



Rules & Regulations

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RULES AND REGULATIONS GARZA BLANCA RESIDENCE CLUB

Each Member of the Garza Blanca Residence Club Club Point Program shall be governed by and comply with the terms and conditions of these Rules and Regulations which may be amended from time to time. In addition to the foregoing, there are certain other Governing Documents associated with the Managing Entity and the Various Resorts with which each Member is subject. In the event of any conflict between those other Governing Documents and these Rules and Regulations, the other Governing Documents shall control, as long as that does not materially adversely impact the benefits of a majority of the Members.

1. Definitions

Annual Operating Budget - shall mean the annual operating budget that shall be prepared every Calendar Year, which includes the costs of operation, housekeeping, maintenance, concierge, telephone, guest services, bellboy, mail, Common Areas, security, cleaning and garbage disposal, front desk at each Club Resort, as well as the reserve funds for replacement of furniture, fixture and equipment replacement.

Bank or Banking - shall mean the act of a Member saving unused Club Points for use in later years up to five years or 1 year for Biennial Members or such other times as may be determined by the Managing Entity. Bank Club Points cannot be used for “Holiday Season” Reservation.

Biennial Member - shall mean a Member having the right to use Club Points every other year.

Board of Directors or Board - shall mean the Board of Directors of the Club.

Borrow or Borrowing - shall mean the act of a Member borrowing a full year’s allotment of Club Points up to five successive Calendar years in advance for use in the current Calendar Year and for Biennial Member case is the act to borrow a full year’s allotment of Club Points from the next use year (only one year) for use in the current Calendar Year, (or such other time as may be determined by the managing Entity) both subject to the restrictions established hereto.

Calendar Year - shall mean the one-year period commencing on January 1st and ending on December 31st of each year which is the period during which a Member may use Club Points to make a reservation at a Resort or for other Club services or benefits that may be made available from time to time. If a Member purchases Club Points before the 1st of September of the Calendar Year; then that Member’s first use year shall be the period of the year remaining in that Calendar Year.

Check-In Date - shall mean any day of the Week that a Member may check into a Resort at the beginning of a reservation period.

Check-In Time and Check-Out Time - shall mean the time a Member may check into a Resort at the beginning of a reservation period and the time a Member must check out of that Resort at the end of a reservation period. Check-In Time shall be 4:00 p.m. local time at the Resort on the Member's Check-In Date established pursuant to the Rules and Regulations. Check-Out Time shall be 11:00 a.m. local time at the Resort on the day of departure, according to the date on the confirmation of reservation. The Managing Entity may require that specific Check-In Dates be applicable during certain Seasons in order to accommodate the maximum amount of reservations and to minimize unused reservations.

Club - shall mean the Membership program by the name of Garza Blanca Residence Club an unincorporated Mexican club. The Club issues Memberships pursuant to these Rules and Regulations. The Club is not a formal legal entity. The Club is administered by, but separate from, the Managing Entity. The Members have no equitable, voting or other legal interests in any of the Club's Related Parties including the Managing Entity, any Developer, any seller of the memberships, any on-site manager and/or their respective Related Parties.

Club Benefits Program - shall mean the additional vacation, travel, activities, events, and other benefits created and made available to Members from time to time.

Club Dues - shall include the costs, expenses and Maintenance Fees associated with the operation of the Club that are chargeable to each Member and/or Resort each Calendar Year including Personal Fees, Ordinary Fees, Extraordinary Fees, and purchase money note obligations by the Member to the Developer.

Club Point(s) - shall mean the number of Garza Blanca Residence Club Points assigned to a Membership that enable the Member to access the Lodging Rights and other Club's services and benefits in accordance with the Governing Documents. A Club Point is a unit of use designated by the Managing Entity for use in connection with the Club's reservation system and has been created for purposes of administrative convenience only and for no other purposes. Club Points are not securities or real property interests and have not been registered as such under any Law.

Club Point Account - shall mean the record of the number of Club Points available for use by a Member during each Calendar Year.

Club Point Chart - shall mean the schedule detailing the amount of Club Points that Members require to access the Lodging Rights and other Club's services and benefits in accordance with the Governing Documents and based on Season, Unit Type, Days of the Week and Resort. The Club Point Chart may be revised from time to time as determined by the Managing Entity. That Chart is set forth on an exhibit to these Rules and Regulations and is based on the offer and demand associated with each Membership Agreement; and on the reduction or increase in the vacancy depending upon the Resort, the Unit and the Season.

Club Priority Period - shall mean various periods of time for making a reservation in advance of a Check-In Date as set forth in these Rules and Regulations.

Club Resorts - See definition of Resorts.

Club Services - shall mean the following services: porter, telephone, guest services, bellboy, mail, common areas, security, cleaning and garbage collection services and reception in an unspecified Unit Type.

Common Areas - shall mean all portions of the Resorts other than the interiors of the Units. The recreational facilities located in the

Common Areas include, but are not limited to, swimming pools, hot tubs, poolside furniture, tennis courts, health spas, wet areas, fitness and exercise facilities, and barbecue facilities. The use and maintenance of these Common Area facilities and services shall be administered by the Managing Entity and are subject to disruptions in use for maintenance, repair or improvement.

Common Furnishings - shall mean all furniture, furnishings, appliances, fixtures, equipment, telephone systems, and all other personal property which comprise a part of each Unit. The Units shall be furnished and decorated to a satisfactory standard as determined by the Managing Entity. In all cases, the Common Furnishings shall be maintained in a state as originally furnished (ordinary wear and tear excepted) and to a level acceptable to the Managing Entity for the category of the Resort. All Units shall have sufficient bedding, chairs, couches, tables, lighting, appliances, outdoor furniture, kitchenette facilities and other Common Furnishings to accommodate the maximum occupancy limit of the Unit.

Developer - shall mean the owner and / or the seller of the lodging rights of any Resorts and associated Common Areas.

Discretionary Use Period: shall mean the use of Lodging Rights for periods of two or more consecutive days (no more than five consecutive days) during any night of the Week by a Member subject to the established herein. The Club reserves the right to limit or prohibit the reservation of Discretionary Use Periods in the best interests of the Members as a whole. Discretionary Use Period reservations may only be made by Members within the Club Priority Period and at any other time based upon availability.

Elite Program Membership - shall mean exclusive Club privileges that the Managing Entity may offer at its sole discretion through a loyalty program for Members who have purchased their Memberships directly from the Developer.

External Exchange Company - shall mean a company that provides services to the Club and/or to Members pursuant to an External Exchange Program.

External Exchange Program - shall mean the exchange services provided by the Managing Entity and rendered by a third-party External Exchange Company during the first year of each Membership, and thereafter to be provided and rendered by a third-party External Exchange Company whereby Members may use their Club Points to reserve and use Lodging Rights at Resorts which may be exchanged for Lodging Rights in other Resorts.

Extraordinary Fees - shall mean payments to be made under unforeseeable circumstances during the normal operation and maintenance of the Resorts that are urgent, necessary or indispensable for total or partial maintenance of the Resorts and of their Common Areas, facilities, equipment and services; and for the maintenance or repair of furniture, fixtures or equipment, or those fees that if not charged shall place the Resorts or parts thereof at risk of loss, destruction or deterioration, in such a manner that the purpose for which they were built may not be achieved.

Fixed Home Resort - shall mean the Resort in which a Member is assigned a Fixed Week. This may or may not be the Resort location where the original Membership Agreement was executed.

Fixed Week - shall mean a specific Week within a specified Unit at a Resort which is reserved to a particular Member.

Floating Week Membership - shall mean a Week at a Resort within an established season that allows a Member to select a vacation Week from varying Weeks each Calendar Year. Floating Week reservations shall be made by Members on a first-come, first-served basis subject to the reservation procedures in the Rules and Regulations.

Governing Documents - shall mean the organizational documents of the Resorts, the Membership Agreements, these Rules and

Regulations and any other governing documents associated with the Club, the Resorts, the Members and the Memberships as may be amended from time to time.

Guest - shall mean any person occupying a Unit in the Resorts or through any Member including, but not limited to, such Member's family members, friends, guests, servants, licensees, invitees, visitors or renters (where authorized). Any act or omission of a Guest shall be deemed the act or omission of the Member by or through whom such Guest occupies the Unit or affiliates with the Resorts.

Guest Certificate - shall mean the certificate issued by the Club confirming that a Member has relinquished Club Points and reserved a Unit at a Resort in the name of a Guest.

Holiday Season - shall mean the time allocated to a Member for the use of a Unit at a Resort that shall mean the Week containing the third Monday of February, Holy Week, Easter Week, Fourth of July Week, Thanksgiving Week, Christmas Week and New Years Week of each Calendar Year; subject to payment of the Club Dues associated with the Club Points used for the Use Period in question.

Law - shall mean the laws of the State of Jalisco, Mexico, and what does not oppose such standards, as mandated by the Laws of the State of Quintana Roo, Mexico and all other statutes, ordinances, rules, legislation and laws applicable to the Club, the Members and the Resorts as may be amended from time to time.

Maintenance Fee - shall mean Ordinary Fees as defined herein.

Managing Entity - shall mean the entity responsible for managing the Club. The Managing Entity is separate and distinct from the Club.

Member - shall mean the owner of a Membership in the club who has complied with all of the terms and conditions of the Membership.

Member Meeting - shall mean the collegiate body made up of Members that shall discuss the matters in which Members are entitled to be involved under these Rules and Regulations.

Membership - shall mean the membership interest in the Club and the issuance of a Membership Certificate by the Club to a Member.

Membership Certificate - shall mean the document issued to an individual Member which conveys Lodging Rights at the Resorts to each individual Member. Lodging Rights which are symbolized by the issuance of Club Points.

Membership Agreement - shall mean the Purchase and Sale Agreement whereby the Member acquires a Membership in the Club.

Optimal Use - Shall mean the of a Use Period during a specific Season in a specific Type of Unit that corresponds with the highest value in Club Points that Member can reserve assuming Use Periods of (7) consecutive days and use of all the Member's Club Points for that particular Calendar Year.

Ordinary Fees - shall mean those payments that are foreseeable during the normal operation and maintenance of the Club such as those for the administration, operation and maintenance of the Club, and the Resorts and Common Areas. The Ordinary Fees shall include monetary reserves in order to replace furniture, fixtures and equipment as determined by the Managing Entity.

