

EXHIBIT E
RULES AND REGULATIONS
CLUB CARIBE
VILLA DEL PALMAR

These Rules and Regulations hereby entirely amend,
restate, and supersede all previously adopted
Rules and Regulations of the Club.





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Article I. CERTAIN DEFINITIONS

Section 1.01 Accelerated Points

(a) **General.** The Consumer may accelerate the club points from the end of their contract's use period ("accelerated points"). The Consumer may only advance one year annually. The total amount of existing points and accelerated points during any calendar year may not exceed a total of two years. A Consumer must accelerate the total of club points owned for one year, likewise the Consumer is not allowed to accelerate only a portion of the total of club points owned for that year. The total amount of accelerated club points existing during any calendar year may not exceed the total of two years. After a Consumer has completely used the two years existing points and accelerated club points in the account of active points of the Consumer; then that Consumer will be allowed to use additional accelerated points as long as the total sum of accelerated and existing points do not exceed the total of two years of the current calendar year.

(b) **Reservations.** Accelerated points may be used to reserve allocation at the club up to 24 months in advance of the check-in date of the reservation in question. The right of a Consumer to use accelerated points is subject to availability on a first come, first serve, first available basis. The capacity of a Consumer to obtain accelerated points and/or use accelerated points will be subject to notification and other requirements that may be established by the Club Manager from time to time. If a Consumer wishes to use accelerated points, such accelerated points must be obtained and used within the applicable terms.

(c) **Others.** Accelerated points may not be used during certain holidays and blackout periods established annually by the club manager, including any holiday season. The Biennial Consumers will not have the right to accelerate points. Any and all of the preferred points may not be accelerated and are restricted to the benefit of being accelerated through a membership. The club reserves the right to prohibit a Consumer from obtaining or using any accelerated points if the Consumer is in arrears with the payment of fees or in violation of any of the Governing Documents. The club reserves the right to modify and/or terminate the accelerated points and the use and the activity associated at any time if the club, within a reasonable judgment, determines that such modification or termination would be in the best interest of the club. The benefit of the accelerated points is separate and independent of the rent or lease of club points mentioned in the regulations.

(d) **Fees.** At the moment of obtaining any accelerated points, the Consumer must pay the maintenance fee at the current rate for those accelerated points without a future adjustment of fees. Due to the fact that the Consumer must

accelerate the total club points held in one year, the Consumer must pay the complete annual maintenance fee when the points are accelerated. The prepaid fees for the accelerated points will be credited to such Consumer and assigned to the applicable year that begins at the end of the membership and brought forward to the present date. If a Consumer cancels a reservation made with accelerated points, these accelerated points may be returned to the account of that Consumer as long as that the Consumer has paid the banking and/or cancellation fee as determined by the club.

Section 1.02 **Annual Expenses**

The “Annual Expenses” are an estimate of the cumulative amount of the expenses established in the budget, and that will be incurred by the Club during the next calendar year to: (A) pay the administration fee to each external administrator, internal administrator and administrator, for the operation, administration, maintenance, improvement and repair of the Projects, including the units, common areas, common furniture and for the creation of reserves, payments of investments in assets, fixed assets, restoration or replacement of the units, common areas or common furniture; (B) pay for several expenses incurred in connection with the operation of the club; and (C) payment of any insurance premium, bond as well as any federal state or municipal tax and/or for expenses incurred for permits.

Section 1.03 **Governing Law**

The governing law will be: the *Ley Federal de Protección al Consumidor* (Federal Law for Consumer Protection), the *Norma Oficial Mexicana* (Mexican Official Norm) applicable to the timeshare regime, the Código Civil (Civil Code) for the state of Quintana Roo, and all other enforceable laws that may apply in Mexico.

Assessments

Any charge or tax charged to the Consumer and his membership that may arise from or in connection with the club, the internal and external administrator, the administrator, the developer and/or its respective parties or the Projects, including the payment of maintenance fees, extraordinary fees, personal charges, surcharges and collection expenses.

Section 1.04 **Bank or Banking**

It is the act of a Consumer when saving an unused Use Period, in the Vacation Bank for use in a later year up to the number of years permitted in these Rules and Regulations.

Section 1.05 **Borrow or Borrowing**

Means the act of the Consumer who borrows Use Periods from years in the future to be used in the current year.

Section 1.06 **Calendar Year**

The term of one year that begins on January 1 and ends on December 31 of each year.

Section 1.07 **Cancellation of Reservation**

It is the act of the **Consumer** who cancels a reservation that has been previously confirmed, subject to the terms and conditions described in these Rules and Regulations.

Section 1.08 **Date and Time of check-in and check-out.**

The time for check-in will be at 3:00 P.M. and checkout time will be 11:00 A.M., local time at the Project where the Consumer is checking out at the end of their Use Period following the check-in date and where the Consumer will have 60 minutes of tolerance.

Section 1.09 **Club**

The club: known as Club Caribe Villa del Palmar is the administrator of the rights of the membership, such as reservations for lodging, payments, prepayments, maintenance fees, payments for repair and maintenance of the units, for which contracts have been entered into with the intermediary provider because the intermediary provider has the capacity to promote, issue, manage and process the rights of the Consumer, and is therefore authorized to exercise the rights and obligations of the Consumers before third parties.

Section 1.10 **Club Administrator**

The Club Administrator is a not-for-profit association, that is intended to regulate and administer the rights and obligations of the memberships, and it is different from the Club. The Consumers do not have a vote or any other legal interest in the Club Administrator, in the developer, or in any manager in charge and/or their respective related parties.

Section 1.11 **Club Benefits Program**

It is the vacation, trip, activity, event and other additional benefits created and made available for the Consumers.

Section 1.12 **Club to Club Association**

Is the association with other clubs or resorts that gives the Consumers the opportunity to use other clubs or resorts according to the Exchange Program.

Section 1.13 **Club Points**

The number of points assigned to the membership that allows the Consumer of the club to use the allocation, services and club benefits, in accordance to the Governing Documents. A club point is a symbolic unit to measure the rights of the Consumers to enjoy the benefits of their membership within the reservation system established in these Rules and Regulations. A club point is a unit of measurement of use, designed by the club for use in connection with the reservations system of the club and it has been created with the purpose of administrative convenience only and for no other purpose. The club administrator will establish a daily assignment of Club Points. The assignment of Club Points will vary from one season to another, from one suite type to another, from one day of the week to another and from one Project to another, as reflected in the Club Points Chart published by the club. The Club Points are not a guarantee for real estate interests and have not been registered as such in any jurisdiction.

Section 1.14 **Club Points Account**

It is the record of the number of club points available to be used by a Consumer during each calendar year

Section 1.15 **Club Points Chart**

It is the calendar that details the number of club points required for the Consumers to reserve in a specific Use Period, a certain Suite Type at a particular Project for a specific Season. The Club Points Chart of the club may be modified as determined by the Club Administrator.

Section 1.16 **Club Priority Period**

The periods for reservations established in this section and in these Rules and Regulations will be jointly known as “Club Priority Period”.

(1) Consumer Reservations. During the club priority period, The Consumers will compete with each other for availability by incoming order. The Consumers will have the right to reserve full weeks and/or Use Periods in the club during the priority period of the club. The Consumers may request a reservation 24 months in advance of the check-in date at any of the Projects (without reservation guaranteed in a specific Project) but will have priority during the first 14 months of such 24-month period. The Consumers may rent Club Points 10 months prior to the check-in date or before. The Consumers will have reservation priority for a minimum of two nights from 24 to 10 months in advance of the check-in date. The club and some of the Projects may allow one night stays during that period from the date of check-in. The Consumers may also make reservations outside of the priority period as established by the club based on availability.

(2) Reservations by Other Consumers in Primary Use Projects or Resorts of the Membership Certificates. All other Consumers may make reservations in the Use Periods in the Project or Resort of primary use designated in their membership certificates, starting 24 months before the check-in date. All of the other Consumers

(3) May request reservations at any of the other Projects (without guarantee of reservation in a specific Project) starting 10 months prior to the check-in date.

Section 1.17 **Club Projects**

Means any gated community, property and/or Project directly affiliated with a specific membership by the club administrator including the following: (1) Villa del Palmar Cancún, at Carretera a Punta Sam Km 5200, Manzana 9, Lote 3 SM 2 Isla Mujeres, Quintana Roo, Mexico; and (2) Garza Blanca Preserve Resort & Spa, in Carretera Barra de Navidad km. 7.5, Puerto Vallarta, Jalisco, Mexico.

Section 1.18 **Common Areas**

All parts of the Projects other than the units, the front desk, recreational facilities, pools, pool furniture and barbecue facilities. The use and maintenance of these common area facilities and services will be managed by the internal administrator and may be subject to interruptions in their use for maintenance, repair, and improvement or as it may be determined by the Club Administrator. The Club Administrator, developer and/or manager of the Project will have the right, to designate certain sections of the common areas that by prior reservation for use by certain Consumers for specific purposes.

Section 1.19 **Common Furniture**

Regarding all of the furniture and equipment, appliances, improvements, telephone system, electrical system, decoration, and all of the movable property that are part of each unit, the units will be furnished and decorated up to the standards determined by the Club Administrator. In any case, the common furniture will be kept in its original state (with the normal use) and at a level that is acceptable for the club as per the corresponding Project. All of the units will have enough common furniture to accommodate the maximum occupancy limit.

Section 1.20 **Daily Use Period**

Means a Use Period that is divided into one-day segments that will allow the Consumer use during any night of the Consumer's Use Period, this section will be regulated by what is established in section 3.01 item (a) of the Rules and Regulations.

The club reserves the right to limit, restrict or prohibit the reservations of a daily use period, pursuant to the collective best interests of the Consumers. The reservations of a daily use period may be made by the Consumers within the Club Priority Period and at any time based on availability.

Section 1.21 **Infringing user and Non Authorized user**

If any user (the “infringing user”) does not vacate the unit in time at the check-out time or makes unauthorized use of a unit during a period other than his Use Period, or impedes that another user (the “affected user”) uses the lodging rights and services of a unit during the Use Period of the affected Consumer, such infringing user will have (a) to be removed immediately, and vacated from the unit due to misuse; b) reimburse the club, the internal ADMINISTRATOR and the affected user for all of the expenses and fees incurred by the club, the internal administrator and the affected user as the result of such behavior, and also must pay the expenses of alternative lodging, traveling expenses, that may be determined by the competent judicial authority. The infringing user will cover the costs of the trial, reasonable attorney’s fees incurred in connection with the eviction of the affected user from such unit and the costs (including the reasonable attorney’s fees) incurred in the collection of such amounts; and (c) pay the affected user the lodging rights and services for the unit during the misuse, such as expenses of dissolution (additionally to the costs and expenses established in section 2.03 (c) above), a sum equal to the value of the fair rent per day for the unit, or for each day or part of it, including the date of delivery, during which the infringing user precluded the use of the rights of allocation and services in the unit. The club will be responsible to determine the “value of fair rent” of a unit; “the value of fair rent” of a unit will be based on the costs of comparable locations in the zone of the Project. The internal administrator will make all efforts necessary to remove such infringing user from the unit, in order to assist any affected user in finding alternative lodging during the Use Period or to secure with cost to the infringing user, alternative lodging for any affected user. Such alternative lodging will be similar in value to the unit of the affected user and the cost will be charged to the infringing user as a personal charge. If the internal administrator, determines it is necessary to contract for a period that is longer than allowed, in order to secure the alternative lodging as established above, the cost of the entire period will be charged to the infringing user as a personal charge. By accepting the issuance of a membership certificate, each Consumer agrees that in the case of an illegal occupation or use by such Consumer or their allowed user, the damages will be impossible or extremely difficult to determine; and that the measure of indemnity for damages and losses that constitutes fair compensation which also provide the advantage of use of lodging rights and services. If a Consumer or its Authorized Users either intentionally or negligently loaned a unit that is not occupied, then (I) such

Consumer or Authorized Users will be considered as the infringing users, (II) the above provisions of this section 2.03 will apply, and (III) these infringing users will be responsible for any affected user during such successive use period, such as the infringing user denying to vacate the unit at the end of their Use Period. For purposes of this section, the act, omission or negligence of an authorized user will be considered an act of omission or negligence from the Consumer himself, for authorizing the authorized user to use the membership right of the Consumers and of the suite.

Section 1.22 **Developer**

Refers to the developer of any of the Club's Projects.

Section 1.23 **External Exchange Company**

Refers to an independent exchange company such as interval international, that facilitates the exchange of lodging rights and services for the club and/or for its Consumers in conformity with the exchange program.

Section 1.24 **Exchange Program**

It is the service given by an exchange company through which the Consumers may exchange (1) Their Use Periods in a Project, and/or (2) the size of the specific unit in the membership certificate, for time periods in Resorts in other locations, the exchange users that may exchange their time in other Resorts using their Use Periods in such said Projects.

Section 1.25 **Exchange User**

Means the owner of a Use Period in another exchange program who may exchange their time in another Resort for a Use Period in the Projects according to an exchange program.

Section 1.26 **Governing Documents**

Means the articles, statutes, rules and regulations of the club that may be modified from time to time. The Governing Documents for each Consumer must also include the purchase agreement and a membership certificate associated with that Consumer and his membership. The objective of the Governing Documents is to establish the rights and obligations both of the club and the Consumers in respect to the use of the Projects by the latter.

Section 1.27 **Initial Reservation**

It's the first reservation made by a Consumer of the lodging rights and services in a Project during any calendar year.

Section 1.28 **Internal Exchange**

It is a reservation made by a Consumer for the lodging rights and services in any of the Projects other than the Project and/or primary use Resort in which they will have the right to use.

Section 1.29 **Resorts for Internal Exchange**

Any of the gated communities, properties and/or Projects directly affiliated with a membership as determined by the Club Administrator from time to time including the following: (1) Villa del Palmar-Puerto Vallarta, Km. 3, Boulevard Francisco Medina Ascencio, Puerto Vallarta, Jalisco, Mexico; (2) Villa del Mar - Puerto Vallarta, Km. 3, Boulevard Francisco Medina Ascencio, Puerto Vallarta, Jalisco, México; (3) Villa del Palmar - Cabo San Lucas, Km. 0.5, Camino Viejo a San José del Cabo, Cabo San Lucas, Baja California Sur, México; (4) Villa del Palmar Flamingos, en Paseo Cocoteros y Playa, lote E Flamingos, Condominio Mastro, Nuevo Vallarta, Nayarit, México; (5) Villa del Arco, Km. 0.5, Camino Viejo a San José del Cabo, Cabo San Lucas, Baja California Sur, México; (6) Villa del Palmar Cancún, in Carretera a Punta Sam km 5200 SM – 2, Lote – 3 Mza – 9 Municipio de Isla Mujeres, Quintana Roo C.P. 77400, Mexico; (7) Garza Blanca Preserve Resort & Spa, Carretera a Barra de Navidad km 7.5, Puerto Vallarta, Jalisco, y (8) Villa del Palmar Loreto, domicilio conocido en Predio Turístico, Ensenada Blanca en Liguí, Municipio de Loreto, Baja California Sur, México.

Section 1.30 **Internal Reservations**

A reservation made by a Consumer for lodging rights and services at the Project or primary use Resort indicated in the Membership Certificate of the Consumer as the primary Project or Resort in which the Consumer has a right to use.

Section 1.31 **Surcharges**

Any interest, service fee, reinstatement fee and/or any other fee calculated in connection to a Consumer who is delinquent in payments for any concept. The late fees may be established and modified by the club according to its determinations and subject to the applicable law.

Section 1.32 **Maintenance Fee**

The annual fee that the Consumer will pay to the club administrator to pay for the annual expenses of the club.

Section 1.33 **Maintenance Fee Due Date**

In a calendar year, a maintenance fee for each membership will be determined by the club in good faith taking into account the annual expenses and reserve contributions attributable to such calendar year. The maintenance fee may vary

depending on the suite type, the number of club points and/or the Project to which the membership is subject to. The maintenance fee will be collected by the club once every calendar year for each membership, in such moments during the calendar year that is determined by the club. The club will use all the reasonable efforts available to send the notifications of maintenance fees in October of each year except when the Consumer purchases his membership after that date, then the club will use its best efforts to send notices 30 calendar days after the date of purchase. A maintenance fee will be payable for each Use Period (or its equivalent in club points) for each Consumer, notwithstanding if the Consumer uses the Use Period (or its equivalent in club points). Each calendar year, the Club Administrator may increase the annual fee.

