



THE RITZ-CARLTON DESTINATION CLUB

SECOND AMENDED AND RESTATED RESERVATION PROCEDURES FOR THE RITZ-CARLTON CLUB, VAIL

EFFECTIVE AS OF JANUARY 1, 2018

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RESERVATION PROCEDURES
FOR
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INTRODUCTION

These Second Amended and Restated Reservation Procedures for The Ritz-Carlton Club, Vail ("Reservation Procedures") are promulgated for The Ritz-Carlton Club, Vail by The Cobalt Travel Company, L.L.C., a Delaware limited liability company, formerly known as The Ritz-Carlton Travel Company, L.L.C., a Delaware limited liability company, as the Program Manager, and amend, restate and supersede in their entirety the Amended and Restated Reservation Procedures previously promulgated by the Program Manager. These Reservation Procedures have been designed to ensure that all Members and Local Members have availability of usage each year, and corresponding access to and opportunity for such usage of a Club Unit and common facilities of the Home Club where the Members or Local Members own a Club Interest, as well as the privileges for Members to use Club Units and common facilities at Clubs associated or affiliated with the Membership Program other than the Home Club, in accordance with the procedures set forth below.

There may be one or more Seasons associated with the use of Club Units and common facilities at each Club, and the specific days and months of the year for each Season and different Reserved Allocations which may vary by Club. However, these Reservation Procedures will apply for the Home Club. Reservations to use a Club Unit and common facilities at other Clubs within the Membership Program, other than the Home Club, shall be made in accordance with the reservation procedures applicable to such other Clubs.

The Program Manager from time to time, based on the parameters established herein, may further modify these Reservation Procedures. In the event there is a conflict between the provisions of the Club Documents for a particular Club and these Reservation Procedures, the Club Documents will only control as it relates to the usage of that particular Club. As to the Home Club, in the event there is a conflict between the provisions of these Reservation Procedures and other reservation procedures promulgated by the Program Manager for other Clubs other than the Home Club, these Reservation Procedures will control but only with respect to Members' usage of their Home Club.

I. DEFINITIONS

The following definitions apply, unless the context clearly requires a different meaning:

Affiliated Program means a program for which an agreement of affiliation or reciprocal usage has been executed with the Program Manager, and with respect to which participation in such program is made available to Members on a voluntary basis in accordance with such terms and conditions as may be determined by the manager of the Affiliated Program and Program Manager in their sole discretion. A person affiliated with an Affiliated Program may be granted the ability to participate in the Membership Program on a voluntary basis in accordance with such terms and conditions.

Allocation means the total number of evenings each year, as established in the Club Documents, for which a Member or Local Member is entitled to use a Club Unit without incurring a per diem charge. An Allocation may be further divided into Reserved Allocations and Unreserved Allocations (as defined below). Two (2) Club Calendars are available at the Home Club (see definition of "Club Calendar"). In accordance with and subject to the Club Calendar applicable to an Allocation, a Member or Local Member has the right to use, occupy and possess a Club Unit for twenty-one (21) evenings in each Club Calendar Year. Fourteen (14) evenings of the Allocation is Reserved Allocation and seven (7) evenings of the Allocation is Unreserved Allocation. No Allocation can be used outside of the Home Club's Club Calendar Year in which it was originally allocated. Each day of the Club Calendar Year belongs to a specific Season. During each Club Calendar Year, the Season in which a Member's or Local Member's Reserved Allocation, Same Season Exchange or Alternate Season Exchange falls shall be governed by the Season in which the first day of occupancy of such Reserved Allocation, Same Season Exchange or Alternate Season Exchange begins on the Club Calendar, regardless of whether the last day of occupancy of such Reserved Allocation, Same Season Exchange or Alternate Season Exchange occurs on a day which falls in another Season on the Club Calendar.

Alternate Season Exchange is defined under the definition of "Reserved Allocation".

Associate Member means a person having privileges within the Membership Program through a separate category of membership other than that type of membership associated with mandatory affiliation with the Membership Program.

Associated Club means a Club for which an agreement of affiliation or reciprocal usage has been executed, and with respect to which participation in the Membership Program is made available on a voluntary basis in accordance with such terms and conditions as may be determined by the Program Manager in its sole discretion.

Club means the Club Units and common facilities of the applicable resorts which are or become affiliated with the Membership Program, including the Home Club.

Club Calendar means the annual calendar(s) promulgated by the Program Manager and made available to all Members and Local Members which identifies Seasons, Unreserved Allocation Periods, Allocations, and other pertinent information for the Home Club, in a

given year. Additionally, Clubs other than the Home Club shall have Club Calendars specifically related to such Clubs. At the Home Club, two (2) Club Calendars are available. However, only one Club Calendar will be applicable to each Allocation. The “Club Calendar Options” include:

- (1) Club Calendar Option 1 includes two (2) Weeks of Reserved Allocation which rotate each Club Calendar Year either within one Season, or divided between two Seasons, as identified on the applicable Club Calendar, with the remaining one (1) Week of the Member’s or Local Member’s Allocation being Unreserved Allocation and used during the Unreserved Allocation Periods, as identified on the applicable Club Calendar. No Members or Local Members will be guaranteed usage of a holiday period. There is a Friday to Friday version of this Club Calendar and a Saturday to Saturday version.
- (2) Club Calendar Option 2 includes two (2) Weeks of Reserved Allocation which rotate (except with respect to Fixed Holiday Interests as described below) each Club Calendar Year within one Season or divided between two Seasons, with the remaining one (1) Week of the Member’s or Local Member’s Allocation being selected from the Unreserved Allocation Period, as identified on the applicable Club Calendar. A limited number of Local Members or Members may purchase two (2) consecutive fixed Weeks which will include both the nights December 24 and December 31 of each year, with the remaining one (1) Week of such Member’s or Local Member’s Allocation being selected from the Unreserved Allocation Period, as identified on the applicable Club Calendar. No other Members or Local Members will be guaranteed usage of a holiday period.

The Member's deed shall reflect the Member’s Club Interest number, which number, as depicted on the Club Calendars, indicates which of the two (2) Club Calendars apply to such Member's particular Club Interest and whether the Friday or Saturday version of the applicable Club Calendar applies.

Club Calendar Option(s), as described under the definition of “Club Calendar.”

Club Calendar Year means the relevant annual period of time described in a Member’s or Local Member's Club Calendar and begins on Friday or Saturday of week 51, as applicable, except in years in which Week 53 exists. In such years, the Club Calendar Year will begin on the Friday or Saturday of Week 52.

Club Documents means those documents governing the use of Club Units at a particular Club pursuant to which the Developer has created the Club Interests owned or to be owned by Members and Local Members.

Club Interest means the particular real property interest in or use rights a Member or Local Member has at a Club. Each Club Interest at the Home Club is described as either a “Winter Preferred Interest”, a “Summer Preferred Interest”, a “Dual Season Interest” or a “Fixed Holiday Interest.” Subject to the applicable Club Calendar: (i) a Winter Preferred

Interest will include two (2) non-consecutive Weeks during Prime Winter Season and seven (7) evenings during the Unreserved Allocation Period; (ii) a Summer Preferred Interest will include two (2) Weeks (consecutive or non-consecutive, depending on the applicable Club Calendar) during Prime Summer Season and seven (7) evenings during the Unreserved Allocation Period; (iii) a Dual Season Interest will include one (1) Week during Prime Winter Season, one (1) Week during Prime Summer Season and seven (7) evenings during the Unreserved Allocation Period; and (iv) a Fixed Holiday Interest will include two (2) consecutive Weeks (typically Weeks 51 and 52) of Prime Winter Season and seven (7) evenings during the Unreserved Allocation Period.

Club Manager means the person engaged by the Developer, or as applicable, the Members Association, with responsibility for the management and operation of a particular Club.

Club System Exchange means, for eligible Members, the exchange of usage from one Club to another Club within the same Club Calendar Year of the Home Club.

Club Unit means a residence, an apartment, villa, unit or other separate lodging accommodations available for occupancy at a Club as defined in the Club Documents.

Club Unit Category means a particular type of Club Unit (i.e., bedroom configuration or otherwise) associated with the Club Interest acquired by the Member or Local Member as described in the Club Documents. Club Units in a particular Club Unit Category may vary in size. Therefore, for illustration purposes, a Member or Local Member with a two-bedroom Club Unit associated with such Member's or Local Member's Club Interest may occupy any available two-bedroom Club Unit, regardless of the size of such Club Unit.

