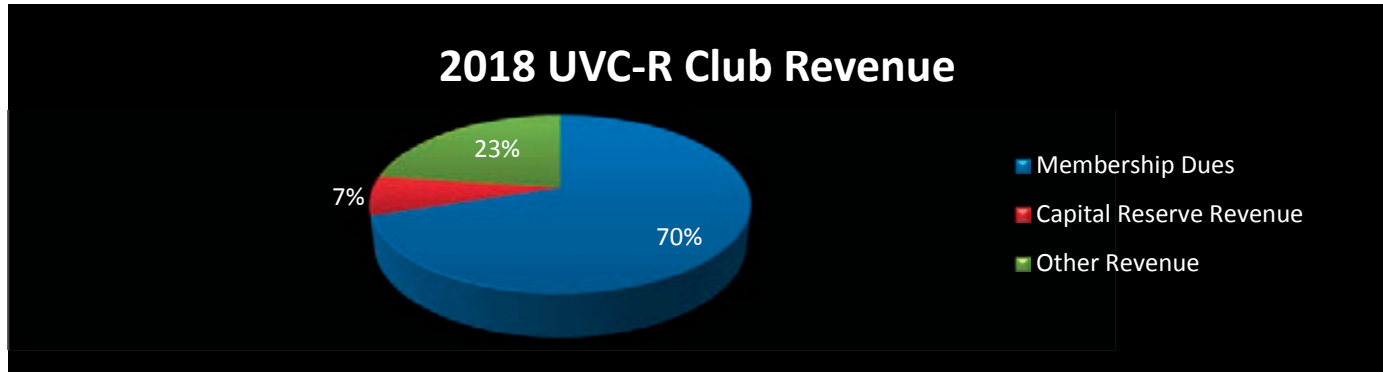


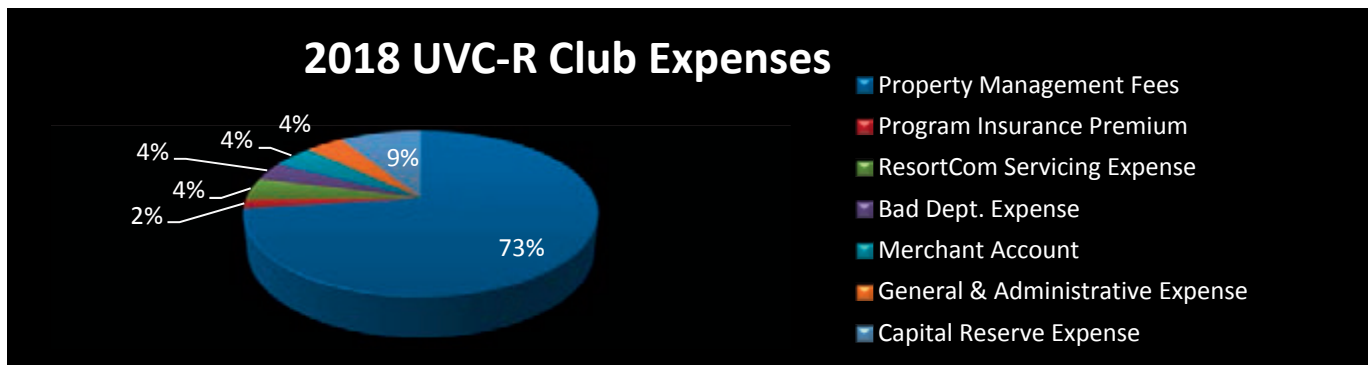
UNIVERSAL VACATION CLUB RESORTS
VILLA DEL PALMAR LORETO

MEMBERSHIP DUES REPORT

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



The line item on your Membership Dues invoice designated as “2019 Maintenance Assessment” is used for the following expense activities:



Operating Fund

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

Capital Expenditures

The Club delineated the funds that are needed for the maintenance and improvement to the resort and puts these funds into a separate category. This helps make it clear to all members exactly what the Club is spending at the resort each year to keep your units and the grounds in good condition. In 2019, the Capital Reserve amount is set at 10% of the Membership Dues and these funds will be used to maintain and improve the resort.