The maintenance fees will be paid at the beginning of the month of November (or other dates that are determined by the club) in an amount or in payment plans determined by the Club Administrator. In case that the Consumer chooses to pay the fee in installments, the club may apply an administrative charge for each payment made, payable on the date established in the notice of maintenance fees issued by the club and if there is no established date then 30 calendar days after the club issues the notification (the “date of payment of the maintenance fee”).

The notices given under this section may be sent through the Postal Service and/or email as deemed appropriate by the club administrator. The invoices and reminders of payment may be sent also through email. The notice by email will have the same strength and effect as if the notice has been sent through the Postal Service.

Section 1.34 **Maintenance Period**

It is a week designated each calendar year for each unit reserved by the club to carry out the maintenance, servicing and repair of that unit. The manager will designate a week every calendar year as the maintenance period for each unit.

Section 1.35 **Consumer**

The owner of the club membership.

1.36.1 Voting Eligibility. All the Consumers that have completely paid the price of their membership and are current and up-to-date with all of their contractual payments and other obligations according to the membership agreement, these rules and regulations and other governing documents, will have the right to attend and vote at the Consumer meetings. The Consumers will only have the right to vote in the matters that expressly requires the vote of the Consumers pursuant to the rules and regulations and/or the applicable law.

1.36.2 **Biennial Membership.** Subject to the requirements of eligibility in section 1.36.1 above, the Biennial memberships associated with a specific week will have the accumulative right to only one vote in total for the week in question. For example, if a Biennial membership designates that a specific week belongs to a Consumer during even years and another Consumer in odd years, then each one of these Consumers will have the right to one half of one vote for a total of one vote associated to the corresponding week and each such one half of a vote may be used in any moment in which a vote is carried out, independent of whether the case is presented during an even or odd year.

1.36.3 **Other Voting.** The administrator must control and have the right to vote (1) of all the memberships sold that have not been completely paid, including those that are withheld or controlled in person or through a proxy by the administrator, and (2) all of the memberships sold and completely paid for which the Administrator has delegated its representation.

1.36.4 **Consumer Meetings.** The Consumer meetings will ordinarily be carried out once a year at the place and on the date proposed by the administrator and/or developer. The calls to the Consumer meetings will be made by the administrator and/or by any other person authorized to do so pursuant to the applicable law. The calls for the Consumer meetings will be published at least 30 natural days before the date of the meetings. The calls will be sent via mail, fax, email or any other form of written communication to the most recently registered contact information of each Consumer pursuant to what is established in article 40 of the law for the state of Quintana Roo. The notice will be considered to have been made when delivered personally to the recipient, by depositing at the post office, presenting it to a public messaging company for the delivery to the recipient or sent through fax, email or any other written means of communication. A statement of the posting by mail or other means of notification may be carried out by the secretary, sub secretary or any transfer agent of the club and by providing the notice and evidence of the delivery of the notice. Such declarations will be filed and kept in the book of minutes of the club. In the case of adjourning a Consumer meeting, it will not be necessary to provide a call if the time and place is announced at the adjourned meeting; except if the adjournment is greater than 45 calendar days or if after the adjournment, a new date for the proposed meeting is established; then a notice of the adjourned meeting will be given to each Consumer that has a registered right of vote at the meeting.

1.36.5 **Attendance.** If the Consumer appears in a timely manner to the Consumer meeting, he will be considered legally notified of it.

1.36.6 **Administration.** The Consumer meetings will be chaired by a representative of the managing entity or, in their absence, by the person

designated by the majority of the Consumers attending the Consumer meeting. The chairman of the meeting will be Assisted by a secretary that will be designated by the administrator, or in his absence, by the majority of the Consumers present at the Consumer meeting. When the meeting begins, the chairman of the meeting will appoint one or more inspectors to count the number of Consumers present or represented at the meeting.

1.36.7 **Quorum.** The Consumer meetings will be carried out legally in a first call with attendance that is at least 50% PLUS 1 of the Consumers and in a second call by the number of Consumers present or represented in person or with a proxy in writing. The Consumers attending a meeting that was duly called, or any Consumer meeting in which there is a quorum, may carry out transactions until the meeting is ended notwithstanding the withdrawal of enough Consumers to leave less than the required quorum, if any action taken (outside of the adjournment) is approved by a at least a majority of the Consumers necessary to constitute a quorum.

1.36.8 **Voting Matters.** The Consumers will only have the right to vote on the following matters subject to these regulations:

a) To approve any increase of the ordinary fees (but not the extraordinary fees) and the date of payment of such increment only if that increase does not fulfill these rules and regulations, the membership agreement or any other governing document.

b) To decide on any important change to the common areas that may result in the substantial reduction or elimination of common areas in violation of the rules and regulations or the applicable law.

c) To choose the directors in the board of administration in conformity with these bylaws.

d) To decide the adjournment of the Consumer meetings.

e) To decide on matters expressly determined by the Law that establishes the norms that govern contracts in the Tourism Timeshare Regime of the State of Quintana Roo, that creates the stipulations to which the Membership Agreement is subject, and which may be occasionally modified. This law currently establishes that the General Ordinary Meetings will be called at least once a year and the extraordinary meetings will be called in any of the following cases:

I. When the nature or the characteristics of the Project are not fulfilled as established in the Timeshare regime, in the Rules and Regulations or in the Membership Agreement.

II. When, according to what is established by the Local Tourist Office, the operation, the maintenance, administration services, or the facilities are not of the quality that was offered in the Membership Agreement.

III. When the local Tourist Office, or the Municipality, respectively, determine that the intermediary provider of the Memberships has incurred in several important and continuous nonperformance of the obligations of the intermediary provider.

IV. If the maintenance fees are increased in contravention to the clauses of the Membership Agreement or the Rules and Regulations.

V. If the intermediary services Provider of the Memberships terminates the affiliation of the Resort and fails to substitute it by a similar one within the following six months, as long as it had been offered in the Membership Agreement.

VI. In the case of bankruptcy or insolvency of the intermediary provider or the Managing Entity hired for the provision of services.

VII. When the developer ceases its activity according to what is determined by a competent authority.

VIII. When the intermediary services provider of the Memberships repeatedly infringes the dispositions of this Law or fails to perform any of the obligations established in the Membership agreement or in the Rules and Regulations.

IX. In all cases that it is necessary to defend the resort, against any third party, or when due to a fortuitous cause or force majeure, in which the resort or the furniture is damaged and pursuant to a resolution that must be made in such respect.

1.36.09 Voting Percentages. Resolutions and decisions of the Consumers will be valid only as long as they are issued and approved by a majority vote of 51% of Consumers attending or represented in person or by means of a proxy in writing at a Consumer meeting that is truly carried out

1.36.10 Voting Procedures. The managing entity must organize and sanction votes. Consumers may be represented by proxy or vote through mail in terms of the law. The voting may be carried out orally or in writing, unless that a Consumer with a right to vote demands a vote in writing at the Consumer meeting before the vote, in such case it will be in writing.

1.36.11 Proxies. Each Consumer with the right to vote may authorize another person or persons to act with respect to such Consumer through a written proxy in accordance to what is stipulated in the law, and it must be signed by the Consumer or agent of that person, or legal representative, and

it must be presented before the managing entity. Any validly executed power of attorney in writing will continue in full strength and effect until the time specified therein, or in case of prior revocation made by the principal, and by providing to the club: (1) by means of a document tendered to the club indicating that the proxy has been revoked, (2) by means of a notice in writing about the death of the person that granted the written proxy, tendered to the club, (3) by means of a proxy in writing that is afterwards given by the person that executes the proxy in writing and by presenting it before the Consumer meeting, or (4) as in any Consumer meeting, by the attendance to such meeting and vote in person by the Consumer who executes the proxy. Any written proxy will expire 30 calendar days from the date that it is issued. The date on the written proxy will be considered as date of execution.

1.36.12 Adjournment. Any Consumer meeting adjourned, regardless if there is a quorum, by vote of the majority of the Consumers represented in these, either in person or by means of a proxy. The adjourned and reconvened Consumer meeting the club may address any matter that could have been addressed at the initial meeting.

Section 1.7 **Membership**

What is the status of a holder of a membership certificate as Consumer of the Club. Each Consumer will have a membership in the club. Each Consumer will have the rights, duties, privileges, and obligations of the Consumer established in this section and Governing Documents. The status of a membership of a Consumer may be ascertained with a membership certificate. The different types of membership are: (A) General membership (B) Biennial membership, (C) fixed memberships and any other membership that may be established by the club. Memberships will be upgraded and managed by the Club Administrator according to the terms of the Governing Documents. A membership will give the Consumer the right to book and use the lodging rights and services for a period of time, in a season, a suite type, in a Project subject to the reservation procedures and other stipulations of these rules and regulations. To ensure the right of a Consumer to request a reservation in accordance to the rules and regulations and within the time frames that apply. Membership will also give the right to Consumer to the non-exclusive right of use of common areas of Project during a period in which the Consumer will have the right to lodging services at that Project. Membership and club points are not titles for real estate rights and have not been registered as such in any jurisdiction.

A) General Membership.

(1) General. A membership right means the right of the Consumers to participate in club points program. In order to exercise the option to use the

Projects, the rights of use transferred to such Consumers will become club points, as described. Consumer will have the right to exchange the club points at the club for lodging or other services or benefits that may be offered by the club and made available by the Club throughout the membership of the Consumer.

(2) **Creation of Club Points.** Total number of club points in Club Caribe Villa del Palmar program will be the sum of all of the available club points, taking into consideration all of the suites. This inventory will have a value of club points associated with all of the nights of the year and the value will be based on the suite type including the cost of the Project, supply and demand in connection to the size of lodging, historical market occupation averages, seasons of the resort, holidays and special events, days of the week and other pertinent factors, determined by the Club Administrator. The total number of club points in the Club Caribe Villa del Palmar program may slightly vary from one year to the next due to the fact that the use may fall on certain dates in that year. The club points may increase with the addition of future phases and other Projects and other Resorts associated with the club.

(3) **Reallocation of Club Points.** In the best interest of the memberships collectively, the club administrator may decide to reallocate club points through the seasons, resorts and/or suite types. Such reallocations will be based on the research of the specific market data. The Consumers will be notified of any reallocation of club points, that is not a redistribution resulting from the addition or suppression of Club Resorts or locations, approximately 12 months before such reallocation is effective. At no moment will the original club points assigned to a Consumer at the moment of purchasing the membership be reassigned or diminished. The Club Administrator and/or the Developer of the Project may decide to remodel the Project at any time, improve the quality or other of any other Project, which may change the value of the club points associated with that Project.

(4) **Club Points Chart.** The club will provide a club points chart in which the club points value required for a Consumer to use their Use Period will be described. The club reserves the right to periodically modify, change and/or correct the Club Points Chart.

(5) **Allocation of Club Points to Consumers.** When a Consumer chooses to use their Use Period, the allocation of club points for that Use Period will be determined based on the membership certificate that is tendered at the moment of purchase. The date of the annual allocation of Club points may vary.

(6) **Use of Club Points.** The Consumer will have the right to use club points allocated to their membership during that specific calendar year. If a Consumer purchases their membership on a particular Calendar Year, the calendar year for that specific year will be the remaining period of that calendar

year. The club points that are left unused at the end of each calendar year will expire automatically and all of the rights associated with the club points that expire will be considered forfeited by the Consumer for that calendar year, if the Consumer does not bank those unused club points. Club Points may be combined with Preferred Points and used to upgrade the suite type only 60 calendar days or less before the check-in date. Reservations of consecutive stays using different types of points during the same stay are not allowed 61 calendar days before of check-in date. Members with Biennial memberships are not allowed to combine preferred points with their club points at any time.

(7) Additional Points. If the Consumer does not have sufficient points to reserve the desired unit or season during the Calendar Year, that Consumer may borrow club points from the following calendar years or rent club points, all of which will be done at a cost as determined by the club. The rental of club points will be limited to no more than 50% of the total number of club points required to confirm the desired reservation. A Biennial Consumer may only borrow club points from the following Use Period or rent club points up to 50% of the amount of club points that such Biennial Consumer owns. The Biennial members are only allowed to use additional points in their year for room upgrades, and may not use banked or accelerated points. A Consumer may only purchase additional club points in the terms of the prices designated by the club from time to time.

(8) Preferred Points. The Consumer may use additional Preferred Points up to the amount of club points purchased but may not exceed a maximum aggregate of two weeks of club points for each calendar year. These preferred points may be used between May (week 18) and October (week 43) of the calendar year and will be based on the availability of the units. The preferred points may not be converted to club points. The preferred points may only be divided into smaller amounts. A Consumer will pay the full maintenance fee for a full week of preferred points or a prorated maintenance fee for a use that is less than one full week of Preferred points. Preferred points, or part of these, may be exchanged through an exchange company but may not be banked, borrowed or rented. Preferred points or only part of these, may be requested for use by member up to 12 months in advance of the actual date of use of the preferred points in question. The preferred points, or only part of these, may be combined with the club points and used to upgrade the suite type 60 calendar days before the check-in date. Consecutive reservations using different types of points during the same stay are not allowed 61 calendar days before the check-in date. At least one of the members must be present during the stay for any use of preferred points. Reservations made with preferred points will be made under the name of at least one of the members and not in the name of any other person. Biennial Consumers have the right to use for Preferred Points



when these are consistent with other stipulations in the Governing Documents with respect to Preferred points.

(9) Elite Program. The Consumer of the Elite program is a Consumer with privileges offered exclusively through a loyalty program for Consumers that have purchased a determined number of multiple club points, weeks, and/or rights of use directly from the Club Project Developer in amounts determined by the developer and/or club administrator. Consumers of the program may have exclusive benefits and rights established by the developer and/or club administrator, including priority reservations, and the priority reservation and use of certain sections of the common areas. Elite Membership program and its terms may be offered and modified, either by the developer and/or the Club Administrator.

B) Biennial Membership. A Biennial member (also known as an even/odd membership) means that the right of the Consumers to reserve the lodging rights and services for any particular Use Period during alternate years, as indicated in the membership certificate. For example, a Biennial membership may allow the Consumer to use a particular period, during even years and another Consumer to use that same period during odd years. A Biennial membership will be associated to one of the other types of Memberships in the club and confers to the Consumers all the rights and duties related with related membership, unless otherwise established in these rules and regulations.

C) Fixed Week Membership. It is a membership in which Consumer has the right to reserve lodging services during a specific Use Period.

Section 1.38 **Membership Certificate**

The certificate issued by the club that can contain all of the following information, when applicable: (a) date and number of the membership agreement; (b) Value of club Points of the membership and their type; (c) name of Consumer(s); (d) Commencement Year, Expiration Year and Use Year (whether membership is even or odd); and (e) other information determined by the club administrator. In the case of conflict between the membership certificate and the Governing Documents, the Governing Documents will prevail.

Section 1.39 **Membership Purchase Agreement.**

It is the purchase and sale agreement by which a Consumer purchases a membership in the club in cash or financed, as well as all of the attachments and information associated with the above, which may be modified. In a conflict between membership agreement and the Governing Documents, the Governing Documents will prevail.

Section 1.40 **Internal Administrator**

It is the company or individual that will be responsible for the internal operations, administration and the maintenance of the Project including common areas.

Section 1.41 **Payment Default**

If the club has not received payment from a Consumer in connection with the maintenance fee due date or any other fee by the due date established in the notice of that fee that was issued by the club, and if such date is not established then it will be within the term of 30 calendar days after the club has made that notice (a "Payment Default"), the club will send a "First Delinquent Notice" to the Consumer. The First Delinquent Notice must, among other things, establish late charges charged to the Consumer of 12% or the amount that is determined by the club. After the delivery of the First Delinquent Notice, subject to the applicable law, the club will not accept reservation requests from the Consumer, will not mail reservation confirmations to the Consumer and will cancel any existing reservation that the Consumer may have already made and confirmed (such cancellation will subject the owner to the corresponding cancellation fee). Once the First Delinquent Notice has been sent, and after fulfilling the other requirements in the Governing Documents and the applicable law, the club will have no further obligation of assuring the Consumer the right of lodging and services at any project, even if the delinquent payment is afterwards received by the club. If the delinquent payments (including late charges) are not received by the club within 30 calendar days after the club issued the First Delinquent Notice, the club will then send a "Second Delinquent Notice" to the Consumer. The Second Delinquent Notice will include among other matters, a reinstatement fee for the Consumer in the amount that the club determines, together with interest at a maximum allowable rate by law, compounded daily with the overdue amounts, reinstatement fees, effective on the date of the Second Delinquent Notice and will continue until all other amounts have been fully paid. Additionally, the Second Delinquent Notice will notify the Consumer that the club may cancel the membership of the Consumer subject to the applicable laws if the overdue amounts (together with the late charges) are not paid immediately. In the case that the Consumer is allowed to exercise its rights of lodging and services associated with each one of his memberships before having paid all of the fees that are owed (both for the calendar year in course and the calendar years prior for each one of his memberships. If the rights of a Consumer are lost or suspended due to default of any of the payments, the club will have the right to rent the lost Use Period attributable to the membership and to receive income for the rental and the Consumer in default will not have the right to receive any part of that income.