Deeded Club Unit means the Club Unit in which the Club Interest was purchased by a Member or Local Member, as identified in the deed transferring the Club Interest.

Developer means the person who has developed and created a plan for the shared usage by Members and Local Members of Club Units and common facilities at the Home Club and is selling or has sold Club Interests therein directly or through others.

Exchange Request Period means, collectively, the Nine (9) Month Period, Thirteen (13) Month Period, Fifteen (15) Month Period, Open Exchange Period and Space Available Confirmation Period.

Family Member means a Member's or Local Member's spouse, or an individual who is not the Member's or Local Member's spouse but lives together with the unmarried Member or unmarried Local Member in the same household as a family unit, who does not jointly own a Club Interest together with the Member or Local Member, or the Member's or Local Member's and, if applicable, his or her spouse's, siblings, parents, children or grandchildren. Upon a confirmed reservation by the Member or Local Member to the Program Manager, a Family Member may use a Club Unit pursuant to these Reservation Procedures in a given year as if such Family Member(s) were the Member or Local Member himself or herself and for which usage will be deemed to have been made by the Member or Local Member himself or herself.

Fifteen (15) Month Period means the period of time that begins fifteen (15) months PTU and ends at the beginning of the Thirteen (13) Month Period. During the Fifteen (15) Month Period all Members or Local Members requesting Same Season Exchange (Unreserved Allocation Period as to Unreserved Allocation) will either receive a confirmed reservation or be placed on the Wait List and compete for a reservation based on availability, on a first-come, first-served basis as set forth in these Reservation Procedures.

Guest means a person who, as an invited guest of a Member, lodges in a Club Unit at a Club who is not a Member, Local Member or a Family Member and uses the same or a different Club Unit than that used by the Member or Local Member during the same period of occupancy as the Member or Local Member or during a different period of occupancy and whether or not accompanied by a Member or Local Member. Unless specifically stated or the context clearly indicates otherwise, Guests shall also include Guest of the Program Manager.

Guest of the Program Manager means any person who lodges in a Club Unit at a Club on a space available basis as an invited guest of the Program Manager, who, except where otherwise specifically provided, shall be treated as a Guest.

Guest of the Program Manager Per Diem Fee means the fee charged by the Program Manager for a Guest of the Program Manager for use of a Club Unit on a space available basis as established by the Program Manager from time to time in accordance with the Club Documents. The Guest of the Program Manager Per Diem Fee may include the Guest Per Diem Fee plus a premium collected by the Club Manager and credited to the Program Manager.

Guest Per Diem Fee means a fee charged to Guests, Associate Members and Guests of the Program Manager for use of a Club Unit on a space available basis as established by the Club Manager from time to time in accordance with the Club Documents and reasonably agreed to by the Program Manager. The Guest Per Diem may include the Member Per Diem plus a premium collected by the Club Manager and credited to such Club Manager.

Home Club means The Ritz-Carlton Club, Vail, which has been included in The Ritz-Carlton Club Membership Program.

Local Member means a person (natural or otherwise) who owns a Club Interest at the Home Club or owns an accommodation at a Club that is part of the Membership Program, but has not acquired Club System Exchange privileges in the Membership Program for such Club Interest (see definition of Member below). Where more than one person owns a Club Interest, then such persons shall designate a Primary Member at the time of purchase of a Club Interest, and such designated person will remain the Primary Member until changed in accordance with the process established by the Program Manager. Where a Local Member is not an individual, it shall designate a Primary Member at the time of purchase of a Club Interest, and such designated person will remain the Primary

Member until changed in accordance with the process established by the Program Manager.

Member means a person (natural or otherwise) who (a) owns a Club Interest at the Home Club and (b) acquired Club System Exchange privileges in the Membership Program for such Club Interest by the payment of an initiation fee to the Program Manager, which initiation fee may be increased or decreased by the Program Manager in the Program Manager's sole discretion. Such initiation fee may be waived by the Program Manager if a Local Member (i) purchases the Club Interest from or through the Developer or an affiliate thereof, (ii) purchases the Club Interest from or through any broker authorized from time to time as an "Approved Broker" by Developer, (iii) acquires the Club Interest by virtue of being a Family Member by gift, will, testamentary disposition, intestate succession or trust from a Member (provided that, other than as otherwise provided herein, such Family Member may not use Allocations until the Member or Family Member supplies the Program Manager with such documentation as the Program Manager may reasonably request to verify such transfer of the Club Interest), or (iv) is otherwise granted Club System Exchange privileges by the Program Manager at the Program Manager's sole discretion. A Member also means a person (natural or otherwise) who owns a Club Interest at a Club other than the Home Club (including an Associated Club) and has membership privileges in the Membership Program pursuant to the procedures for reserving usage at such other Club, as well as an eligible Associate Member. Where more than one person owns a Club Interest, then such persons shall designate a Primary Member at the time of purchase of a Club Interest, and such designated person will remain the Primary Member until changed in accordance with the process established by the Program Manager. Where a Member is not an individual, it shall designate a Primary Member at the time of purchase of a Club Interest, and such designated person will remain the Primary Member until changed in accordance with the process established by the Program Manager. Additionally, a Member also means a person (natural or otherwise) who owns a Club Interest at the Home Club and who is voluntarily participating in an Affiliated Program and has membership privileges in the Membership Program pursuant to such terms and conditions as may be determined by the manager of the Affiliated Program and the Program Manager.

Member in Good Standing means a Member or Local Member who is: (i) current with all payments to the Club Manager, Program Manager, Members Association, and/or the Developer (in each case, to the extent Program Manager is provided with the applicable information) relating to the Member's or Local Member's ownership of the Club Interest or membership in the Membership Program, and (ii) not in breach or default of any of the terms and conditions of these Reservation Procedures or any of the Club Documents. Program Manager is entitled to rely on any information it receives from the Club Manager, Members Association and/or Developer relative to whether a Member or Local Member is current with all payments, and Program Manager shall have no duty to verify the accuracy of any such information.

Member Per Diem Fee means a fee charged to a Member, or Local Member or Family Member for use of a Club Unit for additional evenings lodging beyond the Member's or Local Member's Allocation as established by the Club Manager from time to time in

accordance with the Club Documents. The Member Per Diem Fee may consist of the variable costs of occupancy that are collected by the Club Manager and credited to the Members Association where the Member or Local Member occupied a Club Unit.

Members Association means the association whether incorporated, unincorporated or voluntary of all the Members and Local Members, who have Club Interests at the Home Club.

Membership means membership in the Membership Program, and which may exist on some other basis for Associate Members.

Membership Program or The Ritz-Carlton Club Membership Program means the program of benefits and services created and operated by the Program Manager, as they may exist from time to time, in which Members and Local Members in the Home Club participate by virtue of being granted such privilege in accordance with the Reservation Procedures and in which Members in other Clubs participate by virtue of ownership of a Club Interest or by other means established by the Program Manager, e.g., the benefits and services made available to Associate Members and/or Associated Clubs.

Nine (9) Month Period means the period of time that begins nine (9) months PTU and ends at the beginning of the Open Exchange Period. During the Nine (9) Month Period all Members requesting Club System Exchange will either receive a confirmed reservation or be placed on the Wait List and compete for a reservation based on availability, on a first-come, first-served basis as set forth in these Reservation Procedures.

Open Exchange means the exchange of usage of Allocation in increments of less than seven (7) evenings from the Home Club or via Club System Exchange (for Members only, excluding Associate Members and members of Affiliated Programs or Associated Clubs) to another Club within the same Club Calendar Year of the Home Club.

Open Exchange Period means the period of time that begins six (6) months prior to the first day of the requested Use Period and ends at the beginning of the Space Available Confirmation Period. During the Open Exchange Period all Members and Local Members requesting Open Exchange will either receive a confirmed reservation or be placed on the Wait List and compete for a reservation based on availability, on a first-come, first-served basis as set forth in these Reservation Procedures.

Primary Member means (i) where more than one person (natural or otherwise) owns a Club Interest, the person designated by the owners of the Club Interest to be deemed the "Member" or "Local Member" (cannot be more than one) for purposes of reserving usage of Allocation under these Reservations Procedures, or (ii) where the Member or Local Member is not an individual, the person designated by the Member or Local Member to be deemed the "Member" or "Local Member" (cannot be more than one) for purposes of reserving usage of Allocation under these Reservations Procedures.