Personal Fee - shall mean:

- (a) The fees that Members and/or Guests must pay for repair of damage that Members and/or Guests may cause to the assets used to render the services and accessories at the Resorts.
- (b) The special fees or any other items that Members or Guests must pay for the use of services not contracted with the Developer

or included in the Membership and that Members use, that must be paid upon departure from the Resort or when said services are used.

Preferred Points - shall mean additional Club Points given to a Member for use during May (Week 18) through October (Week 43) each year (with exception of Weeks included in the “Holiday Season”) by paying the prorated Maintenance Fee. These additional Club Points will be based on the Summer Season equivalent of the Optimal Use of Club Points stated in Exhibit “A” of the Membership Agreement. Preferred Points can be used to reserve a maximum of two Weeks each calendar year. In the case of Biennial Members Preferred Points can only be used on their corresponding use year. Week(s) reserved using Preferred Points may be exchanged through an External Exchange Company.

Related Party or Related Parties - shall mean the past, present, and future owners, directors, trustees, officers, employees, lessees, personnel, affiliates, agents, contractors, successors and assigns of a party. In no event shall any party and its Related Parties be deemed to be a Related Party of any other party or its Related Parties. The Related Parties of the Club shall include the Developer, the seller of the Memberships, the Managing Entity, any on-site manager and/or their respective Related Parties. The Related Parties of a Member shall include that Member’s Guests.

Rent or Renting - shall mean the act of a Member in renting additional Club Points for a specified one-time use as offered by the Club from time to time.

Resort(s) - shall mean, either jointly or individually, any of the following:

(a) ***Developments*** - as described in the Membership Agreement.

(b) ***Component Resorts*** - shall mean other resorts which become affiliated with the Club from time to time.

Rules and Regulations - shall mean these Rules and Regulations as may be amended from time to time.

Summer Season -shall mean the time allocated to a Member for the use of a Unit at a Resort between Weeks 18 to 43 of each Calendar Year with the exception of Weeks included in the “Holiday Season”, subject to payment of the Club Dues associated with the Club Points used for the Use Period in question.

Unit - shall mean one of the units in the Resorts including the Common Furnishings contained therein, reserved for the use of Members.

Unit Type - shall means the type of Unit which consists of any of the following :

At Villa del Palmar Cancún development:

“Room Type F” - Studio with: 2 queen-size beds, kitchenette, mini refrigerator, microwave oven, flat-screen TV with cable and/or satellite service, air conditioning, ceiling fan, terrace and bathroom with tub. Maximum occupancy of two adults and 2 children under the age of 12, with a surface area of 533.45 square feet. (49.56m²)

“Room Type G” - One-bedroom Unit with 1 king-size bed, and a Murphy bed (hidden in the wall) in the living room, Jacuzzi in the main bedroom, living room, dining room, 2 bathrooms, fitted kitchen with refrigerator, microwave oven, stove, washer/dryer, dishwasher, 2 flat-screen TVs with cable and/or satellite service, private terrace, lounge, air conditioning and ceiling fan in bedroom. Maximum occupancy of 4 adults, with a surface area of 1,140.97 square feet (106 m²).

“Room Type H” - Two-bedroom Unit with 1 king-size bed, 2 queen-size beds, and a Murphy bed in the living room, Jacuzzi in the main bedroom, fitted kitchen with refrigerator, microwave oven, stove, dishwasher, washer/dryer, 3 flat-screen TVs with cable and/

or satellite service, private terrace, lounge, central air conditioning and ceiling fan in each bedroom, dining room and 3 bathrooms. Maximum occupancy of 6 persons, with a surface area of 1,700.48 square feet. (157.98m²).

“Room Type I” - Three-bedroom Unit (ocean front) with 2 king-size beds, 2 queen-size beds and Murphy bed (hidden in the wall) in the lounge, Jacuzzi in the main bathroom, fitted kitchen, refrigerator, microwave oven, stove, dishwasher, washing machine/dryer, 4 flat-screen TVs with cable and/or satellite service, private terrace, lounge, central air conditioning, ceiling fan in each bedroom, lounge and dining room, 4 bathrooms. Maximum occupancy of 8 persons, with a surface area of 3,402.47 square feet. (316.10 m²).

“Room Type J” -Two-bedroom Unit (ocean front) with 2 King-size bed and a Murphy bed (hidden in the wall) in the living room, Jacuzzi in both bedroom bathrooms, fitted kitchen, refrigerator, microwave oven, stove, dishwasher, washing machine/dryer, 3 flat-screen TVs with cable and/or satellite service, private terrace, lounge, central air conditioning, ceiling fan in each bedroom, lounge and dining room, 2½ bathrooms. Maximum occupancy of 6 persons, with a surface area of 2,763.84 square feet. (256.77m²)

At Garza Blanca Preserve Residences Development:

BUILDINGS #4

“Room Type H” - 2-bedroom Unit with 1 king-size bed, 2 queen-size beds, full kitchen with refrigerator, microwave oven, gas stove, garbage disposal and dishwasher. Washer/dryer. Living room with sofa-bed, dining room, 3 flat-screen TVs with cable and/or satellite service, private terrace with 4 person Jacuzzi tub. Air conditioning and ceiling fans throughout, 3 bathrooms with 1 interior Jacuzzi and 3 separate showers. Maximum occupancy of 8 persons, with a surface area of 3,292 square feet. (306m²)

“Room Type F”.-Studio with: 1 king-size bed, fitted kitchen with mini-fridge. Lounge, 1 flat-screen TV with cable and/or satellite service, air conditioning, ceiling fans, private terrace and bathroom with 2 person Jacuzzi tub and separate shower. Maximum occupancy of 2 adults and two children, with a surface area of 980 square feet. (91m²)

“Room Type I” - 3-bedroom Unit with 2 king-size beds, 2 queen-size beds, full kitchen with refrigerator, microwave oven, gas stove, garbage, disposal and dishwasher. Washer/dryer. Living room with sofa-bed, dining room, 4 flat-screen TVs with cable and/or satellite service, private terrace with 4 person Jacuzzi tub. Air conditioning and ceiling fans throughout. 4 bathrooms with 2 interior Jacuzzis and 4 separate showers. Fitted kitchen with mini-fridge. Maximum occupancy of 10 persons, with a surface area of 4,271 square feet. (397m²)

“Room Type K (PH)” - 3-bedroom Unit with 2 king-size beds, 2 queen-size beds, full kitchen with refrigerator, microwave oven, gas stove, garbage disposal, garbage compactor, ice-maker, wine fridge and dishwasher. Washer/dryer. Living room with sofa-bed, dining room, 4 flat-screen TVs with cable and/or satellite service, private terrace with 4 person Jacuzzi tub. Air conditioning and ceiling fans throughout, 4 bathrooms with 2 interior Jacuzzis and 4 separate showers, steam room. Maximum occupancy of 8 persons, with a surface area of 4,570 square feet. (425m²)

BUILDING #6

“Room Type G”- One-bedroom Unit with 1 king-size bed, full kitchen with refrigerator, microwave oven, gas stove, garbage disposal and dishwasher. Washer/dryer. Living room with sofa-bed, dining room. 2 flat-screen TVs with cable and/or satellite service, private terrace. Air conditioning and ceiling fans throughout, 2 bathrooms with 1 interior Jacuzzi and 2 separate showers. Maximum occupancy of 4 persons, with a surface area of 2,485 square feet. (231m²)

“Room Type F”.-Studio with: 1 king-size bed, fitted kitchen with mini-fridge. Lounge, 1 flat-screen TV with cable and/or satellite service, air conditioning, ceiling fans, private terrace and bathroom with 2 person Jacuzzi tub and separate shower. Maximum occupancy of 2 adults and two children, with a surface area of 980 square feet. (91m²)

“Room Type H” - 2-bedroom Unit with 2 king-size beds, full kitchen with refrigerator, microwave oven, gas stove, garbage disposal and dishwasher. Washer/dryer. Living room with sofa-bed, dining room, 3 flat-screen TVs with cable and/or satellite service, private terrace. Air conditioning and ceiling fans throughout. 3 bathrooms with 2 interior Jacuzzis and 3 separate showers. Fitted kitchen with mini-fridge. Maximum occupancy of 6 persons, with a surface area of 3,465 square feet. (322m²)

“Room Type G (PH)” - 2-bedroom Unit with 2 king-size beds, full kitchen with refrigerator, microwave oven, gas stove, garbage disposal, garbage compactor, ice-maker, wine fridge and dishwasher. Washer/dryer. Living room with sofa-bed, dining room. 3 flat-screen TVs with cable and/or satellite service, private terrace with 4 person Jacuzzi tub. Air conditioning and ceiling fans throughout, 3 bathrooms with 2 interior Jacuzzis and 3 separate showers, steam room. Maximum occupancy of 6 persons, with a surface area of 3,733 square feet. (347m²)

BUILDING #2 AND 3

“Room Type G” - One-bedroom Unit with 1 king-size bed, full kitchen with refrigerator, microwave oven, gas stove, garbage disposal and dishwasher. Washer/dryer. Living room with sofa-bed, dining room. 2 flat-screen TVs with cable and/or satellite service, private terrace. Air conditioning and ceiling fans throughout, 2 bathrooms with 1 interior Jacuzzi and 2 separate showers. Maximum occupancy of 4 persons, with a surface area of 1,614 square feet. (150m²)

“Room Type F” - Studio with: 1 king-size bed (or 2 queens), fitted kitchen with mini-fridge. 1 flat-screen TV with cable and/or satellite service, air conditioning, ceiling fans, private terrace, full bath . Maximum occupation of 2 to 4 persons, with a surface area of 624 square feet. (58m²)

“Room Type H” - 2-bedroom Unit with 2 king-size beds (or 1 king and 2 queens), full kitchen with refrigerator, microwave oven, gas stove, garbage disposal and dishwasher. Washer/dryer. Living room with sofa-bed, dining room, 3 flat-screen TVs with cable and/or satellite service, private terrace. Air conditioning and ceiling fans throughout. 3 bathrooms with 1 interior Jacuzzi and 3 separate showers. Fitted kitchen with mini-fridge. Maximum occupancy of 6 to 8 persons, with a surface area of 2,238 square feet. (208m²)