Before the Consumer reserves any future Use Period, all of the fees must be paid for all of the used Use Periods. The First Delinquent Notice, the Second Delinquent Notice and all other communications will be delivered at the last known address for the Consumer in the club records. The club will charge the fees plus the estimated increase of these amounts that will be determined by the club. The club and its authorized agents will have the right, but not the obligation, of waiving any late charge.

(b) Besides the suspension of privileges and reservations and the cancellation of the membership due to lack of payment of the above-mentioned fees, the club administrator will have the right to suspend the voting rights of the Consumer for the longest period allowed by law and impose economic penalties in excess for late charges and for any other breach of the Governing Documents by any Consumer and/or authorized user.

Section 1.42 **Authorized User**

Means any person that is occupying the unit in the Project through any Consumer, the family members, friends, guests, owners or renters (when authorized) by the Consumer. Any act or omission of an authorized user will be considered an act or omission of the Consumer by or through whoever has allowed such authorized users to occupy the unit or access the Project.

Section 1.43 **Personal Charge**

3.50 USD (three dollars of the United States of America 50/100 legal tender in the United States of America) per night per room, payable at the end of the stay,) may be paid in pesos at the exchange rate published by the Central Bank of Mexico on the day that the payment is made) This fee may be increased in the future requiring the approval through vote of the majority of the Consumers.

Section 1.44 **Preferred Points**

These are the club points that are granted or purchased by a Consumer to be used during May (week 18) until October (week 43) of each calendar year.

Section 1.45 **Primary Use Resort.**

It is the Project indicated in the Membership Certificate of the Consumer as the Project in which the Consumer has a right as the Primary Resort. The Primary Use Resort may or may not be the destination where the Consumer originally purchased his Membership Agreement.

Section 1.46 **Projects**

Any Project of the club and/or Project in the internal exchange program.

Section 1.47 **The Related Party or the Related Parties**

The previous, present and future owners, directors, trustees, board members, employees, affiliates, agents, contractors, successors and designated parties of a person or entity. At no time will the person or entity and its related parties be considered as a related party of any other person or that of its related parties. The related parties of the club include the developer. The related parties of a Consumer include the Authorized Users of the Consumer and the Exchange Users and their Related Parties.

Section 1.48 **Rent or Renting**

It is the act of a Consumer of renting additional time or club points from the club for a specific use offered only one time by the Club Administrator.

Section 1.49 **Reservation Deadlines.**

Except otherwise indicated herein, all the reservations, banking, borrowing and/or rental associated with the week must be subject to the deadlines associated with that Week, established here in these rules and regulations (the "Reservation Deadlines").

(1) Deadline for reservations is up to the 1st of November.

(2) Biennial memberships associated with specific Use Periods will have the same reservation deadlines associated with the Reservation Deadlines of Regular Memberships associated with those same Use Periods. All of the Use Periods banked must also fulfill with the reservation deadlines that apply for each calendar year. The petitions for reservations received after the reservation deadlines will be less likely to be confirmed and will be subject to other provisions contained herein. In the case that a reservation is received at the club approximately at the same time and that may not be confirmed for a Particular Use Period, the club will confirm the reservations to the Consumers in an equitable manner, taking into consideration the past use or history of those Consumers.

Section 1.50 **Rules and Regulations.**

Means these rules and regulations which can be modified. Any reference contained in the Purchase Sale Adhesion Contract; regulation, norms and rules; Covenants, Conditions and Restrictions, CC & RS and similar matters, will be understood as if making reference to these rules and regulations.

Section 1.51 **Season or Seasons**

Any of the following three seasons:

Winter Season: weeks 1 to 17 and weeks 44 to 50.

Summer Season: weeks 18 through 43.

Holiday Season: this is the time assigned to a Consumer for the use of a unit in a Project that will include the week that contains the third Monday of February, holy week, Easter week, Thanksgiving week, Christmas week and New Year's week of each calendar year, subject to the payment of club fees associated with the club points used for the use period in question, and should not involve club points that are banked, borrowed, rented or accelerated. The use of the holiday weeks will be with a minimum consecutive stay of seven nights, 14 nights or more, with checking-in either on Saturday or Sunday. Reservations made within 60 calendar days or less of the date of arrival, are not subject to these restrictions.

The club reserves the right, to modify the dates of the seasons in order to adjust a peculiar demand for temporary circumstances, however no change will reduce or shorten the season for the Consumer, due to the fact that this is established in the membership agreement.

Section 1.52 **Service Period.**

Means that in regards to each unit, the period of five hours between the check-in time and the check-out time reserved by the club for maintenance, housekeeping and repair of the unit and the common furniture.

Section 1.53 **Extraordinary Fees**

Extraordinary fees will be those payments generated by unforeseeable events in the operation and normal maintenance of the property or the establishment that are urgent, necessary or indispensable for the complete or partial conservation of the above; as well as of its common areas, installations, equipment and services; for the conservation or replacement of furniture or equipment, or those without which the establishment or part of it are at risk of being lost, destroyed or deteriorated in such a way that can no longer be used for the provision of the timeshare services.

Section 1.54 **Suite**

It is one of the individual residential units in a project, including the common furniture contained herein with the balconies included, which are reserved for the use of the Consumers that bought the Club Membership.

Section 1.55 **Suite Type**

It is the type of unit designated in the membership certificate of the Consumer in which such Consumer has the right to exercise the lodging rights and services.

Section 1.56 Description of the Movable Property and Real Estate Property.

- **Studio:** Studio consisting of: 2 Queen size beds or 1 King size), Kitchenette, Mini refrigerator; Microwave, a flat screen TV, with cable and/ or satellite service, A/C, ceiling fan and bathroom with tub. The maximum occupancy is two adults and two children under 12 years of age, with a service area of 533.45 square feet. (49.m2).

- **One Bedroom:** One bedroom unit with 1 King size bed, and a sofa bed in the living room, Jacuzzi in the master bedroom, full kitchen with refrigerator, living room, stove, 2 bathrooms, Microwave, washer / dryer, dishwasher, 2 flat screen televisions with cable or satellite service, private terrace, air conditioning and ceiling fans in the room. The maximum occupancy is 4 adults with an area of 1,140.97 square feet (106 m2).

- **Two Bedroom:** Two bedroom unit with 1 king size bed in both bedrooms, sofa bed in living room, Jacuzzi in master bedroom, full kitchen with refrigerator, microwave, stove, dishwasher, washer / dryer, 3 Flat screen televisions with cable and/or satellite service, private terrace, living room, central air conditioning and ceiling fans in each bedroom, dining room and 3 bathrooms. Maximum occupancy 6 people, with an area of 1,700.48 square feet (157.m2).

- **Two Bedroom Ocean Front.** Two Bedroom Unit (ocean front) with 2 king size beds in each bedroom and a Murphy bed in the living room, Jacuzzi in both bedrooms' bathrooms, full kitchen, refrigerator, microwave, stove, dishwasher, Washer / dryer, 3 flat screen TVs with satellite and/or cable service, private terrace, living room, central air conditioning, ceiling fan in every room, living room and dining room, 2 ½ bathrooms. Maximum occupancy of 6 people with an area of 2,763.84 square feet. (253 m2).

- **Two Bedroom Penthouse Terrace.** With 2 king size beds in each bedroom and a sofa bed in the living room, Jacuzzi on the terrace, full kitchen, refrigerator, microwave, stove, dishwasher, washer / dryer, 3 flat screen televisions with satellite service and/or Cable, private terrace, living room, central air conditioning, ceiling fan in each room, living and dining room, 3 bathrooms, two hot tubs, a steam bath in master bedroom. Maximum occupancy of 6 people with an area of 3,363.73 square feet. (308. m2).

- **Three Bedroom Ocean Front:** Three Bedroom Ocean Front Unit with two king size beds, 2 full size beds, Jacuzzi in master bath, full kitchen, refrigerator, microwave, stove, dishwasher, washer / dryer, 4 flat screen TVs with cable or satellite service, private terrace, living room, central air conditioning, ceiling fans in each room, living room and dining room, 4

bathrooms. Maximum occupancy of 8 people with surface of 3,402.47 square feet (316.10 m2).

• **Three Bedrooms Penthouse with Terrace:** Three Bedroom Unit with three King Size beds, a sofa bed in the living room, Jacuzzi on the terrace, full kitchen, refrigerator, microwave, stove, dishwasher, washer / dryer, 4 Flat screen tv's with cable or satellite service, private terrace, living room, central air conditioning, ceiling fans in each room, living and dining room, 4 bathrooms, two hot tubs and a steam room in master bedroom. Maximum occupancy of 8 people with surface of 4,609.60 square feet (430.00 m2).

Section 1.57 **User**

Any Consumer, authorized user, authorized exchange user or any other person that uses the unit in the project. Each user must be at least 18 years of age or be accompanied by a person that is at least 18 years of age. If the eldest user of a unit is less than 25 years of age, then the club and/or internal administrator will have the right to request (I) an additional authorization in writing tendered to the club, (II) a credit card number and an authorization guaranteeing any payment that is not charged for damages incurred by the user, (III) a security deposit of \$500 (may be paid in pesos at the exchange rate published by the Central Bank of Mexico on the date that the payment is made) or any other amount determined by the club and/or the internal administrator that will be guaranteed to the club at the time of check-in at the project and before occupying the unit, and subject to deductions for charges not paid, or damages, and/or (IV) any other guarantee that the club and/or the internal administrator may deem necessary to protect the unit, project and the club.

Section 1.58 **Vacation Bank**

It is the system or program carried out by the club to allow the Consumers to save and bank unused Use Periods for use in later years.

Section 1.59 **Week or Use Period**

It is the time and Use Period that is designated in the membership certificate of the Consumer during which the Consumer has the exclusive right to use the lodging and services rights in a unit and the common areas associated in accordance with the Governing Documents. For the purposes of the Governing Documents, a week or Use Period can constitute a different time period of (more or less) than the traditional week of seven calendar days from Sunday to Saturday.

(a) **Fixed Week Memberships.** In respect to the fixed week memberships, each Use Period will consist of a period of seven consecutive calendar days and it will begin each Saturday at the check-in time and it will end next Saturday at the checkout time.

(b) General Memberships. Each Use Period will consist in a number of calendar days and it will begin at any check-in date and it will end on the check-out date that is determined in accordance with the Consumers and the check-in date may be any day of the Use Period.

(c) Floating Holiday Season. Each Consumer that requests their reservation in a floating week during the holiday season at any project, may choose the check-in date in accordance to these rules and regulations; given, however, that the Use Period will only include one holiday within the Use Period requested, example: either Christmas or New Year's, holy week or Easter, with a minimum stay of seven nights.

(d) Week Numbering. The weeks of each calendar year will be numbered consecutively. Once a membership is purchased, the Consumer will be given a calendar that shows the weeks of each calendar year for the duration of the membership of the Consumer.

(1) Fixed Week Memberships. For fixed week memberships, week 1 will be the Use Period that begins on the first Saturday of January and week 52 will begin its Use Period on the last Saturday of December, except and when reviewed by the Club Administrator when the calendar of the year includes week 53.

Other memberships. For other memberships, week 1 will be the Use Period which begins on any day of the week during the first seven days of January (as designated in the membership certificate), and week 52 will be the Use Period beginning on any day during the last seven days of December (as designated in the Membership Certificate). Except and when reviewed by the Club Administrator when the calendar of the year includes week 53.

F) Non-compete. A Consumer and its related parties may not carry out any commercial activity or of any other type, directly or indirectly, that directly or indirectly competes or negatively affects any business or interest associated with the projects, the club, the club administrator and/or the developer including any rental, sale, resale, financing and other disposition of memberships or intervals shared on a commercial basis. Any income that a Consumer or its related parties may directly or indirectly receive in connection with any business or any other competitive activity will be executed in constructive trust by the recipient of these and for their benefit, and directed to the Club or its delegate. This stipulation does not prohibit a Consumer from renting or selling the membership of those Consumers, in conformity with these Rules and Regulations.

Article II. Restrictions in the Lodging Rights and Services

Section 2.01 Lodging Rights and Services

Subject to all the terms and conditions contained herein the Governing Documents, each owner of a fixed week membership will have exclusive lodging rights and services for each fixed week membership in a specific suite and a non-exclusive right (subject to the restrictions in the Governing Documents) to use and enjoy the common areas during a specific Use Period of each calendar year that such Consumer has bought according to the membership certificate. A Consumer may only use the exclusive lodging rights and services associated with that Consumer's membership only during the reserved Use Periods and at no other time. A user being lodged in a Project will not use the common areas or services of any adjoining resort.

Section 2.02 Restrictions

Each user will maintain the unit in which they have the lodging rights and services as well as the common furniture therein, in good conditions and in the same conditions in which the Consumer or authorized user received the unit, and will vacate the unit at the check-out time associated with their Use Period, pick up all of their personal belongings (except the common furniture), leave the unit and the common furniture in good conditions just as it was found, and in regards to everything else, fulfill the check-out and other regulations that may be included in these Rules and Regulations. Any charge or expense incurred or that may be incurred due to damage or loss at any project caused by a Consumer or their authorized user, will be charged to the Consumer as a personal charge according to section 6.08 and the lack of payment of such personal charge will be cause for the suspension of the privileges of the Consumer membership until such personal charge has been paid. Each user will report any damage or deterioration in their assigned unit or in the common furniture to the internal administrator as soon as possible after check-in. Except when required to prevent damage to persons or property in an emergency, no user will make or authorize alterations to the unit or it's common furniture; painting, redecorating or attaching articles to the walls, roofs, floors, windows or doors adjoining to another unit or remove any portion of the common furniture without the prior consent in writing of the Internal Administrator.

Section 2.03 **Failure to Vacate in Time.**

The matter is regulated in section 1.22 of these rules and regulations.

Section 2.04 **Maximum Occupancy Limitations**

The maximum number of persons allowed to occupy by each Suite Type will be as follows:

1. Studio: four persons (two adults and two children under the age of 12)
2. One bedroom: four persons
3. Two-bedrooms: six persons
4. Two bedrooms with beachfront, six persons
5. Penthouse with two bedrooms: six persons
6. Three bedrooms beachfront: eight persons
7. Three-bedroom penthouse: eight persons

Such occupation will apply only to the use by one Consumer or authorized user and not for an exchange user. The limitations of occupation imposed for exchange users will be in accordance with the requirements of the exchange company that provides it, however it will at no time exceed the limitations established above. In the case that a user arrives to the Project and attempts to register persons that exceed the maximum number allowed for the Suite Type in question, the internal administrator, may allow that an additional person is lodged in that Suite Type, however, the user will be imposed with a personal charge in the amount determined by the internal administrator for that additional person for towels, sheets, beds, housekeeping and other additional services. In the case that the user arrives at the Project and attempts to register more than one person in excess of the maximum allowed for the type of unit in question and the internal administrator denies the lodging of any additional person, the user may rent an additional unit, if there is availability, at the rack rate (that is the normal rate), minus any discount that may be established by the club from time to time or seek lodging elsewhere with charge to the user and at his option. For the purpose of calculating the occupancy of any unit or Suite Type under this section, each child over two years of age occupying the unit will be considered as a person.

Section 2.05 **Entry Rights**

Without limitation to this, the internal administrator and its related parties, will have the right to enter the units and the common areas with the purpose of carrying out administrative tasks, maintenance and other duties and obligations and have the right to enter the units during the periods of service for each

Use Period and the Annual Maintenance Period. The internal administrator will have an access key for all the units. In case of emergency, the internal administrator, and its related parties, and other employees of the project, may immediately enter the unit, and in such case, they will notify the user occupying such unit, as soon as it is reasonably possible of the reason of such entry. No user may block or alter any lock or install a new one on any door of any suite.