Program Manager means the person who manages and operates the Membership Program, which is The Cobalt Travel Company, L.L.C., a Delaware limited liability company, its successors and assigns.

PTU means a certain period of time (as identified herein) prior to the first day of the Week of the requested Use Period.

Reserved Allocation means the portion of the Allocation as established in the Club Documents, for which a Member or Local Member is assigned usage of the Member's or Local Member's Deeded Club Unit during a specific period or periods of time each year pursuant to the Club Calendar for a given Club (unless occupancy of the Deeded Club Unit is waived by the Member or Local Member when requesting additional days of occupancy to be added to such Member's or Local Member's Reserved Allocation). Additionally, a Member or Local Member may be able to exchange Reserved Allocation for use through Club System Exchange (Members only) and Open Exchange but the reserved use period must be utilized within the same Club Calendar Year of the Home Club, and is based on availability. If permitted by the Club Documents, a Member or Local Member may be able to exchange Reserved Allocation for use in a Season other than its originally assigned Season but it must be utilized at the Member's or Local Member's Home Club and within the same Club Calendar Year, and is based on availability (hereinafter referred to as "Alternate Season Exchange"). Further, a Member is able to utilize Reserved Allocation for use in an Affiliated Program on a voluntary basis in accordance with terms and conditions of such Affiliated Program.

Same Season Exchange means the exchange of usage of Allocation to a Use Period during the same Season (or an Unreserved Allocation Period) as the Member's or Local Member's deeded Club Interest but, for a period of time which is not the same as the Member's or Local Member's deeded Club Interest.

Season means that time or times of the year (e.g., "Prime Summer" and "Prime Winter") set forth in the Club Calendar for each particular Club which reflects usage of a Club Unit consistent with the Club Interest purchased by a Member or Local Member as set forth in the Club Documents. The term "Season" is used for the purpose of referencing particular times of a Club Calendar Year and the name of a Season does not limit or affect the time of year applicable to such Season.

Sister Club Exchange Cap means that certain maximum number of evenings of Allocation at a Club, which is not the Member's or Local Member's Home Club, that are made available for Club System Exchange during each calendar year.

Sixteen (16) Month Period means the period of time that begins sixteen (16) months PTU.

Space Available Confirmation Period means the period that begins sixty (60) days PTU and during which Members and Local Members (for themselves, Family Members and/or Guests), or the Program Manager can reserve use of a Club Unit at a Club for the current Club Calendar Year on a space available, first-come, first-served basis as set forth in these Reservation Procedures. In the event the Space Available Confirmation Period at any

Club differs from that noted herein, the reservation of Space Available Time at such other Club shall be made in accordance with the Reservation Procedures of that Club. The Program Manager shall confirm such reservations no earlier than sixty (60) days PTU, after clearing any applicable Wait List.

Space Available Time means that period or periods of time other than Member's or Local Member's Allocation when Members, or Local Members and/or their Family Members or their Guests, or Guests of the Program Manager can use a Club Unit or Club Units on a space available, first-come, first-served basis upon payment of the per diem fees described herein or release of Allocation. Space Available Time is a Member-only Membership Program benefit; however, Space Available Time is not available for members of Affiliated Programs or Associate Members who are not owners of Club Interests at the Home Club.

Thirteen (13) Month Period means the period of time that begins thirteen (13) months PTU and ends at the beginning of the Nine (9) Month Period. During the Thirteen (13) Month Period, all Members and Local Members requesting Alternate Season Exchange will either receive a confirmed reservation or be placed on the Wait List and compete for a reservation based on availability, on a first-come, first-served basis as set forth in these Reservation Procedures.

Unreserved Allocation means the days remaining (if any) each year from a Member's Allocation after the number of days designated as Reserved Allocation are deducted, as may be specifically established in the Club's Documents. Currently, Unreserved Allocation is provided for in the Club Documents for The Ritz-Carlton Club, Vail. Unreserved Allocation may be used at the Home Club (Vail) or an exchange Club, based upon availability. Unreserved Allocation must be reserved by a Member or Local Member and a confirmation received prior to that Member or Local Member releasing allocated time for exchange.

Unreserved Allocation Period means that time or times of the year set forth in the Club Calendar for the Home Club during which an owner of a Club Interest at the Home Club may use their Unreserved Allocation.

Use Period means the time period(s) during which each Member or Local Member has reserved the use and occupancy of a Club Unit (and which includes Reserved Allocation) in accordance with these Reservation Procedures.

Wait List means a list of requested Member and Local Member reservations maintained by the Program Manager if a Member's or Local Member's requested usage cannot be immediately confirmed (see Section III.C. below for Wait List Priority and Usage).

Week means a period of seven (7) consecutive evenings during which a Club Unit may be used, pursuant to the Club Calendar. The calendar dates for the Weeks may vary from year to year, but each Week in a Club Unit will always commence on a Friday or Saturday as noted in the applicable Club Calendar, unless otherwise provided in the applicable Club Documents.

II. EXERCISE OF MEMBERSHIP PRIVILEGES; USE OF MEMBER'S OR LOCAL MEMBER'S ALLOCATION

Subject to applicable law and the provisions of the Club Documents, only Members and Local Members in Good Standing may exercise Membership privileges. All or a portion of the Allocation may be used by a combination of (i) the Member, Local Member, Family Members and/or Guests lodging in the same Club Unit during the same period at the Home Club, (ii) the Member, Family Members and/or Guests lodging in the same Club Unit during the same period at any Club, other than the Home Club, (iii) Family Members, and/or Guests lodging in a separate Club Unit at the Home Club during the same period as a Member or Local Member residing there, or (iv) Family Members and/or Guests lodging in a Club Unit at any Club during a different time than the Member or Local Member (only applicable to the Home Club) is lodging there. Except as otherwise set forth in this Article II, all reservations must be made by the Member or Local Member. Program Manager may charge a fee to the Member or Local Member for facilitating a reservation for which the Member or Local Member will not be in occupancy. Members and Local Members may designate another individual or entity that can make or change reservations on behalf of the Member or Local Member in accordance with the process established by the Program Manager from time to time.

Each Member or Local Member of a Club Interest owned by other than individual(s) may provide, in writing, to the Program Manager the names of up to four individuals (including the Primary Member), who shall be allowed to exercise the membership privileges for such Member or Local Member (including making changes to Allocation, making reservations for Space Available Time, releasing Allocation for Same Season Exchange, Alternate Season Exchange, Club System Exchange and/or Open Exchange, and exercising other Membership privileges); provided, however, that the Primary Member for such Club Interest must initially make or confirm the reservations for usage of Allocation for such Club Interest. Each Member or Local Member of a Club Interest owned by more than one individual (which would include the Primary Member) may exercise the membership privileges associated with such Club Interest (including making changes to Allocation, making reservations for Space Available Time, releasing Allocation for Same Season Exchange, Alternate Season Exchange, Club System Exchange and/or Open Exchange, and exercising other Membership privileges); provided, however, that the Primary Member of such Club Interest must initially make or confirm the reservations for usage of Allocation for such Club Interest. If there is any conflict or dispute arising out of the instructions given to Program Manager or reservations made for a particular Club Interest, Program Manager may treat the instructions given by or reservations made by the Primary Member as definitive and Program Manager shall have no obligation to follow or otherwise address any other instructions or reservations for such Club Interest. Each Member and Local Member hereby waives any and all claims against the Program Manager for, and agrees to indemnify, defend and hold harmless the Program Manager, and its affiliates and subsidiaries, from and against any and all costs, damages, liabilities and expenses arising out of, any dispute or conflict relating in any way to any instructions given to Program Manager or reservations made with respect to a Club Interest owned by more than one person or by other than an individual.

The fees, process, forms, and requirements for changing the Primary Member or the individuals allowed to exercise the Membership privileges for a particular Club Interest shall be as determined by the Program Manager from time to time.

III. MAKING RESERVATIONS

The attached Schedule 1 provides a depiction of this Section III.

