

27 **RESPONSE:** Defendant objects to this Interrogatory because it is
28 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks

1 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and
2 it is not reasonably calculated to lead to the discovery of admissible evidence. In
3 addition, Plaintiff is not entitled to this information based on A.R.S. §§ 10-11602 or 33-
4 2209 or the common law. Under Arizona law, there is no common law right of
5 inspection for members of non-profit corporations, and Plaintiff's rights are limited to
6 those provided by statute. A.R.S. § 10-11602 expressly provides that it does not apply to
7 timeshare plans or associations. The Interrogatory seeks information that does not fall
8 within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply with the
9 statutory conditions for a proper request under the statute. The four-year timeframe is
10 overbroad, because Plaintiff is not entitled to information spanning a four-year period
11 based on any statutory or common law.

12 Subject to and without waiving its objections, Defendant refers Plaintiff to
13 documents it already provided on May 1, 2013, specifically the Second Amended and
14 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
15 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
16 Vacation Collection Owners Association, Inc. Exhibit A to the Second Amended and
17 Restated Premiere Vacation Collection Membership Plan is a Legal Description
18 containing a list of the underlying property and unit types. Subject to and without
19 waiving its objections, Defendant shall also produce herewith documents providing all
20 information requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of
21 the Verified Complaint), including an analysis of total intervals (weeks), total units, and
22 total assessments attributable to intervals owned by Defendant, private owners, and ILX
23 Acquisition, Inc., for each resort within the Premiere Vacation Collection.

24 7. For each of the past 4 years, state the total common expenses of the
25 Defendant-Association _____, and state precisely and in full detail the
26 criteria used to determine whether expenses are "common" or are instead allocable solely
27 to Diamond Resorts International (or affiliate); and
28

1 a. Please identify any documents containing any agreement between the
2 Defendant and Diamond Resorts International specifying what items
3 are to be included as a common expense, what items are to be
4 excluded, any agreement specifying the expenses of Diamond Resorts
5 International to be reimbursed by the Defendant, and/or the allocation
6 of any portion of Diamond Resort International's resort management,
7 general or administrative expenses to Defendant.

8 **RESPONSE:** Defendant objects to this Interrogatory because it is
9 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
10 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and
11 it is not reasonably calculated to lead to the discovery of admissible evidence.
12 Defendant's agreements with third parties also constitute confidential and/or proprietary
13 business information. In addition, Plaintiff is not entitled to this information based on
14 A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no
15 common law right of inspection for members of non-profit corporations, and Plaintiff's
16 rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that
17 it does not apply to timeshare plans or associations. The Interrogatory seeks information
18 that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply
19 with the statutory conditions for a proper request under the statute. The four-year
20 timeframe is overbroad, because Plaintiff is not entitled to information spanning a four-
21 year period based on any statutory or common law.

22 Subject to and without waiving its objections, Defendant refers Plaintiff to
23 documents it already provided on May 1, 2013, specifically the Second Amended and
24 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
25 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
26 Vacation Collection Owners Association, Inc. Subject to and without waiving its
27 objections, Defendant shall also produce herewith documents providing all information
28

1 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
2 Complaint), including an analysis of Defendant's assessments and expenses.

3 8. For each of the past 4 years, state the total common expenses of each
4 Resort within the Premiere Vacation Collection _____, and state precisely
5 and in full detail the criteria used to determine whether expenses are "common" or are
6 instead allocable solely to Diamond Resorts International (or affiliate); and

7 a. Please identify any documents containing any agreement between the
8 owner's association of any individual Resort and Diamond Resorts
9 International, specifying what items are to be included as a common
10 expense, what items are to be excluded, and any agreement specifying
11 the expenses of Diamond Resorts International to be reimbursed by
12 the Resort owners' association.

13 **RESPONSE:** Defendant objects to this Interrogatory because it is
14 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
15 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and
16 it is not reasonably calculated to lead to the discovery of admissible evidence.
17 Defendant's agreements with third parties also constitute confidential and/or proprietary
18 business information. In addition, Plaintiff is not entitled to this information based on
19 A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no
20 common law right of inspection for members of non-profit corporations, and Plaintiff's
21 rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that
22 it does not apply to timeshare plans or associations. The Interrogatory seeks information
23 that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply
24 with the statutory conditions for a proper request under the statute. The four-year
25 timeframe is overbroad, because Plaintiff is not entitled to information spanning a four-
26 year period based on any statutory or common law.