“Room Type L” - 2- bedroom Unit with 1 king-size bed and 2 queens, full kitchen with refrigerator, microwave oven, gas stove, garbage disposal and dishwasher. Washer/dryer. Living room with sofa-bed, dining room. 3 flat-screen TVs with cable and/or satellite service, private terrace. Air conditioning and ceiling fans throughout, 3 bathrooms with 1 interior Jacuzzi and 3 separate showers. Maximum occupancy of 6 persons, with a surface area of 2,216 square feet. (206m²)

“Room Type F” -Studio with: 1 king-size bed, fitted kitchen with mini-fridge. 1 flat-screen TV with cable and/or satellite service, air conditioning, ceiling fans, private terrace with 4 person Jacuzzi, bathroom with interior Jacuzzi tub and separate shower . Maximum occupancy of 2 adults and two children, with a surface area of 1,312 square feet. (122m²)

“Room Type I” - 3-bedroom Unit with 2 king-size beds, 2 queen-size beds, full kitchen with refrigerator, microwave oven, gas stove, garbage disposal and dishwasher. Washer/dryer. Living room with sofa-bed, dining room, 4 flat-screen TVs with cable and/or satellite service, private terrace with 4 person Jacuzzi tub. Air conditioning and ceiling fans throughout. 4 bathrooms with 2 interior Jacuzzis

and 4 separate showers. Fitted kitchen with mini-fridge. Maximum occupancy of 10 persons, with a surface area of 3528 square feet. (328m²).

Week -shall mean the use of a Use Period of seven consecutive Calendar Days.

Winter Season - shall mean the time allocated to Members for the use of a Unit at a Resort between Weeks 1 to 17 and from Weeks 44 to 52 of each Calendar Year with the exception of Weeks included in the “Holiday Season”, subject to payment of the Club Dues associated with the Club Points used for the Use Period in question and in accordance with the Governing Documents and to these Rules and Regulations.

2. Club Operation.

2.1 Membership. To participate in the Club Points program, each Member must purchase a qualifying Membership. Upon exercise of an option to use the Resorts, the Club Points conveyed to individual Members described on the individual Membership Certificates shall be changed into usage rights as per the Club Point Chart(s) established in these Rules and Regulations referred to as the Garza Blanca Residence Club points Plan & Calendar. Club Points can be used through the Club to access the Lodging Rights at any of the Resorts or for other Club services or benefits as may be available from time to time throughout the life of the Membership. A Membership automatically terminates for a given Member in the event the Member voluntarily or involuntarily transfers a Membership.

2.2 Management.

2.2.1 The Managing Entity shall represent the Members before the Developer, administer the Memberships, establish charge, assess and collect the Club Dues, apply the penalties established in the Governing Documents, keep accounts, draft and submit periodic activity reports to the Developer and to the Members, report on all improvements and investments to the Club Resorts, and perform all

the other obligations and exercise all the other rights contemplated in the Governing Documents relative to the Club and the Members. The Managing Entity shall also be responsible for ensuring that the Governing Documents are observed and enforced. The Managing Entity shall use best efforts to manage the memberships and Club according to the best interests of the Members and in compliance with the provisions of the Governing Documents. The Managing Entity shall be appointed exclusively by the Developer.

2.2.2 The Managing Entity shall have the following authorities, rights and obligations except to the extent expressly stated otherwise in the Governing Documents:

(a) To perform any activity inherent in the administration of the Club, the Resorts, the Members, the Memberships and/or the Governing Documents.

(b) An unconditional and irrevocable special power of attorney coupled with an interest for any situation that arises concerning the day-to-day operation of the Club, the Resorts, the Members and/or the Memberships.

(c) To fulfill any resolutions duly passed at the Member Meetings and by the Board of Directors.

(d) To prepare the Annual Operating Budget every year and establish the yearly Club Dues per Club Point and submit them for collection on or before November 30th of each year. The Ordinary Fees may be increased in proportion to the official increase in the annual inflation rate published by the Banco de México in the Official Gazette of the Federation plus two points by decision of the Managing Entity without the need for any further approvals from any other person or entity. The Club, Managing Entity, Developer and/or their respective Related Parties shall not be liable for lack of services due to failure to approve any increase in the ordinary Fees required under the Rules and Regulations.

(e) To check the investments made and expenses incurred in accordance with the Annual Operating Budget.

(f) To submit a report to the Developer and to the Member Meetings of the activities performed during the previous year.

(g) To chair the Member Meeting and meetings of the Board of Directors or appoint a person to do so, if the Managing Entity may not attend.

(h) To represent Members at Member Meetings if so requested or if applicable under the terms of the Membership Agreement, by proxy or the other Governing Documents.

(i) To act as the channel to allow Members to file complaints for the rendering of services.

(j) To establish, modify and assess all fees and charges contemplated in the Rules and Regulations.

(k) To take all necessary measures, based on all reasonably available evidence according to the circumstances, to encourage the participation and benefits of Members as a whole regarding their opportunity to use and enjoy the Lodging Rights and other services and benefits available at the Resorts.

(l) To take all actions and make all decisions associated with the Club except where those actions or decisions are expressly reserved to the Members or Board of Directors under these Rules and Regulations or applicable Law.

2.2.3 Notwithstanding any provisions in these Rules and Regulations otherwise (a) the Managing Entity and the management of the Club may be changed at any time with the approval and consent of the then current Managing Entity and the Developer of the Club Resorts without the need for any approval or consent of any other person or entity; and (b) no changes shall be made to the Managing

Entity or the management of the Club without the prior written consent of the then current Managing Entity and the Developer of the Club Resorts.

2.3 Club Dues.

2.3.1 All Members shall pay the Club Dues established in the Governing Documents or those that the Managing Entity and/or Developer determine, including all additional charges, with the understanding that failure to meet these mandatory obligations shall be construed as breach of the Governing Documents and therefore the Membership rights of the defaulting Members shall be suspended. Members may not avoid paying Club Dues by not using or waiving the rights granted to them by the Membership.

2.3.2 Costs and expenses incurred by the Club for the operation, management, ongoing maintenance, and adequate costs for reserves and capital expenditures for the Resorts shall be charged on an annual basis as Club Dues to the individual Members based upon the Annual Operating Budget for that particular year for all the Resorts.

2.3.3 The Managing Entity shall use good faith efforts to submit to the Club on or before October 1st of each year an Annual Operating Budget for the weekly maintenance costs of the Club, Club Resorts and Units for the following Calendar Year. The operating and maintenance costs of the Club, Club Resorts and Units shall include management, administration, operating, reserves, maintenance and repair costs. The Managing Entity shall calculate the Ordinary Fees per Membership on the basis of the weekly operating and maintenance costs of each Unit of the Resorts throughout each Calendar Year. The total amount of the Ordinary Fees shall be calculated by adding annual operating and maintenance costs to administration fees and dividing the result by the total Club Points available at the Resorts. The amount of the Ordinary Fees may be increased by the Managing Entity without the need for any approval by the Members or any other person or entity in amounts up to the official inflation rate published by Banco de Mexico in the Official Gazette of the Federation annually plus two points.

2.3.4 If any increases in the Ordinary Fees fall within the increases contemplated in these Rules and Regulations, then those increases shall be effective without the need for any approval by the Members or any other person or entity. If any increases in the Ordinary Fees exceed those contemplated in these Rules and Regulations, then no later than October 15th of each year, the Member Meeting shall accept or reject the Ordinary Fees proposed by the Managing Entity for the next Calendar Year. If the Member Meeting does not accept the Managing Entity's proposed Ordinary Fees, the representatives of the Managing Entity and of the Member Meeting shall attempt to reach an agreement regarding the increase in the Ordinary Fees. If those parties do not reach an agreement within 20 days before the beginning of the Calendar Year in question, thereafter, the Ordinary Fees shall increase in an amount equal to the annualized inflation rate as published by Banco de México in the Official Gazette of the Federation of the year immediately prior to the year when the Annual Operating Budget's final draft was prepared plus two points

2.3.5 The Members shall only be allowed to approve or disapprove those increases in the Ordinary Fees that exceed the increases authorized in these Rules and Regulations. The Managing Entity shall determine all other amounts of the Club Dues, and any increases thereto, without the need for any approval by the Members. Club Dues charged to Members shall be billed annually on or about October 1st of each Calendar Year and on or about every other October 1st for Biennial Members or any other person or entity. Ordinary Fees shall be paid annually in advance every November 30th and every other November 30th for Biennial Member. A different date may be set for payment of other Club Dues, if applicable, which must be paid at the place specified by the Managing Entity.

2.3.6 Club Dues may be paid in a lump sum, four quarterly installments or in twelve monthly installments, commencing November 30th of each Calendar Year and November 30th every other year for Biennial Members. If Members choose to pay Club Dues in installments, those payments shall be subject to an additional

charge for each installment, as determined by the Managing Entity, which will not exceed 20 percent of the Club Dues.

2.4 Penalties and Enforcement.

2.4.1 If the Managing Entity does not receive payment of any Club Dues, including Ordinary Fees, or if the Developer does not receive the payment for purchase of the Membership within 30 days after payment is due, the Developer and/or the Managing Entity may send a first reminder of the delinquent amount to the Member which shall include the penalties for non-payment. As of when the first reminder is sent, the Managing Entity shall not accept any reservation from the defaulting Member, nor shall confirm any reservation already made, in which case a cancellation charge shall be payable by the defaulting Member in an amount determined by the Managing Entity, which will not exceed of the total pending payments. If the payment due and its additional charges are not paid within 30 days after the first payment reminder is sent, a second reminder may be sent that shall include the penalties and interest already incurred for non-payment and a charge for reinstating the Membership, which shall be calculated by the Developer and/or Managing Entity in an amount that will not exceed of the total pending payments. The second reminder shall also notify the defaulting Member that if the amount due is not paid within 30 days of the date of the second reminder, his or her Membership shall be cancelled and monthly interest charges will be assessed on the outstanding balance due. Once a Membership has been cancelled, the defaulting Member shall not be entitled to receive any benefits associated with that cancelled Membership.