A. CONFIRMATION AND USAGE OF ALLOCATIONS

1. Reserved Allocation

Although the Program Manager currently automatically confirms Reserved Allocation at or about sixteen (16) months prior to the first day of the Week containing the Use Period, the Program Manager reserves the right, from time to time, to discontinue such automatic confirmation and/or to subsequently implement automatic confirmation of Reserved Allocation. During any time period in which Program Manager elects not to automatically confirm Reserved Allocation, Members and Local Members must notify and confirm with the Program Manager their desire to use all or a portion of the Reserved Allocation during the Sixteen (16) Month Period. Members and Local Members desiring not to use Reserved Allocation in accordance with the appropriate Club Calendar, but rather to utilize the Reserved Allocation at another time at the Home Club (as Alternate Season Exchange, Same Season Exchange or Open Exchange), at another Club (as Club System Exchange or Open Exchange, which privilege may be exercised by Members only) or at any Associated Club within the Membership Program must notify the Program Manager and first release their Allocation before a confirmation will be made or Wait List reservation will be taken by the Program Manager. **FAILURE TO COMPLY WITH THE REQUIREMENTS OF THE PREVIOUS SENTENCES COULD RESULT IN THE LOSS OF USAGE OF A CLUB UNIT BY A MEMBER OR LOCAL MEMBER OR OTHERS DERIVING RIGHTS THROUGH THE MEMBER OR LOCAL MEMBER FOR THAT SEASON. IN PARTICULAR, IF A MEMBER OR LOCAL MEMBER RELEASES SUCH MEMBER'S OR LOCAL MEMBER'S ALLOCATION SO THAT SUCH MEMBER OR LOCAL MEMBER HAS NO RIGHTS TO SUCH ALLOCATION, THE PROGRAM MANAGER MAY, IN PROGRAM MANAGER'S SOLE DISCRETION, DEPOSIT SUCH UNUSED INVENTORY FOR USE AS SAME SEASON EXCHANGE OR ALTERNATE SEASON EXCHANGE OR FOR USE IN THE CLUB SYSTEM EXCHANGE. IN THE EVENT A MEMBER OR LOCAL MEMBER FAILS TO OBTAIN A CONFIRMED USE PERIOD (AS SAME SEASON EXCHANGE, ALTERNATE SEASON EXCHANGE, OPEN EXCHANGE OR, FOR MEMBERS, CLUB SYSTEM EXCHANGE) OR THROUGH EXCHANGE WITH AN ASSOCIATED CLUB OR AFFILIATED PROGRAM FOR RELEASED ALLOCATION, SUCH ALLOCATION WILL BE FORFEITED BY THE MEMBER OR LOCAL MEMBER.**

Each Member and Local Member will have occupancy of such Member's or Local Member's Deeded Club Unit when using Reserved Allocation. For usage of a Club Unit reserved at any other time, or for usage of any period other than during the Reserved Allocation, Members and Local Members may not necessarily be assigned occupancy in their Deeded Club Units. **REGARDLESS OF A MEMBER'S OR LOCAL MEMBER'S ACTUAL USE OF RESERVED ALLOCATION, RESERVED ALLOCATION WHICH HAS NOT FIRST BEEN RELEASED BY THE MEMBER OR LOCAL MEMBER TO THE PROGRAM MANAGER SHALL NOT BE**

AVAILABLE FOR ALTERNATE SEASON EXCHANGE, SAME SEASON EXCHANGE, CLUB SYSTEM EXCHANGE OR OPEN EXCHANGE. HOWEVER, A MEMBER MAY REQUEST AN EXCHANGE OF RESERVED ALLOCATION THROUGH AN AFFILIATED PROGRAM AT ANY TIME SUBJECT TO THE RULES FOR SUCH AFFILIATED PROGRAM.

The Program Manager will attempt to accommodate all requests to change reservation dates at the Home Club, which can be accommodated based upon availability on a first-come, first-served basis consistent with the Club Unit Category owned by the Member or Local Member. Reserved Allocation reservations made in an Unreserved Allocation Period shall be automatically confirmed upon availability, on a first-come, first-served basis, consistent with the Club Unit Category owned by a Member or Local Member. Reserved Allocation cannot be utilized outside of the pre-assigned Club Calendar Year.

A limited number of Local Members or Members may purchase Fixed Holiday Interests which include two (2) consecutive fixed weeks which will include both the nights of December 24 and December 31 of each year. These fixed weeks are considered Reserved Allocation, however, Members who may own such Reserved Allocation shall be subject to adjustments in their use rights as follows:

(i) occupancy for the Use Period containing the evening of December 24th shall typically occur during Week 51 of the Club Calendar Year, however, when December 24th falls during Week 52, the Members and Local Members who own such Reserved Allocation shall have use rights during Week 52;

(ii) occupancy for the Use Period containing the evening of December 31st shall typically occur during Week 52 of the Club Calendar Year, however, when December 31st falls during Week 53, the Members and Local Members who own such Reserved Allocation shall have use rights during Week 53.

Unless the Reserved Allocation containing the Use Periods described in (i) or (ii) above is released by the owners of such Reserved Allocation, these Use Periods shall not be available for reservation by other Members and Local Members. The Program Manager may use Week 51 for the Membership Program (including Club System Exchange) in any Club Calendar Year which contains a Week 53.

2. Unreserved Allocation

The seven (7) evenings of Unreserved Allocation each Club Calendar Year are unassigned unless and until the Member or Local Member makes a reservation with the Program Manager for particular Use Period(s) during the Unreserved Allocation Period, which reservation is then confirmed by the Program Manager. During the Fifteen (15) Month Period, Members or Local Members must notify the Program Manager of their desire to reserve a Club Unit for the use of a portion of their Unreserved Allocation for a particular Use Period in the Club Calendar Year for which it is designated, based on availability, or, in the case of Members, inform the Program Manager of their desire to utilize all or a portion of their Unreserved Allocation at another Club within the Membership Program (in which event the Member or Local Member relinquishes the right to use such Unreserved Allocation to the Program

Manager), which, in accordance with Section III(A)(5) below, will be confirmed during the period of time identified in the reservation procedures applicable to such other Club for Club System Exchange into such other Club. No requests for reservations of Unreserved Allocation Periods will be taken by the Program Manager prior to the beginning of the Fifteen (15) Month Period. While the Program Manager will continue to confirm the reservation of a Member's or Local Member's Allocation through the beginning of the requested Use Period (if the requested Use Period is available) and after the Nine (9) Month Period has begun, the request for the reservation of Allocation will not at that time take priority over Club System Exchange requests, which shall be confirmed on a first-come, first-served basis. **FAILURE TO RESERVE OR RELINQUISH ALLOCATION AS PROVIDED FOR ABOVE COULD RESULT IN THE LOSS OF USAGE OF A CLUB UNIT BY A MEMBER OR LOCAL MEMBER OR OTHERS DERIVING RIGHTS THROUGH THE MEMBER OR LOCAL MEMBER FOR THAT CLUB CALENDAR YEAR.**

Each Member or Local Member may use such Member's or Local Member's Allocation on a daily basis.

Each Member or Local Member shall be assigned occupancy in a Club Unit of a similar Club Unit Category as that purchased by the Member or Local Member for the Unreserved Allocation if such usage is properly confirmed in accordance with these Reservation Procedures. **THE PROGRAM MANAGER MAY NOT CONFIRM A MEMBER'S CLUB SYSTEM EXCHANGE UNLESS AND UNTIL THE MEMBER HAS RELINQUISHED SUCH MEMBER'S ALLOCATION.**

During the Thirteen (13) Month Period, Members and Local Members may reserve their Unreserved Allocation for available usage for at least seven (7) consecutive evenings during the Prime Winter Season and the Prime Summer Season as reflected on the Club Calendar. During the Open Exchange Period, Members and Local Members may reserve their Unreserved Allocation for available usage during the Prime Winter Season and the Prime Summer Season as reflected on the Club Calendar.