27 Subject to and without waiving its objections, Defendant refers Plaintiff to
28 documents it already provided on May 1, 2013, specifically the Second Amended and

1 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
2 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
3 Vacation Collection Owners Association, Inc. Subject to and without waiving its
4 objections, Defendant shall also produce herewith documents providing all information
5 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
6 Complaint), including an analysis of Defendant's assessments and expenses.

7 9. For each of the past 4 years, state the dollar amount of the expenses of
8 Diamond Resorts International reimbursed by the Defendant _____ and
9 the portion of Diamond Resort International's resort management, general or
10 administrative expenses allocated to the Defendant-association _____; and

11 a. Please identify any agreement specifying or explaining the allocation
12 of any portion of Diamond Resort International's resort
13 management, general or administrative expenses to the Resort
14 owners' association; and

15 b. Please further explain, precisely and in full detail, the reasons why
16 such charges should fairly or reasonably be payable by the Defendant-
17 association, and not borne solely by Diamond Resorts International.

18 **RESPONSE:** Defendant objects to this Interrogatory because it is
19 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
20 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and
21 it is not reasonably calculated to lead to the discovery of admissible evidence.
22 Defendant's agreements with third parties also constitute confidential and/or proprietary
23 business information. In addition, Plaintiff is not entitled to this information based on
24 A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no
25 common law right of inspection for members of non-profit corporations, and Plaintiff's
26 rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that
27 it does not apply to timeshare plans or associations. The Interrogatory seeks information
28 that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply

1 with the statutory conditions for a proper request under the statute. The four-year
2 timeframe is overbroad, because Plaintiff is not entitled to information spanning a four-
3 year period based on any statutory or common law.

4 Subject to and without waiving its objections, Defendant refers Plaintiff to
5 documents it already provided on May 1, 2013, specifically the Second Amended and
6 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
7 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
8 Vacation Collection Owners Association, Inc. Subject to and without waiving its
9 objections, Defendant shall also produce herewith documents providing all information
10 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
11 Complaint), including an analysis of Defendant's assessments and expenses.

12 10. For each of the past 4 years, state the dollar amount of the expenses of
13 Diamond Resorts International reimbursed by each of the respective Resort owners'
14 associations _____ and the portion of Diamond Resort International's
15 resort management, general or administrative expenses allocated to that local Resort
16 owners' association _____; and

- 17 a. Please further explain, precisely and in full detail, the basis for such
18 charges, and the reasons why such charges should fairly or
19 reasonably be payable by the Resort owners [sic] association, and
20 not borne solely by Diamond Resorts International.

21 **RESPONSE:** Defendant objects to this Interrogatory because it is
22 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
23 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and
24 it is not reasonably calculated to lead to the discovery of admissible evidence.
25 Defendant's agreements with third parties also constitute confidential and/or proprietary
26 business information. In addition, Plaintiff is not entitled to this information based on
27 A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no
28 common law right of inspection for members of non-profit corporations, and Plaintiff's

1 rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that
2 it does not apply to timeshare plans or associations. The Interrogatory seeks information
3 that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply
4 with the statutory conditions for a proper request under the statute. The four-year
5 timeframe is overbroad, because Plaintiff is not entitled to information spanning a four-
6 year period based on any statutory or common law.

7 Subject to and without waiving its objections, Defendant refers Plaintiff to
8 documents it already provided on May 1, 2013, specifically the Second Amended and
9 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
10 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
11 Vacation Collection Owners Association, Inc. Subject to and without waiving its
12 objections, Defendant shall also produce herewith documents providing all information
13 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
14 Complaint), including an analysis of Defendant's assessments and expenses.

15 11. Did Diamond Resorts, in the past 4 years, pay any assessments to
16 Defendant, acknowledge as "due to" the Defendant, or otherwise in any way financially
17 contribute to defraying the Defendant's common expense? _____. If
18 so, for each year, please provide the following information:

- 19 a. State the amount thereof _____;
- 20 b. Describe the form thereof (cash payment, acknowledgment of
21 indebtedness, etc.) _____;
- 22 c. Please explain, precisely and in full detail, how the amount was
23 calculated or otherwise determined;
- 24 b. Please identify all documents explaining the basis for calculating the
25 amount.