Section 2.06 Transfer of Membership

(a) General. A Consumer may directly or indirectly sell, assign, place liens or in any other manner assign (“transfer”) all of his Membership given that such transfer of membership will be complete, and include all of the rights of the membership that will be transferred (it will not be less than the complete Use Period that constitutes each membership). Any transfer by any Consumer that is less than all of the vested interests of the membership will be considered null, invalid and without any effects. A Consumer may not transfer their membership during the first year.

A Consumer may not transfer their membership except when the Governing Documents allow it and by any contract in which the Consumer is a party to. A Consumer will not transfer their membership except when it is specifically authorized by the Governing Documents and by any agreement that the Consumer is a part to. Certain benefits and rights associated with certain memberships may not be transferred as determined by the club administrator, especially if such transfer does not comply with the Governing Documents, and to the following: (a) the Club Points may be eliminated from the membership transferred and reverted to a traditional Membership based on weeks; (b) the Preferred Time may be eliminated from the transferred membership; and (c) additional charges may be required to complete that transfer.

If a Consumer wishes to transfer their membership before fully paying the total purchase price of the membership agreement that is associated with such membership, that Consumer must first obtain authorization in writing of such transfer from the intermediary provider designated in that membership agreement, that may or may not approve of such transfer and without the approval, such transfer will be considered invalid and null. If a Consumer (the “assignor”) transfers a membership, any Consumer, recipient, assignee or beneficiary (the “assignee”) will specify in the agreement, in writing, that they will comply with the membership certificate and Governing Documents.

No transfer will be valid until the following conditions have been met completely to the satisfaction of the club. (I) Any charge and financed purchase has been fully paid and the membership is current pursuant to the Governing Documents; (II) when a notarized document with all of the signatures

authorizing the transaction and the corrected membership certificate in question has been tendered to the Club; (III) the assignee has signed before a notary public the documents for the club with their name, address and telephone number and has delivered the agreements related to the Governing Documents, to the club; and (IV) by agreement of the Assignee to pay the balance, in the case that the membership of the Assignor has not been paid to the club by the latter. A transfer fee in the amount that will be determined by the club must also be paid to the club to consummate such transfer. Once the requirements for transfer established in this section have been fulfilled, a new Membership Certificate will be issued to the assignee and the membership certificate of the Assignor will be canceled. Once the change of ownership has been completed in the records of the club, the assignee will assume all of the current reservations previously made by the assignor. The club will notify the assignee of these reservations that will be assumed.

(b) Notification. Within 10 calendar days of the transfer of any membership, the Assignor will notify the Club in writing of such transfer. Such notice will provide the name, address, phone number and email address (if there is one) of the Assignor and Assignee and the date in which the transfer took, or will take place. Unless such notice is given and the conditions in this section, are met (I) the Assignor Consumer will remain subject to the obligations in the Governing Documents and will be responsible for any and all payments and/or liabilities imposed or incurred in connection to that membership, and (II) the Club is not required to recognize the Assignee for any purpose. Before receiving such notification by the Club, any communication required or permitted by the Club will be deemed duly delivered and made to the Assignee if properly made and delivered to the Assignor.

(c) Status of Points. Notwithstanding any provision herein indicated, after the transfer of the membership, the Assignor will waive any and all rights to use any remaining Club Points associated with that membership. If the Assignee is an immediate relative of the Assignor (e.g. spouse, sibling (s) or children), then use rights associated with the membership that was transferred will continue unchanged and the Assignee will assume the remaining Club points of Assignor up to the date in which the Club Administrator acknowledges the transfer.

(d) Right to Transfer. Notwithstanding, the provisions presented herein, if a Consumer wishes to transfer any right, title or any other provision of the membership agreement or the Purchase Agreement, the Consumer will first deliver the purchase agreement to Constructora Villa del Palmar Cancun, a Mexican company, or its agent (“intermediary provider”); the Notice in writing of the proposed transfer along with the price and all other terms and conditions relating to the transfer (the “Notice”). Within the first 30 calendar

days following the date that the intermediary provider receives such notice (the “Notice Date”), the intermediary provider will have the exclusive right of first refusal to purchase the membership or the Purchase Agreement at the same price, terms and conditions of the proposed transfer (the “Right of First Refusal”). If the intermediary provider does not exercise its right of first refusal by law, then it will automatically gain full force (I) The Consumer will never change the price, terms and conditions of the proposed transfer contained in the notice delivered to the intermediary provider, or (II) the Consumer does not complete the proposed transfer within 90 calendar days from the date of notification.

(e) **Security interest.** Except as provided in Section 2.06 (a), no Consumer will allow their Membership to be subject to a lien, claim or charge, the enforcement of which may result in a sale or threaten the sale of the membership or any part thereof, of any other Consumer, or pose an interference with the use or enjoyment thereof by any other Consumer. Any authorized lien shall be subordinate to all of the provisions of the Governing Documents. The Governing Documents will be complied by any Consumer whose title arises through the enforcement of a security interest held in a membership due to any public or private action. Notwithstanding any other provision of these rules and regulations that does not violate the provisions mentioned hereon, nor the application of any security interest created under the provisions herein. May defend or cancel the purchase of a security interest of any Consumer’s membership, if it is given in good faith and for its value.

Section 2.07 **Memberships**

(a) **Membership Protection.** Notwithstanding what is provided in Section 2.06 (d), a Consumer will not allow his membership to be subject to a lien, claim or charge, the implementation of which may result in the sale thereof or threaten the sale of the membership or any part of it; or any part of that of another Consumer or any interference with the use and enjoyment thereof by any other Consumer. No Consumer will request judicial partition or an equivalent process, of any Project, unit or Membership. Any right that any alleged owner or tenant may claim to have jointly in regards to any project or Unit, is hereby waived and it will be governed as provided in the terms and conditions of the Governing Documents. In the case that the lodging rights and services or any portion of the project, Unit, Common Areas or Common Furnishings are threatened by a lien, claim or charge against any Consumer and/or Membership of that Consumer, or if a legal procedure is carried out and has an effect on any such sale or interference, any Consumer acting independently or on behalf of another Consumer (if the acting Consumer or the Club are quickly indemnified to their entire satisfaction) may, but will

not be required to, pay the lien charged without first asking the correct amount in case it is provided, the Consumer to whose interest is given in the security, claim or charge, will immediately pay the amount spent so that the Consumer or the Club, to whom the payment was made or in favor of whom the lien, claim or charge, was in favor of; together with the reasonable legal costs and other costs related and incurred in by the Consumer or the Club. No Consumer will place his interests in any fund that is subject to any lien, charge or other claim or legal process and will reimburse the club all reasonable legal fees and other costs incurred therein.

(b) Consumer recitals. Each Consumer represents and warrants to himself that the following statements are veritable, correct and truthful in the terms of the membership:

(1) The Consumer has received, read, understood, approved and signed the Governing Documents.

(2) The Club and/or its Related Parties are not obliged to pay the Consumer for referring potential future clients to the Club and/or its Related Parties.

(3) The Club and/or its Related Parties have not made any representations, warranties or promises to Consumers that Consumers will get some income or gain rental income, profits or use due to any lodging rights and services associated with the Governing Documents, Club and/or the Membership. The Consumer understands that the Membership and Club Points are not guarantees or real estate property ownership and have not been registered as such in any jurisdiction.

(4) The Consumer has been given adequate opportunity to investigate and become familiar with all aspects and components of membership and the Consumer is relying on his own research and knowledge and not on any statement, representation or warranty made by the Club and/or its related parts except as provided in the Governing Documents.

(c) Limited Representations. Each Consumer accepts its membership as it is, without any representation or warranty made by the Club and/or its Related except for the limited warranties that may be granted to the Consumer in writing by the Parties in the Purchase Agreement (collectively the “Limited Warranties”). Each Consumer recognizes that other than the limited warranty, the Consumer is acquiring the membership as it is, without representation or warranty and the Consumer or related parties of the Consumer did not rely on alleged representations, warranties, promises or representations attributable to Club and/or its Related Parties, or someone acting or allegedly acting on behalf of himself and no other matter will be binding for the club and/or its Related Parties.

(d) Rentals and Disclosure of Rentals. A Consumer can rent or resell their Use Period to others in accordance with the terms of the Governing Documents, however, the process of rent or resale is the sole responsibility of the Consumer and the Consumer releases and indemnifies the Club and its related parties regarding any liability or expense associated with such rental or resale. In the event that a Consumer rents his Use Period to others, the Consumer will be responsible for the behavior of tenants and their guests at the Projects. A Consumer can rent or resell his Use Period directly through the Consumer's own efforts or through any company, person or rental / resale program, except through an employee associated or employed by the Club and/or its Related Parties or any intermediary provider associated with the initial purchase or upgrade in its case. In addition, the intermediary provider of a Consumer, is not allowed to represent any specific rental or sales rates or consult any rent / resale companies for any Consumer. Every Consumer understands that there are several rental / resale companies in the market, but many are not reliable companies with a proven track record. The club does not recommend or suggest any rental / resale companies. Each Consumer acknowledges that they did not acquire the membership with expectations of receiving rental/resale income to offset the purchase price, maintenance fees or other expenses associated with the Membership.

e) Owner information.

(1) Definition. For the purposes of these Rules and Regulations, "Confidential Information" means all names, acronyms, logos, trademarks, service marks, trade secrets, copyrights, domain names, websites, brands, electronic materials, technologies, concepts, ideas, products, plans, drawings, works of authorship, models, licenses, patents, (whether or not patentable) inventions, customer and Consumer lists and information, files, databases, manuals, pictures, videos productions audio, music, text, applets and other intellectual property associated directly or indirectly with the projects, the club, the Club Administrator, and/or the developer along with variations, modifications and updates thereof.

(2) Restrictions. Every Consumer and its Related Parties will not, directly or indirectly, at any time and in any way (I) Acquire rights for placement of any confidential information or use any Confidential Information in any form of advertising or marketing materials or media communication, including but not limited to internet and web advertising, (II) guide, solicit, or otherwise exploit any proprietary information, to seek or provide business services or products to any person or entity in connection with any information of the Owner (III) use or allow any web site, to use methods of predatory advertising designed to drive traffic to websites related to proprietary information in any way, including the creation or overlapping links or banners, websites, browser pop-up windows, or using any other method to generate traffic to a web site; using owner information without

owner's knowledge and authorization; (IV) use, copy, decompile, disassemble or reverse engineer the classified information, (V) creation of intellectual property, product, service or technology that it is based on, takes place in, and is derived from uses, and employs or incorporates any owner information; (VI) make any commercial use of classified information, (VII) disclose, solicit, or make contact with agreements respecting the Owner Information, and/or (VIII) have no right, title or vested interest in the Owner Information.

(3) Liquidated damages. All Consumers stipulate and agree that any violation of these agreements in respect to the Owner information will cause damages in amounts that are difficult, if not impossible, to determine in detail. Therefore, it established that in case of breach of such clauses regarding the Owner information, the offending person must pay the Club Administrator US\$100,000 (may be paid in pesos at the exchange rate published by the Bank of Mexico on the day of the payment) as long as the courts determine it, the amount acknowledged is the best estimate or assessment of damages by such infringement stipulated, and the amount is recognized as reasonable and neither punitive in nature nor a fine.

Section 2.08 **Granting of Lodging Rights and Services by an Authorized User**

In the event that a Consumer grants lodging rights and services to an Authorized User, (a) the Club may charge a fee in the amount determined by the Club for issuing a Permit to the confirmed User; (B) the Consumer will provide the authorized user with a copy of the Governing Documents; (C) the Consumer will specifically notify the Authorized User of the maximum occupancy of the unit; and (d) the Consumer is always liable for any and all personal charges, costs and expenses or damages not paid or arising from the Authorized User's use of the Club, including User's failure to comply with the Governing Documents.

If a Consumer authorizes any other person or company to access the membership of that Consumer or account information, the Club may (I) require that the Consumer and the authorized party, sign documents of acceptance into the Club stipulating the nature, terms and conditions of such authorization and access; and (II) charge a fee in the amount determined by the Club to be accepted and allowed such access.

Section 2.09 **Common Area Restrictions**

A user with non-exclusive right to use the Common Areas of the project, is subject to reasonable restrictions including:

(a) **Disturbances or Discomfort.** Radios, stereos and televisions will be used at a volume that does not disturb the comfort of others. Users will not cause any disturbance that annoys other people staying at the Project. The noise should be kept to a minimum between 11:00 pm and before 8:00 am Any user who is bothered by the volume of any radio, stereo, television or similar devices used by others should report the matter at the front desk, and abstain from directing the complaint to the person who is causing the disturbance.

(b) **Behavior.** Users will comply with all the rules and regulations including regulations regarding Club pools, grill areas, recreational facilities and all other common areas of each project. Users will abide by general standards of conduct whether or not specified in the Rules and Regulations. Users will behave in a reasonable manner and abstain from displaying offensive, annoying or threatening behavior while on the premises of the Club. With the appropriate attire required for pools, beaches, restaurants, recreational facilities and all other common areas.

(c) **Visitors.** Each Project is a private facility. Unauthorized Guest visitors are not allowed in the Project. The Users may invite them to Project provided the conditions in this paragraph are met to protect the safety and comfort of all users. Before any visitor is allowed in the Project, he or she must first obtain a visitor's pass with the Internal Administrator. Unless a midnight pass is obtained, each visitor's pass is valid only for one day between 8:00 am and 11:00 pm or such hours to be determined by the Club or the Project in question. Users may obtain passes at night for their guests in the Project at the reception after the visitor has shown a photo ID and confirmation of user's financial responsibility for the visitor and providing the appropriate security deposits, credit card information, or other guarantee to be determined by the Internal Administrator. The administrator has the right to deny the visitor passes or night passes to any guest who does not seem to meet the standards of conduct, or has violated or appears likely to violate the Governing Documents of the Club. The number of visitors allowed in any Project or in a Unit may be limited by the rules of each Project. Each Project will have the right to determine and impose a nightly fee for visitors, as this may be determined by the Internal Manager.

(d) **Glassware.** Coolers, drinks in glass bottles or other glassware will not be allowed in the pool area, Jacuzzi, beaches and other public areas.

(e) **Children.** Children under 12 years of age must be supervised and accompanied at all times by an adult while in any pool area. Children under 12 are not allowed to use hot tubs, wet areas and gyms. Users can not play or make loud noises in the hallways, parking areas, driveways, streets or at the front desk. Users are responsible for the behavior of their children and must make sure that their children do not disturb others or cause damage or injury to any other person in any Club Project and/or its Related Parties.

(f) Storage. Towels, swimwear, clothing, or any other personal items will not be hung on the railing of the balcony or left to dry on balcony furniture. No clothing, brooms, cardboard boxes or other containers or cleaning equipment may be placed on balconies, corridors or windows that can be seen from outside the building where there are visible balconies, corridors or windows. Shoes, sandals, laundry, trash in bags or not, strollers, bicycles, rugs, surfboards and other similar items should be stored inside the unit of the User and not in hallways, building entrances, balconies or any other common area. Large flames, fire, grill or other cooking items are not allowed on the balconies or inside the Units. The user may not remove the balcony furniture, or any of that placed inside the Units or Common Areas by the club or the Internal Administrator.

(g) Trash. Garbage and waste should be placed in containers located in designated areas throughout the Project. Any food waste should be wrapped to minimize pest infestations.

(h) Pool Furniture. The use of pool chairs and outdoor furniture will be in order of arrival. The pool chairs and outdoor furniture can't be reserved for extended periods of time just by of placing personal items on these. Any pool chair or outdoor furniture that remains unoccupied for more than an hour, even if personal items are there, will be deemed not reserved and unoccupied and may be assigned to another person by the Internal Manager or its agents or designated employees. The Club will not be responsible for loss or theft of personal items left anywhere in the Common Areas.

(i) Facilities. The use of each sports facility, food and beverage and other common areas of the Project are in order of arrival, unless the Internal Manager permits reservations.

(j) Food and Beverage. Eating and drinking should take place only in the areas designated by the Club such as restaurants and other areas indicated by the Internal Manager.

(k) No vendors or Advertising. No vendors or advertisement will be allowed in public areas without the prior written consent of Internal Administrator, including distribution of leaflets posters or other in hallways, or anywhere in the common areas and/or soliciting anywhere in the Project. Consumers are advised to address their complaints in writing to the Club Administrator.