The Universal Vacation Club Resorts provides your vacation home away from home and is committed to excellence. The Club is continually working towards perfecting your vacation experience as well as ensuring that our luxury resort facilities and accommodations are as elegant and dazzling as the day you purchased your membership. Your vacation experience is our top priority. Although your membership dues did not change in the past three years, the expenses associated with operating and maintaining the resort increased yearly. Some of the increases in costs the resort absorbed the last three years include: a rise in local taxes on average of 10% over the past two years; salary and wage increases for the staff of 5 to 10% over the past three years; energy costs increases of up to 32% in 2017 alone; inflationary expense of 3 to 6% over the past three years; and insurance expense increases relative to natural phenomenon events, such as hurricanes, driving premium rates up on average 28% over the past few years. Accordingly, for 2019 the Universal Vacation Club Resorts membership dues will increase by approximately 5%.

UNIVERSAL VACATION CLUB RESORTS
VILLA DEL PALMAR LORETO

MEMBERSHIP DUES REPORT

OPTIONAL PROGRAMS

There are two optional programs included on your 2019 Maintenance Fee Assessment that members may contribute to: **Eagle's Wings Foundation and the On Call Travel Protection program.**

- Eagle's Wings Foundation was created over fifteen years ago by the Villa Group and former Club member Jim McCarthy. The Foundation distributes funds to charities in the cities of Villa Group resorts, and helps thousands of children, adults and the elderly by supporting orphanages, food banks, assisted living facilities, special needs, education, physical therapy, and more. Thanks to the members' generous contributions, the Foundation has collected and donated millions of dollars in direct and in-kind donations since its inception. The Foundation thanks you and asks for your continued support with a minimal voluntary donation of \$10.00. Added together, these funds make a significant difference in the lives of the needy. Donating to Eagle's Wings Foundation is a great way to give back to your home away from home in Mexico.
- The On Call Travel Protection program provides emergency air evacuation services from Mexico or any other foreign destination to the United States in case of catastrophic injury to either you or your family, while on your vacation or exchange, and other very valuable medical travel and other travel services. **For Villa Preferred Access members** the standard version of this program is already included as part of your membership. Villa Preferred Access members may upgrade to the full insurance program for only \$15 additional at the time you pay your maintenance fee. For complete program description and details of benefits visit the www.myuvci.com website and navigate to the On Call page under the Member Services tab.

PAYMENT OPTIONS: Members will have three payment options for their 2019 assessments:

- I. Members may pay their annual 2019 maintenance fee assessment on a **monthly basis. This option is only offered on-line at your member website or by contacting our Member Services Department.** If you select this option, you will not receive an additional monthly invoice, which represents a savings on paper and supports our green efforts. This option will be offered with a monthly credit card auto charge, which will be billed monthly to your credit card of choice or by auto debit of your bank account, which can **ONLY** be set-up by calling us at the phone number provided on your statement. A nominal monthly installment fee of **\$5.35** will be added to each monthly payment.
- II. Also, you may continue to choose to pay your 2019 maintenance assessments in four equal installments. For members who opt for the Installment Plan, assessments will be due November 30th, February 28th, May 31st and August 31st. There will be a nominal **\$9.70** installment fee for those owners who own one week. For members who own multiple weeks, one **\$12.70** processing fee will be added for each installment payment.
- III. Finally, you may always pay your entire annual maintenance assessment in one payment, via credit card (on-line or by phone) or by check, if so desired.

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

ON-LINE PAYMENT OPTION:

Provided as a convenience to its members, the Universal Vacation Club Resorts offers the ability to make all maintenance fee payments via the Internet, using our online payment option. Simply go to www.resortcom.com click on the "login" button to enter the on-line application. Current registered on-line users only need to enter their username and password to gain access to this application. All "first-time" users will need to 1) click on the "Create an Account" area within the login page 2) fill out the required information and 3) click the "register" button. Your on-line account is immediately ready for use upon the completion of these simple steps. In addition, please take the time to "Go Green!" with our new paperless billing option. Be on the lookout for an email from us that reviews the simple steps to follow in order to be set up with paperless maintenance fee statements. It is simple to do, good for the environment and keeps your Club costs down!

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