26 **RESPONSE:** Defendant objects to this Interrogatory because it is
27 overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks
28 information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and

1 it is not reasonably calculated to lead to the discovery of admissible evidence.
2 Defendant's agreements with third parties also constitute confidential and/or proprietary
3 business information. In addition, Plaintiff is not entitled to this information based on
4 A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no
5 common law right of inspection for members of non-profit corporations, and Plaintiff's
6 rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that
7 it does not apply to timeshare plans or associations. The Interrogatory seeks information
8 that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply
9 with the statutory conditions for a proper request under the statute. The four-year
10 timeframe is overbroad, because Plaintiff is not entitled to information spanning a four-
11 year period based on any statutory or common law.

12 Subject to and without waiving its objections, Defendant refers Plaintiff to
13 documents it already provided on May 1, 2013, specifically the Second Amended and
14 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
15 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
16 Vacation Collection Owners Association, Inc. Subject to and without waiving its
17 objections, Defendant shall also produce herewith documents providing all information
18 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
19 Complaint), including an analysis of Defendant's assessments and expenses.

20 12. Did Diamond Resorts, in the past 4 years, pay any assessments to the
21 owners [sic] association of any Resort within the Premier Vacation Collection,
22 acknowledge as "due to" the owners [sic] association of any such Resort, or otherwise in
23 any way financially contribute to defraying the owners [sic] association of that Resort's
24 common expenses? _____. If so, for each year, please provide the
25 following information:

- 26 a. State the amount thereof _____;
- 27 b. Describe the form thereof (cash payment, acknowledgment of
28 indebtedness, etc.) _____;

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- c. Please explain, precisely and in full detail, how the amount was calculated or otherwise determined;
- c. Please identify all documents explaining the basis for calculating the amount.

RESPONSE: Defendant objects to this Interrogatory because it is overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant's agreements with third parties also constitute confidential and/or proprietary business information. In addition, Plaintiff is not entitled to this information based on A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no common law right of inspection for members of non-profit corporations, and Plaintiff's rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that it does not apply to timeshare plans or associations. The Interrogatory seeks information that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply with the statutory conditions for a proper request under the statute. The four-year timeframe is overbroad, because Plaintiff is not entitled to information spanning a four-year period based on any statutory or common law.

Subject to and without waiving its objections, Defendant refers Plaintiff to documents it already provided on May 1, 2013, specifically the Second Amended and Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation; the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere Vacation Collection Owners Association, Inc. Subject to and without waiving its objections, Defendant shall also produce herewith documents providing all information requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified Complaint), including an analysis of Defendant's assessments and expenses.

1 13. Within the past 4 years, was any portion or category of the interests that
2 Diamond Resorts International held or controlled in any Resort (however classified, and
3 whether classified as “unsolved inventory,” “recovered” inventory, unit-weeks, or
4 “points” or any other Vacation Interests of any type or description) treated as exempt
5 from assessments by Defendant, or charged at a rate less than would be owed by
6 individual members for an equivalent ownership of such interests? _____. If
7 so, for each of the past 4 years, please provide the following information:

- 8 a. State the total dollar amount of any exemption at each individual
9 Resort within the Premiere Vacation Collection, and the total
10 number of units (or points) so exempt;
- 11 b. Describe the form thereof (cash payment, acknowledgment of
12 indebtedness, etc.) _____;
- 13 c. Please explain, precisely and in full detail, how the amount was
14 calculated or otherwise determined;
- 15 d. Please identify all documents explaining the basis for calculating the
16 amount.

17 **RESPONSE:** Defendant objects that Plaintiff has exceeded the forty
18 interrogatories (including subparts of non-uniform interrogatories) permitted under Rule
19 33.1 of the Arizona Rules of Civil Procedure. Defendant objects to this Interrogatory
20 because it is overbroad, vague, and unduly burdensome. Moreover, the Interrogatory
21 seeks information that is not relevant to the relief sought in Plaintiff’s Verified
22 Complaint, and it is not reasonably calculated to lead to the discovery of admissible
23 evidence. Defendant’s agreements with third parties also constitute confidential and/or
24 proprietary business information. In addition, Plaintiff is not entitled to this information
25 based on A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there
26 is no common law right of inspection for members of non-profit corporations, and
27 Plaintiff’s rights are limited to those provided by statute. A.R.S. § 10-11602 expressly
28 provides that it does not apply to timeshare plans or associations. The Interrogatory

1 seeks information that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff
2 has failed to comply with the statutory conditions for a proper request under the statute.
3 The four-year timeframe is overbroad, because Plaintiff is not entitled to information
4 spanning a four-year period based on any statutory or common law.