(l) Risk. Use of all common areas and facilities, including swimming pools, spas, wet areas, gymnasiums, beach areas, oceans and other recreational facilities and equipment will be used at the user's own risk. The Club will not be liable for injury to any person, or damage or loss of property of any user for any reason. Users are responsible for their own safety and

the safety of their guests at all times. Since wet surfaces can be dangerous, Users should take precautions at all times around the pool, wet areas, and in all other areas and buildings entrances, particularly during and after rain or where there may be water. Users should practice high cautionary measures while at the beach and are hereby reminded that in most cases, the beaches are owned by the country in which the Project is located and in such cases the beaches are controlled by the Government and not by the Club. Users are reminded that recreational activities such as parasailing, water skiing, jet skiing, using individual or personal watercraft, fishing, diving and snorkeling carry risks and users must be extremely careful in taking part in these activities. The Club and its related parts do not support, endorse or are in any way responsible for the participation of any person in such activities outside the Project, such as parasailing, water skiing, jet skiing, use of individual or personal watercraft, fishing, diving and snorkeling and such activities are carried out at the user's own risk.

(m) Money Exchange. The Club Administrator may allow users to exchange foreign currency. The exchange rate will be the equivalent in local currency at the exchange rate at the place and on the date of payment. The exchange rate to be determined according to the dispositions made for this purpose issued by the Central Bank of Mexico. The Resort has the right to refrain from offering currency exchange services. The Resort may charge an administrative fee for the currency exchange that will be determined by the Sole Administrator.

(n) Safety Deposit Box. Safety deposit boxes are available at the front desk or in the unit at no charge. Users should not leave valuable items in their units. Neither the club nor its parts will be liable for any loss or damage to any personal items that have not been put in a safety deposit box at the front desk of the Project. Users will pay a fee for the replacement of each key to the safety deposit box that is lost by the user.

(o) Check-out. When checking out of the Unit, users must completely vacate the unit and bring the following to the reception: all luggage and other personal belongings, all beach towel receipts, keys to the safe and all room keys.

(p) Keys. User will be charged a fee for the replacement of any key lost by the user.

(q) Pools. All pools are open from about 9:00 am to 9:00 pm all calendar days or at any other time established in the Project in question. The hot tubs may be open longer according to each Project. Diving, climbing, running or jumping from any of the sections or islands in any of the pools is prohibited. Users should check the water depth marks (located next to

each pool) before entering the pools. There are no lifeguards at any time in pools, hot tubs or beaches. The use of any of the trampolines and slides, (where these exist) and the use of hot tubs and pools have risks. Users must use pools, trampolines, slides and jacuzzis carefully.

(r) Pets. Pets or other animals are not allowed at the Projects at any time. Except for duly authorized persons with special disabilities.

(s) Parking. Users may not leave cars unattended at the entrances of the lobbies or maintenance and unloading areas. Parking is available in order of arrival. Repair of engines, boats, surfboards or other equipment or storage of such equipment is not allowed in the parking spaces or other parking areas in the Project.

(t) Smoking. All Consumers must comply with the current Smoking Policy in effect at the Resort (s) in which they are on vacation.

(u) Towels. The towels for the beach and pool will be available in booths at pool areas between 9:00 am and 5:30 pm daily, or at any other time established in the Project in question. Each user is entitled to one towel per person, and will be responsible for returning the towel in good conditions. Towels may not be carried off the Project at any time. Unit Towels may not be used in swimming pools, hot tubs, beaches or at any other common area. Users will be charged a fee for each towel lost by the user. A user who needs a towel on the day of departure may get a towel pass at the front desk to get a towel after leaving a deposit or credit card voucher as security deposit.

(v) Spas and Wet Areas. The Club and its authorized affiliates may charge a fee they determine for the use of spas and gyms in the Projects. Except Villa del Palmar Vallarta and Villa del Palmar Cabo, the club and its authorized affiliates may collect the fee they determine for the use of wet areas in Projects.

(w) Use. Users will only use the accommodation, facilities and services associated with the club and its Projects and units for their own personal use according to the Governing Documents and applicable law and not for any commercial use.

(x) Reserved use. Club Administrator, Developer and/or its Related Parties will have the right to designate certain sections of the Common Areas for priority booking and to be used by certain Consumers for specific purposes.

(y) Governing Documents. The Club Administrator and its Related Parties are authorized to enforce the Governing Documents against any user. The Club Administrator and/or its Related Parties are not responsible for the violations of Governing Documents by any User.

Article III. Reservations

Section 3.01 Reservations System

(a) **General.** The Consumers can reserve a portion of their Use Period in a Project and the rest of that Use Period in one or more Projects subject to availability of Suites in those Projects during the Use Period in question. Consumers may divide a Use Period in two separate units with a minimum of two nights stay as a requirement. If a Consumer does not use its Use Period in the calendar year, then there will not be an accumulation of unused Use Period unless the Consumer has banked the Use Period in accordance to the rules and regulations. The Biennial Consumers can only divide their Use Period for season upgrades and not for any other purposes.

(b) **Reservation Requests.** Requests for reservations can be made in person, online, by phone, email, fax or regular mail. A reservation request will only be accepted by the Club if the Consumer has paid all its obligations and is compliant with all the rules in Governing Documents and Membership purchased. Requests for reservations will be confirmed in the order that they are received. A request made in advance will have a better chance to secure confirmation. The Club may require that all reservation requests are written regardless of any other mode of communication permitted by this section. The ability of the club to confirm a reservation depends on the availability of the requested Suite Type. Therefore, the Club cannot guarantee that the specifically requested reservation is secured.

(c) **Pre-paid obligations.** Before accepting a reservation made by the Consumer in advance of a calendar year, the Club will require pre-payment of maintenance fee for the calendar year in question. The amount of the pre-paid fee will be the current amount established by the Club or if the current amount has not been established, then an amount determined by the Club which may include a percentage increase as projected and determined by the Club. The pre-paid fee will be credited to that Consumer and applied to the calendar year in question. If a pre-paid fee is less than the current fee, then the **Consumer** will pay the difference to the club within the next 40 calendar days of the delivery of the request to the Club. If the pre-paid fee is higher than the current fee, then the Club will credit the Consumer the excess the following year.

(d) **Club Priority Period.** As set out in paragraph 1.17 of these rules and regulations.

(e) **Reservations and Priority Periods.** In order to provide optimal use of the accommodations available at the Club, the Club has established various types of reservation periods that give priority to requests for reservations requested for multiple weeks or for longer stays, such as 7 night periods; over requests for reservations for accommodations in shorter stays such as three nights. When a reservation is made, Consumers should be aware of the priorities governing reservations and periods in which advance reservations can be made or in which they can be requested.

(f) **Deadlines for Reservations.** These will be governed by the provisions of Section 1.49 of these Rules and Regulations.

(g) **Changes to Reservations, Cancellations, No Shows and charges.** The Club will charge a fee to be determined by the Club to make an internal exchange or a subsequent internal reservation after the initial reservation for the rights of accommodation and services during any calendar year. Any cancellation or modification of a reservation during the first 24 hours after the reservation is made will not cause an administrative fee. After that, any cancellation or modification of a reservation will be subject to an administrative fee based on a scale as determined by the Club, except those Consumers who are entitled to a cancellation or modification without charge for a Use Period during each calendar year without incurring an administrative fee at any time. In the event that any Use Period has not been reserved by a Consumer before or at the time of the deadline for reservations, or if a confirmed reservation has not been canceled at least seven calendar days before the check-in Date, or if a Consumer has not taken possession of a reserved unit within 24 hours of their check-in time; then that Consumer will be considered having used the full period for which the reservation was made and charged accordingly and the Club or its authorized agents will have the right to: (1) charge a “No Show” cancellation fee and/or a reinstatement fee as determined by the Club or its authorized agents; (2) cancel the Use Period and the Club Points related to the Use Period in question; and (3) occupy the Unit and/or rent the unit to other Consumers or the general public, subject to the following conditions: (I) if the reservation is received at approximately the same time as that of other Consumers and the general public, the Consumer will receive priority; and (II) the sale of the occupied days to the public will not interfere with confirmed reservations made by the Consumers. Rental Income of any unit under this section will be paid to the Club and/or its authorized agents as the parties may agree, and no Consumer is entitled to any share in any part of the profits.



(h) Confirmation of Reservations. A reservation must be confirmed by the Club Administrator before it is considered valid. Confirmations will be made by the Club Administrator in writing, given however, that reservations received or confirmed after the deadline for Reservations may be confirmed by telephone. A reservation will not be considered confirmed by the Club Administrator if at the time of the request the Consumer is in breach of Governing Documents, or has pending charges or payments of any fee amounts.

(i) Early check-out. A Consumer, an Authorized User or an Exchange User that starts a Use Period but checks-out before the departure date, will not be entitled to bank, book, transfer, or even assign the unused time in the unit associated with the Club Points and the Club or its agents will have the right to rent the unused time to any other person without compensation for the Consumer, authorized user, or Exchange User who checked out before their departure date..

(j) Club-to-Club. In the case that the Club enters into a Club-to-Club Society with another Club or Project, benefits may be extended to Consumers allowing them to use specific Projects. The Club and/or its authorized agents will have the right to charge a fee for the use of those benefits as they may determine.

(k) Reservations. In addition to the other provisions regarding reservations in these Rules and Regulations, the following provisions are established so that in the event of any conflict between the provisions of this section and the provisions of any other section of these rules and regulations, the provisions of this section shall prevail.

(1) Making Reservations. A Consumer must first access the benefits of the Club and determine whether or not he or she has sufficient Club Points in their account to complete a reservation. To make that determination, a Consumer may either call the Club for assistance for the reservation, or use the chart of points given by the Club to each Consumer. There may be a limited number of units with oceanfront and penthouses available for reservations through the club due to the fact that the Club has assigned this inventory to Consumers of fixed weeks. Consumers may surrender their Club Points and reserve a Unit in a Project on behalf of an Authorized User. A Consumer may be subject to a special guest fee for the Club, once that any reservation is transferred. A Consumer may waive the Club Points and book a unit in a Project on behalf of an Authorized User. A Consumer may be subject to a guest fee by the Club once any reservation is transferred.

(2) Daily Use Period Options. A Consumer will be allowed to make reservations for Daily Use Periods at the Projects allowed by the Club and their respective Projects at times. The Club reserves the right to designate Use

Periods at which Daily Use Periods reservations will be allowed. The Club Points required to reserve a Daily Use Period will be subject to reasonable changes made by the Club without the consent of the Consumer, all of the above with the best interests of the Consumers, as determined by the Club. A Consumer that uses Club Points to reserve a Use Period or Daily Use Period may use the remaining Club points to book another Use Period or daily use period available.

(3) **Rentals.** A Consumer may book a Use Period based on availability, and rent the Use Period for the personal account of the Consumer. A Consumer can only rent a full usage period of 7 calendar days. The rental of a daily use period is prohibited. All renters must comply with applicable Governing Documents and laws. Once the reservation is made for the rental of the Use Period of the Consumer, the Consumer must notify the Club of the rental and pay any applicable guest fee or any other fee. Each Consumer must take responsibility and release, waive, defend and indemnify the Club and/or its Parties from any and all responsibilities, claims, actions, debts, liens, claims, liabilities, damages, losses and/or expenses, including lawyers' fees and collection costs incurred in by the Club and/or its parts at any time directly or indirectly, entirely or partially, in relation to rentals of the use periods of the Consumer, except when caused by negligence or intentional misconduct of the Club.

(1) **Waiting List.** In order to accommodate the high levels of demand for use of certain periods of the calendar year in the Projects, the Club will have the right to establish a special reservations waiting list for these calendar days that are not available to Consumers due to high reservations. The waiting list will be administered as determined by the Club Administrator basically as follows:

(1) A Consumer should make a specific request for inclusion in the waiting list and pay a nonrefundable fee for the waiting list, to be determined by the Club Administrator. When a Consumer asks to be put on the waiting list, that Consumer will also choose three alternative use periods. All waiting list reservations will be made on the basis of first come first served and availability. Upon cancellation or modification of a previously confirmed Use Period, the Club Administrator will offer the space available to the next Consumer on the waiting list. Reservations subject to the waiting list will be automatically canceled once the following occurs: (i) confirmation of one of the alternative use periods chosen by Consumer, or (ii) confirmation of an alternative Use Period offered by the Club to that Consumer.

(2) If the Club Administrator can't confirm a waiting list reservation, the Club Administrator may give priority to the Consumer by confirming the reservation of that Consumer for the following year by placing that Consumer at the top of the list for the next year, ahead of other Consumers who have asked to be on the waiting list for the following year.

(3) Once a Consumer has received the confirmation of a booking for the waiting list, that Consumer will be removed from the waiting list. If a Consumer rejects a reservation from the waiting list, that Consumer will be removed from the waiting list.

Section 3.02 **Unfulfilled Reservations**

It is the responsibility of the Seller or intermediary provider that the Consumer is immediately lodged in any establishment in the same place, and category and of equal or superior service quality to that established in the timeshare contract, provided that for reasons attributable to the Seller or intermediary provider, the agreed services cannot be provided.

Should the supplier or intermediary provider demonstrate that this obligation cannot be fulfilled for reasons beyond their control, they are obligated to pay the necessary expenses incurred by Consumer to travel from their place of origin to the establishment and vice versa in a term not exceeding fifteen calendar days from the date of evidencing such expenses.

Section 3.03 **Internal Exchanges**

Consumers can make internal exchanges of Use Periods with other Consumers of the Club, or Consumers in other vacation clubs or Projects established by the Club. Any internal exchange will take place in accordance with the procedures established by the Club and the exchange company. The person or entity designated by the Club to coordinate the internal exchange programs will notify Consumers in writing of such procedures.

Section 3.04 **Vacation Bank**

(a) **General.** A Consumer who does not use certain use periods or Club Points to which he or she is entitled, can save those Use Periods or Club Points for later use by placing them in a Vacation Bank for a maximum of 5 consecutive years, except that a Biennial Consumer may only deposit the Club Points until the next Use Period. The right of a Consumer to use a Use Period or Club Points that the Consumer has placed in the vacation bank is subject to availability based on the order of arrival. The Club may charge a fee to anyone who does not deposit their vacations before the deadline, and the Club Administrator will establish such fees. The ability of a Consumer to deposit his Use Period or Club points or use deposited Periods or Club Points will be subject to the requirements, which may be established by the Club. If a Consumer wishes to Bank a Use Period, the Consumer, taking the deadlines into account, may bank all accumulated Use Periods. The Club Administrator reserves the right to prohibit that a Consumer bank any use periods or Club Points if the Consumer has debts in regards to payment of any obligation or

if non-compliant with the Governing Documents. The Club Administrator reserves the right to suspend or modify the banking activity at any time, at the Club Administrator's good business judgment, if it is determined that such suspension or modification will result in improving the quality of the operation of the Banking Program all together.

(b) Banking. Furthermore, a Consumer can deposit Club points of the current use year in any of the following years, subject to the following restrictions:

(1) A Consumer can deposit up to 100% of their Club points of the current year to use during the next five years, to book multiple nights' accommodation or access the services and benefits of the Club. Banked Club Points can be used to book accommodations up to 24 months in advance of the reservation date in question.

(2) A Consumer must notify the reservation services of the Club of that Consumer's intentions to bank the Club points before the applicable deadline.

(3) A Biennial member may only use banked points to upgrade the season of use and not for upgrading the unit

Section 3.05 **Borrowing**

(a) General. A Consumer can borrow Use Periods or Club Points up to 5 years in advance of the current calendar year, except for the Biennial Consumer who can only borrow Use Periods or Club Points of the next year of use of that Biennial Consumer. A Consumer cannot borrow Use Periods or Club Points from the end of the Use Periods purchased. The total amount of existing Use Periods or Borrowed Club Points during a regular year will not exceed 5 years. When requesting to borrow, a Consumer will borrow the total Club Points held in a year; also it is prohibited for the Consumer borrow only part of the total of Club Points owned in a year. After a Consumer has used all 5 existing years and the Borrowed Use Periods or Club Points in the active account, then that Consumer will be allowed to borrow additional use periods or Club Points, provided that the sum of the Use Period or existing use Points does not exceed a total of five years for that Regular Year. The Use Periods or Club Points can be used to book accommodations at the Club up to 24 months in advance of the date of entry of the reservation in question. The right of a Consumer to use use periods or Borrowed Club Points is subject to availability on the basis of first come first served. A Biennial Consumer may only borrow club points of the following the yearly Use Period of that Biennial Consumer and they may only be used for season and not unit upgrades. The ability of a Consumer to borrow use periods and/or Club Points will be subject to notice and other requirements that may be established by the Club Administrator. If

a Consumer wants to request Use Periods or Club Points, these must be requested within the applicable deadlines.