3. Same Season Exchange

Subject to and in accordance with Section V of these Reservation Procedures, if a Member or Local Member determines that the Member or Local Member is unable to use all or a portion of the Reserved Allocation from a specific pre-assigned Season, the Member or Local Member may attempt to use such released and unused Reserved Allocation at a different time within the same pre-assigned Season or an Unreserved Allocation Period during the same Club Calendar Year as Same Season Exchange. The Member or Local Member must first release at least seven (7) consecutive evenings of the Reserved Allocation such Member or Local Member desires to utilize for Same Season Exchange, and which Reserved Allocation falls during a Use Period defined by the Club Calendar of the Home Club. Subject to availability and the timely release of the Reserved Allocation as described above, the Program Manager may confirm requests for Same Season Exchange as follows: during the Fifteen (15) Month Period, the Program Manager may confirm requests for at least seven (7) consecutive evenings for a Use Period as defined by the Club Calendar of the Club into which the Member or Local Member is requesting occupancy as Same Season Exchange. No less than seven (7) consecutive evenings

will be permitted for request or release as Same Season Exchange prior to the Open Exchange Period.

Subject to and in accordance with Section V of these Reservation Procedures, during the Fifteen (15) Month Period, Members or Local Members who have Unreserved Allocation may notify and confirm with the Program Manager their desire to use all or a portion of the Unreserved Allocation in the Unreserved Allocation Period. Subject to availability, the Program Manager may confirm requests for use of Unreserved Allocation in the Unreserved Allocation Period for at least one (1) evening for a Use Period as defined by the Club Calendar of the Club into which the Member or Local Member is requesting occupancy as Unreserved Allocation Period (Same Season Exchange).

Other than for the request of a Use Period that is immediately available, the Member's and Local Member's Same Season Exchange requests will be put on a Wait List, in accordance with Section III C of these Reservation Procedures. The reservation of Same Season Exchange shall be confirmed by the Program Manager based on availability, on a first come, first served basis, pursuant to the Wait List priorities noted below. Same Season Exchange may only be used at the Member's or Local Member's Home Club and only within the same Club Calendar Year in which it was pre-assigned, and consistent with the Club Unit Category owned by the Member or Local Member. **THE PROGRAM MANAGER MAY NOT CONFIRM A MEMBER'S OR LOCAL MEMBER'S SAME SEASON EXCHANGE UNLESS AND UNTIL THE MEMBER OR LOCAL MEMBER HAS RELEASED ITS RESERVED ALLOCATION PURSUANT TO THIS ARTICLE III.**

4. Alternate Season Exchange

Subject to and in accordance with Section V of these Reservation Procedures, if a Member or Local Member determines that the Member or Local Member is unable to use all or a portion of the Reserved Allocation from a specific pre-assigned Season, the Member or Local Member may attempt to carry over such released and unused Reserved Allocation into the other Season during the same Club Calendar Year as Alternate Season Exchange. Before a request for an Alternate Season Exchange Use Period will be accepted by the Program Manager, the Member or Local Member desiring to exchange Reserved Allocation must first release at least seven (7) consecutive evenings of the Reserved Allocation he desires to exchange to the Program Manager and which Reserved Allocation falls during a Use Period defined by the Club Calendar of the Home Club. Subject to availability and the timely release of the Reserved Allocation as described above, the Program Manager may confirm requests for Alternate Season Exchange as follows: during the Thirteen (13) Month Period, the Program Manager may confirm requests for at least seven (7) consecutive evenings for a Use Period. Alternate Season Exchange may only be used at the Home Club, only within the same Club Calendar Year in which it was originally designated, and consistent with the Club Unit Category owned by the exchanging Member or Local Member. No less than seven (7) consecutive evenings will be permitted for request or release as Alternate Season Exchange prior to the Open Exchange Period. **THE PROGRAM MANAGER MAY NOT CONFIRM A MEMBER'S OR LOCAL MEMBER'S ALTERNATE SEASON EXCHANGE UNLESS AND UNTIL THE MEMBER OR LOCAL MEMBER HAS RELEASED ITS RESERVED ALLOCATION PURSUANT TO THIS ARTICLE III.**

5. Club System Exchange

Subject to and in accordance with Section V of these Reservation Procedures, if a Member desires to utilize Club System Exchange, the Member must first release at least seven (7) consecutive evenings of such Member's corresponding Reserved Allocation to the Program Manager and such Reserved Allocation must fall during a Use Period defined by the Club Calendar at the Home Club, and for Members who have Unreserved Allocation, the Member may notify and confirm with the Program Manager their desire to use at least seven (7) consecutive evenings of the Unreserved Allocation as Club System Exchange. For a Member of another Club exchanging into the Home Club, the Program Manager will confirm requests of at least seven (7) consecutive evenings during the Nine (9) Month Period for Allocation through Club System Exchange which can be accommodated at the Home Club. For a Member of the Home Club exchanging into another Club, the Program Manager will confirm requests of at least seven (7) consecutive evenings for Allocation through Club System Exchange during the period of time identified in the reservation procedures applicable to such other Club for Club System Exchange into that Club. The Program Manager may develop additional dates for the confirmation of Club System Exchange requests at the Home Club for any additional Season(s) created other than the Prime Summer Season and the Prime Winter Season. Any confirmation of Club System Exchange requests shall be subject to the availability of the type of Club Unit offered at the Club at which the reservation is being made that is substantially consistent with the Club Unit Category owned by the Member, or which may otherwise be available at such Club and which may be utilized to accommodate the Member's requested exchange, in the Program Manager's sole discretion, based upon availability on a first-come, first-served basis, and any other procedures determined by Program Manager. Notwithstanding the foregoing, due to the disparity in bedroom configurations at the Clubs, for Club System Exchange, a Member may not receive a Club Unit which is substantially consistent with the Club Unit Category owned by the Member; for example, there may be no Club Units containing five bedrooms at another Club into which a Member who owns a five-bedroom Club Unit at a different Club can exchange, in which event, such Member will be given the opportunity to exchange into a Club Unit with fewer bedrooms, if available. Club System Exchanges must be utilized within the same Club Calendar Year (of the Home Club) and Use Periods must be in blocks of time as may be required by the Program Manager to be consistent with usage requirements at the target Clubs. The Program Manager reserves the right to create alternative confirmation periods for Club System Exchange with regards to Clubs which may in the future become a part of the Membership Program. Additionally, there may be different methods by which interests and allocations are assigned within a particular Club. The Program Manager has the specific right to implement procedures which will facilitate reciprocal, exchange or similar uses by and among the Clubs affiliated with the Membership Program.

THE PROGRAM MANAGER SHALL NOT CONFIRM A MEMBER'S CLUB SYSTEM EXCHANGE OR TAKE A WAIT LIST REQUEST THEREFOR UNLESS AND UNTIL THE MEMBER HAS RELEASED THEIR ALLOCATION AS SET FORTH ABOVE. THE FAILURE BY A MEMBER TO USE CONFIRMED CLUB SYSTEM EXCHANGE USE PERIODS COULD RESULT IN CANCELLATION OF THE CLUB SYSTEM EXCHANGE DAYS BY THE PROGRAM MANAGER, THE IMPOSITION OF PENALTIES IN ACCORDANCE WITH SECTION V, AS WELL AS A LOSS OF CONFIRMED BUT UNUSED CLUB SYSTEM EXCHANGE USE PERIODS.

The confirmation period by which Club System Exchange shall be confirmed at other Clubs is determined by the criteria established by the Program Manager at such other Clubs. Accordingly, the Program Manager reserves the right to create alternative confirmation periods with regards to Clubs which may in the future become a part of the Membership Program.

Notwithstanding anything contained in these Reservation Procedures to the contrary, and in connection with the Club Documents, once the Sister Club Exchange Cap has been reached for a Club in a given calendar year, if applicable, the Program Manager's ability to confirm a Member's request for Club System Exchange into such Club for such calendar year will be limited by the Sister Club Exchange Cap.

LOCAL MEMBERS HAVE NO CLUB SYSTEM EXCHANGE RIGHTS.

6. Open Exchange

LOCAL MEMBERS HAVE NO OPEN EXCHANGE RIGHTS EXCEPT WITH RESPECT TO HOME CLUB EXCHANGES.