5 Subject to and without waiving its objections, Defendant refers Plaintiff to
6 documents it already provided on May 1, 2013, specifically the Second Amended and
7 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
8 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
9 Vacation Collection Owners Association, Inc. Subject to and without waiving its
10 objections, Defendant shall also produce herewith documents providing all information
11 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
12 Complaint), including an analysis of Defendant's assessments and expenses.

13 14. Did Diamond Resorts International, within the past 4 years, earn revenue
14 by renting out unoccupied units at any Resort within the Premier Vacation Collection to
15 persons who are not members of the Premier Vacation Collection? _____

16 _____. If so, please provide the following information for each year:

- 17 a. The total amount for each year;
- 18 b. The total amount derived from units at the Resort that are owned or
19 controlled by Diamond Resorts International (and if your answer is
20 based upon an estimate or percentage, please describe the basis for
21 the estimate or percentage);
- 22 c. What portion, if any, of the rental revenue was paid (or credited) to
23 Premier Vacation Collection _____, and
- 24 i. An explanation of the basis for such apportionment, and
25 ii. Identify any documents setting forth any agreement for
26 sharing such revenues;
- 27 d. What portion, if any, of the rental revenue is paid (or credited) to the
28 individual Resort owners' association _____, and

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- i. An explanation of the basis for such apportionment, and
- e. Identify any documents setting forth any agreement for sharing such revenues; [sic]

RESPONSE: Defendant objects that Plaintiff has exceeded the forty interrogatories (including subparts of non-uniform interrogatories) permitted under Rule 33.1 of the Arizona Rules of Civil Procedure. Defendant also objects to this Interrogatory because it is overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and it is not reasonably calculated to lead to the discovery of admissible evidence. The requested information constitutes confidential and/or proprietary business information. In addition, Plaintiff is not entitled to this information based on A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no common law right of inspection for members of non-profit corporations, and Plaintiff's rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that it does not apply to timeshare plans or associations. The Interrogatory seeks information that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply with the statutory conditions for a proper request under the statute. The four-year timeframe is overbroad, because Plaintiff is not entitled to information spanning a four-year period based on any statutory or common law.

Subject to and without waiving its objections, Defendant refers Plaintiff to documents it already provided on May 1, 2013, specifically the Second Amended and Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation; the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere Vacation Collection Owners Association, Inc. Subject to and without waiving its objections, Defendant shall also produce herewith documents providing all information requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified Complaint), including an analysis of Defendant's revenues.

1 15. Did any Resort within the Premier Vacation Collection, within the past 4
2 years, make available for occupancy any units to persons who are not members of the
3 Premier Vacation Club through any exchange program (whether under the auspices of
4 "THE CLUB" or through any outside exchange program such as RCI)? _____.

5 If so, please provide the following information for each of the past 4 years:

6 a. Did Diamond Resorts International, Premier Vacation Collection, or
7 the individual local Resort within the Premier Vacation Collection
8 receive revenue or the right to revenue as a result of use of the unit
9 through an exchange? _____. If so, for each year
10 state:

11 i. The total amount of revenue _____, and all
12 sources of such revenue;

13 ii. The amount paid or payable to (respectively):

14 1. Diamond Resorts International _____;

15 2. Premier Vacation Collections _____;

16 3. The local Resort within the Premier Vacation Collection
17 _____;

18 4. The basis for such allocation of revenues; and

19 f. Identify any agreement or other documents setting forth or
20 explaining the basis for such allocation.

21 **RESPONSE:** Defendant objects that Plaintiff has exceeded the forty
22 interrogatories (including subparts of non-uniform interrogatories) permitted under Rule
23 33.1 of the Arizona Rules of Civil Procedure. Defendant also objects to this
24 Interrogatory because it is overbroad, vague, and unduly burdensome. Moreover, the
25 Interrogatory seeks information that is not relevant to the relief sought in Plaintiff's
26 Verified Complaint, and it is not reasonably calculated to lead to the discovery of
27 admissible evidence. The requested information constitutes confidential and/or
28 proprietary business information. In addition, Plaintiff is not entitled to this information

1 based on A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there
2 is no common law right of inspection for members of non-profit corporations, and
3 Plaintiff's rights are limited to those provided by statute. A.R.S. § 10-11602 expressly
4 provides that it does not apply to timeshare plans or associations. The Interrogatory
5 seeks information that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff
6 has failed to comply with the statutory conditions for a proper request under the statute.
7 The four-year timeframe is overbroad, because Plaintiff is not entitled to information
8 spanning a four-year period based on any statutory or common law.