2.4.2 Failure on the part of any individual Member to pay assessed Club Dues or Membership purchase price by the prescribed dates may result in immediate suspension of that Member's Club Membership privileges including any and all usage rights associated with the Resorts and/or the Club services and benefits. Continued failure on the part of the Member to rectify any delinquent payment

may ultimately result in termination of the Member's Membership and/or benefits.

2.4.3 Reservations may not be made under any circumstances if Members are in default of any payment, and defaulting Members may not be entitled to receive any services pertaining to the Membership. While Members continue to be in default under any provisions of the Governing Documents, the Developer and/or Managing Entity shall be entitled to use the rights associated with the defaulting Member's Membership, at the Developer's sole discretion without any compensation to the defaulting Member.

2.4.4 Monthly default late fees shall be charged to Members defaulting on their payments at an interest rate of 12 percent per year over the Club Dues. That interest may be capitalized and changed by the Developer and/or Managing Entity but it will not exceed a rate of 50 percent of the amount due.

2.4.5 If the Developer and/or the Managing Entity require any Member to perform that Member's obligations under any of the Governing Documents, it shall be understood that the Member in question shall be liable for paying all expenses, including legal fees and costs, incurred with regard to said collection. In all events, Membership rights shall guarantee prompt payment of sums owed, plus any interest.

2.4.6 Members who repeatedly default on payments (on two occasions or more) may be expelled by the Developer and/or Managing Entity and their Memberships may be cancelled, in which case the Managing Entity shall analyze the specific circumstances of the case and, at its sole discretion, decide if any sums shall be refunded to expelled Members.

2.5 Rules and Regulations.

The Rules and Regulations shall be valid and remain in full force and effect while there are Members. Each separate Resort shall have the right to establish and amend its own specific rules and regulations associated with that particular Resort. Each Member and Guest shall comply in all respects with those Resort specific rules and regulations as they may be amended from time to time. Such additional rules and regulations are hereby automatically incorporated into these Rules and Regulations as though fully set forth herein and any breach of the same shall constitute a breach of these Rules and Regulations. In the event of any conflict between the Governing Documents and such additional rules and regulations, the Governing Documents shall control.

3. Club Points.

3.1 Creation of Club Points. The total number of Club Points in the Garza Blanca Residence Club Program is the sum of all of the Club Points available taking into consideration all the Units. That inventory has an associated Club Point value for every night of the year and that value is based upon factors such as the cost of the resort product, relative supply and demand for the accommodation size, Unit Type, historical market average occupancy rates, resort seasonality, holidays and special events, day of the week and other applicable factors as determined from time to time by the Club. Furthermore, the total number of Club Points within the Club may vary slightly from year to year based on Weeks falling on certain days within that Calendar Year. In addition, Club Points may be increased upon the addition of future phases or other Resort locations within the Club.

3.2 Reallocation of Club Points. In the best interest of Members as a whole, the Club may elect to reallocate Club Points across seasons, resort locations, and/or Unit Types. Any such reallocation shall be based upon research of specific market data. Members shall be notified of any planned reallocation of Club Points, other than

a reallocation resulting from the addition or deletion of Resorts or locations, approximately 12 months prior to any such reallocation becoming effective. At no time shall the original Club Points which the Member was allotted at the time of that Member's purchase of a Membership be reallocated to decrease the value of that Membership. The Club and/or the Developer may at any time decide to remodel a Resort to upgrade that Club Resort to the standard and quality of any other Resort, or otherwise, which could then change the value of the Club Points associated with that Club Resort.

3.3 Club Point Charts. Club Point Charts as outlined on the Garza Blanca Residence Club Points Plan & Calendar are issued by the Club and indicate the current daily allocation of Club Points for each day of the week, for each Unit Type, for each season and for each Resort. The allocation of Club Points for weekend days (Saturdays & Sundays) is greater than the allocation for weekdays. Similarly, the daily allocation of Club Points varies from one Season to another as reflected on the Club Point Charts. Daily allocations will vary for each Unit Type. The Club reserves the right to periodically modify, change, and/or amend the Club Point Charts.

3.4 Additional Club Points. If a Member does not have sufficient Club Points to reserve a desired Unit or season upgrade transaction during a given Calendar Year, that Member may Borrow Club Points from the next successive Calendar Year(s) or Rent Club Points all at a cost determined by the Club from time to time. Renting Club Points shall be limited to no more than 50 percent of the total number of Club Points required to confirm the desired reservation per calendar year and can be Rented no more than 10 months prior to the desired Check-In Date. Fixed Week two-bedroom ocean front or penthouse Units, Fixed Week three-bedroom ocean front or penthouse Units and Holiday time upgrades can only be reserved 60 days prior to the desired Check-In Date. A Member may also purchase additional Club Points on terms and at the prices designated by the Club and/or Developer from time to time. A Biennial Member may Borrow or Rent up to 50 percent of the amount of Club Points that such

Biennial Member then currently actually owns for the use of season upgrades only.

3.5 Preferred Points. A Member may use additional Club Points equal to the Summer Season equivalent of the Optimal Use of Club Points stated on Exhibit “A” of the Membership Agreement. Preferred Points can only be used to reserve Lodging Rights, Club Services and Benefits for a maximum of two Weeks for each calendar year per Membership. Preferred Points may be used between May (Week 18) and October (Week 43) of a Calendar Year (with exception of Weeks included in the “Holiday Season”) and is based on availability. A Member shall pay the prorated Maintenance Fee for the amount of Preferred Points used. Week(s) reserved through the use of Preferred Points may be exchanged with an External Exchange Company. Preferred Points cannot be Borrowed, Banked or Rented. Reservations using Preferred Points may be requested up to 12 months in advance of the desired Check-In Date. A reservation using Preferred Points may only be made in the name of a Member and not in the name of any other person. At least one Member must be present during the use of any Preferred Points reservation. Biennial Members can only use Preferred Points on their use year.

3.6 Borrowing Club Points. A Member may Borrow a full year’s allotment of Club Points up to five successive Calendar Years in advance for use in the current Calendar Year and a Biennial Member may borrow a full year’s allotment of Club Points from the next use year (only one year) for use in the current Calendar Year, subject to the following restrictions:

3.6.1 When making a reservation, Members may Borrow 100 percent of their next 5 successive Calendar Years’ Club Points to access the Club services and other benefits. Borrowed Club Points may be used to reserve Lodging Rights and other Club’s services and benefits in accordance with the Governing Documents up to 24 months in advance of the desired Check-In Date. A Member may not Borrow Club Points from the end of that Member’s contracted Club Points. The right of a Member to use Borrowed Club Points is subject to availability. The ability of a Member to Borrow Club Points or

to use Borrowed Club Points shall be subject to notice requirements and other requirements which may be established by the Club from time to time. If a Member wishes to Borrow Club Points, such Club Points must be Borrowed by the applicable reservation deadline. If a Member intends to Borrow Club Points from any or all of the next successive 5 Calendar Years, the Member must first pay at least 100 percent of the total current annual Club Dues for such successive Calendar Years at the time of making the reservation all in such amount determined by the Club.

3.6.2 A Biennial Member may only Borrow Club points from the next successive Calendar Use Year and all restrictions noted in clause 3.6.1 are applicable to the Biennial Member.

3.6.3 The Club reserves the right to prohibit a Member from Borrowing or using Club Points if the Member is delinquent in the payment of that Member's Club Dues or purchase-money note obligations.

3.6.4 The Club reserves the right to prohibit a Member from Borrowing Club Points during the first Calendar Year following the Membership purchase date if that Member has a loan balance of more than 50 percent of the original principal sum of that loan.

3.6.5 The Club reserves the right, in its sole discretion, to modify or suspend Borrowing activity at any time if the Club, in its reasonable business judgment, determines that such modification or suspension shall result in an improvement in the quality and operation of the Club as a whole.

3.7 *Banking Club Points.* A Member may Bank all or a portion of the current Calendar Year's Club Points for use during any or all of the next successive five Calendar Years, subject to the following restrictions:

3.7.1 Members may Bank up to 100 percent of the current Calendar Year's Club Points for use during the next successive 5 Calendar Years, to reserve multiple-night Lodging Rights or to access the Club services and benefits. Banked Club Points may be used to reserve Lodging Rights and other Club's services and benefits in accordance with the Governing Documents up to 24 months in advance. The right of a Member to use Club Points which the Member has placed in the vacation Bank is subject to availability. The ability of a Member to place Club Points into the vacation Bank or to use Club Points shall be subject to notice requirements and other requirements which may be established by the Club from time to time.

3.7.2 A Biennial Member may only Bank one Calendar Use Year's Club Points into the next successive Calendar Use Year and all the restrictions noted in 3.7.1 are applicable to the Biennial Member.

3.7.3 A Member must notify the Club reservation services of that Member's intent to Bank Club Points according to the Reservation deadlines.

3.7.4 Reservation deadlines consist of the following: from 24 months up to 60 days prior to the first day of the requested Use Period. Club Points must be banked prior to October 31st of each calendar year or prior to October 31st of the Biennial Member's use year.

3.7.5 If a Member is delinquent in the payment of Club Dues or purchase-money note obligations that Member may not Bank his or her Club Points.

3.7.6 The Club reserves the right, in its sole discretion, to modify or suspend Banking activity at any time, if the Club, in its reasonable business judgment, determines that such modification or suspension shall result in an improvement in the quality and operation of the Club as a whole.

4. Reservations.

4.1 Making a Reservation. Members may reserve the use and enjoyment of the Units subject to the Memberships, according to the Rules and Regulations through the Managing Entity or its designee. A Member must first determine whether he or she has sufficient Club Points available in his or her Club Account to complete a reservation. To make this determination, a Member may either call the Club for reservation assistance or utilize the annual Club Point Chart provided by the Club to each Member. The Member must submit a reservation request by regular mail, on-line, email, facsimile or by telephone. A reservation request shall only be accepted by the Club if the Member has paid all applicable Club Dues and is in good standing with regard to the Membership and any outstanding purchase-money note or other obligation. There may be a limited number of oceanfront and penthouse Units available for reservation through the Club due to the fact that the Club has designated this inventory for purchasers of Fixed Weeks. A Member may relinquish Club Points and reserve a Unit at a Club Resort in the name of a Guest. A Member may be subject to a Guest fee determined by the Club upon transferring the reservation.

