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May 15, 2012 8:02 AM

Doc No(s) A-45180529



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/s/ NICKI ANN THOMPSON  
REGISTRAR

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AFTER RECORDING RETURN TO:

Vacation Internationale, Inc.  
1417 - 116<sup>th</sup> Avenue NE  
Bellevue, WA 98004  
Attn: John M. Arthur

K9-12

26 Pages

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VACATION INTERNATIONALE TRUST AGREEMENT

AND

NOTICE OF TIMESHARE PLAN

VACATION INTERNATIONALE TRUST AGREEMENT  
AND  
NOTICE OF TIMESHARE PLAN

THIS VACATION INTERNATIONALE TRUST AGREEMENT AND NOTICE OF TIMESHARE PLAN (this "Trust Agreement") is executed as of September 22, 2011, by and among **Vacation Internationale, Inc.**, formerly known as VTS Operating Fund, Inc., a Washington corporation, with its principal business address at 1417 – 116th Avenue N.E., Bellevue, WA 98004, as "Trustee," **Vacation Internationale Owners Association**, formerly known as the Vacation Time Share Owners Association ("VI Owners Association"), a Washington nonprofit corporation, with its principal business address at 1417 – 116th Avenue N.E., Bellevue, WA 98004, as "Manager," and **Vacation Ownership Sales, Inc.**, formerly known as VRI Development & Sales, a California corporation, with its principal place of business at 1417 – 116th Avenue N.E., Bellevue, WA 98004, as "Developer."

**Recitals**

A. On October 10, 1977, the Vacation Time Share Program, now known as the Vacation Internationale Timeshare Program, a timeshare plan (the "VI Program"), was established by the execution of the Vacation Time Share Trust Agreement (as amended from time to time, the "VTS Trust Agreement"), which established a trust (which was known as the "Vacation Time Share Trust" and is now know as the "Vacation Internationale Trust" or "VI Trust") to protect the rights of the owners of timeshare interests in the VI Program ("VI Owners").

B. Pursuant to the VTS Trust Agreement, Trustee held, and pursuant to this Trust Agreement Trustee holds, title to, and has the sole authority to convey and otherwise deal with the property held in the VI Trust (the "Trust Estate"). To give notice of the existence of the VTS Trust Agreement, the imposition of it on the Trust Estate, and the rights and protections with respect to the Trust Estate afforded to VI Owners, individually and as members of VI Owners Association, the VTS Trust Agreement has been recorded from time to time in the jurisdictions in which the VI Apartments are located.

C. In addition to recording the VTS Trust Agreement, Developer has recorded from time to time in the jurisdictions in which the VI Apartments are located a Declaration of Covenants, Conditions and Restrictions for the Protection of Time Share Owners and Notice of Time Share Plan (as amended from time to time, the "Declaration and Plan").

D. Trustee, VI Owners Association and Developer now desire to amend and restate in their entirety, and to combine into one document, the VTS Trust Agreement and the Declaration and Plan (as previously amended and restated, collectively the "Prior Agreements"). Unless the context clearly indicates a different meaning, capitalized terms not defined above shall have the meanings specified in attached Exhibit A. The recording or registration numbers for the Prior Agreements in this jurisdiction are listed in attached Exhibit B.

## **Agreement**

Therefore, the parties agree as follows:

### **1. Notice, Declaration and Purpose.**

1.1 Notice of VI Program and VI Trust. By this document, notice is given of the existence of the timeshare plan known as the VI Program, the imposition of the Trust Agreement on the Trust Estate, and the rights and protections of VI Owners with respect to the Trust Estate. Among other things, this document is intended to and shall be construed as having the same purpose and effect as a recorded "Notice of Time Share Plan" as defined in Section 514E-1 of the Hawaii Revised Statutes, as amended, and Chapter 94.833 Oregon Revised Statutes, as amended, whether or not this document complies in all respects with the requirements stated therefor in Chapter 514E, Hawaii Revised Statutes, as amended, and Chapter 94.833 Oregon Revised Statutes, as amended, and notice of such purpose and effect is hereby given to all.

1.2 Declaration of Trust. The Trust Estate, and the parties respective estates, rights, title and interests therein, are and shall be subject to the limitations, restrictions, covenants and conditions of this Trust Agreement, including, without limitation, the provisions hereof providing for and protecting the rights of VI Owners with respect to the Trust Estate, all of which are declared and agreed to be in furtherance of the VI Program and to enhance, maintain, and protect the value and security of the time share interests of VI Owners individually and as members of VI Owners Association.

1.3 Purpose of Trust. The purpose of the VI Trust shall be to secure to Beneficiaries their respective rights and interests as set forth in this Trust Agreement and in the VI Owner Agreement.

1.4 Effective Date of the Trust. The VI Trust became effective as of October 10, 1977, and shall be irrevocable during the time that any VI Owner has a right to the occupancy of a VI Apartment or the right to the use of any other property that is part of the Trust Estate.

1.5 Run with the Land. All of the limitations, restrictions, covenants, and conditions of this Trust Agreement are and shall constitute covenants running with the land and equitable servitudes and liens and shall be binding forever upon and shall inure to the benefit of the Beneficiaries and their respective heirs, personal representatives, successors and assigns so long as the property has not been withdrawn from this Trust Agreement in strict compliance with Section 4 below.

### **2. Beneficiaries.**

2.1 Beneficiaries. The Beneficiaries of the VI Trust are and shall be VI Owners, VI Owners Association, Manager, Administrator, Developer, and Remaindermen (each a "Beneficiary" and together the "Beneficiaries").

2.2 Interest of Beneficiaries. The interest of a Beneficiary under the VI Trust shall consist of the right to performance by Trustee of its obligations to said Beneficiary as set forth herein. No VI Owner or Remainderman shall have any right of partition to any of the Trust Estate. The death, incapacity, termination or dissolution of a Beneficiary shall not terminate this Trust Agreement or the VI Trust nor in any manner affect the powers of Trustee.

2.3 Beneficiaries' Acts. No Beneficiary shall have the authority to contract for or in the name of Trustee or any other Beneficiary, nor to bind Trustee or any other Beneficiary.

2.4 Assignment. Until Trustee receives written notice of the assignment or transfer, by operation of law or otherwise, by a Beneficiary of the Beneficiary's interest in the Trust, or any other event upon which any such interest may depend, Trustee shall not be liable for any distribution with respect to such interest or other action which would have been proper prior to such assignment or other transfer, or other event, unless done in bad faith.

### 3. Trust Estate.

3.1 Assets. The assets of the VI Trust shall be the Trust Estate. Trustee shall hold legal title to the Trust Estate in trust for and on behalf of VI Owners and VI Owners Association in accordance with the terms of, and for the use and purposes set forth in, this Trust Agreement. All present equitable and beneficial interests in the Trust Estate will be vested solely and exclusively in VI Owners and VI Owners Association, and Trustee shall not hold any beneficial interest in the Trust Estate. Manager, Administrator and Developer do not and shall not hold any interest in the Trust Estate, and the only interest held by Remaindermen is the Remainder interest, if any.

3.2 Trust Estate. The Trust Estate shall consist of all property included in the VI Trust, including without limitation all VI Apartments and other assets described in the existing recorded or registered copies of the Prior Agreements, to which may be added additional property from time to time. Prior to execution of this Trust Agreement, VI Apartments and other property were added to the VI Trust by conveying the property to Trustee, as trustee for the VI Trust, and by recording amendments to the Prior Agreements. Henceforth, VI Apartments and other property may be added to the VI Trust by referencing this Trust Agreement and the VI Trust in the instrument conveying the property to Trustee. Any VI Apartment or other property so conveyed to Trustee, as trustee for the Trust, shall be automatically deemed to be added to this Trust Agreement and the VI Trust, and upon recording or registration of the conveyance instrument shall become part of, and thereafter shall be included in, the Trust Estate, unless subsequently withdrawn from the VI Trust as provided in this Trust Agreement.