Subject to and in accordance with Section V of these Reservation Procedures, if a Member or Local Member desires to utilize Open Exchange, the Member or Local Member must first release such Member's or Local Member's corresponding Reserved Allocation to the Program Manager. Member's or Local Member's corresponding Reserved Allocation may be released in any number of evening increments as the Member or Local Member desires but, not less than in one (1) evening increments. During the Open Exchange Period, Members or Local Members who have Unreserved Allocation may notify and confirm with the Program Manager their desire to use all or a portion of the Unreserved Allocation as Open Exchange. For a Member or Local Member exchanging into the Home Club or, with respect to a Member only, any other Club (except Associated Clubs or Affiliated Programs), the Program Manager will confirm any requests for Allocation through Open Exchange which can be accommodated at the Home Club during the Open Exchange Period. During each Club Calendar Year, the Season in which a Member's or Local Member's Open Exchange falls shall be governed by the Season in which the first day of occupancy of such Open Exchange begins on the Club Calendar, regardless of whether the last day of occupancy of such Open Exchange occurs on a day which falls in another Season on the Club Calendar. The Program Manager may develop additional dates for the confirmation of Open Exchange requests at the Home Club for any additional Season(s) created other than the Prime Summer Season and the Prime Winter Season. Any confirmation of Open Exchange requests shall be subject to the availability of the type of Club Unit offered at the Club at which the reservation is being made that is substantially consistent with the Club Unit Category owned by the Member or Local Member, or which may otherwise be available at such Club and which may be utilized to accommodate the Member's or Local Member's requested exchange, in the Program Manager's sole discretion, based upon availability on a first-come, first-served basis, and any other procedures determined by Program Manager. Associate Members, members of Affiliated Programs and Associated Clubs currently have no Open Exchange rights.

Notwithstanding the foregoing, due to the disparity in bedroom configurations at the Clubs, a Member or Local Member making an exchange during Open Exchange may not receive accommodations which are substantially consistent with the Club Unit Category owned by the Member or Local Member; for example, there may be no accommodations containing five bedrooms at another Club into which a Member or Local Member owns a five-bedroom Club Unit at a different Club can exchange, in which event, such Member will be given the opportunity to exchange into accommodations with fewer bedrooms, if available. Open Exchanges must be utilized within the same Club Calendar Year (of the Home Club) and Use Periods must be in blocks of time as may be required by the Program Manager to be consistent with usage requirements at the target Clubs (except Associated Clubs or Affiliated Programs). The Program Manager reserves the right to create alternative confirmation periods for Open Exchange with regard to Clubs which may in the future become a part of the Membership Program. Additionally, there may be different methods by which interests and allocations are assigned within a particular Club, Associated Club or Affiliated Program. The Program Manager has the specific right to implement procedures which will facilitate reciprocal, exchange or similar uses by and among the Clubs, Associated Clubs or Affiliated Programs affiliated with the Membership Program.

Notwithstanding anything contained in these Reservation Procedures to the contrary, and in connection with the Club Documents, once the Sister Club Exchange Cap has been reached for a Club in a given calendar year, if applicable, the Program Manager's ability to confirm a Member's request for Open Exchange into such Club for such calendar year will be limited by the Sister Club Exchange Cap.

THE PROGRAM MANAGER SHALL NOT CONFIRM A MEMBER'S OR LOCAL MEMBER'S OPEN EXCHANGE OR TAKE A WAIT LIST REQUEST THEREFOR UNLESS AND UNTIL THE MEMBER OR LOCAL MEMBER HAS RELEASED (OR, AS TO UNRESERVED ALLOCATION, CONFIRMED) THEIR ALLOCATION AS SET FORTH ABOVE. THE FAILURE BY A MEMBER OR LOCAL MEMBER TO USE CONFIRMED OPEN EXCHANGE DAYS COULD RESULT IN CANCELLATION OF OPEN EXCHANGE DAYS BY THE PROGRAM MANAGER, THE IMPOSITION OF PENALTIES IN ACCORDANCE WITH SECTION V, AS WELL AS A LOSS OF CONFIRMED BUT UNUSED OPEN EXCHANGE DAYS.

WHILE THE PROGRAM MANAGER WILL CONTINUE TO CONFIRM THE RESERVATION OF A MEMBER'S OR LOCAL MEMBER'S ALLOCATION, SAME SEASON EXCHANGE, ALTERNATE SEASON EXCHANGE, OPEN EXCHANGE, OR A MEMBER'S CLUB SYSTEM EXCHANGE (IF THE REQUESTED USE PERIOD IS AVAILABLE) AFTER THE SPACE AVAILABLE CONFIRMATION PERIOD HAS BEGUN, THE REQUEST FOR THE RESERVATION OF ALLOCATION, CLUB SYSTEM EXCHANGE OR OPEN EXCHANGE WILL NOT AT THAT TIME TAKE PRIORITY OVER SPACE AVAILABLE TIME REQUESTS, WHICH SHALL BE CONFIRMED ON A FIRST-COME, FIRST-SERVED BASIS.

B. SPACE AVAILABLE USAGE

Members and Local Members may lodge in any type of Club Unit at any Club on a space available basis, subject to availability. Family Members and Guests may also lodge in a Club Unit

at any Club on a space available basis, subject to availability, without being accompanied by the sponsoring Member or Local Member, however, the sponsoring Member or Local Member must make the reservations for such use. In no event shall Space Available Time be used for any commercial purpose (including the rental of a Club Unit reserved on a space available basis). **FAILURE TO COMPLY WITH THE FOREGOING SENTENCE COULD RESULT IN LOSS OF SPACE AVAILABLE PRIVILEGES, IMPOSITION OF A PENALTY FEE OR IMPOSITION OF OTHER PENALTIES BY THE PROGRAM MANAGER.**

Space Available Time reservations can be requested by Members and Local Members (for themselves, Family Members and/or Guests) or by the Program Manager for Guests of the Program Manager during the Space Available Confirmation Period. However, Guests of the Program Manager can lodge in a Club Unit at a Club for periods for no more than seven (7) consecutive evenings per reservation, and each Guest of a Member or Local Member can lodge in a Club Unit at a Club or Clubs for a period of no more than seven (7) evenings in the aggregate, per Club Calendar Year.

Subject to availability, requests for usage of Space Available Time at the Home Club will be confirmed by the Program Manager after clearing any applicable Wait List, but in no event prior to the Space Available Confirmation Period, of up to a maximum of seven (7) evenings. Requests for usage of Space Available Time at any Club other than the Home Club will be confirmed by the Program Manager in accordance with the reservation procedures applicable to such other Club.

Space Available Time is a Member-only Membership Program benefit; however, Space Available Time is not available for members of Affiliated Programs or Associate Members who are not owners of Club Interests at the Home Club.

C. WAIT LIST PRIORITY AND USAGE

At a Member's or Local Member's request, and subject to the Member's or Local Member's eligibility (as described below), the Program Manager will maintain such Member's or Local Member's name on a Wait List to occupy a Club Unit (consistent with the Club Unit Category owned by the Member or Local Member) if such Member's or Local Member's requested usage cannot be immediately filled based on availability. The Program Manager may maintain a Wait List for Use Periods associated with Reserved Allocation, Club System Exchange (for Members only), Same Season Exchange, Alternate Season Exchange, Open Exchange and Space Available Time usage. The Program Manager may accept reservation Wait List requests during the Exchange Request Period associated with Reserved Allocation, Club System Exchange (for Members only), Same Season Exchange, Alternate Season Exchange, Open Exchange and Space Available Time, respectively, and, except as otherwise set forth in these Reservation Procedures, shall cease taking Wait List requests at the beginning of the next respective Exchange Request Period associated with Reserved Allocation, Club System Exchange (for Members only), Same Season Exchange, Alternate Season Exchange, Open Exchange and Space Available Time, as applicable. **AT THE END OF EACH RESPECTIVE EXCHANGE REQUEST PERIOD, ANY WAIT LIST REQUESTS RECEIVED THEREAFTER FOR THE PRIOR RESPECTIVE EXCHANGE REQUEST PERIOD WILL BE PLACED AT THE BOTTOM OF THE WAIT LIST OF THE THEN CURRENT EXCHANGE REQUEST PERIOD.** Notwithstanding anything

contained in these Reservation Procedures to the contrary, and in connection with the Club Documents, once the Sister Club Exchange Cap has been reached for a Club in a given calendar year, if applicable, the Program Manager's ability to take a Wait List request for such Club will be limited by the Sister Club Exchange Cap and any unfulfilled Wait List requests for such Club will be null and void with the exception of those Members or Local Members with a Wait List request using Allocation for a reservation to arrive at such Club within sixty (60) days, which Members or Local Members will then be placed on the Wait List for Space Available Time for such Club, as a new request, and contacted by Program Manager to determine if such Member or Local Member wants to remain on that Wait List for Space Available Time; provided, however, that no Member or Local Member shall be placed on a Wait List for Space Available Time beginning fourteen (14) days PTU.