4.2 Use of Club Points. Member requests for Lodging Rights at Resorts or for the Club services and benefits are fulfilled on a first-requested, first-served, space-available basis. The earlier a request is submitted, the better the chance that a reservation confirmation can be secured. Therefore, Members are encouraged to submit requests as far in advance as possible up to 24 months in advance in order to obtain the best choice of accommodations.

4.3 Reservation Windows. Member reservation requests may be submitted to the Club up to 24 months in advance of the requested Check-In Date. Furthermore, to provide optimum utilization of Lodging Rights and other Club's services and benefits in accordance with the Governing Documents available within the Club, the Club has established various reservation windows that provide a priority

to reservation requests submitted by Members in the Elite Program; or requests for longer periods of time, such as seven nights, over reservation requests for accommodations of shorter duration, such as three nights. When making reservation requests, Members should be aware of the reservation windows that govern how far in advance reservations of varying lengths can be requested.

4.4 Club Priority Period. Each of the following reservation windows are deemed by the Club to be part of the Club Priority Period. During the Club Priority Period, a Member must compete with other Members on a first-requested, first-served, space-available basis for a reservation of any available Club Resort accommodations. Members may also make reservations outside of the Club Priority Period based upon availability. Members shall have rights to reserve full Weeks, Discretionary Use Periods during the Club Priority Period, as described below:

4.4.1 Full-Week Reservation Window. Members may have priority to request reservations of 7 consecutive nights from 24 months up to 10 months prior to the Check-In Date. Members with Elite Program Memberships may have the exclusive rights to booking windows which will be announced to the Members in a timely manner.

4.4.2 Discretionary Use Period Reservation Window. Members may have priority to request reservations of 4 consecutive nights and/or 5 consecutive nights 12 months prior to the Check-In Date, and regarding reservations of 2 consecutive nights and/or 3 consecutive nights from 12 months up to 60 days prior to the Check-In Date.

4.5 Confirmations. A written reservation confirmation shall be mailed or emailed to each Member upon completion of a reservation. A reservation request must be confirmed by the Club before it is valid. Confirmations shall be made by the Club in writing; provided, however, that reservation requests received or confirmed after a reservation deadline may be confirmed by telephone. A reservation request shall not be confirmed by the Club if at the time such request is submitted the Member is in breach of the Governing Documents,

or is delinquent in the payment of any amounts due, including but not limited to the Club Dues.

4.6 Cancellations. Cancellations on confirmed reservations may be made at any time up to the Check-In Date and may be subject to a cancellation fee that at the moment is the amount of _____, which may increase as determined by the Club from time to time, without exceeding the inflationary index published by the Bank of Mexico in the Diario Oficial de la Federacion (Official Diary of the Federation). A Member who cancels a reservation more than 60 days prior to the Check-In Date shall have the Club Points associated with that cancelled reservation restored to the Member's Club Point Account for further use during that Calendar Year and may be subject to a cancellation fee. Cancellations less than 60 days prior to the Check-In Date may be subject to a higher cancellation fee than cancellations made more than 60 days prior to the Check-In Date which may not exceed the firts by more than 50%.

4.7 No Shows. If Members do not arrive at the Resort on the Check-In Date established on the reservation or within 24 hours after the Check-In Time specified, those Members may be charged a cancellation fee which will not exceed the amount of the Club Dues and be considered to have waived their right to accommodation which shall be lost permanently for such Calendar Year, unless the Members notify the Club in advance that they shall arrive at a different time and date, in which case those Members shall not be entitled to any extra days equivalent to those not used for not having arrived at the Resort on time. Any days that are not used by Members under the terms of this paragraph, may be used at the discretion of the Developer and the Managing Entity without compensation to any Members.

4.8 Early Check Out. A Member or Guest who begins using their Use Period but then checks out early before the scheduled Check-Out Time, shall not be entitled to save, reserve, transfer or otherwise allocate the unused time and/or the unused time's Club Points equivalent and the Club or its agents shall have the right to rent that

unused time to any other person without any compensation to the Member or Guest who checked out early.

4.9 Users Under Age 25. If the oldest user in a Unit is less than 25 years of age, then the Club and/or the Managing Entity shall have the right to require that (i) an additional written authorization be submitted to the Club, (ii) a credit card number and authorization guaranteeing any unpaid charges or damages incurred by the user, (iii) a security deposit of \$500 US or such other amount determined by the Club and/or the Managing Entity be paid to the Club upon checking in at the Resorts and prior to occupancy of the Unit, (iv) and any other security that the Club and/or the Managing Entity deem necessary to protect the Unit, the Resorts and/or the Club.

4.10 Respecting Reservations. Reservations made on time and properly confirmed as well as reservations made on account of a wait list shall be respected. If reservations are not respected for any reason other than force majeure or default by the Member or Guest, the Members shall provide accommodation in another Unit or at another development of the same quality as that requested and for which the reservation was given, or one of a higher category. If this is not possible for any reason other than force majeure or default by the Member or Guest, the Member shall be reimbursed for the reasonable and actual cost of the transport and accommodation expenses that the Member incurs, including air tickets from the point of origin to the Resort and from the Resort to the point of origin. In this case, in addition to the payments referred to, the Member shall be provided extra accommodation rights that shall be considered as accommodation rights reserved and used.

4.11 Discretionary Use Period: Members shall be permitted to make reservations of Discretionary Use Periods at the Resorts as permitted by the Resorts and the Club from time to time. Discretionary Use Periods may not be available at all Resorts. All reservations for Discretionary Use Periods shall be subject to the reservation request priorities. Discretionary Use Periods may include a Saturday or a Sunday, but may not include both a Saturday followed by a Sunday

in the same Discretionary Use Periods stay. Members may split Use Periods into two separate stays within the same Calendar Year. The Club reserves the right in its sole discretion to designate when Discretionary Use Periods shall be permitted to be reserved from time to time. Club Points required to reserve a Discretionary Use Periods are subject to reasonable change by the Club from time to time without Member consent in the best interests of the Members as a whole. A Member who uses Club Points to reserve a Discretionary Use Periods may use any remaining Club Points to reserve another available Week or Discretionary Use Period.

5. Other Club Options.

5.1 External Exchange Program. In order to expand the range of options available to Members, the Club has arranged for an External Exchange Program. That Program currently consists of exchange agreements between the Club, individual Resorts and Resort Condominium International, as the External Exchange Company. The exchange agreements between the External Exchange Company and the individual Resorts allow Members to exchange with resorts that participate in the exchange network. Neither the External Exchange Company nor the individual Resorts are obligated to renew the exchange agreements upon the expiration of their current terms. The External Exchange Company, the Club, the individual Resorts and their respective subsidiaries and affiliates are separate and distinct entities. The External Exchange Company is managed and operated entirely independent from the Club. The exchange services offered must be rendered and paid for under the terms of the respective exchange agreements signed by Members and the External Exchange Company. The Club makes no representation or warranty respecting the quality, performance, availability or any other aspects associated with any External Exchange Company or exchange and the Club and its agents shall not have any liability for the same. The Club, the Developer, the Managing Entity and their respective Related Parties shall have no liability or obligation regarding said services, except for those expressly stated in the Membership Agreement or these Rules and Regulations.

5.2 External Exchange Requests. All external exchange requests shall be processed through the Club or a third party appointed by the Club. Following verification that the Member is in good standing, the Club representative and the Member shall discuss the Member's desire to exchange that Member's time. These exchange requests shall be noted by the Club and forwarded to the External Exchange Company for processing. Member participation in the External Exchange Program shall be governed by the terms and conditions of the External Exchange Program and those restrictions contained in these Rules and Regulations. All External exchanges are limited to full Week(s) reserved by a Member.

5.3 Club Benefits Program. The Club may offer special services and benefits to Members from time to time, through its Club Benefits Program. The Club reserves the right to establish such rules and regulations as it deems necessary to adequately govern Member access to and participation in the Club Benefits Program.

5.4 Elite Program - The Club may offer, at its sole discretion, exclusive privileges through a loyalty program for Members who have purchased a certain amount of Club Points and use rights directly from the Developer.

6. Use Rights and Restrictions. Members shall be entitled to access the Lodging Rights and other Club's services and benefits in accordance with the Governing Documents, in a reserved Unit at the Resort according to the type of Membership acquired, once a year or as applicable under and while the acquired Membership is valid. This right shall be subject to the following:

6.1 Personal Use; Commercial Purposes. Use of the Lodging Rights and other Club's services and benefits and facilities associated with the Memberships, Units and Resorts is limited solely to the personal use, during their period(s) of occupancy, of Members, Guests, exchangers, and to the number of authorized users permitted to occupy the Units as set forth in these Rules and Regulations.

Purchase of a Membership for any purpose other than the personal use described above is expressly prohibited.

6.2 Member Rentals. A Member may reserve a Week based on availability and rent that Week for the Member's own personal account. A Member may only rent a complete seven-day Week. Discretionary Use Periods rental is prohibited. All renters must comply with the Governing Documents and applicable laws affecting occupancy and the renting Member shall be responsible for the acts or omissions of renters or any other person or persons permitted by the Member or the renter to use the Lodging Rights and other Club's services and benefits. Once the reservation is made and the Member has rented a Week, the Member is responsible to notify the Club of any Guest and is subject to any applicable Guest fees.

6.3 Lodging Restrictions. Each Member must observe the rules of the Resort at which the Member stays, keep the Unit and Common Furnishings therein in the same condition in which the Unit was when the Member received the Unit, and vacate the Unit at the Check-Out Time established in the Member's reservation. Any damage or loss that the Unit suffers during the stay of a Member or Guest must be paid by that Member as a Personal Fee, and failure to observe this requirement shall give rise to temporary suspension of the rights of the Member, but not the Member's obligations as such, until all damages and losses caused have been paid. Each Member must report any fault of the Unit allocated to the Member to the administration of the Club Resort, as soon as the Member becomes aware of the same. A Member shall not be entitled at any time and under any circumstances to make alterations or changes to any Unit, nor remove any Common Furnishings therefrom. Members must strictly observe the terms of these Rules and Regulations.