3.3 VI Apartments. At any time and from time to time, a vacation accommodation may become a VI Apartment and be added to the VI Trust if it meets the following conditions:

- (a) The addition of the Annual Occupancy Point Value for the accommodation to the total Annual Occupancy Point Value of all VI Apartments shall not increase the percentage of unsold VI Points (sometimes referred to as "Excess Points") above ten percent (10%); and

(b) Trustee shall hold the fee or leasehold title to the accommodation or the beneficial ownership, hospedaje (lodging) right, right to occupy and use, or other interest in the accommodation subject to the provisions of this Trust Agreement.

4. **Termination of Trust and Withdrawal of Property.**

4.1 **Termination.** Unless sooner terminated as provided elsewhere herein, this Trust Agreement shall terminate when there is no longer a right of any VI Owner to occupy or use a VI Apartment or any other property that is part of the Trust Estate.

4.2 **Withdrawal of Property.** Trustee shall withdraw a VI Apartment or other property from the VI Trust by executing and recording an appropriate conveyance instrument and recording it with the Recording Office under any one of the following conditions:

(a) If VI Owner Agreements, having VI Points equal to the Adjusted Annual Occupancy Point Value of the VI Apartment or other property being withdrawn, have expired or been terminated by Manager, and Manager has selected the VI Apartment or other property to be withdrawn and so notified Trustee;

(b) Pursuant to Section 10, if a VI Apartment or other property has been destroyed, condemned, damaged or has deteriorated such that in Manager's sole discretion it is no longer suitable for use in the VI Program and Manager has so notified Trustee;

(c) If Manager shall have elected to replace a VI Apartment with a Substitute Apartment such that the Adjusted Annual Occupancy Point Value of the Substituted Apartment, plus or minus the VI Point value of any VI Owner Agreements being activated or cancelled, respectively, in conjunction with the substitution, is equal to the Adjusted Annual Occupancy Point Value of the VI Apartment being withdrawn, and Manager has so notified Trustee;

(d) If pursuant to the Remainder Declaration applicable to a VI Apartment, a Majority Vote of Remaindermen of the VI Apartment elect to withdraw the VI Apartment from the VI Program after the date upon which Trustee's Estate For Years interest in the respective VI Apartment expires (the "Transfer Date"); or

(e) If pursuant to the Remainder Declaration and following the Transfer Date of the VI Apartment, Manager determines the respective VI Apartment is no longer suitable for use in the VI Program; provided that if VI Owners Association is not Manager of the VI Program at the time Manager directs Trustee to withdraw a VI Apartment from the Trust, Trustee shall first obtain the written consent of the Board of Directors of VI Owners Association.

4.3 **Procedure for Withdrawal.** Except as provided in Section 4.2, no portion of the Trust Estate may be withdrawn, except with the prior written consent of the Board of Directors

of VI Owners Association expressed in form acceptable for recording and attached to and recorded together with the conveyance instrument(s). No joinder by Developer is required, and Developer may not make any withdrawal. Any attempt at withdrawal not made in strict accordance with the provisions of this Section 4 shall be null and void.

5. **Trustee's Duties.**

5.1 To VI Owners and VI Owners Association. Trustee shall, without limiting the obligations created by other provisions of this Trust Agreement, assume the following duties with respect to VI Owners and VI Owners Association:

(a) Trustee shall hold title to the Trust Estate for the beneficial use of VI Owners.

(b) Trustee shall record or register a copy of this Trust Agreement (and any amendments) with the Recording Office if required under the laws of the jurisdiction in which a VI Apartment or other property is located, and shall take all other steps necessary to assure that all VI Apartments or other property are held by Trustee pursuant to this Trust Agreement, as amended from time to time.

(c) Trustee shall accept the conveyance of a VI Apartment or other property only if Trustee's title will be free of all monetary liens and any other encumbrances affecting insurable title, as confirmed by title insurance or other instrument satisfactory to Trustee. If such liens or encumbrances exist, Trustee shall only accept such a conveyance if (i) each holders of such liens or encumbrances executes a non-disturbance agreement that is acceptable to Manager and meets the statutory and regulatory requirements of all jurisdictions in which the VI Program offering is registered; (ii) Developer deposits, with an independent escrow company, VI Owner Agreements with remaining principal balances and monthly payment obligations, or other assets, sufficient to pay or otherwise satisfy all such liens or encumbrances; and (iii) Developer satisfies all other requirements of all regulatory agencies with whom the VI Program is registered.

(d) Trustee shall maintain a record of the names of all VI Owners and the cumulative number of VI Points represented by VI Owner Agreements which have not expired or been terminated by Developer, Manager or Administrator, based on such written evidence as is satisfactory to Trustee. Trustee shall record all changes in ownership or termination of a VI Owner Agreement upon receipt of a written notice from Manager.

(e) If a VI Apartment or other property is withdrawn from the VI Trust pursuant to Section 4 due to damage, destruction, condemnation, or loss of use rights and if Manager does not use any Proceeds received as a result of the Contingency to acquire a Substitute Apartment, Trustee shall distribute the Proceeds in the manner provided in Section 10.4 and shall establish an escrow for that purpose.

(f) Trustee shall provide such consents and approvals under the terms of the Torres Mazatlan Trust, the Vallarta Torre Trust, and any other foreign trust that may be established to hold interests in property that become part of the Trust Estate, as may be necessary to secure for VI Owners and VI Owners Association the continued use of the beneficial ownership interests or hospedaje (lodging) rights at Torres Mazatlan, Vallarta Torre or other foreign resort or foreign vacation accommodations.

(g) Trustee shall employ an independent accounting firm, which shall (i) verify (a) the inventory of VI Apartments conveyed to and accepted by Trustee and the cumulative number of VI Points represented by those VI Apartments; (b) the cumulative number of VI Points represented by VI Owner Agreements which have not expired or been terminated; (c) the amount of debt (if any) encumbering each VI Apartment; and (d) all financial transactions (if any) of Trustee; (ii) report its findings to VI Owners Association, the expense of which shall be paid or reimbursed from the Operating Fund.

5.2 To Manager. Trustee shall assume the following duties with respect to Manager:

(a) Trustee shall withdraw a VI Apartment or other property from the VI Trust pursuant to Section 4.

(b) Trustee shall delegate to Manager, and shall provide, if necessary, written proxy(ies) in form satisfactory to Manager, Trustee's authority to exercise all voting privileges under any declaration, bylaws or other governing instruments of a condominium, homeowners, or other common interest association applicable to VI Apartments.

(c) Trustee shall hold title to all personal property transferred to the Trust, except Proceeds received as a result of a Contingency as defined in Section 10.4. However, Manager shall have the authority and the sole responsibility to VI Owners for the maintenance, repair, sale, replacement and accountability for said personal property, it being understood that title to such personal property appurtenant to each VI Apartment shall be transferred upon withdrawal of a VI Apartment from the Trust.

(d) Trustee or Manager shall employ, unless directed otherwise by the VI Owners Advisory Board, an independent auditor to annually audit the accounts of the Operating Fund, and shall furnish such report to any interested party as well as to the VI Owners Advisory Board, the expense of which shall be paid or reimbursed from the Operating Fund.