(b) Fees. Upon borrowing of any Use Period or Club Points, the Consumer must pay in full all estimated fees for those use periods or Club Points provided in an amount to be determined by the Club (which may include a projected percentage increase determined by the Club from time to time) and the Consumer must be familiar with the Governing Documents. Since the Consumer must borrow the total Club Points held in one year, the Consumer must pay the Comprehensive Annual Maintenance fee when Borrowing Points. The pre-paid fees will be credited to the Consumer and implemented in the calendar year in question. If the pre-paid fees are lower than the current fees, then the Consumer will pay the difference to the Administration of the Club within the next 30 calendar days after delivery to the Club. If any of the pre-paid fees are greater than the current fees, then the Club Administration will credit the exceeding amount towards the following fees due by the Consumer.

(c) Other. During any calendar year, a Consumer can only use up to 50 percent of the Club Points of the annual allocation of Club Points of the Consumer for certain services of the Projects based on rules and regulations imposed by the Administrator of the Club. The remaining balance of Club Points on the account of the Consumer for that calendar year may be used for lodging at the Club or for use during the following year. If a Consumer cancels a reservation made with borrowed Use Periods or Club points, these may be banked once any applicable fee for cancellation is paid and any Use Period or borrowed Club Points will be returned to the status it had before the reservation in question. The Club reserves the right to prohibit Consumers from borrowing or using Use Periods or Club Points. If the Consumer has debts for payments of any of their fees or if they incur in violation of the Governing Documents; the Club reserves the right to prohibit that Consumer borrow Use Periods or Club Points during any calendar year during which the Consumer has purchased a balance of more than 50 percent of the principal amount of that loan. The Club in its reasonable judgment, determines that such suspension will result in an improvement in the quality and operation of the program as a whole.

Section 3.06 **Rental of Additional Time**

(a) Rental of Additional Time. Consumers also have the option to rent additional points to extend or acquire a Use Period. The amount of additional points that the Consumer can rent will be subject to availability depending on the order of arrival to the Club. Consumers can rent additional points while on the Project during a Use Period or when making

reservations. This rental option will only be available to Consumers who are familiar with the Governing Documents who use or have used all Use Periods or Club Points of the calendar year and who are seeking additional time at the Project without Borrowing future use periods or Club Points. A Biennial member may only rent up to 50% of points that the Biennial members' possess and own at the time of booking and the rental of these points may only be for season and not unit improvements.

(b) Costs. Rental costs of additional time will be equal to the fair rental value to be determined at that time by the Administrator of the Club, and such discounts may vary occasionally without notice. All rental income arising from the additional rentals will be for the benefit of the Internal Manager or its affiliates, unless stated otherwise in a separate rental contract for the time and space in question.

Section 3.07 Accelerated Points.

Has its meaning stated in Item 1.01 of these rules and regulations.

Section 3.08 Exchange Program

(a) Exchange program. To expand the range of holiday options and Projects available to Consumers in the Club, the Club may arrange an exchange program. The exchange program will consist of several contracts for exchanges between the Club, several Exchange Companies and Developers in Particular Projects and Resorts. These agreements allow Exchange users to exchange property rights and services between the Projects and other projects within or outside of the club. No exchange company, Project, Resort or any other parties are required to renew any exchange contract once the terms of that contract expire. Exchange Companies, the Club, developers and other parties to exchange contracts, and their respective subsidiaries and affiliates are in many cases separate and distinct entities. Each exchange company will be managed and operated completely independently of the Club. The Club does not represent or guarantee the quality, performance, availability or any other aspect associated with any exchange company and the Club and its Parties have no responsibility for these.

(b) Exchange requests. All requests for (b) external exchanges will be processed through the Club. After verifying that Consumers are familiar with the Governing Documents for processing, the Club will forward the exchange request of the Consumer to the exchange company for processing. Consumer participation in the exchange program will be governed by the terms and conditions of the exchange program and the Governing Documents. All exchanges are limited to Consumers and Club Points for intervals in question and will be designated by the Consumer, Membership, season and Suite type.

Section 3.09 **Other Programs**

(a) **Club Benefits Program.** The Club may offer special services and Consumer benefits occasionally through its Club Benefits Program. The Club reserves the right to establish such rules and regulations as the Club Administration deems necessary to properly govern Consumer access and participation in the Club Benefits Program.

Article IV. Maintenance

Section 4.01 **Housekeeping Services**

The housekeeping services will be provided free of charge on a daily basis so that the units are always kept in order and repaired. Before the arrival of the Consumer to the Project for occupation of their assigned unit on the check-in date, the unit should be cleaned and returned to its normal condition. Overall, the Daily Housekeeping services include daily cleaning and repair of the unit, except for the kitchen, which will be cleaned after the departure of the Consumer. The sheets will be changed at least twice a week and bath towels will be changed at least once a day. The housekeeping services will not include cooking or preparing food, or laundry and ironing. The Housekeeping service is available daily from 9:00 am to 11:00 pm or at other times determined by the Project. The Club Administration may also implement other housekeeping service plans occasionally or as determined by the Club Administrator.

Section 4.02 **Maintenance Period**

The Club will appoint one week per calendar year per Unit for further maintenance and repair services of Unit by the Internal Manager. The Club will determine the period for each unit.

Section 4.03 **Maintenance Services**

Common areas and units of each Project will be under continuous maintenance and service by the Internal Manager under an ongoing program that will include pre-established corrections and preventive maintenance procedures. Any Consumer may request corrective maintenance while occupying the unit without charge, except when caused by negligence or intentionally, or because of misconduct of the Consumer, or Authorized or Exchange Users. The Club and the Internal Administrator will determine

the specific level of preventive maintenance. The Provision of the respective maintenance services will conform to the following parameters:

(a) Corrective maintenance. The corrective maintenance will consist of repair or replacement of any part, equipment or system either in a Unit or Common Area, that has ceased to function properly as a result of normal wear and tear. Repairs will be made as soon as possible provided that the materials and human resources are available. The decision to repair rather than replace an item will be made by the Club and the Internal Administrator.

With respect to the units and their contents, corrective maintenance inspection will initially be given to the unit of the Consumer before the arrival of the Consumer to that Unit. Afterwards corrective maintenance services will be given at any time that the Internal Manager realizes that corrective maintenance is required, either by inspection personnel, or Consumer notification. This service is available daily from 7:00 am to 11:00 pm, all year or after hours as determined by the Project in question.

With regard to common areas and other plants, corrective maintenance will be provided daily once a situation that requires corrective maintenance notified by a Consumer is checked by inspection personnel. This service will be provided daily from 7:00 am to 11:00 pm, all year or after hours as determined by the Project in question.

(b) Preventive Maintenance. Preventive maintenance will consist in maintaining, painting, greasing, repairing, tightening, verifying performance or replacing any part, equipment or system in each Project, all so that the Units, Common Areas and Plants extend their useful life, thereby avoiding premature wear or abnormal damage. Preventive maintenance will take secondary priority to corrective maintenance and generally will take place according to predetermined schedules designated by the Internal Manager taking into account various factors such as operational restrictions, types of equipment, parts and systems, number of units, wear and required frequency of maintenance.

With respect to the units and their contents, preventive maintenance will be given at least once a year, (a) over a period of time in which the unit is idle or out of service for corrective maintenance, or (b) during its Period of maintenance. Whenever possible, replacement and repair work will take place during the maintenance period.

With respect to the Common Areas and plants, preventive maintenance will be given on a preset basis and continuously according to the appropriate factory requirements of equipment, and also according to accepted standards for other plants and systems.

(c) **Emergency Repair Maintenance.** Emergency maintenance repairs will include emergency repairs to broken gas and water lines, electrical failures, malfunction of air conditioners, boiler, elevators, water pumps, drinking water equipment and any other malfunction which can cause further damage or create uncomfortable conditions in most occupied units in the Project. This service is available 24 hours a day all year.

Section 4.04 Units that are “Out of Service”

The Internal Administrator will have the right to designate a unit as “out of service” when the unit has one or more deficiencies that may affect Consumer’s reasonable use, or when to the Club or the Internal Administrator, the Unit appears to be below Project standards. In the event that an assigned Consumer unit is considered out of service, the Internal Manager will accommodate Consumers in an alternative accommodation that will be of equal or greater size as determined by the Club. The Internal Administrator will take all reasonable measures to return the out of service unit back to use as soon as possible.

Article V. Administration

Section 5.01 Authorities and General Club Administration Tasks

Except to the extent required by law, the Club, acting on its own (through its officers, its directors or other authorized agents or representatives) will be the only party authorized to make any decisions, take action and sign any contracts with respect to the club. The Club Manager is a non-profit Association as indicated in section 1.11 of these rules and regulations that is responsible for managing the Club Membership program and receive and collect the fees set forth herein. Without limiting the foregoing powers, the Club Administrator is expressly authorized on behalf of Consumers to do all of the following:

(a) **Administrative expenses.** The Club Administrator will pay the administrative and operating expenses of the Club from maintenance fees collected.

(b) **Legal and Accounting.** The Club will get legal and accounting services that the Club deems necessary or proper for the operation of each Project and in compliance with the Governing Documents.

(c) **Fees collected and enforced.** The Club will levy, collect and enforce the obligations of payment of fees by Consumers in the manner provided

in the Governing Documents to pay Administration fees to external administrators, internal administrators or administrators related to the operation, administration and maintenance of the Club, its Projects, the costs of the operation of the Club Memberships and will enforce each one of the obligations of the Consumers.

(d) Other required acts. The Club will do other things that are considered necessary within or outside of the site, and for the keeping of assets and inventory as well as the administration and operation of the Club's activities and the operation of the Club Membership Program in accordance to the Governing Documents.

(e) Delegating. To the extent permitted by applicable law and under the ultimate control and direction of the Club, the Club Administration may delegate authority and responsibilities to one or more of its agents.

(F) Authority to hire agents. The Club will have the authority (but not the obligation) to recruit and retain a company or accredited individual as Internal Administrator, External Administrator, service providers and other agents for the management and operation of the Club and Club Memberships as determined by the Club Administrator.

(g) Vote. The Club administrator will control and have the right to vote (1) all unsold Memberships, including those controlled by the latter in person or by proxy made in writing by the Club Administrator, (2) all memberships sold and not paid in full including those controlled personally or by proxy with power of attorney issued by the Administrator of the Club, and (3) all sold memberships paid in full for which the Administrator of the Club has been delegated representation. Consumers are only entitled to vote on matters that expressly require the vote of Consumers pursuant to the Governing Documents and/or applicable laws. A Consumer may vote only if the Consumer Membership is paid in full and the Consumer is current on its other Consumer obligations associated with the membership in question.

(h) Consumer Voting. The Club Manager will prepare and submit for approval by Consumers, each of the following, which will be deemed to be approved by Consumers, unless rejected by the vote of at least 51 percent of Consumers: (1) the annual club budget, if the Projected maintenance costs to be paid by Consumers increase in regards to the cost of maintenance of the previous year by more than two percent over the official rate of inflation in Mexico during the previous year; (2) significant modification of the suites or common areas of the Project; (3) the termination of the timeshare regime associated with the club, or (4) or any other matters designated by the Club Administrator. Consumers are only entitled to one vote at the Club as identified in the preceding sentence

Section 5.02 **Board of Directors**

Section 5.02.1 **The Power and Authority of the Board.** The Board will have authority to take the actions necessary to (a) convene a Consumer Meeting, (b) designate the officers and committees, with the approval of the Administrator, and (c) discharge any other matter mutually agreed in writing by the Board and the Administrator entity. The Board will not take any action that does not comply with this scope of authority.

Section 5.02.2 **Number of Directors.** The authorized number of directors will be seven. Any reduction in the authorized number of directors will not remove any Directors before the term of their appointment.

Section 5.02.3 **Election of Directors.** The directors will be elected at an annual Consumers meeting, but if the meeting does not take place, or if the directors have not been elected, the directors may be elected at any special Consumer meeting held for this purpose. The candidates receiving the most votes in their favor will be elected. Cumulative voting for directors is not allowed (for example, casting more than one vote for the same candidate). If any of the positions on the Board are left vacant by the vote of Consumers, these positions will be filled by the decision of the Administrator entity.

Section 5.02.4 **Term of Appointment.** Each director, including a director elected to fill a vacancy will hold office until the expiration of the term for which he was elected and until his successor has been elected and taken office. To achieve the escalation of appointments, the first three directors will be elected for an initial period of one year each and everyone else will be elected for a term of two years each. The directors will not hold their appointment for more than three consecutive terms without the consent of the Administrator entity.

Section 5.02.5. **Vacant Seats.** A vacant seat on the Board exists when any authorized director position is not occupied by a duly elected director, either because of death, resignation, removal, declaration of mental incapacity or a felony conviction by court order, the change in the authorized number of directors, or if Consumers cannot choose at any Consumers' meeting, the total number of authorized directors to be elected into the Board. Vacant seats on the Board may be filled by majority decision of the directors in office or by decision of the majority of Consumers, whatever happens first. The Administrator entity will be entitled to appoint someone to temporarily fill the position on the Board until the vacancy is otherwise filled in accordance with this stipulation.

Section 5.02.6 **Removal.** The Board may declare the appointment of a director who has been declared mentally incapacitated by a court order or convicted of a crime; vacant. Any or all directors may be removed without cause if such removal is approved by the vote of the majority of Consumers.

Section 5.02.7 **Resignation.** Any director may effectively resign to his position by notice in writing to the President, the Secretary or the Board; unless the notification specifies a later effective date of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Section 5.02.8. **Fees and Compensation.** Directors will receive no remuneration for their services as directors, but may be reimbursed where appropriate, for their reasonable, real, and approved expenses incurred in the performance of their duties as directors. Such payments will not preclude any Director from serving the club in any official status as agent, employee, or another, or to receive compensation in any other way.

Section 5.02.9 **Board meetings.** Board meetings will be held on the date and place designated by the Board of Directors and/or Managing Entity. The President, the Secretary and/or two directors and/or the Administrator may call extraordinary meetings of the Board of Directors at any time for any reason or purpose. Notice of the time and place of the meetings of the Board will be delivered personally or by telephone, fax, email, mail or other written notice or electronic communication. Prepaid messages addressed to each director will be sent to the contact information that is shown in the records of the Club. Such notice will be given at least 10 calendar days before the date of the meeting. The notice or report is deemed to have been made at the time in which it is personally delivered to the recipient or deposited in the mail or sent by any other means of written communication. Notice of any special meeting of the Board does not have to specify its purpose.

Section 5.02.10 **Waivers, Consents and Approvals.** It will not be necessary to give Notice of any meeting of the Board to any director who signs a waiver of notice or consent for the holding of the meeting or the approval of the minutes, either before or after the meeting, or to whoever attends the meeting without protest of lack of notification to such director before or during the meeting. All such waivers, consents and approvals will be kept in the records of the Club or will be made part of the minutes of the meeting.

Section 5.2.11 **Quorum; Agreements in the Meetings, Conference Calls.** A majority of the authorized number of directors will constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present is an act of the Board, unless making that agreement requires a greater number of directors pursuant to the law or the Governing Documents. A Board meeting in which a quorum is initially present can continue to discharge business despite the withdrawal of directors, if, in its case, the adopted measures are approved by at least the majority of the required quorum for the meeting. Directors may participate in a meeting via

a conference call or similar communication equipment, as long as all directors participating in the meeting can hear and speak to each other.

5.02.12 Adjournment. The Majority of the directors present, whether a quorum is present or not, may adjourn any board meeting to a different place and time. If the board is adjourned for more than 24 hours, notice of any adjournment to another time and place will be given prior to the date and time of the adjourned meeting to the directors who were not present at the time of adjournment.

Section 5.2.13 Agreements without a meeting. Any action required or permitted to be taken by the Board may be conducted without a meeting if all directors give their consent, individually or collectively, in writing to such action. Such consent or consents in writing must be submitted with the minutes of the Board's deliberations. Such action by written consent will have the same force and effect as a unanimous vote of the directors.

Section 5.03 **Committees.**

The Board may, by resolution adopted by the majority of the authorized number of directors and the approval of the Manager, appoint one or more committees for the benefit of the Club. The Administrator may also designate one or more committees for the benefit of the Club. One of these committees will be the Nominating Committee responsible for requesting, analyzing and recommending people to serve as directors on the Board. The committees will have the power to make recommendations to the Board and the Administrator. Committees have no power to make decisions that are binding for the Club. Consumers of the Committee will serve on behalf of the Board and/or the Administrator.