6.4 Failure to Vacate the Unit. If a Member or Guest does not vacate a Unit when required to do so, or prevents third parties, including other Members, from entering the Unit, the detaining user shall be immediately removed from the Unit on account of the illegal occupation thereof, without the need for any notification.

In this case, the detaining user must pay a charge of twice the cost of one night's stay at the Resort at the standard rate, for each day during which the detaining user fails to vacate the Unit, and must pay all expenses (including legal fees) that the Club, the Resort, the Managing Entity, the Developer or any other third parties incur. The rights of a detaining Member shall be suspended, although not his or her obligations as such, until the charge and/or damage is paid.

6.5 Maximum Occupancy. The maximum number of persons who may use a Unit shall depend on the Unit Type. If Members wish to accommodate more persons than those permitted with the Unit Type in question, the Members must obtain the authorization of the Managing Entity of the Resort and pay any cost that the Managing Entity establishes. Any additional persons may be accommodated in another Unit. In order to calculate occupation under the terms of this clause, children over the age of three that accompany Members shall be considered as a person.

6.6 Right of Entry. Without any restriction to that established herein, the Club, the Managing Entity, the Developer and their respective Related Parties shall be entitled to enter the Units of the Resort to carry out maintenance, cleaning or provide any administrative services they consider appropriate, even while Members are using the Units. No Member or Guest shall block, alter any lock or install a new lock on any door leading to any Unit.

6.7 Additional Services. Members shall be entitled to receive services in addition to those provided in connection with the Membership. The services covered by the Membership do not include: restaurant, bar, money exchange, telephone, facsimile, nursery, laundry, medical services, groceries, beverages or any other item that is not expressly included in the Membership. Under no circumstances shall the Club, the Managing Entity, the Developer and/or their respective Related Parties assume any liability for paying for these services. Members and Guests of Members shall pay for these services directly.

6.8 Maid Service. Maid service shall be provided without additional charge on a daily basis so that the Units are always maintained in good order and repair. Prior to the Member's arrival at the Resort and occupancy or an assigned Unit on the Member's Check-In Date, the Unit shall be cleaned and returned to an orderly condition. In general, daily maid services shall include a daily cleaning and making-up for the Unit, except for kitchen dishes utensils, which shall be cleaned following the departure of a Member or Guest. Bed linens shall be changed at least twice weekly and bathroom towels at least once daily. Maid service shall not include cooking, preparation of meals, washing dishes, or washing or ironing of clothing. Maid service shall be available daily from 9:00 a.m. to 11:00 p.m. local time at the Resort.

6.9 Use Restrictions. Units and/or Common Areas may only be used for vacation purposes and may not be used for business or any other purposes other than those established herein. Members and Guests may not use a Unit and/or Common Areas or allow a Unit and/or Common Areas to be used in any manner other than that for which it is designed and built, nor may they adversely affect the good reputation of the Resort, or carry out harmful, offensive or noisy activities that may disturb the comfort, rights or security of other Members, Guests, the Developer or the Managing Entity. When exercising their non-exclusive right to use the Common Areas of the Resorts, Members and Guests must always observe reasonable standards of behavior, including, but not limited to:

(a) Radios, audio equipment, television sets and any other similar equipment must be kept at a volume that does not disturb other Members and Guests. A complaint must be submitted to the Managing Entity if a Member or a Guest is disturbed by the noise of a radio, audio equipment, television or any other similar apparatus by another Member or Guest.

(b) Members and Guests must behave reasonably in the Common Areas. They must be properly attired when using the swimming pool and surrounding areas, the beach and restaurants. The Managing Entity may ask Members and Guests to adjust any disorderly behavior. Members and Guests shall not create any type of disturbance that bothers other Members or Guests staying at the Club Resorts. Noise must be kept to a minimum after 11:00 p.m. local time at the Resort in question.

(c) Glasses, bottles or any other glass objects are not allowed in the swimming pools, hot tubs, wet areas or surrounding areas.

(d) Children under age 12 must be supervised and accompanied by an adult at all times while in the Common Areas, including the swimming pool area. Children under age 12 are not allowed in hot tubs or wet areas even with adult supervision.

(e) All swimming pools shall be open from 9:00 a.m. to 9:00 p.m. local time at the Resorts in question. No diving, jumping or climbing is allowed on any swimming pool island or bridge. Members and Guests must check the depth of the water (painted on the side of each swimming pool) before entering. There is no lifeguard available at any of the swimming pools. Members and Guests are reminded that the use of any swimming pool, hot tub or wet area involves risks and that they must take all necessary precautions when using those facilities.

(f) Towels, swimming costumes, clothes, bed linens or any similar item may not be hung on windows, terraces, balconies, or placed on balcony furniture or in any other area in view from the exterior of a Unit.

(g) Clothes, brooms, boxes or other receptacles or cleaning equipment may not be left on balconies, in passageways or in windows so that they may be seen from outside the building. All shoes, sandals, clothes for washing, garbage (in bags or not), buggies, bicycles, rugs, surfboards and other similar items must be

kept within the Unit and not be left in passageways, entrances to buildings, balconies or other Common Areas. Open-air bonfires or cooking on balconies are not permitted. Furniture and other Common Furnishings on balconies, in the Units or in the Common Areas may not be removed by Members or Guests.

(h) Garbage and waste must be placed in suitable receptacles located in designated areas in the Club Resort. Food waste must be wrapped and sealed so as to reduce the amount of pest infestation.

(i) Chairs on the beach and in the swimming pool area shall be used on a first-come, first-served, first-available basis. Members and Guests may not reserve chairs on the beach or in the swimming pool area for long periods by placing articles on the chairs and then leaving those articles and chairs for later use. Members and guests may reserve beach beds through the procedures established by the Resort's Managing Entity. Any chair in the swimming pool or area on the beach that is unoccupied by a person for more than one hour shall be considered as not reserved but rather abandoned and available for use by any other Member or Guest.

(j) Sports facilities, the gymnasium, recreational facilities and catering facilities shall be used on a first-come, first-served, first-available basis, unless the Managing Entity allows reservations to be made.

(k) Food and drink shall be restricted to the Units of Members, restaurants or other areas designated by the Managing Entity.

(l) No event may be held in the Common Areas without the prior written consent of the Managing Entity.

(m) Members and Guests shall use the Common Areas and facilities, including swimming pools and hot tubs, wet areas and beaches at their own risk.

(n) Members and Guests shall be personally responsible for observing all rules concerning recreational facilities including those rules posted in the swimming pool areas, hot tubs, wet areas, beaches, barbecue areas and tennis courts.

(o) The Club Resort reception area shall be open 24 hours a day.

(p) Each Unit is equipped with an In-Room Safe and Members and Guests should leave their valuables in the provided safes. The Club, the Developer, the Managing Entity and/or their respective Related Parties shall not be liable for the loss of or damage to the property of Members or Guests. Members must pay any fee established by the Managing Entity for: (i) replacing the in-room safe key, or (ii) forcing the lock of a safety-deposit box for causes imputable to Members or Guests.

(q) When leaving the Club Resort by the Check-Out Time, Members and Guests must completely vacate the Units and must take the following items with them: all their luggage and personal belongings, including belongings placed in the in-room safe; receipts for beach towels, in-room safe keys, if any, and all keys of the Unit.

(r) Members shall be charged for replacement of keys of Units or any keys lost by Members or their Guests.

(s) Members and Guests are responsible for the behavior of children and must ensure that they do not disturb other Members or Guests, nor damage the property of other Members or Guests nor of the Resorts. Children under the age of 12 shall only be allowed in Common Areas and recreational areas when accompanied by an adult. Children may not play or make any noise in passageways, parking lots or in the reception area.

(t) The Club, the Developer, the Managing Entity and/or their respective Related Parties shall not be responsible for any injury caused to Members or Guests or their Related Parties for any cause, unless due to the gross negligence or intentional misconduct of the

Club, the Developer and/or the Managing Entity. Members and Guests shall be responsible at all times for their own safety and that of the children accompanying them. As wet surfaces may be dangerous, Members and Guests must take all precautions in the swimming pool area, hot tubs, wet areas, passageways, stairways, elevators, balconies and in any other exit or entrance of the buildings that may be wet including during and after any rain. Members and Guests must take all necessary precautions while they are on the beach and are reminded that in Mexico all beaches are federal property and are controlled by the Federal Government. Members and Guests are reminded that recreational activities such as parachuting, waterskiing, jet skiing, boating, diving and snorkeling may be dangerous, so Members and Guests must take all necessary precautions, and the Developer, the Managing Entity, the Club and their respective Related Parties shall not be liable for any accidents or injuries involving Members or Guests.

(u) Animals and pets of any type (other than duly licensed services animals) are prohibited in the Resorts and associated Units or Common Areas.

(v) Members and Guests may not leave their vehicles at the entrance of the reception area, or in loading or maintenance areas of the Resorts. Parking is available on a first-come, first-served, first-available basis. Motor vehicles, boats, surfboards or any other equipment may not be repaired or stored in parking areas.

(w) Visitors are not allowed to enter the Resorts unless invited by a Member or a Guest and provided that the Visitor obtains a visitor's pass. Visitor passes are valid for a single visit between 8:00 a.m. and 11:00 p.m. local time during a day and are non-transferable. Those persons inside the Club Resort after this time or those persons who, in the opinion of the Managing Entity, create a risk for safety, may be asked to leave the Club Resort immediately. Visitors may not remain overnight unless they register at reception and obtain a visitor's pass. An official means of identification with a photograph of the visitor must be provided and must be approved by the Members or Guests

inviting them. The Club Resort is a private area, so Members and Guests must take extreme precaution when inviting new friends to the Club Resort. In order to ensure the security and safety of Members and Guests, the Managing Entity shall have the absolute authority to refuse admission to any visitor who, in the Managing Entity's consideration, does not meet satisfactory requirements of conduct and behavior, or who has violated any other standards of the Rules and Regulations. Each Resort and/or the Managing Entity shall have the right to charge a visitor fee associated with any visitor.