5.3 To Developer. Trustee shall accept from Developer the conveyance of any VI Apartment and the sale of any VI Owner Agreement which meet the requirements of this Trust Agreement.

5.4 To Remaindermen. Trustee shall assume the following duties with respect to Remaindermen:

(a) Upon withdrawal from the VI Trust of a VI Apartment for a reason other than a Contingency, Trustee shall transfer possession of the VI Apartment being withdrawn to the Remaindermen entitled thereto, and shall take such other action as may be required pursuant to the Remainder Declaration.

(b) If a VI Apartment that is subject to a Remainder Declaration is withdrawn from the VI Trust pursuant to Section 4 due to damage, destruction, condemnation, or loss of use rights, which withdrawal is prior to expiration of Trustee's Estate For Years interest, and if Manager does not use any Proceeds received as a result of the Contingency to acquire a Substitute Apartment, Trustee shall distribute to Remaindermen whose VI Apartment was so withdrawn any Proceeds received with respect to the Remainder interest as a result of the Contingency in the manner provided for in Section 10.4, and shall take such other action as may be required pursuant to the Remainder Declaration.

## 6. Rights and Powers of Trustee and Administrative Provisions.

6.1 Liability of Trustee. In holding title to the VI Apartments and other assets of the Trust Estate, Trustee shall have no personal liability for any expenses attributable to such assets nor any responsibility or duty to subdivide, further improve, maintain, or modify the Trust Estate in any way. Responsibility for maintenance of adequate insurance and payment of taxes, utilities and all other expenses attributable to the Trust Estate is the responsibility of Manager, who is authorized under the VI Owner Agreement to allocate these costs to VI Owners on a pro rata basis.

6.2 Resignation of Trustee; Successor Trustee. Trustee or any successor Trustee may resign upon ninety (90) days prior written notice delivered to the Board of Directors of VI Owners Association. Such resignation shall become effective when, and Trustee shall continue to perform the duties of Trustee until, a successor Trustee has been appointed. Upon receiving notice of resignation from Trustee, or any successor Trustee, the Board of Directors of VI Owners Association shall appoint a successor Trustee. The successor Trustee must be authorized to carry on a trust business, must meet all of the requirements of Trustee specified in this Trust Agreement, and must undertake to perform the duties required of it. If the Board of Directors of VI Owners Association does not appoint a successor Trustee upon the resignation of Trustee (or any successor Trustee), any interested party, including Manager, may apply to a judge of the King County, Washington, Superior Court for appointment of a successor Trustee. Upon appointment, a successor Trustee shall have all the powers and discretions and be charged with like duties in all respects as herein are conferred or imposed upon Trustee, and, after any required approval by the Court, the resigning Trustee may be discharged.

6.3 Bond and Insurance by Trustee. Trustee shall maintain a fidelity bond and errors and omissions insurance coverage in an amount not less than the minimum amount required by the regulatory agencies with whom the VI Program is registered, provided such insurance is available in the marketplace on a commercially reasonable basis.

6.4 Expenses and Compensation of Trustee. Trustee shall be entitled to reimbursement for all reasonable and necessary costs and expenses incurred in the performance of its duties under this Trust Agreement. Trustee may also receive reasonable compensation considering the circumstances, including the time, effort, skill and responsibility involved in the performance of its duties. Any reimbursement or compensation of Trustee shall be paid solely from the Operating Fund.

6.5 General and Permissive Acts. Trustee shall have no right, title or interest in or to the Trust Estate, except as the holder of legal title thereto, and Trustee shall have no right to the possession or control of the Trust Estate or any portion thereof, nor shall Trustee have any right, title or interest in or to the Proceeds, the power and the duty of Trustee being to deal with and administer the Trust Estate and the Proceeds in accordance with the express authority contained in this Trust Agreement and not otherwise, and subject to all the terms and provisions of this Trust Agreement. Trustee may, but shall have no obligation or duty except when necessary to protect the interests of VI Owners and VI Owners Association to:

(a) Commence or defend any actions at law or in equity relating to the Trust Estate;

(b) Employ counsel, accountants, advisors and such other persons (other than employees of Trustee) as in its judgment Trustee may determine to be necessary to perform its duties as Trustee; provided that Trustee shall not be liable to any Beneficiary and shall be indemnified and held harmless by Beneficiaries (i) for the default, defalcation or wrongdoing of any such person if Trustee exercised due care in the selection of such person, or (ii) for any non-negligent action taken or suffered by Trustee in good faith in reliance upon the instructions or advice of any person so selected; and

(c) Do any and all things as may be necessary in accordance with all applicable laws, ordinances and regulations promulgated by any governmental authority concerning the Trust Estate or any portion thereof, including, but not limited to, modifying, amending or restating this Trust Agreement to comply with such laws, ordinances and regulations.

7. Restrictions on Encumbrances. Trustee shall not do any act that would result in the creation of a lien against, nor shall Trustee otherwise encumber, any of the Trust Estate except with the prior written authorization of the Board of Directors of VI Owners Association; provided, however, Trustee shall not be restricted from accepting conveyance to the VI Trust of a VI Apartment or other property that has encumbrances or other interests which are or may be prior to those of any Beneficiary if the provisions of Section 5.1(c) have been met.

8. Liability of Trustee.

8.1 Reliance on Opinion of Counsel. Trustee may rely upon the advice of counsel, independent of the counsel for Administrator or Developer, and selected and employed by Trustee with the written consent of the Board of Directors of VI Owners Association. The written and signed opinion of such counsel with respect to the construction of this Trust

Agreement, or the rights, obligations and powers of any of the persons affected thereby, shall constitute full protection and be a justification to Trustee for anything done by Trustee in good faith in accordance with such opinion.

## 8.2 Protection of Trustee.

(a) Trustee shall not be liable to any VI Owner, VI Owners Association, Administrator, Manager, or Remaindermen for any losses to their interests resulting from Trustee acting in accordance with the terms of this Trust Agreement.

(b) Trustee may participate in timeshare development and sales activity independent of the VI Program so long as such participation does not conflict with the performance of Trustee's duties under this Trust Agreement.

(c) Trustee shall not be required to verify the validity of any VI Owner Agreement valid on its face.

(d) If any dispute or difference arises between any Beneficiary and any third person, or if any conflicting demand shall be made upon Trustee, Trustee shall not be required to determine the same or to take any action in the controversy. Instead, Trustee may await settlement of the controversy by final, appropriate legal proceedings or otherwise as it may require, or Trustee may file suit in interpleader in the King County, Washington, Superior Court for the purpose of having the respective rights of the parties adjudicated and may deposit with the Court any or all Trust Estate held by Trustee under this Trust Agreement. Upon institution of any such interpleader suit, depositing such portion of the Trust Estate with the Court, and providing notice thereof to the parties thereto by personal service or in accordance with the order of the Court, Trustee shall be released and discharged from all further obligations with respect to the controversy or such portion of the Trust Estate unless otherwise determined by adjudication of the Court.

8.3 Payment to Trustee by Manager. Manager agrees to pay Trustee on demand any and all costs, damages, judgments, attorney's fees, expenses, obligations and liabilities of every kind and nature reasonably suffered or incurred in connection with the interpretation of this Trust Agreement, or with respect to any interpleader or other proceeding, and agrees that any sum payable to Trustee hereunder shall be paid from the Operating Fund.

