

UNIVERSAL VACATION CLUB RESORTS VILLA DEL PALMAR LORETO

MEMBERSHIP DUES REPORT

The Universal Vacation Club Resorts provides your vacation home away from home and is committed to excellence. The Club is continually working towards perfecting your vacation experience as well as ensuring that our luxury resort facilities and accommodations are as elegant and dazzling as the day you purchased your membership. Your vacation experience is our top priority. We are proud to announce that the membership dues will remain the same. Historically, increases are driven by economic impact related to inflation in Mexico, employee wages, utilities and taxes or the benefit or impact of currency devaluation between Mexican peso and United States dollar. This impact in 2019 was minimal, so we were able to maintain resort operating costs nearly in line with the prior year. The Club continues to closely manage and control the operating expenses.

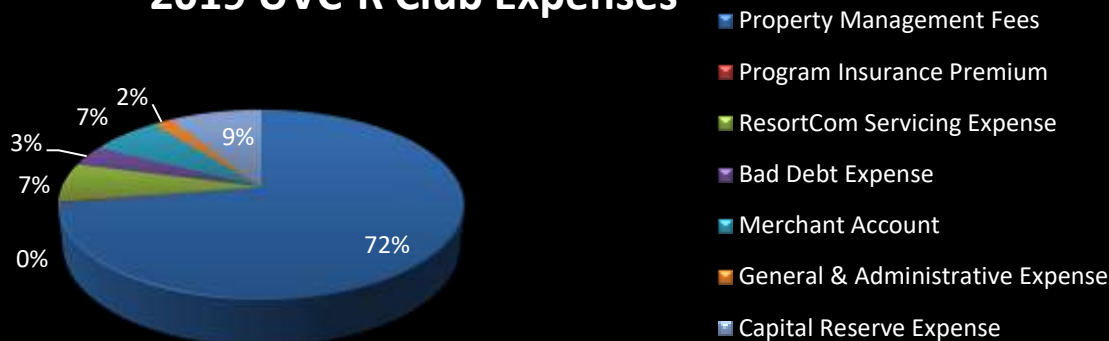
We are pleased to report that the Universal Vacation Club Resorts (Villa del Palmar at the Islands of Loreto) continued to be financially stable and strong during this past year. Currently, the Club is effectively controlling expenses and collecting membership dues in line with budgeted expectations. The Club is completely self-sufficient and derives its revenues from three principal sources: membership dues (maintenance assessments), other revenue (income derived from the various flexible vacation options and/or programs made available to the membership base), and capital expenditure fund.

2019 UVC-R Club Revenue



The line item on your Membership Dues invoice designated as “2020 Maintenance Assessment” is used for the following expense activities:

2019 UVC-R Club Expenses



Operating Fund

The Club's operating fund provides the necessary source of revenue to fund the Club's current annual operational expenses. As in the past, the largest expenditure of operating funds is the on-site management of the Club's resorts. In addition to property management, your operating funds provide for on-site Club activities; further, they provide for the servicing of off-site operations that include reservations, reservation systems, hardware and software technologies, maintenance billing, customer service, member communications, general and administrative expenses, and legal and accounting fees.

Capital Expenditures

The Club delineated the funds that are needed for the maintenance and improvement to the resort and puts these funds into a separate category. This helps make it clear to all members exactly what the Club is spending at the resort each year to keep your units and the grounds in good condition. In 2020, the Capital Reserve amount is set at 10% of the Membership Dues and these funds will be used to maintain and improve the resort.