The Program Manager may accept reservation Wait List requests for Space Available Time usage upon the beginning of the Space Available Confirmation Period, and shall cease taking such Wait List requests fourteen (14) days PTU. Notwithstanding the foregoing, at the beginning of the Space Available Confirmation Period, a Member or Local Member on the Wait List may not receive accommodations which are substantially consistent with the Club Unit Category owned by the Member or Local Member; for example, there may be no accommodations then available containing five bedrooms into which a Member or Local Member who owns a five-bedroom Club Unit can occupy, in which event, such Member will be given the opportunity to confirm into accommodations with fewer or more bedrooms, if available. During the appropriate confirmation period, Wait List requests that can be fully accommodated by the Program Manager shall be confirmed, and the Program Manager shall notify the Member or Local Member of such confirmation. Wait List requests may be confirmed by the Program Manager immediately upon availability according to Wait List rules, as may be promulgated by the Program Manager from time to time, in its sole discretion.

If a Wait List request for usage is not confirmed by the Program Manager at least fourteen (14) days PTU, such Member's or Local Member's unfulfilled Wait List request will be deemed null and void, and the Member or Local Member will no longer be on the Wait List for that requested usage. If a Member or Local Member is no longer on the Wait List, the Member or Local Member may continue to request Space Available Time usage by complying with these Reservation Procedures. During the period of time a Wait List is maintained by the Program Manager in accordance with these Reservation Procedures, and subject to such changes as determined by the Program Manager from time to time in its sole discretion, the following Wait List priorities and confirmation periods will be utilized in fulfilling usage requests, subject to the above stated confirmation periods:

1. Members and Local Members requesting Same Season Exchange at the Home Club
2. Members and Local Members requesting Alternate Season Exchange at the Home Club
3. Members requesting Club System Exchange
4. Members and Local Members requesting Open Exchange
5. Members and Local Members requesting use of Space Available Time-

No Wait List requests shall be taken for Same Season Exchange, Alternate Season Exchange, Club System Exchange or Open Exchange unless a corresponding number of evenings

of Allocation are first released to the Program Manager. The Program Manager may, in its sole discretion, limit the number of requests for particular Use Periods that will be maintained on the Wait List. No Wait List will be maintained for upgrade requests.

Notwithstanding any Wait List priorities or confirmation periods set forth above in this Section III.C., following affiliation of an Affiliated Program or Associated Club with the Membership Program, the members of the Affiliated Program or owners of Club Interests in the Associated Club, or the managing agent of the Affiliated Program or Associated Club, may be given priority or exclusive access to the use of Reserved Allocation released by a Member in exchange for access to or use rights in the program or system operated by such Affiliated Program or Associated Club, subject to the terms and conditions of the applicable agreement pursuant to which the Affiliated Program or Associated Club is affiliated with the Membership Program, or applicable agreement pursuant to which a Member is affiliated with the Affiliated Program. In such case, any Reserved Allocation released by a Member in exchange for access to or use rights in the program or system operated by the Affiliated Program or Associated Club would not be subject to the Wait List priorities or confirmation periods set forth above, and may not be available for reservation or use except by members of the Affiliated Program or owners of Club Interests in the Associated Club or the managing agent of the Affiliated Program or Associated Club.

D. PRE-ARRIVAL NOTIFICATION

Unless the Program Manager notifies Members and Local Members in writing to the contrary, the Program Manager will automatically confirm a Member's or Local Member's Reserved Allocation in accordance with the applicable Club Calendar and these Reservation Procedures. The Program Manager is not required to provide a Member or Local Member with any further confirmation.

A Member or Local Member requesting lodging for a Family Member or Guest, with or without a Member or Local Member in a Club Unit, must provide the Program Manager with such Family Member's or Guest's name, address and telephone number at least thirty (30) days PTU, or, for reservations which are confirmed within thirty (30) days PTU, at the time of such confirmation, so that the Program Manager can forward an appropriate confirmation notice to the Member or Local Member for distribution to the Family Member or Guest. Failure to provide the Family Member's or Guest's name, address and telephone number by such time may result in cancellation of the reserved Use Period by the Program Manager.

IV. PER DIEM AND OTHER FEES OR CHARGES

Members, Local Members, Family Members and a Member's or Local Member's Guests who occupy a Club Unit during Space Available Time pay either (a) the Member Per Diem Fee (with respect to Members, Local Members and Family Members), or (b) the Guest Per Diem Fee (with respect to a Member's or Local Member's Guests). In lieu of paying the Member Per Diem Fee or Guest Per Diem Fee, as applicable, a Member or Local Member may release that number of evenings of that Member's or Local Member's Allocation, equal to the number of evenings reserved by that Member or Local Member during Space Available Time; provided, however, that once the Sister Club Exchange Cap has been reached for a Club in a given calendar year, if applicable, the ability of Members, Local Members, Family Members and a Member's or Local

Member's Guests occupying a Club Unit at such Club (other than at the Member's or Local Member's Home Club) during Space Available Time to release Allocation in lieu of paying the Member Per Diem Fee or Guest Per Diem Fee, as applicable, in such calendar year will be limited by the Sister Club Exchange Cap. For clarification, regardless of whether the Sister Club Exchange Cap has been met for a Member's or Local Member's Home Club, if applicable, Members, Local Members and Family Members occupying a Club Unit only at such Member's or Local Member's Home Club may choose to release Allocation (in accordance with the rules noted above) in lieu of paying the Member Per Diem Fee or Guest Per Diem Fee, as applicable. Guests of the Program Manager who occupy a Club Unit during Space Available Time pay the Guest of the Program Manager Per Diem Fee.

The Member or Local Member shall be responsible for all unpaid Member or Guest Per Diem Fees or such other fees as may be applicable, in accordance with these Reservation Procedures (including charges relating to damage or otherwise) not paid by Family Members or Guests, and the Program Manager shall be similarly responsible for unpaid Guests of the Program Manager Per Diem Fees (and other charges relating to damage caused or otherwise) of Guests of the Program Manager.

Additional fees may apply with respect to any Member exchange of Allocation for access to or use rights in any program or system operated by an Affiliated Program or Associated Club.

Members, Local Members, Family Members and Guests who occupy a Club Unit will be responsible to remit to Club Manager, for the benefit of the Home Club (Associated Club or Affiliated Program, as applicable), or to the appropriate governmental authority, as required, any and all local, state or other governmental taxes and fees associated with such occupancy.

V. CANCELLATIONS

In the event a Member or Local Member wishes to cancel or release a confirmed reservation for use of Allocation (including Reserved Allocation, Same Season Exchange, Alternate Season Exchange, Club System Exchange and Open Exchange) or Space Available Time, the following rules apply:

- (a) If the Program Manager receives written cancellation more than forty-five (45) days PTU, there is no cancellation fee.
- (b) If the Program Manager receives written cancellation from forty-five (45) days to thirty-one (31) days PTU, the Member or Local Member forfeits fifty percent (50%) of such cancelled Allocation or, for cancelled Space Available Time, pays fifty percent (50%) of such Member Per Diem Fee (plus tax) that would have been paid for the Space Available Time.
- (c) If the Program Manager receives written cancellation thirty (30) days or less PTU, the Member or Local Member forfeits all of such cancelled Allocation or, for cancelled Space Available Time, pays one hundred percent (100%) of such Member Per Diem Fee (plus tax) that would have been paid for the Space Available Time.

Cancellation requests shall be made and/or confirmed in writing. All forfeitures of Allocation will be a minimum of one evening. Prior to the Open Exchange Period, a Member will only be permitted to cancel or release a confirmed reservation in increments of seven (7) consecutive evenings.

FAILURE TO COMPLY WITH THE FOREGOING CANCELLATION AND RELEASE REQUIREMENTS COULD RESULT IN IMPOSITION OF A PENALTY FEE OR IMPOSITION OF OTHER PENALTIES BY THE PROGRAM MANAGER. ADDITIONALLY, FAILURE OF A MEMBER OR LOCAL MEMBER TO CHECK-IN WITHOUT COMPLYING WITH THE FOREGOING COULD RESULT IN IMPOSITION TO SUCH MEMBER OR LOCAL MEMBER OF ALL COSTS AND FEES INCURRED BY PROGRAM MANAGER AS A RESULT OF SUCH MEMBER'S OR LOCAL MEMBER'S FAILURE TO CHECK-IN OR IMPOSITION OF OTHER PENALTIES BY THE PROGRAM MANAGER.