## 9. Effect of Document.

9.1 Prior Rights of VI Owners. Among other things, after the recordation of this Trust Agreement, anyone acquiring or claiming any title, lien, or any other interest whatsoever in the Trust Estate, or any portion thereof, is and shall be subject and subordinate to the interests, including without limitation the rights to use, of VI Owners under the VI Program. The right to use the Trust Estate or the use of the Trust Estate is restricted solely to VI Owners.

9.2 Limitations on Trustee's Rights. Trustee has neither the right nor power to grant any lien or other encumbrance, nor to incur any debt that may become a lien or other

encumbrance, upon any portion of the Trust Estate, and Trustee's right and power to convey any title or other interest in any portion of the Trust Estate is substantially limited. Nothing in this Section 9.2 is intended to or shall be construed to give Trustee any such power or right. Persons dealing with Trustee are under a duty of inquiry with respect to Trustee's rights, duties and powers.

9.3 Rights of Lien Holders. Nothing in this Trust Agreement is intended or shall be construed as affecting the right or lien of a lien holder whose lien on any portion of the Trust Estate was perfected prior to the time the property covered by such lien is made part of the Trust Estate.

## 10. Damage, Destruction, Condemnation or Loss of Use Rights.

10.1 Contingency Event. In the event of damage or destruction by an insured or uninsured casualty which in Manager's judgment renders a VI Apartment or other property unsuitable for use in the VI Program, and the Board of Directors of VI Owners Association has approved that decision in writing, or in the event a VI Apartment or other property shall be taken by eminent domain (collectively, a "Contingency"), and the provisions of Section 4.2 have been met, the Proceeds received from such Contingency shall be received and disbursed by Trustee, or by an independent escrow company in the event Trustee is not independent of and unrelated to Developer. Any Proceeds received as a result of the Contingency shall be placed in an interest-bearing bank account, any withdrawals from which shall require the signatures of both Trustee and Manager, or alternatively, the signature of the escrow agent if disbursed by an independent escrow company.

10.2 Use of Proceeds. Manager may use the Proceeds to acquire a Substitute Apartment with the same Annual Occupancy Point Value of the VI Apartment subject to the Contingency, or Manager may cancel, by written notice to VI Owners, VI Owner Agreements having VI Points equal to the Adjusted Annual Occupancy Point Value of the VI Apartment subject to the Contingency.

10.3 Cancellation of VI Owner Agreements. If Manager does not use the Proceeds to acquire a Substitute Apartment, Manager, acting in good faith, shall select on an equitable basis those individual VI Owner Agreements to be so cancelled to aggregate the necessary VI Points so that the percentage of unsold VI Points is no greater than ten percent (10%) and no less than two percent (2%). Manager's selection of VI Owner Agreements to be cancelled shall not be acted upon by Developer or Trustee unless the Board of Directors of VI Owners Association has given its written consent of such cancellation. An equitable selection of VI Owner Agreements to be cancelled shall mean choosing VI Owners who express a desire to have their VI Owner Agreements cancelled, and thereafter, choosing VI Owner Agreements in a manner which treats the VI Owners whose VI Owner Agreements are to be cancelled and any affected Remaindermen equitably.

10.4 Distribution of Proceeds. If Manager does not use the Proceeds to acquire a Substitute Apartment, the Proceeds, less sufficient funds to pay all encumbrances outstanding on the VI Apartment subsequent to the Contingency, shall be distributed as follows:

(a) If the VI Apartment was subject to an Estate for Years, the Proceeds shall be allocated and distributed as follows:

(i) First, between VI Owners and Remaindermen who have a Remainder interest in the VI Apartment based upon the remaining value of the Estate for Years in relation to the total value of the VI Apartment at the time of the Contingency;

(ii) Second, the portion of the Proceeds allocated to VI Owners shall be used to equitably compensate the VI Owners of the VI Owner Agreements selected for cancellation; and

(iii) Third, the portion of the Proceeds allocated to the Remaindermen shall be distributed to the Remaindermen in proportion to the Remainder interests held by the respective Remaindermen.

(b) If the VI Apartment was not subject to an Estate for Years, the Proceeds shall be used to equitably compensate the VI Owners of the VI Owner Agreements selected for cancellation, and any remaining Proceeds shall be disbursed to the Operating Fund.

## 11. Miscellaneous.

11.1 Construction of Agreement. Nothing contained herein shall preclude Trustee or any Beneficiary from the right to judicial construction of any of the terms of this Trust Agreement.

11.2 Severability. If any term or provision of this Trust Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not effect the other terms or provisions of this Trust Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties set forth herein.

11.3 Notice to Beneficiaries. Any notice to be given to a Beneficiary will be effective only if in writing, and delivered in person, by an overnight courier service which provides for a return receipt, by facsimile (with copy also sent by mail the same or next day), or by certified mail, return receipt requested, to the Beneficiary's address last shown on the records of Trustee. Such notices and other communications shall be deemed received upon delivery in person, by overnight courier or by facsimile, or three (3) days after the date of mailing.

11.4 Amendments. Trustee may amend this Trust Agreement in writing and shall cause such amendment to be recorded with the Recording Office, provided that such amendment does not adversely affect the rights of Beneficiaries and has been accepted by Manager in writing. Manager and Trustee shall give the Board of Directors of VI Owners Association and

each regulatory agency with whom the VI Program is registered (to the extent required by applicable law) notice of the intended amendment within thirty days of taking such action. If a class of Beneficiaries is adversely affected, then any such amendment shall require the majority approval of the class of Beneficiaries so affected and Trustee or Manager shall obtain from the Board of Directors of VI Owners Association certification of such approval. Notwithstanding anything to the contrary contained herein, Trustee and Manager may amend this Trust Agreement at any time and without the approval of any affected parties if such amendment is necessary so that the Trust Agreement complies with all applicable laws, ordinances, rules and regulations.

11.5 Dual Capacity. None of the provisions of this Trust Agreement shall be construed to release a party from its obligations to perform the terms of this Trust Agreement for any other lawful act required of it or to release such party of its liability for negligent or wrongful acts if it acts and functions in the capacity of more than one of the following roles: Trustee, Manager, Administrator or Developer.

11.6 Governing Law. This Trust Agreement shall be governed by laws of the State of Washington.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**Manager:**

VACATION INTERNATIONALE  
OWNERS ASSOCIATION, a Washington  
Non-Profit corporation, as Manager

By: William A. Dryden  
William Dryden  
Its President

**Trustee:**

VACATION INTERNATIONALE, INC., a  
Washington corporation, as Trustee

By: William A. Dryden  
William Dryden  
Its President

**VI Owners Association:**

VACATION INTERNATIONALE  
OWNERS ASSOCIATION, a Washington  
Non-Profit corporation

By: William A. Dryden  
William Dryden  
Its President

**Developer:**

VACATION OWNERSHIP SALES, INC., a  
California corporation, as Developer

By: Stuart C. Allen  
Stuart C. Allen  
Its President

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that William Dryden is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the President of Vacation Internationale Owners Association, a Washington nonprofit corporation, to be the free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: 4/26/12

<p><b>JOHN M. ARTHUR</b> STATE OF WASHINGTON <b>NOTARY PUBLIC</b> MY COMMISSION EXPIRES 11-20-14</p>
<p>(Use this space for notary stamp/seal)</p>

John M. Arthur  
Print Name: John M. ARTHUR  
NOTARY PUBLIC for the State of Washington, residing at  
Seattle, WA  
My appointment expires: 11-20-2014

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that William Dryden is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the President of Vacation Internationale, Inc., a Washington corporation, to be the free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: 4/26/12

<p><b>JOHN M. ARTHUR</b> STATE OF WASHINGTON <b>NOTARY PUBLIC</b> MY COMMISSION EXPIRES 11-20-14</p>
<p>(Use this space for notary stamp/seal)</p>

John M. Arthur  
Print Name: JOHN M. ARTHUR  
NOTARY PUBLIC for the State of Washington, residing at  
Seattle, WA  
My appointment expires: 11-20-2014



## **Exhibit A**

### **Definitions**

As used in the Trust Agreement, the following terms shall have the following meanings:

**“Adjusted Annual Occupancy Point Value”** means the summation of VI Points required for occupancy of a VI Apartment for an entire year, multiplied by the ratio of the summation of VI Points of all VI Owner Agreements divided by the summation of the Annual Occupancy Point Value of all VI Apartments.