9 Subject to and without waiving its objections, Defendant refers Plaintiff to
10 documents it already provided on May 1, 2013, specifically the Second Amended and
11 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
12 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
13 Vacation Collection Owners Association, Inc. Subject to and without waiving its
14 objections, Defendant shall also produce herewith documents providing all information
15 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
16 Complaint), including an analysis of Defendant's revenues.

17 16. Within the past 4 years, did Diamond Resorts International make any form
18 of payment to Defendant (or make any promises to pay Defendant) other than set forth in
19 your answers to the previous Interrogatories? _____. If so, please
20 provide the following information for each year:

- 21 a. The amount;
- 22 b. The reason for payment;
- 23 g. c. Whether the payment was made pursuant to any agreement,
24 and if so please identify any document setting forth or explaining the
25 agreement.

26 **RESPONSE:** Defendant objects that Plaintiff has exceeded the forty
27 interrogatories (including subparts of non-uniform interrogatories) permitted under Rule
28 33.1 of the Arizona Rules of Civil Procedure. Defendant also objects to this

1 Interrogatory because it is overbroad, vague, and unduly burdensome. Moreover, the
2 Interrogatory seeks information that is not relevant to the relief sought in Plaintiff's
3 Verified Complaint, and it is not reasonably calculated to lead to the discovery of
4 admissible evidence. The requested information constitutes confidential and/or
5 proprietary business information. In addition, Plaintiff is not entitled to this information
6 based on A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there
7 is no common law right of inspection for members of non-profit corporations, and
8 Plaintiff's rights are limited to those provided by statute. A.R.S. § 10-11602 expressly
9 provides that it does not apply to timeshare plans or associations. The Interrogatory
10 seeks information that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff
11 has failed to comply with the statutory conditions for a proper request under the statute.
12 The four-year timeframe is overbroad, because Plaintiff is not entitled to information
13 spanning a four-year period based on any statutory or common law.

14 Subject to and without waiving its objections, Defendant refers Plaintiff to
15 documents it already provided on May 1, 2013, specifically the Second Amended and
16 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
17 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
18 Vacation Collection Owners Association, Inc. Subject to and without waiving its
19 objections, Defendant shall also produce herewith documents providing all information
20 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
21 Complaint), including an analysis of Defendant's revenues.

22 17. Within the past 4 years, did Diamond Resorts International make any form
23 of payment (or promise to make payment) to any individual Resort owners' association
24 within the premier Vacation Collection other than set forth in your answers to the
25 previous Interrogatories? _____. If so, please provide the following
26 information for each year:

- 27 a. The amount;
- 28 b. The reason for payment;

1 h. c. Whether the payment was made pursuant to any agreement,
2 and if so please identify any document setting forth or explaining the
3 agreement.

4 **RESPONSE:** Defendant objects that Plaintiff has exceeded the forty
5 interrogatories (including subparts of non-uniform interrogatories) permitted under Rule
6 33.1 of the Arizona Rules of Civil Procedure. Defendant also objects to this
7 Interrogatory because it is overbroad, vague, and unduly burdensome. Moreover, the
8 Interrogatory seeks information that is not relevant to the relief sought in Plaintiff's
9 Verified Complaint, and it is not reasonably calculated to lead to the discovery of
10 admissible evidence. The requested information constitutes confidential and/or
11 proprietary business information. In addition, Plaintiff is not entitled to this information
12 based on A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there
13 is no common law right of inspection for members of non-profit corporations, and
14 Plaintiff's rights are limited to those provided by statute. A.R.S. § 10-11602 expressly
15 provides that it does not apply to timeshare plans or associations. The Interrogatory
16 seeks information that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff
17 has failed to comply with the statutory conditions for a proper request under the statute.
18 The four-year timeframe is overbroad, because Plaintiff is not entitled to information
19 spanning a four-year period based on any statutory or common law.