(x) Beach towels and swimming pool towels are available at the counters in the swimming pool area between 9:00 a.m. and 5:30 p.m. local time every day. Members or Guests shall be entitled to one towel each per day and must return that towel in good condition. Towels may not be removed from the Resorts at any time and under no circumstances. Members and Guests who need a towel at the swimming pool on the date of their departure may obtain permission at reception (having made a cash deposit).

(y) Members and Guests shall not place any signs or billboards of any type on or around the Resorts.

(z) Members and Guests shall not alter the structure or decoration of a Unit and/or Common Areas, including the Common Furnishings used therein, and/or any other part of the Resorts.

(aa) Keeping toxic, flammable or explosive materials on or around the Resorts is prohibited.

(bb) Keeping any type of weapon on or around the Resorts is prohibited.

(cc) Members and Guests shall refrain from performing any act that directly or indirectly prevents the Developer, the Managing Entity or their respective Related Parties from meeting their obligations.

(dd) Members and Guests shall take all necessary precautions to prevent theft within the Club Resort or the Units.

(ee) Members and Guests shall use gas, water and electricity in their Unit in a responsible manner so as to prevent waste or danger.

(ff) Members and Guests shall promptly notify the Developer and/or Managing Entity of any physical damage caused to the Resort at which they are staying or that may affect the interests of Members and Guests in general, as soon as they become aware of any such damage.

(gg) Members shall immediately notify the Developer and/or Managing Entity of any change of address or contact information.

(hh) Members and Guests shall not engage in any other activity that the Managing Entity and/or the Developer may prohibit from time to time.

(ii) Members and Guests must observe the generally accepted standards of decent and reasonable behavior, whether specified in these Rules and Regulations or not. The Club, the Developer, the Managing Entity and/or their respective Related Parties shall not be liable for any event that results in violation of the Rules and Regulations by Members or Guests. By acquiring their Membership, Members authorize the Managing Entity (or any person the Managing Entity appoints) to ensure that the Rules and Regulations are met and to apply the necessary penalties.

6.10 Payment for Additional Services. Upon arriving at the Resort at which they have made their reservation, Members must register their Guests and obtain a voucher or make a cash deposit to guarantee payment for any additional services that they may be provided and that are not included under the Membership. Any outstanding payment or damage caused by Members or their Guests while staying at the Resort shall be charged to said voucher. If the credit limit of the credit card by which the voucher is obtained is insufficient to cover the expenses incurred or damage caused, rendering of the additional services shall be suspended and the debt shall be noted for payment at a later date, and the Managing Entity may ask Members to immediately vacate the Unit.

6.11 Resort Conditions. Using the funds obtained from the Club Dues or reserves, the Club shall inspect maintenance on the Club Resort at the times necessary so as to keep the Club Resort in suitable condition of use. The Club shall inspect and oversee the following:

(a) Keeping the Resorts and the Units clean and in good condition and carrying out any repairs needed, carrying out routine maintenance and altering the Units, and replacing furniture and other items used, as frequently as necessary, so as to keep the Club Resort and the Units in good and clean condition. Replacement funds shall be included in the Annual Operating Budget and covered by the Club Dues by the Members.

(b) Paying all costs for administration and maintenance of the Club Resorts.

(c) Complying with laws, regulations and other local, state and federal legislation applicable to the Club Resorts, including, but not limited to, labor, social security, union, administrative, tax and commercial matters.

(d) Administering the Resorts in accordance with the principles generally accepted in the hotel and tourism industry.

(e) Ensuring the peaceful use and enjoyment of the Units throughout the term of the Memberships.

(f) Paying for the water, drainage, electricity and gas of the Units and of the Resorts in general, and paying for all repairs needed, having first received payment from the Members.

6.12 Maintenance Period. One Week shall be designated by the Club each Calendar Year with respect to each Unit for the major maintenance, service and repair of that Unit by the Developer and/or Managing Entity. The Managing Entity shall determine the Maintenance Period for each Unit.

6.13 Insurance. Insurance shall be maintained for the Club Resort to cover destruction of Units, their components, wholly and/or partially (including provisions for the complete rebuilding or repair of the Club Resort), and comprehensive coverage with regard to any lawsuits and liability for physical and personal damage, and any other insurance required by applicable Laws or reasonable and customary standards. The terms, conditions and amounts of said coverage shall be that reasonably used for similar resorts in Mexico.

6.14 Records. The Club shall keep the following records: (i) of Memberships and holders of Memberships, in which the purchase of the Membership and any temporary transfers, cancelation and issue thereof for permanent transfer shall be noted, together with the address of Members and the information included on the certificate of Membership; (ii) of reservations, including a note of all reservations, cancellations and re-reservations, with the information needed to fully identify the reservation and who makes it; (iii) of Memberships not paid; and (iv) of promissory notes and credits. Unless a court order is issued to the contrary, the Members shall be those persons who are entered as such on the records specified in subparagraph (i) above. To protect the privacy of the Members, the Club's records and information, including Membership and Member name and contact information shall not be disclosed or provided to any person or entity without the prior written consent of the Managing Entity.

7. Members.

7.1 Voting Eligibility. All Members who have paid in full the purchase price of their Memberships and are current with the performance of all their contractual payment and other obligations according to the Membership Agreement, these Rules and Regulations and the other Governing Documents shall be entitled to attend and vote at Member Meetings. Members shall only vote on matters expressly requiring a vote of the Members under the Governing Documents and/or applicable Law.

7.1.1 Biennial Memberships. Subject to the eligibility requirements in Section 7.1 above, Biennial Memberships associated with a particular Week shall cumulatively be entitled to only one aggregate vote for the Week in question. For example, if a Biennial Membership designates that a particular Week is owned during even years by one Member and owned during odd years by another Member, then each of those Members shall be entitled to one-half of a vote for a total of one vote associated with the Week in question and each such one-half vote may be voted at any time that a matter to be voted upon occurs regardless of whether that matter arises during an even year or an odd year.

7.1.2 Other Voting. The Managing Entity shall control and have the right to vote (1) all sold Memberships not paid in full, including those held or controlled in person or by written proxy by the Managing Entity; and (2) all sold Memberships paid in full for which the Managing Entity has been granted a proxy.

7.2 Member Meetings. Member Meetings shall ordinarily convene once a year at the place and on the date proposed by the Managing Entity and/or Developer. Calls to Member Meetings shall be issued by the Managing Entity and/or any other person or entity authorized to do so by applicable Law. Calls to Member Meetings shall be published at least 30 days before the date of the Meetings. Calls shall be sent by mail, facsimile, email or other written communication to the most recent registered contact information of each Member under the terms of Article 40 of the Law. Notice shall be deemed to have been given at the time when delivered personally to the recipient, deposited in the mail, delivered to a common carrier for transmission to the recipient or sent by facsimile, email other means of written communication. An affidavit of the mailing or other means of giving notice may be executed by the Secretary, Assistant Secretary or any transfer agent of the Club giving the notice and shall be prima facie evidence of the giving of the notice. Such affidavits shall be filed and maintained in the minute books of the Club. Notice need not be given of an adjourned Member Meeting if the time and place thereof

are announced at the Meeting at which the adjournment is taken, except that if the adjournment is for more than 45 days or if after the adjournment a new record date is provided for the adjourned Meeting, a notice of the adjourned Meeting shall be given to each Member of record entitled to vote at that Meeting.

7.3 Attendance. Attendance of a person at a Member Meeting shall constitute a waiver of notice of such Meeting, except (a) when the person objects, at the beginning of the Member Meeting, to the transaction of any business because the Member Meeting is not lawfully called or convened, and (b) that attendance at a Member Meeting is not a waiver of any right to object to the consideration of any matter required by the Law to be included in the notice but not so included, if such objection is expressly made at the Member Meeting.

7.4 Administration. Member Meetings shall be chaired by a representative of the Managing Entity or, in his or her absence, by the person appointed by a majority of the Members present at the Member Meeting. The chairman of the Member Meeting shall be assisted by a secretary to be appointed by a representative Managing Entity or, in his her absence, a majority of the Members present at the Member Meeting. When the Member Meeting commences, the chairman of the Meeting shall appoint one or more inspectors to count the number of Members present or represented at the Meeting.

7.5 Quorum. Member Meetings shall be legally convened on a first call with the attendance of at least 50 percent plus one of the Members and on a second call by the number of the Members present or represented in person or by written proxy. The Members present at a duly called or held Member Meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.

7.6 Voting Matters. Members shall only have the right to vote on the following matters subject to these Rules and Regulations:

7.6.1 To approve any increase in the Ordinary Fees (but not the other Club Dues) and the date of payment of that increase solely if that increase does not comply with these Rules and Regulations, the Membership Agreement or any other Governing Documents.

7.6.2 To decide upon any major changes of the Common Areas that result in the material adverse reduction or elimination of the Common Areas in violation of the Governing Documents or applicable Law.

7.6.3 To elect directors to the Board of Directors in accordance with these Rules and Regulations.

7.6.4 To decide the adjournment of Member Meetings.

7.6.5 To decide those matters expressly established in article 41 of the Law for the state of Quintana Roo that creates the dispositions to which the Membership Agreements are subject, as amended from time to time. That Law current states that Ordinary General Meetings shall be called at least once a year and extraordinary meetings shall be called in any of the following cases:

I. When the nature or characteristics of the project are not observed as it was established in the timeshare regime, the Rules and Regulations or the Membership Agreement.

II. When, as determined by the local tourism agency, the operation, maintenance, administration or facilities services are not observed in accordance to the tourist quality offered in the Membership Agreement.

III. When, as determined by the local tourism agency or the city hall, accordingly, the seller of the Membership incurs several major and continuous defaults to that seller's obligations.

IV. If Maintenance Fees are increased against the covenants of the Membership Agreement or the Rules and Regulations.

V. If the seller of the Memberships terminates the affiliation of the development and fails to substitute it for a similar one within the following six months, as long as it was offered in the Membership Agreement.

VI. In case of bankruptcy or insolvency of the seller or the Managing Entity hired for the rendering of the services.

VII. When the development is out of business as determined by any competent authority.

VIII. When the seller of the Memberships repeatedly infringes the dispositions of this Law or fails to perform any of the obligations established in the Membership Agreement or the Rules and Regulations.

IX. In all those cases when it becomes necessary to defend the development against any third party or when by any acts of God or force majeure the development or furnishings are damaged and a resolution has to be made to such regards.