**“Administrator”** means Vacation Resorts International, a California corporation (“VRI”), and its successors or permitted assigns, which operates and administers the VI Program on behalf of VI Owners Association pursuant to an Administration Agreement between VRI and VI Owners Association (as the same may be amended or replaced from time to time).

**“Annual Occupancy Point Value”** means the summation of VI Points required for occupancy of a VI Apartment for an entire year.

**“Beneficiary”** and **“Beneficiaries”** means VI Owners, VI Owners Association, Manager, Administrator, Developer, and Remaindermen.

**“Contingency”** means (i) an event of damage or destruction by an insured or uninsured casualty which renders a VI Apartment unsuitable for use in the VI Program, (ii) the taking of a VI Apartment by eminent domain, or (iii) the inability of Manager to obtain use rights to a VI Apartment located in Mexico for a full forty (40) year term, as described in more detail in Section 10.4 of the Trust Agreement.

**“Developer”** means Vacation VI Ownership Sales, Inc., formerly known as VRI Development & Sales, Inc., a California corporation, and its successors and permitted assigns, which promotes the VI Program on behalf of VI Owners Association pursuant to a Developer Delegation Agreement between Developer and Administrator.

**“Majority Vote”** means over fifty percent (50%) of the vote of VI Owners expressed in terms of VI Points.

**“Manager”** means VI Owners Association, and its successors and assigns, as the Program Manager of the VI Program, as described in the VI Owner Agreement.

**“Operating Fund”** means the aggregate payments of all VI Owners for the maintenance, refurbishment and operating expenses and other VI Program assessments for all VI Apartments, which funds are held in trust and administered by Trustee pursuant to the Vacation Time Share Program Operating Fund Trust Agreement.

"Proceeds" means any funds from the sale or disposition of any portion of the Trust Estate. All Proceeds shall be received and disbursed by an independent escrow company in the event Trustee is not independent of and unrelated to Developer.

"Recording Office" means the appropriate office for the recordation or registration of documents affecting real property and other official records of the jurisdiction in which a VI Apartment is located.

"Remainder" means the ownership interest of Remaindermen in a VI Apartment.

"Remainder Declaration" means an instrument affecting the use and subsequent disposal of a VI Apartment for the benefit of Remaindermen.

"Remainderman" means an owner, and such owner's successors or assigns, of an interest in a VI Apartment, the rights of possession to which do not arise until the expiration of Trustee's Estate For Years interest in a VI Apartment.

"Substitute Apartment" means a vacation accommodation selected by Manager to become a VI Apartment in replacement of an existing VI Apartment where such replacement is made according to the terms of this Trust Agreement.

"Transfer Date" means the expiration date of Trustee's Estate For Years interest in a VI Apartment.

"Trust Estate" means all VI Apartments and other assets conveyed to the VI Trust and either described in the existing recorded or registered copies of the Prior Agreements or otherwise subjected to the provisions of this Trust Agreement, and all appurtenant rights and privileges, together with all personal property located therein or used in connection therewith, and all substitutions, replacements and/or Proceeds therefrom.

"Trustee" means Vacation Internationale, Inc., a Washington corporation, and its successors or permitted substitutes.

"VI Apartment" means a fee simple, leasehold or other interest in a vacation accommodation, and all appurtenant rights and privileges, together with all personal property located therein or used in connection therewith, and all substitutions, replacements and/or Proceeds therefrom, within a residential condominium, hotel, or apartment building, including the beneficial ownership interests in Torres Mazatlan, Mazatlan, Mexico, the hospedaje (lodging) rights in Vallarta Torre, Puerto Vallarta, Mexico, or other vacation accommodations such as a yacht, motor home, or cabin in a cruise ship or train, together with the personal property situated in or used in connection therewith and the replacements therefore.

"VI Owner" means the purchaser under a VI Owner Agreement, and such purchaser's successors or assigns. Although Trustee and Developer are holders of VI Points, Trustee and Developer are not considered a member of VI Owners Association and they cannot vote their VI Points in any vote of VI Owners.

“VI Owner Agreement” means the documents by which an VI Owner shall have purchased VI Points, which documents may vary in form and content, and may be modified from time to time, which grants to an VI Owner a right subject to certain terms and conditions to occupy and use the VI Apartments and other assets in the Trust Estate as described therein.

“VI Owners Association” means Vacation Internationale Owners Association, a Washington nonprofit corporation (sometimes referred to as VI Owners Association), the members of which are all VI Owners, who are organized and function through an Advisory Board and Board of Directors (formerly known as the “Vacation Time Share Steering Committee”) as defined by VI Owners Association’s Articles of Incorporation and Bylaws.

“VI Points” means the value placed upon a nightly occupancy of a VI Apartment pursuant to the terms of a VI Owner Agreement, which value is based upon the size and location of the VI Apartment, and the season in which the VI Apartment is to be occupied.

“VI Trust” means the trust established by this Trust Agreement, as lawfully amended from time to time in strict accordance with the provisions hereof, which was previously known as the “Vacation Time Share Trust” and is now known as the “Vacation Internationale Trust.”

## Exhibit B

### Reference Numbers of Prior Agreements

#### HAWAII COUNTY, HAWAII

(Hololani, Kihei Kai Nani, Fairway Villa, Sea Village, Valley Isle, Kapaa Shore, Papakea, Sea Mountain, Pono Kai, and Royal Kuhio)

#### VACATION INTERNATIONALE TRUST AGREEMENT

- *Vacation Time Share Trust Agreement*, recorded in the Bureau of Conveyances on 12/16/77 in Book 12615, Page 331, and filed as Land Court Document #861791.
- *Amendment to Vacation Time Share Trust Agreement*, recorded in the Bureau of Conveyances on 3/23/99 under document #99-043522, and filed in the Office of Assistant Registrar on 3/23/99 under document #2530024.
- *Petition to Note Change of Name and Order*, recorded in the Office of Assistant Registrar on 3/1/00 under L.C. Order #137754.
- *Petition for Order Re Change of Name*, recorded in the Office of Assistant Registrar on 7/12/00 under L.C. Order #138996.

#### NOTICE OF TIME SHARE PLAN

- *Amended Declaration of Covenants, Conditions and Restrictions for the Protection of Time Share Owners and Notice of Time Share Plan of the Vacation Internationale Program, Amended to the 10<sup>th</sup> Day of June, 2004*, recorded in the Bureau of Conveyances on 11/2/06 under document #2006-200997.