20 Subject to and without waiving its objections, Defendant refers Plaintiff to
21 documents it already provided on May 1, 2013, specifically the Second Amended and
22 Restated Premiere Vacation Collection Membership Plan; the Articles of Incorporation;
23 the Bylaws; and the Second Amended and Restated Rules and Regulations of Premiere
24 Vacation Collection Owners Association, Inc. Subject to and without waiving its
25 objections, Defendant shall also produce herewith documents providing all information
26 requested in Plaintiff's Verified Complaint (as specified in Paragraph 20 of the Verified
27 Complaint), including an analysis of Defendant's revenues.

1 18. Within the past 2 years, has any member of Defendant made any complaint
2 in writing to Defendant that the assessments charged were improper or excessive?

3 _____ . If so, please

4 a. Identify the member;

5 i. b. Identify any documents containing the complaint, and any
6 documents from either Defendant or Diamond Resorts International
7 in response, including any documents reflecting a resolution of the
8 complaint.

9 **RESPONSE:** Defendant objects that Plaintiff has exceeded the forty
10 interrogatories (including subparts of non-uniform interrogatories) permitted under Rule
11 33.1 of the Arizona Rules of Civil Procedure. Defendant also objects to this
12 Interrogatory because it is overbroad, vague, and unduly burdensome. Moreover, the
13 Interrogatory seeks information that is not relevant to the relief sought in Plaintiff's
14 Verified Complaint, and it is not reasonably calculated to lead to the discovery of
15 admissible evidence. Defendant has an obligation to protect the privacy rights of its
16 members, and production of the requested information would violate their privacy and
17 confidentiality. In addition, Plaintiff is not entitled to this information based on A.R.S.
18 §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no common
19 law right of inspection for members of non-profit corporations, and Plaintiff's rights are
20 limited to those provided by statute. A.R.S. § 10-11602 expressly provides that it does
21 not apply to timeshare plans or associations. The Interrogatory seeks information that
22 does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply with
23 the statutory conditions for a proper request under the statute.

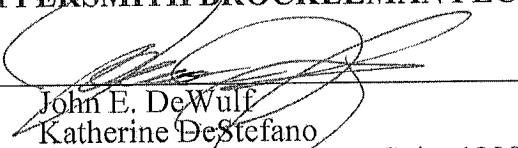
24 19. Has Defendant or Diamond Resorts International, in the past 4 years, been a
25 party to any litigation or arbitration proceedings in which any member of Premier
26 Vacation Collection claimed that the assessments charged to him or her were improper
27 and excessive? _____. If so, for each proceeding please provide the
28 following information:

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- a. Identify the jurisdiction, court, and case number (and, if arbitrated, identify the arbitrator);
- b. Identify each party, and any attorney representing such party;
- c. State the outcome of the proceeding and if settled state the amount and other terms of the settlement; and
- j. d. Identify any settlement agreement or similar or related document.

RESPONSE: Defendant objects that Plaintiff has exceeded the forty interrogatories (including subparts of non-uniform interrogatories) permitted under Rule 33.1 of the Arizona Rules of Civil Procedure. Defendant also objects to this Interrogatory because it is overbroad, vague, and unduly burdensome. Moreover, the Interrogatory seeks information that is not relevant to the relief sought in Plaintiff's Verified Complaint, and it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant has an obligation to protect the privacy rights of its members, and production of the requested information would violate their privacy and confidentiality. In addition, Plaintiff is not entitled to this information based on A.R.S. §§ 10-11602 or 33-2209 or the common law. Under Arizona law, there is no common law right of inspection for members of non-profit corporations, and Plaintiff's rights are limited to those provided by statute. A.R.S. § 10-11602 expressly provides that it does not apply to timeshare plans or associations. The Interrogatory seeks information that does not fall within the scope of A.R.S. § 33-2209, and Plaintiff has failed to comply with the statutory conditions for a proper request under the statute.

DATED this 31st day of August, 2015.

COPPERSMITH BROCKELMAN PLC
 By 
 John E. DeWulf
 Katherine DeStefano
 2800 N. Central Avenue, Suite 1200
 Phoenix, Arizona 85004
 Attorneys for Defendants

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ORIGINAL e-filed and a copy mailed
this 31st day of August, 2015, to:

Jon L. Phelps, Esq.
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By 