

Dear Marriott's OceanWatch at Grande Dunes® Owner:

On behalf of OceanWatch Villas Owners Association, attached is a copy of the approved Third Amendment to OceanWatch Villas Vacation Ownership Plan Second Amended and Restated Rules and Regulations for OceanWatch Villas Owners Association.

Please contact me with any questions by phone at 843-692-5501 or via email at paul.bishop@vacationclub.com.

Best regards,

Paul Bishop
General Manager
Marriott's OceanWatch

**THIRD AMENDMENT TO
OCEANWATCH VILLAS
VACATION OWNERSHIP PLAN
SECOND AMENDED AND RESTATED RULES AND REGULATIONS**

THIS THIRD AMENDMENT TO OCEANWATCH VILLAS VACATION OWNERSHIP PLAN SECOND AMENDED AND RESTATED RULES AND REGULATIONS (this "Third Amendment") effective July 26, 2016 ("Effective Date"), is promulgated by MARRIOTT RESORTS HOSPITALITY CORPORATION, a South Carolina corporation (the "Management Company"), on behalf of the OceanWatch Villas Owners Association (the "Association").

RECITALS:

WHEREAS, the Management Company and the Association are parties to that certain Resort Management Agreement dated January 23, 2004 pursuant to which the Association engaged the Management Company as its managing agent to operate and manage the daily affairs of OceanWatch Villas Owners Association; and

WHEREAS, the Second Amended and Restated Rules and Regulations for OceanWatch Villas Vacation Ownership Plan (the "Second Amended and Restated Plan Rules") were adopted by the Association effective as of October 22, 2008; and

WHEREAS, the First Amendment to OceanWatch Villas Vacation Ownership Plan (the "First Amendment") was adopted by the Board effective June 10, 2009;

WHEREAS, the Second Amendment to OceanWatch Villas Vacation Ownership Plan (the "Second Amendment") and collectively with the First Amendment and the Second Amended and Restated Plan Rules, the "Rules and Regulations") was adopted by the Board effective December 22, 2010;

WHEREAS, pursuant to Article XI of the Rules and Regulations, the Management Company, on behalf of the Board, may amend the Rules and Regulations from time to time, without consent of its members.

NOW, THEREFORE, the Management Company, on behalf of the Association, does hereby adopt certain amendments to the Rules and Regulations to be reflected in this Third Amendment, as set forth below:

1. The Recitals are true and correct and are incorporated herein by this reference.
2. The following sentence shall be added to the end of Article V, Section 6 of the Rules and Regulations, Non-Smoking Policy:

"As used in these Rules and Regulations, "smoking" includes the use of tobacco based products, electronic cigarettes, vaporizers and other alternative nicotine products."

3. This Third Amendment shall affect and be binding upon all Owners, past, present and future, and their successors and assigns, until otherwise amended or rescinded by future amendment of the Rules and Regulations.
4. The provisions of this Third Amendment shall supersede and replace any contrary provisions in the Rules and Regulations.
5. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Second Amended and Restated Rules and Regulations.
6. Except as otherwise modified herein, the Rules and Regulations shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, a duly authorized representative of the Management Company has executed this Third Amendment as of the Effective Date set forth above.

MARRIOTT RESORTS HOSPITALITY CORPORATION
on behalf of Ocean Watch Villas Owners Association

By: Joseph J. Bramwell
Name: JOSEPH J. BRAMWELL
Title: V.P.