## Legal Descriptions

### HAWAII COUNTY, HAWAII

#### FAIRWAY VILLA (OAHU)

- (1) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2016, in the apartments described below, located in the "Fairway Villa" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 685603, and noted on Transfer Certificate of Title No. 153715, as amended, and as shown on Condominium Map No. 216: **1612, 1712**
- (2) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2018, in the apartments described below, located in the "Fairway Villa" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 685603, and noted on Transfer Certificate of Title No. 153715, as amended, and as shown on Condominium Map No. 216: **1914, 2018**
- (3) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2020, in the apartment described below, located in the "Fairway Villa" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 685603, and noted on Transfer Certificate of Title No. 153715, as amended, and as shown on Condominium Map No. 216: **812**
- (4) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2021, in the apartments described below, located in the "Fairway Villa" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 685603, and noted on Transfer Certificate of Title No. 153715, as amended, and as shown on Condominium Map No. 216: **818, 1512, 2618**
- (5) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2022, in the apartments described below, located in the "Fairway Villa" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 685603, and noted on Transfer Certificate of Title No. 153715, as amended, and as shown on Condominium Map No. 216: **1818, 2318**
- (6) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2023, in the apartment described below, located in the "Fairway Villa" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 685603, and noted

on Transfer Certificate of Title No. 153715, as amended, and as shown on Condominium Map No. 216:  
**1501**

(7) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2024, in the apartments described below, located in the "Fairway Villa" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 685603, and noted on Transfer Certificate of Title No. 153715, as amended, and as shown on Condominium Map No. 216:  
**808, 1209, 1611, 1703, 2007**

(8) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2031, in the apartments described below, located in the "Fairway Villa" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 685603, and noted on Transfer Certificate of Title No. 153715, as amended, and as shown on Condominium Map No. 216:  
**1008, 1406**

(9) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2033, in the apartment described below, located in the "Fairway Villa" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 685603, and noted on Transfer Certificate of Title No. 153715, as amended, and as shown on Condominium Map No. 216:  
**712**

#### HOLOLANI (MAUD)

(1) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2017, in the following apartments located in the "Hololani" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime dated July 3, 1973, recorded in the Bureau of Conveyances, State of Hawaii, in Book 10043, Page 117, as amended, known as Condominium Map No. 371: **B201, B301, B401, B501**

(2) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2024, in the following apartments located in the "Hololani" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime dated July 3, 1973, recorded in the Bureau of Conveyances, State of Hawaii, in Book 10043, Page 117, as amended, known as Condominium Map No. 371: **A401, A802, A803, B402, B601**

#### KIHEI KAI NANI (MAUD)

An Estate for Years interest, expiring at 12:00 p.m. on June 30, 2024, in the following apartments located in the "Kihei Kai Nani" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, in Liber 6581, Page 314, and as shown on Condominium Map No. 142:  
**104, 111, 146, 168, 209, 229**

### KAPAA SHORE (KAUAI)

An Estate for Years interest, ending at 12:00 p.m. on June 30, 2029, in the following apartments located in the "Kapaa Shores" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime, recorded in the Bureau of Conveyances, State of Hawaii, in Liber 12316, Page 319, as amended, and as shown on Condominium File Plan No. 509, and also filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 825405, and noted on Transfer Certificate of Title No. 163972, as amended, and as shown on Condominium Map No. 309: **111, 120, 124, 125, 204, 211, 212, 213, 214, 216, 220, 221, 311, 321**

### PAPAKEA (MAUI)

(1) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2015, in the following apartment located in the "Papakea" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, in Liber 10165, Page 533, as amended, and also filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 697641, and noted on Transfer Certificate of Title No. 164848, as amended, and as shown on Condominium Map No. 228 and as shown on Condominium File Plan No. 383: **C106**

(2) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2017, in the following apartments located in the "Papakea" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, in Liber 10165, Page 533, as amended, and also filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 697641, and noted on Transfer Certificate of Title No. 164848, as amended, and as shown on Condominium Map No. 228 and as shown on Condominium File Plan No. 383: **J106, K106**

(3) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2020, in the following apartments located in the "Papakea" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, in Liber 10165, Page 533, as amended, and also filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 697641, and noted on Transfer Certificate of Title No. 164848, as amended, and as shown on Condominium Map No. 228 and as shown on Condominium File Plan No. 383: **C103, C109, D104, D105**

(4) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2024, in the following apartments located in the "Papakea" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, in Liber 10165, Page 533, as amended, and also filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 697641, and noted on Transfer Certificate of Title No. 164848, as amended, and as shown on Condominium Map No. 228 and as shown on Condominium File Plan No. 383: **C101, C102, C104, C302, D102, D103, D106, D107, D201, D205, D301, D302, D305, E101, E102, E103, E107, E210**

### PONO KAI (KAUAI)

(1) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2018, in the following apartments located in the "Pono Kai" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, May 8, 1979, in Book 13670, Page 558, as amended, and as shown on Condominium File Plan No. 611: **H104, H106, H108**

(2) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2019, in the following apartments located in the "Pono Kai" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, May 8, 1979, in Book 13670, Page 558, as amended, and as shown on Condominium File Plan No. 611: **G105, H207**

(3) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2022, in the following apartment located in the "Pono Kai" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, May 8, 1979, in Book 13670, Page 558, as amended, and as shown on Condominium File Plan No. 611: **H105**

(4) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2024, in the following apartments located in the "Pono Kai" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, May 8, 1979, in Book 13670, Page 558, as amended, and as shown on Condominium File Plan No. 611: **C108, D305, E101, E207, F103, F106, F108, G101, G207, H208, J103, J104, J106, J301**

(5) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2033, in the following apartments located in the "Pono Kai" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, May 8, 1979, in Book 13670, Page 558, as amended, and as shown on Condominium File Plan No. 611: **E104, J102**

### SEA VILLAGE (HAWAII)

(1) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2027, in the following apartments located in the "Sea Village" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime, recorded in the Bureau of Conveyances, State of Hawaii, in Liber 9901, Page 526, as amended, and also filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 681523, and noted on Transfer Certificate of Title No. 140254, as amended, and as shown on Condominium Map No. 209, and as shown on Condominium File Plan No. 355: **1206, 2104, 2107, 2302, 2305, 3106, 3303, 4102, 4105, 4309**

(2) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2028, in the following apartments located in the "Sea Village" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime, recorded in the Bureau of Conveyances, State of Hawaii, in Liber 9901, Page 526, as amended, and also filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 681523, and noted on Transfer Certificate of Title No. 140254, as amended, and as shown on Condominium Map No. 209, and

as shown on Condominium File Plan No. 355: **1104, 1106, 1107, 1108, 1204, 1304, 1305, 1306, 1307, 2101, 2103, 2201, 2203, 2205, 2206, 2301, 2306, 3104, 3105, 3107, 3108, 3110, 3111, 3117, 3201, 3205, 3208, 3211, 3215, 3218, 3219, 3301, 3307, 4112, 4203, 4204, 4209, 4212, 4302, 4304, 4306**

#### VALLEY ISLE (MAUI)

(1) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2021, in the following apartments located in the "Valley Isle" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime, recorded in the Bureau of Conveyances, State of Hawaii, in Liber 9615, Page 484, as amended, and as shown on Condominium Map No. 322: **507, 904, 906**

(2) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2022, in the following apartments located in the "Valley Isle" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime, recorded in the Bureau of Conveyances, State of Hawaii, in Liber 9615, Page 484, as amended, and as shown on Condominium Map No. 322: **101, 104, 105, 502, 702, 704, 709, 710, 802, 907**

(3) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2023, in the following apartments located in the "Valley Isle" condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime, recorded in the Bureau of Conveyances, State of Hawaii, in Liber 9615, Page 484, as amended, and as shown on Condominium Map No. 322: **506, 510, 909, 910, 1002, 1005, 1102, 1208**