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OPTIONAL PROGRAMS: There are two optional programs included on your 2020 Maintenance Fee Assessment that members may contribute to: **Eagle's Wings Foundation and the On Call Travel Protection program.**

- Eagle's Wings Foundation was created twenty years ago by the Villa Group and former UVC Board member Jim McCarthy. The Foundation distributes funds to charities in the cities of Villa Group resorts, and helps thousands of children, adults and the elderly by supporting orphanages, food banks, assisted living facilities, special needs, education, physical therapy, and more. This year marks the 20th anniversary of the Foundation's creation, and we ask that you consider donating \$20 this year through your bill's optional line item. These funds make a significant difference in the lives of the needy. Donating to Eagle's Wings Foundation is a great way to give back to your home away from home in Mexico.
- The On Call Travel Protection program provides emergency air evacuation services from Mexico or any other foreign destination to the United States in case of catastrophic injury to either you or your family, while on your vacation or exchange, and other very valuable medical travel and other travel services. For Loreto Preferred Access points' members, the standard version of this program is already included as part of your membership. Loreto members may upgrade to the full insurance program for only \$15 additional at the time you pay your maintenance fee. For complete program description and details of benefits visit the www.myuvci.com website and navigate to the On Call page under the Member Services tab.

PAYMENT OPTIONS: Members will have three payment options for their 2020 assessments:

- I. Members may pay their annual 2020 maintenance fee assessment on a **monthly basis**. **This option is only offered on-line at www.resortcom.com or by contacting Member Services** at the phone number on your statement. This option requires the member to have your preferred credit card or debit card on file that will be billed monthly. You will no longer receive a printed monthly invoice, saving on postage and printing and supporting our green efforts. A nominal monthly installment fee of **\$5.35** is added to each payment.
- II. Quarterly: You may pay your maintenance fee in **four installments**, assessed quarterly and due November 30th, February 28th, May 31st and August 31st. A nominal **\$9.70** fee is added for owners of one week; multiple week owners are subject to a **\$12.70** processing fee each installment payment.
- III. Finally, you may pay your entire annual maintenance assessment in one payment, via credit card (on-line or by phone) or by check.

Assessments are delinquent if either the full payment or any of the monthly or quarterly payments are not received by the stated due dates. Late charges and assessments will apply to all outstanding balances. **Vacations may be used, confirmed or deposited, provided members are current with their monthly or quarterly billing payments. If members are not using a Payment Billing Option, assessments must be paid in full before using, confirming or depositing their week.**

CONVENIENT ON-LINE PAYMENT OPTION:

Universal Vacation Club Resorts offers the ability to make maintenance fee payments via our online payment option. Simply go to www.resortcom.com and click on the "login" button. Current registered users will enter their username and password. "First-time" users will need to 1) click on the "Create an Account" link 2) fill out the required information and 3) click the "register" button. Your account is ready immediately. Watch for an email with steps to set up Paperless Billing and "Go Green!" This simple option is good for the environment and keeps your Club costs down!

Now when you pay your 2020 MF bill, you have even more options. We are proud to introduce a new **Digital Wallet** feature, for members only, that securely stores payment card information in your account. It is a convenient way for you to make all payments associated with your membership:

- *Loans – Cash out or monthly payments*
- *Maintenance fees – For annual, quarterly, or monthly payment options*
- *Reservation – Fees for upgrades, additional nights, Club or Preferred time (rental) reservations, guest fees and more*
- *Vacation Options - To purchase pre-vacation options such as meal plans, airport transfers, or excursions*

Your privacy and security are our priority, and we utilize sophisticated encryption technology and best practices to safeguard your credit card data. You can add and remove credit cards to your Wallet from your computer or mobile phone and select a preferred payment method for each transaction. Information is automatically saved until your expiration date approaches, when the system will send a reminder to update that card.

ResortCom, the Resorts, and the Club are transforming the way we operate to meet the changing needs of our clients and members. Improvement to each facet of your member experience is our goal. We are confident the new Member Wallet will enable you to complete purchases quickly and easily and add even more convenience and relaxation to your next vacation.

In conclusion, the Universal Vacation Club Resorts is recognized as one of the top associations within the timeshare industry. The Club and its management team have received numerous awards from the American Resort Development Association, Interval International and other hospitality industry leaders and continue to provide top quality care and service to its members. You can truly be proud to be part of this organization and know that your Club is the standard by which other clubs gauge their success.