Section 5.04 **Officers.**

The club will have as officers, a President, a Secretary and a Treasurer appointed by the Board with the approval of the Administrator. The Club may also have other officers who may be appointed by the Board, with the approval of the Administrator or appointed by the Consumer Administrator. A person may hold two or more offices. The officers may not be directors. Each officer will hold office at the will of the Board with the approval of the Administrator. Subject to the rights, if any, of an officer under any employment contract, any officer may be removed, either with or without cause, by the Board with the approval of the Administrator or, except in the case one is chosen by the Board for any officer to whom such power of removal may be conferred by resolution of the Board with the approval of the Administrator. Subject to the rights, if any, of the Club under any employment contract, any officer may resign at any time effectively with prior written notice to the President or the Secretary of the Club and the Administrator, unless the notice specifies a later date for the effectiveness of such resignation.

Section 5.05 **Officers and Committees**

The Club Administrator will occasionally appoint certain officers, establish certain committees and appoint certain Consumers to the committees. These officers and Consumers of the committees will report and serve under the Club Administrator, and will not take any action or decision that is binding on the club without the approval of the Administrator.

Section 5.06 **Consumer Advisory Committee(“MAC”)**

Among other committees, the Club Administrator is entitled to appoint a Consumer Advisory Committee (“MAC”). These rules and regulations may not be used by any Consumer or other person or entity in any legal proceeding or otherwise establish negligence, misconduct, and/or responsibility of the Club, Club Administrator and MAC Consumer (“Advisor”), or any other person or entity.

(a) Purpose. The MAC must do the following: (1) To act in the best interests of the Club and its Related Parties; (2) Follow the direction of, and perform the tasks approved by the Club Administrator, (3) Serve in an advisory role for the Manager of the Club, (4) compile suggestions, ideas and thoughts of Consumers, (5) Make recommendations to the Club Manager regarding those issues considered to merit the attention of the Club. The recommendations should reflect the general views of Consumers and not the special interest of one or a small group of Consumers, and (6) to promote positive relationships and communications between Consumers and the Club.

(b) Authorization. The MAC will be composed of advisors appointed and/or removed by the Club Administrator. The MAC will be conducted in accordance with the Governing Documents and applicable laws. The MAC will follow the direction of Club Administrator. The actions, recommendations, resolutions and communications of the MAC will not be binding for the Club, the Club Manager and/or Projects unless they are duly approved by the Club Administrator. The Club Administrator will have the right and authority at any time and for any reason, to terminate and dissolve the MAC or any Director of MAC.

(c) Expenses and Obligations. The MAC and board members will not incur costs or liabilities that may affect the Club, the Club Manager and/or the Projects. The MAC and/or advisors do not bind Consumers or the Club before, contractors, service providers or the public under any binding authority of the Club, Club Administrator and/or Projects.

(d) Meetings. The MAC must call and conduct regular and special meetings at the times and form that it deems appropriate, subject to modification by the Club Administrator. There should be no minimum quorum requirement for holding any valid MAC meeting. The advisers will be allowed to attend meetings in person or by telephone or videoconference, provided attendees by

telephone or video conference can hear and be heard by all other attendees at the meeting.

(e) Subcommittees. The MAC will have the right to form and/or dissolve subcommittees in the best interest and encouragement of MAC activities, all subject to the prior approval of the Club Administrator. These subcommittees will not interfere with the activities of the Club and/or its Related Parties in any way.

(f) Advisor Conduct. While visiting a club Project and attending Consumer and MAC meetings, the Advisors (other than trade consultants) are invited to use the cards showing the names of the advisers. During a visit to a club Project, other Consumers and people with thoughts, ideas, suggestions and concerns regarding the Project of the Club and/or the Club can address advisers. The advisers should only ask for feedback from Consumers and guests in a positive and non-aggressive manner; with approval by the Club Administrator. Counselors should promptly report small concerns, personnel issues and emergency matters to the Internal Administrator. Advisors should report all major issues at the next meeting of MAC for discussion and recommendation.

(g) Duty of Loyalty. The duty of loyalty requires advisers to exercise their powers for the benefit of the Club and its Related Parties and not in their own interest or the interest of another person or entity. In making decisions on matters addressed by the MAC, it is recommended that each advisor expresses thoughts completely, energetically and independently about what he or she reasonably believes in good faith to be the best interests of the Club and its related parties. However, after a full and vigorous discussion and proper vote on the subject matter, each advisor will fully and in good faith support, the final decision of the MAC and the Club respecting the decision, even if that decision is contrary to, or not entirely consistent with the preference or point of view of a particular director. Any advisor who cannot fully and in good faith support the MAC and the final decision of the Club Administrator in relation to a particular issue; must resign immediately from his position in the MAC by delivering written notice of such resignation to the MAC.

(h) Conflict of Interest. The Advisors may have interests in conflict with those of the Club and/or its Related Parties. An advisor should not use their position to advance the personal interests of that Advisor. The duty of loyalty requires that an Advisor is aware of the potential for such conflicts and act with honesty and attention to deal with such situations. Conflicts of interest related to an advisor are not inherently illegal and should be considered as a reflection on the integrity of the MAC or the Advisor. It is the way in which the MAC Advisor and the MAC resolve a conflict; that will determine the convenience

of the operation. A conflict of interest is present whenever an advisor has a personal material interest in a contract or transaction in which the Club and/or its related parties could be a proposed party. This interest can occur either directly or indirectly. An advisor must follow these basic steps in the identification and management of conflicts of interest.

(1) **Awareness.** A counselor should be sensitive to any interest they may have in a decision to be made by the MAC and, as far as possible, recognize that interest prior discussion or presentation of a matter of this nature before the MAC.

(2) **Disclosure.** If an advisor has an interest in a matter to be considered by the MAC, the director must disclose any conflict before the MAC takes action on the matter. Each material conflict of interest disclosure must be made in writing and recorded in the minutes. The duty of information of interest exists regardless of whether the proposed transaction is fair, or whether the Advisor supports or opposes the transaction, or whether or not the advisor is present during the discussion of the transaction, votes therein or abstains from voting it or whether or not they are counted in establishing a quorum at any meeting where the transaction is discussed. In some cases, an advisor may have an interest in a transaction, but may be unable, due to performance rights due to others; to reveal the nature of the interest. In such a case, the advisor should at least say that there is such interest, and consider leaving the meeting, or at least abstain from the discussion and voting on the matter.

(3) **Disinterested review.** After being informed by the Advisor, the MAC should provide an unbiased opinion of the matter.

(4) **Absence from the Meeting.** An adviser with a conflict of interest may consider prudent (but is not obligated) to be absent himself from the meeting where the matter is being discussed, except when information from that advisor is needed thereat.

(5) **Voting abstention.** An advisor with a conflict of interest may consider it prudent (but is not obligated) to abstain from voting on the matter at hand. The Abstention will be recorded in the related minutes.

(6) **Resignation.** If the conflicting interests of an Advisor presents a difficult problem where even these measures are impossible or impractical, the advisor should consider resigning, but is not obligated to resign.

(7) **Re-examination.** If the MAC discovers that it has acted on a proposal ignoring an undisclosed conflict of interest, the MAC will reexamine the problem without delay and that new re-examination will be recorded in the minutes of the related proceedings.

(i) Confidentiality. An adviser must remain confidential and not disclose any information about the Club and/or its Related Parties unless the public already knows the information or if it's in the public domain. That confidential information is regarding the following: (1) the properties, Consumers, assets, operations, financial position, trade secrets, technology, knowledge, designs, concepts, ideas, products, technical expertise and other information of the Club and/or its Related Parties; (2) individuals, businesses, financial resources, investors, lenders, agents, employees and others involved with the Club and/or its Related Parties; (3) Consumer contact or private information, and/or (4) current and future Projects, contracts, relationships and other transactions related to the Club and/or its Related Parties. In the normal course of business, a consultant must treat all matters relating to the Club and/or its Related Parties as confidential until there has been a public general disclosure or if the information becomes a matter of public interest or public domain. The Individual Advisor is not a spokesman for the Club and/or its related parties and, therefore, public outreach activities and information regarding the Club and/or its related parties should be made only through the spokesperson designated by the respective parties.

(j) No Restrictions. An advisor should not be a party in agreements or covenants, whether written or oral, and no action or proceeding before any court, governmental agency or arbitrator, in law or in equity, which would lead to a conflict of interest for that Advisor, a nonperformance by the advisor, or that could impair or prevent an advisor's discharge of their duties or the provision of services to the Club according to the Governing Documents. An advisor should not be subject to any obligation or perform any act in conflict with the obligations of that Club advisor. Without limiting the generality of the above, an advisor must not enter into any competition, recruitment, or non-disclosure agreements or similar agreements, that make the advisor vulnerable in any way in connection to their discharge of their functions in the Club.

(k) Return of Proprietary Information. An advisor must deliver to the Administrator of the Club all originals and copies of confidential information and other assets in their possession and/or control of the advisor, that is related to the Club and/or its Affiliates within two business days following the delivery of a written request for such submitted to the Advisor. Within two business days after the completion of the term of an advisor in the MAC, the Advisor will provide the Director of the Club with all originals and copies of confidential information and other assets in their possession and/or control of the advisor and/or its related parties; belonging to the club and/or its related Parties.

(l) Without Consent. An Advisor will not directly or indirectly:

(1) Whether on behalf of the Advisor or on behalf of any other person, at any time during the term of office of the Advisor or the period after the advisor's term (as such terms are defined below), directly or indirectly compete or solicit business of the same or similar type being carried out by the Club and/or its related Parties from any person known by the advisor to be a related party of the club, whether or not that Advisor has had personal contact with that person during and in connection to the situation of the Advisor in regards to the Club and/or its Related Parties.

(2) Whether on behalf of the Advisor or the account of any other person at any time during the term of office of the Advisor or the period after the term of the Advisor, directly or indirectly: (i) solicit, recruit, or engage as an employee, independent contractor, or otherwise, any person who is or has been a Related Part of the Club, or otherwise induce or attempt to induce any party related to the club to terminate their employment with the Club and/or its related Parties; (ii) interfere with any relationship between the club or its Related Parties with anyone, including any person who at any time during the period of the Advisor has been an employee, contractor, supplier, customer or other party related to the Club, or (iii) compete with any business conducted by the Club and/or its Related Parties.

(3) At any time during or after the term of the Advisor; belittle the Club and/or its Related Parties.

(4) For the purposes of this Agreement, the term "Term of the Advisor" means the period of time during which an advisor fills a position of Advisor to the Club. The term "period after the Advisor's Term" means the two years following the date in which the role of an advisor to the Club is terminated for any reason.

(m) Club Opportunities. Before an advisor conducts a transaction thereof that may reasonably be of interest to the Club and/or its Related Parties, the advisor must disclose the transaction to the Club Administrator in sufficient detail and adequate time to the Club Manager so that he may act or refuse to act in regards to that operation. A Club opportunity arises when an advisor knows that he or she can participate in a transaction, which may plausibly correspond to the present or future activities of the Club and/or its Related Parties. As a matter of good practice, the advisor will present the opportunity positively to the Club Administrator before participating in the transaction outside the Club. Although legal requirements for these operations vary from one jurisdiction to another, an advisor must, for their own protection and as a matter of good business practice, make a clear

record of disclosure and request for abstention from the Club (if applicable) of the disclosure or opportunity to be explicit and its registration. While an advisor serves as advisor and during the first 12 months after an advisor leaves his position, an adviser must not, directly or indirectly, offer products or services that compete with any products or services of any client or prospect of the Club and/or its related parties within 100 miles of any Project of the Club. That 12-month period should be extended by the number of calendar days that an Advisor violates this non-competition agreement.

Article VI. Establishment of Fees

Section 6.01 Creating Personal Obligations for the Fees

Each Consumer; has accepted the Membership Certificate, and hereby promises to pay fees for each Club Membership. The setting of fees, together with interests, collection costs and legal expenses, will be the personal obligation of every Consumer at the moment in which those fees are payable and bind Consumers, their successors, and assignees, and will be charged to all Memberships for which fees were established. No Consumer will waive or avoid liability for contributions by the non-use or abandonment of the Membership or any part thereof.

Section 6.02 Purpose of Fees

Contributions will be used exclusively to promote recreation, health, safety and welfare of Consumers, operation and maintenance of the Club and the Club Membership program and to reimburse the Club for annual expenses and other expenses incurred by the Club in the performance of the tasks of the Club set out in the Governing Documents.

Section 6.03 Annual Expenses

It has meaning in Item 1.02

Section 6.04 Maintenance Fees

These will be addressed in clause 1.34

Section 6.05 Special Fees

If Maintenance Fees regarding any Membership are or become inadequate to meet all expenses incurred by the Club (other than the personal charges) for any reason, including nonpayment by any Consumer on current payments,

the Club Administrator will promptly determine the approximate amount of the difference, prepare and distribute a supplementary budget and raise (in the manner intended for the maintenance fees in section 6.04 above) for each Consumer, a special fee in the amount sufficient to cover the deficiency in a lump sum or in periodic payments (as determined by the Club Administrator), given however, that without the vote or written consent of the majority of the total vote of those present at the Club, either in person or through proxy in the Consumer assembly, in which a quorum is present. The additional special fees will not exceed 5% of the annual budget for the current calendar year. Any special fee will be payable in a lump amount or periodically (as determined by the Club) and must be paid on the date stated in the notice of special fee issued by the Administrator of the Club. Special assessments related to the operation, management, maintenance, improvement, restoration, repair or replacement of a particular Project will be run by Consumers associated with that Project, special assessments related to any aspect of the external management or administration of the Club Membership Program will be collected pro rata among all Consumers. Special assessments will be levied and collected in the same manner as the annual fees are charged. The Board may levy a special fee in lump sum or payments over a period of time to be estimated by the Club Administrator.

Notices given under this section may be sent through postal service and/or email as established by the Board. Invoices and payment reminders may also be sent via email. The e - mail notification will have the same force and effect as if the notification was sent through the postal service.

Section 6.06 Gratuity Fee

It has the meaning that is set out in section 1.43 of these Regulations.

Section 6.07 Payment Default

These will be ruled as set out in Section 1.41 of these Regulations.

(a) If the Club has not received payment from a Consumer with respect to Maintenance Fees on the expiration date or any other fee due on the expiration date of the notice of that fee issued by the Club and if that date is not set therein then it will be 30 calendar days after the Club issued the notice (a “Failure to Pay”), the Club will send a “First Delinquent Notice” to the Consumer. The First Delinquent Notice must among other things, establish the Consumer’s surcharge of 12 percent in maintenance fees or the amount that is determined by the Club. After delivery of the First Delinquent Notice, subject to the applicable law, the Club will not accept requests for reservations from the Consumer, will not send confirmation of such reservations by mail to the Consumer and will cancel any existing reservation that the Consumer may

have made and later confirmed (such cancellation will subject the Consumer to the cancellation fee). Once the First Delinquent Notice has been submitted, and after meeting the other requirements under the Governing Documents and applicable law, the Club will no longer have the obligation to assure the Consumer the right of accommodation and services in any Project, even if the Club subsequently receives the late payment. If the late payment (including surcharges) is not received by the Club within 30 calendar days after the payment date, after the Club issued the First Delinquent Notice; the club will then send a “Second Delinquent Notice” to Consumer. The Second Delinquent Notice will include among other concepts a fee for reinstatement to the Consumer in the amount that is determined by the club, together with interest at the maximum allowed rate by law, compounded daily with overdue amounts, reinstatement fees, effective on the date of the Second Delinquent Notice and it will continue until all amounts have been paid in full. Additionally, the Second Delinquent Notice will inform the Consumer that the Club may cancel the Consumer Membership subject to applicable laws if the overdue amounts (with surcharges) are not paid immediately. In the case that the Consumers are allowed to exercise their rights to lodging and services associated with each of their memberships before paying all fees that are due (for both the calendar year and preceding calendar years in each of their memberships. If the rights of a Consumer are lost or suspended due to the breach of any fee, the Club will have the right to rent the lost Use Period attributable to the Membership and receive rental income and the delinquent Consumer will not be entitled to receive any income. Before the Consumer books any future Use Period, all fees must be paid for all use periods used. The First Delinquent Notice, the Second Delinquent Notice and all other communications will be delivered to the last known address for the Consumer in the Club records. The Club will charge fees plus the estimated increase in the amounts that will be determined by the Club. The Club and its authorized agents will have the right, but not the obligation to choose not apply any surcharge.