#### ROYAL KUHIO (OAHU)

(1) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2028, in the following apartments located in the "Royal Kuhio Condominium Project" as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 718979 and noted on Transfer Certificate of Title No. 268,682, as amended, and as shown on Condominium Map No. 248: **1901, 1902, 1903, 1904**

(2) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2029, in the following apartments located in the "Royal Kuhio Condominium Project" as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 718979 and noted on Transfer Certificate of Title No. 268,682, as amended, and as shown on Condominium Map No. 248: **1905, 1906, 1909, 1910, 1911, 1912, 1913, 1914**

(3) An Estate for Years interest, ending at 12:00 p.m. on June 30, 2033, in the following apartments located in the "Royal Kuhio Condominium Project" as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 718979 and noted on Transfer Certificate of Title No. 268,682, as amended, and as shown on Condominium Map No. 248: **1907, 1908**

(4) A leasehold interest, ending at 12:00 p.m. on December 31, 2041, in the following apartments located in the "Royal Kuhio Condominium Project" as established under Chapter 514A of the Hawaii

Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 718979 and noted on Transfer Certificate of Title No. 268,682, as amended, and as shown on Condominium Map No. 248: **801, 802, 803, 804, 805, 807, 808, 809, 810, 814, 901, 902, 903, 904, 906, 907, 908, 909, 910, 911, 912, 913, 914, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113**

**SEA MOUNTAIN**

(1) Fee simple title to the following apartments located in the "Sea Mountain" (Colony I) condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, in Liber 11229, Page 270, as amended, and as shown on Condominium Map No. 447: **53, 61**

(2) An Estate For Years and Fee Remainder Interest (as indicated in the chart below) in the following apartments located in the "Sea Mountain" (Colony I) condominium project, as established under Chapter 514A of the Hawaii Revised Statutes, as amended, under the certain Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances, State of Hawaii, in Liber 11229, Page 270, as amended, and as shown on Condominium Map No. 447:

<b>Apt. No.</b>	<b>End Date of Estate For Years</b>	<b>Fee Remainder Interests</b>
2	6/30/2022	none
3	6/30/2024	2/52
6	6/30/2024	none
7	6/30/2024	2/52
10	6/30/2024	3/52
12	6/30/2024	2/52
14	6/30/2016	47/50
19	6/30/2024	2/52
21	6/30/2024	2/52
27	6/30/2032	35/50
28	6/30/2034	24/50
33	6/30/2024	none
34	6/30/2024	none
35	6/30/2024	2/52
36	6/30/2024	2/52
40	6/30/3032	none
45	6/30/2024	none
46	6/30/2024	none
51	6/30/3023	none
59	6/30/2032	none
64	6/30/2023	none
65	6/30/2024	2/52
66	6/30/2023	none
67	6/30/2024	none
72	6/30/2023	none
76	6/30/2032	29/50

AHO



STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECORDED

January 08, 2021 3:29 PM

Doc No(s) A - 76780569



1 1/1 CGG  
B - 33644364

/s/ LESLIE T. KOBATA  
REGISTRAR

Conveyance Tax: \$5,325.00

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL ( ) PICKUP ( ):  
VACATION INTERNATIONALE, INC.  
1417 116TH AVENUE NE  
BELLEVUE, WA 98004

Total Pages: 9

Tax Map Key No. (2) 3-9-001-075 CPR 0005, 0011, 0040, 0043, 0045, 0047, 0056, 0091, 0120, 0125, 0135, 0140, and 0155

KAUHALE MAKAI  
Apartment Nos. (SEE ATTACHED EXHIBIT "B")

**APARTMENT DEED**

KNOW ALL MEN BY THESE PRESENTS:

THIS APARTMENT DEED, made this 5th day of January, 2021, by VI ACQUISITION V, a Washington nonprofit corporation, as successor by merger to ROYAL ALOHA VACATION CLUB, a Hawaii nonprofit corporation, of Bellevue, Washington ("Grantor"), in favor of VACATION INTERNATIONALE, INC., a Washington corporation, Trustee of VI Trust under Vacation Internationale Trust Agreement and Notice of Timeshare Plan dated September 22, 2011 recorded with the Bureau of Conveyances of the State of Hawaii as Document No. A-45180529, having all powers under said trust agreement, including full powers to sell, convey, exchange, mortgage, lease, assign or otherwise deal with and dispose of all lands of the trust estate and interests therein, whose post office address is 1417 116th Avenue NE, Bellevue, Washington 98004 ("Grantee");

WITNESSETH:

The Grantor, in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged by the Grantor, does hereby grant, bargain, sell and convey unto the Grantee, its successors in trust and assigns, IN TRUST, in fee simple:

THE GRAD LAW FIRM  
ESCROW@GRADLAW.COM  
P: (808) 521-4757 F: (808) 533-0327  
G:\CLIENT FILES\Vacation Internationale\KAUHALE MAKAI APT DEED REV1.docx

Those certain Apartment Nos. (SEE ATTACHED EXHIBIT "B") of the "KAUHALE MAKAI" Condominium Project, together with the undivided percentage interest in the common elements appurtenant thereto, being the property more particularly described in Exhibit "A" attached hereto and made a part hereof, subject to the encumbrances, exceptions, reservations, restrictions and other matters noted herein.

AND the reversions, remainders, rents, issues and profits thereof and all of the estate, right, title and interest of the Grantor, both at law and in equity, therein and thereto;

TO HAVE AND TO HOLD the same, together with all buildings, improvements, rights, easements, privileges and appurtenances thereon and thereto belonging or appertaining or held and enjoyed therewith, unto the Grantee according to the tenancy set forth herein, forever.

TOGETHER WITH the benefits of, but SUBJECT, ALSO, to the burdens of the restrictions on use and the other restrictions and all covenants, agreements, obligations, conditions and other provisions, and any and all easements appurtenant to or encumbrances on the Apartment or said common elements described in Exhibit "A", as created by, referred to or set forth in the original Apartment Deed, Declaration of Horizontal Property Regime or Declaration of Condominium Property Regime (whichever is applicable), By-Laws attached or applicable thereto, Condominium Map or File Plan (whichever is applicable), and other condominium documents, referred to in Exhibit "A", as the same have been or may be lawfully amended or restated from time to time, and in all rules and regulations which from time to time may be duly promulgated pursuant to the foregoing, which provisions are and shall constitute covenants running with the land and equitable servitudes to the extent provided by law and set forth in said instruments.

The Grantor does hereby covenant with the Grantee that the Grantor is seized of the property described herein in fee simple; that said property is free and clear of and from all liens and encumbrances except for the lien of real property taxes not yet by law required to be paid, and except as may be specifically set forth herein; that the Grantor has good right to sell and convey said property as aforesaid; and, that the Grantor will WARRANT AND DEFEND the same unto the Grantee against the lawful claims and demands of all persons, except as aforesaid.

The acceptance by the Grantee of delivery of this instrument and the recordation thereof shall be deemed to constitute the following understandings of the Grantee that the Grantee does hereby covenant and agree, for the benefit of the owners from time to time of all other apartments in the condominium property regime described in Exhibit "A", to observe and perform at all times all of the terms, covenants, conditions and restrictions set forth in the Declaration and By-Laws referred to in Exhibit "A", as the same may from time to time be amended, on the Grantee's part to be observed and performed, and when required to do so to indemnify and hold and save harmless the Grantor from any failure so to observe and perform any of such terms, covenants, conditions and restrictions.

The acceptance by the Grantee of delivery of this instrument and the recordation thereof shall be deemed an acknowledgment by the Grantee that the spelling of the Grantee's names and designation of Grantee's tenancy are accurate and the Grantee is approving title to the property as more particularly described in Exhibit A.