For clarification, Program Manager is not responsible for any Club Units or any Club amenities and facilities that become unavailable for use due to natural disaster, act of God, war, terrorism, insurrection, or any other reason beyond Program Manager's reasonable control, and each Member and Local Member waives any and all claims against Program Manager in this regard.

VI. RENTALS

Other than Club Interests owned by Developer, at this time no Use Period may be leased or rented by a Member or Local Member at the Home Club, except as permitted by the Program Manager in its sole discretion. In the event that rentals are permitted, and a Member or Local Member rents such Member's or Local Member's Use Period, the Program Manager (in its sole discretion) may charge a fee to the Member or Local Member for facilitating the reservation related to such rental.

Use Periods may not be used for any commercial purpose. The prohibition on commercial use of Use Periods shall include, but not be limited to, any rental of Space Available Time or a pattern of rental activity or other occupancy or use by a member that the Program Manager, in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. The prohibition does not restrict rental of unsold Club Interests owned by Developer. In the event a Member or Local Member is determined to be reserving or using the Use Period for any commercial purpose, or renting Space Available Time, the Program Manager may immediately cancel any current reservation made by such Member or Local Member and may impose such additional penalties or restrictions as may be provided in the Club Documents or determined by Program Manager, in its sole discretion, from time to time.

VII. OCCUPANCY OF CLUB UNITS; REMEDIES

Each Member and Local Member (and his/her/its Family Members and Guests, as applicable) shall keep the Club Unit which such Member or Local Member (and his/her/its Family Members and Guests, as applicable) occupies (whether the Club Unit is located at the Member's or Local Member's Home Club or any other Club) in good condition during such occupancy, vacate the Club Unit at the expiration of the Use Period, leave the Club Unit and the

furnishings therein in good and sanitary condition and otherwise comply with such check-out and other procedures and regulations as may from time to time be contained in these Reservation Procedures and/or the Club Documents for the Club in which the Club Unit being occupied is located. Any Member or Local Member (and his/her/its Family Members and/or Guests, as applicable) may only use a Club Unit for the purposes permitted by the Club Documents for such Club during occupancy. Further, each such Member or Local Member shall be responsible for any loss, damage or destruction of the Club Unit or violation of these Reservation Procedures and/or the Club Documents for the applicable Club that occurs during such occupancy, including any loss, damage, destruction or violation by such Member, Local Member, or such Member's or Local Member's Family Members or Guests.

In the event of loss, damage or destruction to a Club Unit, the Member or Local Member occupying such Club Unit (or for which such Member's or Local Member's Family Members or Guests are occupying), for itself or on behalf of any Family Members or Guests of such Member or Local Member, shall be liable for all cost of restoration or repair to the Club Unit, whether such Club Unit is located at the Member's or Local Member's Home Club or at another Club. If a Club Unit or facility within which a Club Unit is located is rendered unusable due to the intentional or negligent act or omission of a Member or Local Member (or his/her/its Family Members or Guests), the Member or Local Member shall also be responsible for the cost of securing alternative accommodations or facilities of comparable quality and location until the damaged accommodations or facilities are repaired.

In the event any Member or Local Member (or his/her/its Family Members and/or Guests) fails to vacate a Club Unit at the expiration of a Use Period as may be required by these Reservation Procedures and/or the Club Documents for the Club in which the Club Unit being occupied is located, such Member or Local Member shall be deemed a "holdover Member". Program Manager and/or the Members Association of any such Club, whether the Member's or Local Member's Home Club or any other Club, may take any such steps as may be reasonably necessary, in the sole discretion of the Program Manager and/or Members Association, as applicable, to remove such holdover Member from the Club Unit. In addition to such other remedies as may be available, the Program Manager and/or Members Association, as applicable, shall have the right, but not the obligation, to secure, at its expense, alternate accommodations for any holder of a subsequent Use Period who may not occupy the Club Unit due to the failure to vacate of any holdover Member. The holdover Member shall be charged for the cost of such alternate accommodations, and any other costs incurred due to the holdover Member's failure to vacate, including any administrative fees, during the period of holding over. In the event it is necessary that the Program Manager and/or Members Association, as applicable, secure alternate accommodations as set forth above, the entire period for such alternate accommodation shall be the responsibility of the holdover Member. The foregoing provisions shall not abridge the Program Manager's or Members Association's right to take such other action against a holdover Member as is permitted by law.

Notwithstanding anything herein to the contrary, the Program Manager and/or the Members Association of any Club, whether the Member's or Local Member's Home Club or any other Club, shall have any and all rights of recovery against any Member or Local Member for any violation of this Article VII, whether in law or equity or pursuant to the Club Documents for such Club.

VIII. AMENDMENTS AND RESERVATION OF RIGHTS

These Reservation Procedures may be further amended by the Program Manager, in its sole discretion, from time to time. Such amendments may include, but not be limited to, a modification of the Allocation and/or the addition of additional fixed week components at the Home Club for future phases. In addition, the Program Manager reserves the right to:

- (a) modify or cancel the availability of Space Available Time;
- (b) modify the number and types of Club Calendars available from time to time;
- (c) modify current check-in days or create additional check-in days for future phases;
- (d) modify the start of the Club Calendar Year;
- (e) in accordance with Section III.A of these Reservation Procedures, create alternative confirmation periods with regards to Clubs which may in the future become a part of the Membership Program, and to implement procedures to facilitate reciprocal, exchange or similar uses by and among the Clubs;
- (f) cease accepting wait list requests for Space Available Time;
- (g) modify or limit the number of requests for any wait list;
- (h) implement or cease the automatic confirmation of Reserved Allocation or of any wait list;
- (i) use electronic methods to communicate with Members and Local Members, including without limitation communications regarding confirmed reservations and notification of amendments to these Reservation Procedures;
- (j) create additional usage products for future phases of the Home Club;
- (k) modify types of Club Interests applicable to Allocations;
- (l) create or modify penalties applicable for cancellation or modification of reservations.
- (m) assess a special charge or annual fee to Members or Local Members residing in countries other than the United States and Canada, and/or Members or Local Members who reside in the United States or Canada but who have mailing addresses, telephone numbers or facsimile numbers outside of the United States or Canada;
- (n) create additional usage products for future phases or Club Units from which no Club Interests have been sold;
- (o) create system-wide reservation procedures which will be applicable to all Clubs;
- (p) re-designate calendar options for inventory reacquired by the Developer; and
- (q) permit or require Members or Local Members to waive the right to use a Club Unit other than the Club Unit purchased by such Member or Local Member in the event such Member or Local Member adds additional days of occupancy to such Member's or Local Member's Reserved Allocation; so long as such Member or Local Member agrees and acknowledges to move from the Club Unit owned by the Member or Local Member or, at such Member or Local Member's sole risk, permit the Club Manager to move such Member or Local Member.

Notice of any amendment shall be delivered by the Program Manager to each Member and Local Member at the Member's or Local Member's last known mailing address made known to the Program Manager in writing by the Member. Notice of amendments may be made by newsletter, electronic mail, annual mailings or other appropriate means.

The Cobalt Travel Company, LLC,
a Delaware limited liability company












By: The Ritz-Carlton Development
Company, Inc., a Delaware corporation
Its: Sole Member


By: 
Name:

Title: Vice President


Date: Effective January 1, 2018

Schedule 1


	16 Month Period	15 Month Period	13 Month Period	9 Month Period	Open Exchange Period (6 Months PTU)	Space Available Confirmation Period	Use Period
Reserved Allocation							
Same Season Exchange							
							
Alternate Season Exchange							
							
Club System Exchange							
							
Open Exchange							
							
Space Available Time							
							



Automatic
Confirmation



Reservation and
Confirmation Period



Exchange Request
Period¹

¹ AT THE END OF EACH RESPECTIVE EXCHANGE REQUEST PERIOD, ANY WAIT LIST REQUESTS RECEIVED THEREAFTER FOR THE PRIOR RESPECTIVE EXCHANGE REQUEST PERIOD WILL BE PLACED AT THE BOTTOM OF THE WAIT LIST OF THE THEN CURRENT EXCHANGE REQUEST PERIOD.