(b) In addition to the suspension of privileges and reservations and cancellation of membership for non-payment of the fees mentioned above, the Club Administrator will have the right to suspend the voting rights of the Consumer for the longest period permitted by law and impose monetary penalties in excess by the surcharges and for any other default of the Governing Documents by any Consumer and/or Authorized User.

Section 6.08 **Personal Charge**

The term “personal charge” is any expenses resulting from an act or omission of any Consumer, authorized user, Exchange User, or any other user, including: (i) the cost of telephone or internet charges incurred by that Consumer, Authorized User, Exchange User or any another User, (II) any special services or items attributable to the use of rights of accommodation and services in a

Unit during the Use Period of the Consumer, Authorized User, Exchange User or any another User (III) the cost of replacing or repairing any damage or loss of the Unit, common furniture, common area or any other area of the Project due to loss or damage caused by a Consumer, authorized user, Exchange User or any other User; (IV) the cost to meet any suitable amount to any other Consumer or Club, the Developer and/or their respective Parties either due to any intentional or negligent act, or omission or violation of the Governing Documents or the applicable law by that Consumer, authorized user, Exchange User or any User; and (V) any surcharge. For purposes of this section 6.08 or the club, any act of negligence, willful misconduct or violation of Governing Documents or applicable law by an Authorized User, or Exchange User will be considered an act of the Consumer himself. All personal charges will be paid by the Consumer as follows:

(a) The Club and/or the Internal Administrator may determine the amount of personal charges at the time of check-out, such personal charges will be paid in cash, traveler 's check or credit card at the time of departure.

(b) Personal charges that cannot be established at the time of departure, will be paid with personal checks or credit cards within 30 calendar days after the Consumer receives a statement of account with personal charges.

Section 6.09 **Reserves**

The Club Administrator will have the power and authority to determine and set the amount of fees, use, distribution, investment, spending and all other matters associated with the savings and reserves of the Club.

Article VII. Application of Governing Documents

Section 7.01 **General**

If a Consumer, Authorized User, Exchange user or other user violates any of the terms of the Governing Documents and/or Applicable Law, the Board, on behalf of the Club will have full power and authority to enforce the Governing Documents and the applicable Law in any way that is permitted in the law. The implementation of the authorities of the Club is cumulative. If the club hires any lawyer to enforce the terms of the Governing Documents, the Club will have the right to recover from the infringing user, legal fees

and costs of application or defense, in addition to any other amount owed. All amounts payable by a Consumer, whether in a fee account, will bear interest at the maximum rate permitted by law, compounded with the principal, advanced fees or those incurred by the club, or any other Consumer according to the authorization contained in Governing Documents or on the date of such expenditure. Given that the club membership belongs to a Consumer, every Consumer hereby promises and agrees that the Club will have all the rights, powers and remedies set forth in this Article VII and other parts of the Governing Documents and agree to comply with the provisions set forth in Governing Documents. The Club, the Internal Administrator, the External Administrator, the Managed, and/or Developer will have the right to enforce any of their obligations under the Governing Documents directly against the Consumer or other person or entity that may incur in violations of obligations contained in the Governing Documents.

Section 7.02 **Application of Certain Specific Authorities**

In addition to the general powers specified in section 7.01, the Club will have the following additional rights and authorities:

(a) Suspension of Privileges. If any Consumer or Authorized User is in breach of the Governing Documents, the Club Manager may suspend the rights of accommodation and services of that Consumer or authorized User and use the rights of accommodation and services of their suite.

(b) Enforcement by cancellation. The Club has a guarantee (which will be subordinated to any security created by a Membership Certificate of a Consumer) in the form of a right to cancel the membership of a Consumer and the rights of accommodation and services to ensure the timely and correct performance of each obligation of Consumers under the Governing Documents and payment to the Club of any collection fee against any and all memberships, together with interests thereon at the highest rate permitted by law from the date of default, any surcharge and all collection costs which may be paid or incurred by the Club in connection with the default, including legal expenses as long as these are reasonable. In addition to the default discussed above, if any default is not resolved within the next 30 calendar days after submitting the request in writing by the Administrator of the Club, the Club Manager may choose to cancel the membership of the Consumer. Any request for payment will be executed and recognized by any officer of the Club and will contain substantially the following information; (I) the name of the defaulting Consumer; (II) the total amount of arrears, interests, collection costs, legal fees and delinquent penalties imposed by the Club; (III) a lawsuit to resolve a delinquency filed by the Club according to the Governing Documents; and (IV) the membership will be canceled if the default is not resolved. Once time has passed for any default for which a demand of

payment was made by the Club Administrator, the Club Administrator is hereby authorized to terminate the lawsuit for cancellation of membership of a Consumer which will be effective by giving notice of such cancellation to the Consumer after demanding payment and settling the arrears. Once duly notified pursuant to the rights of the Consumer, these rights will terminate immediately and that membership will be returned to the Club (subject to the guarantees herein).

Article VIII. Relationship between Projects

Section 8.01 Types of Memberships

The Club Membership issues different types of Memberships as described in these Rules and Regulations and as are set forth in the Membership Certificate.

Section 8.02 Allocations of Reserves and Annual Expenses

The Reserves and Annual Expenses on and off site as well as assets and the administrative inventory and the Club management and all Club Projects will be shared on a pro rata basis by all Consumers based on the Suite Type or Club Points and the duration of the use rights will be distributed among the various Club Projects each year as established by the Club Administrator.

Section 8.03 Additional Rules and Regulations

In addition to the Governing Documents, each Internal Administrator, External Administrator, Administrator and Developer may recommend additional rules and regulations for the Project or Projects administered by these entities, however, any additional rules and regulation will be effective only after the approval of the Board. Such additional rules and regulations are specifically related to the on site and off the site: assets, operational inventory and the Project administration to which it belongs, and will be implemented to increase operational efficiency of Projects and for the benefit of Club Consumers, Authorized Users, exchange Users and other users. Alongside these matters such additional rules and regulations may include specific rules concerning common areas. Those rules will be effective and binding after a majority vote of approval of the Board after a meeting specifically called for that reason or by written consent of the Board and thereby it will be automatically incorporated into these Rules and Regulations as set out herein and any noncompliance will thereafter be the same as if the current rules and regulations are violated. In the case of conflict between the Governing Documents and said additional rules and regulations the current provisions of the Governing Documents will prevail.

Article IX. Miscellaneous provisions

Section 9.01 **Corrections.** These Rules and Regulations may be corrected or rectified at any time by the Administrator of the Club.

Section 9.02 **Termination.** These rules and regulations are valid until the dissolution of the Club or until early termination or when the Administrator of the Club may amend these rules and regulations. In the event that any agreement affiliating the Club with any Resort, Project, Developer, External Administrator, Internal Administrator, Administrator, Exchange Company or elsewhere is terminated for any other reason or expires according to its terms, the finished Resort, Project or Part will no longer be affiliated to the Club. However, once such termination takes place, the Club will use its best efforts to ensure that all confirmed reservations of the Consumer are met. In the event of such termination, and to the extent permitted by law, each Consumer, on behalf of that Consumer and its related parties hereby irrevocably and unconditionally and permanently releases, ends, dispenses, and agrees not to sue and rejects all responsibilities, claims, actions, debts, liens, claims, liabilities, damages, injuries, death, loss and/or expenses, including attorneys' fees and expenses, collection costs incurred at any time, in equity, or otherwise in any amount directly or indirectly, in whole or in part, in relation to the Club or its Related Parties as a result of any termination.

Section 9.03 **Notices.** Notices that must be given pursuant to these Regulations will be made in writing and will be considered constructive: (I) when personally delivered at the correct address, (II) the fifth day after the deposit of the notice in any postal service of the United States of America, (III) 15 calendar days after the deposit of such notice in the mail system of any country other than the United States of America, (IV) once received, when delivered by overnight or express delivery, or (V) after its transmission via e-mail, as long as once it is sent by e-mail, a copy is also sent by express parcel service. Any notice to the Consumer required under these rules and regulations will be addressed to the Consumer at the last known address that appears in the records of the Club. Club notices will be addressed to the address designated by the Club in writing to all Consumers. Notifications to the external administrators will be directed to the address designated by the Administrator. Address and directions for purposes of this Section 9.03 may be changed by written notice in accordance with the attached. The known address of a party as considered in this Section, will continue in effect until notice is given pursuant to this section.

Section 9.04 **Interpretation.** Articles and section headings in these Rules are for convenience and reference purposes only and do not define, limit, describe, extend, modify or extend the scope or purpose, interpretation, or give meaning to the Governing Documents. Use in the singular will include the plural and the masculine will include the feminine and neutral of the word “person” and it includes corporations, firms, companies or any other forms of association

Section 9.05 **No Waiver.** Failure to enforce any provision of the Governing Documents does not constitute a waiver of the right to enforce such provisions thereafter.

Section 9.06 **Insurance.** The club must obtain and maintain insurance coverage for loss or damage to users, suites and common areas of the Project in the types and amounts as determined by the Administrator of the Club and as required by the Applicable Law.

Section 9.07 **Force Majeure. By force majeure, the following is understood.**

A) Any natural event such as earthquakes, hurricanes, tsunamis, floods, natural disasters, or any other natural event, that makes it impossible to grant the service or that could endanger the lives of consumers.

B) Any governmental act or declaration that imminently threatens the lives of consumers or, consequently, the impossibility of granting the service.

Section 9.08 **Fees.** Except as indicated here in the Governing Documents, all fees and charges under the Governing Documents will be established and may be modified by the club at some point.

Section 9.09 **International Provisions.** All payments and amounts under the Governing Documents will be calculated in US dollars but can be paid in pesos at the exchange rate published by the Bank of Mexico on the day the payment is made. Except as stated herein, all periods in the Governing Documents will be calculated at the time zone where the main office of the club is located. Some of the Governing Documents will be prepared in English and other languages. All translations constitute one document and each is considered an original of Governing Documents for all purposes. In case of conflict between the English and other translations of Governing Documents, the Spanish version will prevail.

Section 9.10 **Choice of Law and Conflict Provisions.** The Regulatory Documents, apart from the Membership Agreement, shall be interpreted in accordance with the laws of Mexico. In case of conflict between the Membership Agreement and the Regulatory Documents, the provisions of the contract shall prevail.

Section 9.11 **Benefited Parties.** The rights and obligations arising under the Governing Documents are solely for the benefit of individuals and entities subject to the Governing Documents and it will not be required to create beneficiary rights of third parties.

Section 9.12 **Waiver.** Consumers may waive unilaterally but only in writing, to their benefits (eg borrowing points, accelerated points, registration to exchange companies) granted by the contract and its annexes, however the consumers cannot waive in any way their obligations.

Section 9.13 **Legal Fees.** The prevailing party will be entitled to reimbursement by the non-prevailing party for all costs including legal fees incurred by the prevailing party in any application, action or defense involving the Governing Documents.

Section 9.14 **Enforceability.** If one of the portions of Governing Documents is not applicable, any portion not applicable and the remaining provisions will continue in effect. If any provision of Governing Documents governing the matter is determined to contravene applicable laws, such provision will be changed automatically in the smallest measure to make such provision compliant with Applicable Laws and without taking into account any of the modifications made, the documentation governing the matter will remain in full force and effect. No strict application rule will be applied against any party.

Section 9.15 **Joint and Several Liability.** In the event that one party consists of more than one person or entity, all rights and obligations hereunder will be in joint and several in liability and obligations for each person or entity.

Section 9.16 **Compliance with Dates.** Time is considered in compliance with dates regarding the performance of each obligation under the Governing Documents.

Section 9.17 **Protection of Memberships.** Memberships are indivisible. No Consumer can seek or obtain legal partition, or the equivalent of such recourses, of any Project, Suite or Membership. The rights of Consumers who may have supposed or alleged owners or tenants in common of any Project or suite are expressly waived and replaced pursuant to the terms and conditions of the Governing Documents. If the Rights of accommodation and services and the enjoyment of any part of a Project or Suite, common areas or common furniture, were threatened by reason of any lien, claim or charge against any Consumer and/or Consumers of that membership, or if the procedures for any sale or interference, all Consumers acting on their own behalf or through the club or the club acting on behalf of one or more Consumers (if the Consumer or the Club is being indemnified to its satisfaction) they may, but are not obligated

to pay or compromise the lien, claim or charge without investigation into the proper amount or validity thereof and in such case; the Consumer whose interest was subject to such lien, claim or charge will be paid immediately, the amount paid or membership will be terminated or the Club, whoever has paid or committed to the lien, claim or charge, together with reasonable attorney's fees and related costs in which the Consumer or the club may have incurred. No Consumer will allow the interests that are in possession of the club to be subject to any legal matter, encumbrance, claim or other legal process and will reimburse the club all reasonable attorneys' fees and other expenses incurred in connection therewith as determined by a judicial resolution.

Section 9.18 No responsibility for other Projects. The Club, the club Administrator, the Developer and their respective Related Parties will have no liability in connection with any of the Projects that are not Club Projects and of the Users and hereby irrevocably, unconditionally releases the Club, the Club Administrator, Developer and their Respective Parties of any responsibility.

Section 9.19 Limitations on Liability.

(a) Claims. In the event that any Consumer, user and/or their respective parties or any person with rights in respect to the foregoing (collectively and/or individually a "Plaintiff") has a claim, demand, compensation, right or defense against Club, the Club Administrator or its related parties, or involving any Project in any matter (collectively the "demand"), the Plaintiff will first submit such claim to the insurance company associated with the person, company or Project in question for resolution and allow at least 90 calendar days after delivery of demand before any legal proceedings are initiated with respect to such claim within 180 calendar days after the first event on which the claim is based, happens. For purposes of this subsection, legal proceedings should only be considered as started when the matter is submitted before a valid court with jurisdiction over the parties and matters in question.

(b) Club Responsibilities. The Club may, to the extent permitted by Mexican law, reimburse, indemnify, hold harmless now and in the future: the Director, officers, Consumer Committee and employees of the Club, and their parties and each person who at the request of the club acted as director, officer, Consumer committee or employee of any company in which the club has an interest; from and against all losses, costs, liabilities and expenses (including legal fees and expenses) which may be imposed or reasonably incurred by him or her, including payment of settlements in connection with any claim, action, lawsuit or proceeding, or threat thereof, made or instituted, in which he or she are involved or a party to by reason of being or having been director, officer, Consumer committee member or employee of the Club, or by reason of any action taken or omitted by him or her in that capacity. Notwithstanding

the foregoing, no director, officer and/or employee of the Club and/or its Related Parties will have the right to such protection if the claim, action, suit or proceeding or threat thereof, arising in whole or in part for acting good faith, in a way to suit the best interests of the company, or with such care, including obtainment of reasonable information as an ordinary prudent person in a similar position under similar circumstances would, or if the director, officer, and/or Club employee does not meet any of the exclusions to coverage under Mexican applicable law. The right of compensation under this section will make each person accustomed to referring to this section, whether there has been a claim or not against him or her or if it is based on matters arising in whole or in part before the adoption of this Section, and in the case of death their legal representatives will continue.

(c) **Consumer Responsibilities.** To the extent permitted by law, each Consumer will assume responsibility for, resignation, defense, holding harmless and indemnifying the Club and/or its Parties from any responsibility, claims, encumbrances, demands, liabilities, damages, losses and/or expenses, including legal expenses and collection costs incurred by it and/or its Related Parties at any time directly or indirectly, in whole or in part, in relation to that Consumer Membership, and its Related of the Parties and/or any breach of Governing Documents or applicable law by the Consumer or its Related Parties except to the limit of negligence or willful misconduct of the person or entity seeking compensation, the foregoing provided it is determined by the Competent Judicial Authority.

(d) **No Liability.** To the extent permitted by law, neither the club nor its parties will not have either personal, resource, deficiency or other liability of any kind before any Consumer, authorized user, Exchange User, another user, or another person or entity and/or their respective parties for any damage, loss, suffered injury, or complaint regarding any decision, approval or disapproval of the plans or specifications (whether or not defective) procedure, act, omission, error, by negligence or made in good faith within the club, committees, or persons reasonably believed to be within the scope of their duties; (b) any condition or circumstance in any Project or common areas; (c) any travel to or from a Project; (d) the acts or omissions of any Consumer, Internal and External Administrator, Administrator or third parties.

(e) **Negative Actions.** No Consumer will make any harmful or malicious act against the club and/or its Parties.