The rights and obligations of the Grantor and the Grantee shall be binding upon and inure to the benefit of their respective heirs, devisees, personal representatives, successors and assigns.

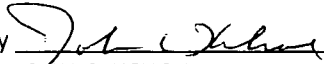
This conveyance and the warranties of the Grantor are expressly declared to be in favor of the Grantee, and the Grantee's heirs, devisees, personal representatives, successors and assigns.

The terms "Grantor" and "Grantee", as and when used herein, or any pronouns used in place of those terms, shall mean and include the masculine, feminine or neuter, the singular or plural number, individuals, partnerships, trustees or corporations and their and each of their respective successors, heirs, personal representatives, and assigns, according to the context thereof. All covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed elsewhere herein.

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IN WITNESS WHEREOF, the undersigned has executed these presents as of the day and year first above written.

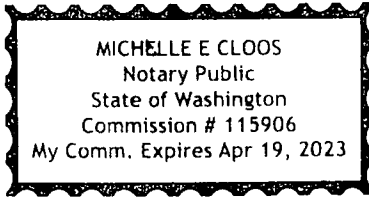
VI ACQUISITION V, a Washington nonprofit corporation


By  \_\_\_\_\_  
JOHN C. KEHOE  
Its President

“Grantor”

STATE OF WASHINGTON )  
 ) SS.  
COUNTY OF )

On this 5 day of January, 2021, before me personally appeared JOHN C. KEHOE, to me personally known or adequately proven to be the person(s) described in and who executed the foregoing instrument, who, being by me duly sworn or affirmed, did say that such person(s) executed the same as the free act and deed of such person(s), and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



  
\_\_\_\_\_  
Notary Public, State of Washington

Michelle Cloos  
\_\_\_\_\_  
(Printed name)

My commission expires: April 19 2023

**EXHIBIT "A"**

FIRST:

Apartment Nos. (SEE ATTACHED EXHIBIT "B") of that certain Condominium Project known as "KAUHALE MAKAI", as shown on Condominium Map No. 352 and described in the Declaration of Horizontal Property Regime dated April 30, 1974, recorded May 1, 1974, in the Bureau of Conveyances, State of Hawaii, in Book 9871, Page 478, as amended and restated.

Together with appurtenant easements as follows:

(a) An exclusive easement to use Parking Space No. (SEE ATTACHED EXHIBIT "B") as shown on said Condominium Map.

(b) Non-exclusive easements in the common elements designed, for such purposes for ingress to, egress from, utility services for and support of said apartment; in the other common elements for use according to their respective purposes.

(c) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration, as amended and restated.

SECOND:

An undivided (SEE ATTACHED EXHIBIT "B") percentage interest in all common elements of the project and in the land on which said project is located as established for said apartment by the Declaration, or such other interest as hereinafter established for said apartment by any amendment of the Declaration, as tenant in common, with the other owners and tenants thereof.

Being the real property conveyed to Royal Aloha Vacation Club of Hawaii, Inc., a Hawaii nonprofit corporation, as Tenant in Severalty, by Apartment Deed dated (SEE ATTACHED EXHIBIT "B"), in the Bureau of Conveyances, State of Hawaii, as Document No. (SEE ATTACHED EXHIBIT "B").

Note that on November 1, 2020, Royal Aloha Vacation Club of Hawaii, Inc., a Hawaii nonprofit corporation, merged with VI Acquisition V, a Washington nonprofit corporation.

The land upon which said Condominium Project is located is described in said Declaration, which description is hereby expressly incorporated by reference.

SUBJECT, HOWEVER, to the following:

1. Regular System Condominium Map No. 352.
2. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the DECLARATION OF HORIZONTAL PROPERTY REGIME OF KAHALE MAKAI dated April 30, 1974, recorded in Book 9871, Page 478, as amended, restated, and further amended, to which reference is hereby made, but deleting any covenant, condition or

restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS, as amended.

RESTATEMENT OF BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF KAUAHALE MAKAI dated March 24, 1998, recorded as Document No. 98-046682, as amended.

3. GRANT OF EASEMENT for utility, and incidental purpose, in favor of Maui Electric Company, Limited, a Hawaii corporation, dated September 12, 1974, recorded in Book 10146, Page 142.

4. Terms, provisions, covenants and conditions in the Memorandum of PCS Site License Agreement dated August 7, 2001, recorded as Document Nos. 2002-023945, between the Association of Apartment Owners of Kauhale Makai, a Hawaii nonprofit corporation, "Owner" and SprintCom, Inc., a Kansas corporation, "SprintCom".

5. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the ROYAL ALOHA VACATION CLUB DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS recorded August 19, 2003 as Document Nos. 3024768 and 2003-246863.

6. A financing statement between Association of Apartment Owners of Kauhale Makai, as Debtor, and Bank of Hawaii, as the Secured Party, recorded June 14, 2013 as Document No. A-49130448.

A continuation statement was recorded May 09, 2018 as Document No. A-67030370.

7. Terms, provisions, covenants and conditions in the Easement Agreement, Recorded May 31, 2017 as Document No. A-63600125 between the Association of Apartment Owners of Kauhale Makai, a Hawaii nonprofit corporation "Grantor" and Towerpoint Acquisitions, LLC, a Delaware limited liability company "Grantee".

8. Terms, provisions, covenants and conditions in the Site Management Agreement, Recorded May 31, 2017 as Document No. A-63600126, between the Association of Apartment Owners of Kauhale Makai, a Hawaii nonprofit corporation "Owner" and TowerPoint Capital, LLC, a Delaware limited liability company, its successors and assigns "Owner Advocate".

9. Terms, provisions, covenants and conditions in the Assignment of Lease, Recorded May 31, 2017 as Document No. A-63600127, between Association of Apartment Owners of Kauhale Makai, a Hawaii nonprofit corporation "Assignor" and Towerpoint Acquisitions, LLC, a Delaware limited liability company "Assignee", related to that certain Site Agreement dated November 28, 2016 by and between the Association of Apartment Owners of Kauhale Makai, a Hawaii nonprofit corporation and SprintCom, Inc., a Kansas corporation. The assignment is for a term of ninety-nine (99) years and the assignment terminates on May 31, 2116.

10. Any and all covenants, conditions, restrictions and easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as amended and restated, and/or in said Apartment Deed, and/or as delineated on said Condominium Map.

11. Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership, as amended.

TOGETHER WITH all built-in furniture, attached existing fixtures, built-in appliances, electrical, gas and plumbing fixtures/systems; attached carpeting, all of the foregoing being situate in or used in connection with the above-described real property.

**END OF EXHIBIT "A"**

EXHIBIT "B"

KAUHALE MAKAI (VILLAGE BY THE SEA)

Apartment Number	Parking Space	Percentage Common Interest	Dated	Instrument or Book and Page
105	173	.04946%	4/11/1997	97-049992
111	36	.7808%	4/15/1986	19430/324
133	103	.5914%	11/8/1999	99-183811
332	123	.6626%	3/31/1992	92-058107
401	9	.69211%	10/22/1991	91-150731
404	10	.6211%	9/8/1989	90-021096
406	55	.5492%	3/10/1997	97-128082
408	53	.5158%	3/10/1997	97-128082
422	63	.6211%	3/10/1997	97-128082
432	109	.6626%	4/11/1997	97-049991
504	33	.6211%	3/10/1997	97-128082
522	91	.6211%	8/9/1992	97-152861
622	66	.6211%	3/10/1997	97-128082