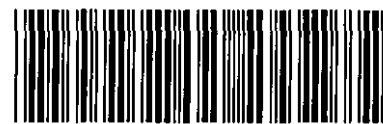


**Thurnham Vacation Club Management
Limited**

Report and Financial Statements

Year Ended 31 December 2005

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BDO Stoy Hayward
Chartered Accountants

Thurnham Vacation Club Management Limited

Annual report and financial statements for the year ended 31 December 2005

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Directors

F C Bauman

Secretary and registered office

S Crook

Citrus House
Caton Road
Lancaster
Lancashire
LA1 3UA

Company number

3804564

Auditors

BDO Stoy Hayward LLP
Commercial Buildings
11-15 Cross Street
Manchester
M2 1WE

Thurnham Vacation Club Management Limited

Report of the director for the year ended 31 December 2005

The director presents his report together with the audited financial statements for the year ended 31 December 2005

Principal activity

The company's principal activity is to act as a resort management company for Thurnham Owners Club and Cromer Country Club

Results and dividends

The result for the year after taxation amounted to £Nil (2004 £Nil) The director does not recommend the payment of a dividend (2004 £Nil)

Directors

The directors who held office during the year are shown below All directors served throughout the year unless otherwise indicated

G I Bruce (resigned 30 January 2006)
D R Harris (resigned 1 May 2006)
F C Bauman (appointed 4 October 2006)

None of the directors have any interest in the share capital of the company The interests of the directors in the share capital of the immediate parent undertaking at the year end, Benal Holdings Limited, are disclosed in the financial statements of that company

Statement of director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985 The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Thurnham Vacation Club Management Limited

Report of the director for the year ended 31 December 2005 (Continued)

Financial instruments

The company does not use financial instruments

Post balance sheet events

The company was acquired by Diamond Resorts holdings LLC on 25th April 2007 This is detailed in note 10 of the financial statements

Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information The director is not aware of any relevant audit information of which the auditors are unaware

Grant Thornton resigned as auditors on 14 December 2006 and BDO Stoy Hayward LLP were subsequently appointed as auditors

The company proposes to reappoint BDO Stoy Hayward LLP as its auditors for the forthcoming year

By order of the Board

**S Crook
Secretary**



Date 24th September 2007

Thurnham Vacation Club Management Limited

Report of the independent auditors

To the shareholders of Thurnham Vacation Club Management Limited

We have audited the financial statements of Thurnham Vacation Club Management Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the director's report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Director's Report is not consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely upon this report unless such a person is a person entitled to rely on this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Thurnham Vacation Club Management Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

BDO Sign Signed up

BDO Stoy Hayward LLP

*Chartered Accountants and Registered Auditors
Manchester*

Date *26 September 2007*

Thurnham Vacation Club Management Limited

Profit and loss account for the year ended 31 December 2005

	Note	2005 £	2004 £
Turnover	2	530,589	-
Cost of sales		(528,710)	-
Gross profit		<u>1,879</u>	<u>-</u>
Other operating expenses		(1,879)	-
Result on ordinary activities before and after taxation for the financial year	3	<u>-</u>	<u>-</u>

The results disclosed above all relate to continuing operations

There were no recognised gains or losses other than the result for the financial year

The accompanying notes on pages 7 to 9 form part of these financial statements

Thurnham Vacation Club Management Limited

Balance sheet as at 31 December 2005

	Note	2005 £	2004 £
Current assets			
Debtors	6	943,126	2
Creditors : amounts falling due within one year	7	(943,124)	-
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		-	-
Shareholder's funds		<u>2</u>	<u>2</u>

The financial statements were approved by the Board and authorised for issue on 14th September 2007


F C Bauman
Director

The accompanying notes on pages 7 to 9 form part of these financial statements

Thurnham Vacation Club Management Limited

Notes forming part of the financial statements for the year ended 31 December 2005

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The principle accounting policies of the company have remained unchanged from the previous year and are set out below. The director has reviewed the accounting policies in accordance with FRS18 and considers them to be the most appropriate to the company's circumstances

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account

2 Turnover

Turnover is wholly attributable to the principal activity of the company

3 Result on ordinary activities before and after taxation for the financial year

	2005 £	2004 £
This is arrived after charging		
Audit services	928	-
	<hr/>	<hr/>

4 Directors and employees

All staff are employed and paid by a fellow group company, Sunterra Europe Limited. The directors did not receive any emoluments for services to the company during the year (2004 £Nil)

5 Taxation

No corporation tax charge arises on the results for the year (2004 £Nil)

Thurnham Vacation Club Management Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

6 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	648,440	2
Other debtors	294,686	-
	<u>943,126</u>	<u>2</u>

7 Creditors : amounts falling due within one year

	2005 £	2004 £
Deferred income	274,306	-
Intercompany creditors	630,953	-
Other taxation	36,914	-
Other creditors	951	-
	<u>943,124</u>	<u>-</u>

8 Share capital

	2005 £	2004 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Thurnham Vacation Club Management Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

9 Ultimate parent undertaking

At the balance sheet date, the director regards Sunterra Corporation, a company incorporated in the USA, as the company's ultimate parent undertaking

The Sunterra Group was acquired by Diamond Resorts Holdings LLC, a company incorporated in the USA, on 25 April 2007

The director regards Diamond Resorts Holdings LLC as the company's ultimate parent undertaking

The smallest group in which the results of the company are consolidated is that headed by Sunterra Europe (Group Holdings) plc, whose principal place of business is at Citrus House, Caton Road, Lancaster, Lancashire, LA1 3UA. The consolidated accounts of the group can be obtained from Companies House

10 Related party transactions

The company has taken advantage of the exemption included in FRS 8 and has not disclosed transactions with other members of the group headed by Sunterra Corporation

11 Post balance sheet events

The Sunterra Group was acquired by Diamond Resorts Holdings LLC, a company incorporated in the USA, on 25 April 2007