7.7 Voting Percentages. Resolutions and decisions of the Members shall be valid only if and when passed and approved by a majority vote of at least 51 percent of the Members present or represented in person or by written proxy at a duly held Member Meeting.

7.8 Voting Procedures. The Managing Entity shall organize and sanction votes. Members may be represented by written proxy or vote by mail ballot under the terms of the Law. Voting may be performed by oral voice vote or by written ballot unless any Member entitled to vote demands election by written ballot at the Member Meeting prior to the voting, in which case the vote shall be by written ballot.

7.9 Proxies. Every Member entitled to vote may authorize another person or persons to act with respect to such Member by a written proxy in a form required by Law and signed by that Member or that person's agent or attorney-in-fact and filed with the Managing Entity. Any validly executed proxy shall continue in full force and effect until the expiration of the term specified therein or upon its earlier revocation by the person executing it prior to the vote pursuant thereto (1) by a writing delivered to the Club stating that it is revoked, (2) by written notice of the death of the person executing the proxy, delivered to the Club, (3) by a subsequent proxy executed by the person executing the prior proxy and presented to the Member Meeting, or (4) as to any Member Meeting, by attendance at such Member Meeting and voting in person by the person executing the proxy. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. The date contained on the form of proxy shall be deemed to be the date of its execution.

7.10 Adjournment. Any Member Meeting may be adjourned from time to time whether or not a quorum is present by the vote of a majority of the Members represented thereat either in person or by written proxy. At the adjourned Member Meeting, the Club may transact any business which might have been transacted at the original Meeting.

8. Board of Directors.

8.1 Power and Authority of the Board. The Board of Directors shall have the power to take the actions necessary to (a) call a meeting of the Members; (b) appoint officers and committees with the approval of the Managing Entity; and (c) do any other matters mutually agreed upon in writing by the Board of Directors and the Managing Entity. The Board of Directors shall not take any actions that do not comply with this scope of authority.

8.2 Number of Directors. The authorized number of directors shall be seven. Any reduction of the authorized number of directors

shall not remove any director prior to the expiration of that director's term of office.

8.3 Election of Directors. Directors shall be elected at each annual Member Meeting, but if any such meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of the Members held for that purpose. The candidates receiving the highest number of affirmative votes shall be elected. Cumulative voting for directors is not permitted (i.e., casting more than one vote for the same candidate). In the event that any positions on the Board are not filled by the vote of the Members, such positions shall be filled by the decision of the Managing Entity.

8.4 Term of Office. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which the director is elected and until a successor has been elected and qualified. To achieve some staggering of terms, the first three directors shall be elected for an initial term of one year each and all other directors shall be elected for a term of two years each. Directors shall not serve more than three consecutive terms without the consent of the Managing Entity.

8.5 Vacancies. A vacancy on the Board of Directors exists whenever any authorized position of director is not then filled by a duly elected director, whether caused by death, resignation, removal, declaration of unsound mind or a felony conviction by an order of the court, change in the authorized number of directors, or if the Members fail at any Member Meeting to elect the full authorized number of directors to be voted for at that Meeting, or otherwise. Vacancies on the Board of Directors may be filled by a decision of the majority of the directors then in office, or by a decision of the majority of the Members, whichever occurs first. The Managing Entity shall have the right to appoint someone to temporarily fill any vacancy of the Board until such vacancy is otherwise filled in accordance with this provision.

8.6 Removal. The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony. Any or all of the directors may be removed without cause if such removal is approved by a majority of the Members entitled to vote.

8.7 Resignation. Any director may resign effective upon giving written notice to the President, the Secretary or the Board of Directors, unless the notice specifies a later time for the effectiveness 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.

8.8 Fees and Compensation. Directors shall not receive any compensation for their services as directors, but may be reimbursed for their reasonable and actual approved expenses, if any, incurred in performing their responsibilities as directors. No such payments shall preclude any director from serving the Club in any other capacity as an officer, agent, employee or otherwise, and receiving compensation in any manner therefore.

8.9 Board Meetings. Meetings of the Board of Directors shall be held at such time and place designated from time to time by the Board and/or the Managing Entity. Special meetings of the Board of Directors may be called at any time for any purpose or purposes by the President, the Secretary, any two directors and/or the Managing Entity. Notice of the time and place of meetings of the Board of Directors shall be delivered personally or by telephone, facsimile, email, mail or other written notice or electronic communication, charges prepaid, addressed to each director at that director's contact information as shown on the records of the Club. Such notice shall be given at least 10 days prior to the holding of the meeting. The notice or report shall be deemed to have been given at the time when delivered personally to the recipient or deposited in the mail or sent by other means of written communication. Notice of any special meeting of the Board of Directors need not specify the purpose thereof.

8.10 Waivers, Consents and Approvals. Notice of any meeting of the Board of Directors need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to that director. All such waivers, consents and approvals shall be filed with the Club records or made a part of the minutes of the meeting.

8.11 Quorum; Action at Meetings; Telephone Meetings. A majority of the authorized number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present is the act of the Board of Directors, unless action by a greater proportion of the directors is required by the Law or the Governing Documents. A Board meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting. Directors may participate in a Board meeting through use of conference telephone or similar communications equipment so long as all directors participating in such meeting can hear and speak to one another.

8.12 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. If the Board meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

8.13 Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

9. Committees. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors and with the approval of the Managing Entity, designate one or more committees for the benefit of the Club. The Managing Entity may also designate one or more committees for the benefit of the Club. One such committee shall be the Nominating Committee tasked with soliciting, analyzing and recommending individuals to serve as directors on the Board. Committees shall only have power to make recommendations to the Board and Managing Entity. Committees shall not have any power to make decisions that are binding on the Club. Committee members shall serve at the pleasure of the Board and/or the Managing Entity.

10. Officers. The Club shall have as officers, a President, a Secretary and a Treasurer as appointed by the board with the approval of the Managing Entity. The Club may also have such other officers as may be designated by the Board with the approval of the Managing Entity or as designated by the Managing Member. One person may hold two or more offices. Officers need not be directors. Each officer shall hold his or her office at the pleasure of the Board of Directors with the approval of the Managing Entity. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board of Directors with the approval of the Managing Entity or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by resolution of the Board with the approval of the Managing Entity. Subject to the rights, if any, of the Club under any contract of employment, any officer may resign at any time effective upon giving written notice to the President or the Secretary of the Club and the Managing Entity, unless the notice specifies a later time for the effectiveness of such resignation.

11. Termination of Resort. In the event that a Governing Document or other instrument which affiliates a Resort with the Club is terminated or expires in accordance with its own terms, the terminated Resort shall no longer be affiliated as a part of the Club. However, upon termination of such instrument, all confirmed

reservations of Members (from any terminating Club Resort and from the non-terminating Resorts) shall be honored at both the terminating Club Resort and at non-terminating Resorts.

12. *Transfer of Member's Interest.* If a Member (“Selling Member”) sells, assigns, conveys or otherwise transfers (a “Transfer”) the Selling Member’s entire Membership to a person who is a family member (i.e. spouse, sibling or child) (the “Family Member Transferee”), the Selling Member shall forfeit any and all rights to utilize Club Points associated with the Selling Member’s account. The Club shall, within 10 business days of receipt of a certified copy of the recorded instrument transferring a Membership from a Selling Member to a Family Member Transferee change the Club’s official records to reflect such transfer of a Membership. Upon the Club’s change in its records, the Family Member Transferee shall assume any existing reservations previously made by the Selling Member. The Club shall notify the Family Member Transferee of those existing reservations that are being assumed. The Family Member Transferee shall also assume the Selling Member’s Club Points remaining as of the date of the Club’s recognition of such Transfer. If a Transfer is completed to a person other than a Family Member Transferee, the Selling Member shall forfeit any and all rights to utilize Club Points associated with the Selling Member’s account and the Membership use rights shall automatically and irrevocably change as follows for that transferee:

(a) Membership will change to a Floating Week Membership with Weeks, Unit Type and Season to be determined by the Optimal Use of purchased Club Points as Stated in Exhibit “A” of the Membership Agreement.

(b) Member reservations requests may be submitted to the Club up to 12 months in advance of the requested Check-In Dates.

(c) The Member may Bank or Borrow Weeks three years out and shall pay the corresponding fees that are established by the Club.

(d) The Member shall not have right to the Elite Program benefits.

Certain benefits and rights associated with certain Memberships may not be Transferable as determined by the Managing Entity from time to time. Any Transfer by any Member of less than all of his or her interest in a Membership shall be null, void and of no effect. A Member shall not Transfer his or her Membership during the first year of that Membership.

13. Amendments. Except as expressly set forth in these Rules and Regulations or otherwise required by applicable Law, the Managing Entity may amend or extend the Rules and Regulations without needing to obtain the consent of any any other person or entity. Notification of amendments may be given to the Members by mail, facsimile, email, bulletin, newsletter or by other electronic media including posting on the Club's website.

14. Protection of Memberships. Memberships shall be indivisible. No Member shall seek or obtain judicial partition, or the equivalent of such remedies, of any Resort, Unit or Membership. Any rights the Members may have as purported owners or purported tenants-in-common of any Resort or Unit are hereby expressly waived and substituted in the place thereof are the terms and conditions of the Governing Documents. Should the lodging rights and services for, and enjoyment of, any portion of a Resort, Unit, the Common Areas or Common Furnishings by any Member be threatened by reason of any lien, claim or charge against any Member and/or that Member's Membership, or should proceedings be instituted to effect any such sale or interference, any Member acting on his or her own behalf or through the Club, or the Club acting on behalf of any one or more Members (if the acting Member or Club is promptly indemnified to his or her or its satisfaction) may, but shall not be required to, pay or compromise the lien, claim or charge without inquiry into the proper amount or validity thereof and, in such event, the Member whose interest was subjected to such lien, claim or charge shall forthwith pay the amount so paid or expended to the Member or the Club, whomsoever shall have paid or compromised the lien, claim or charge, together with such reasonable attorneys' fees and

related costs as the Member or Club may have incurred. No Member shall permit his or her interest in any funds from time to time in possession of the Club to be subjected to any attachment, lien, claim or charge or other legal process and shall reimburse the Club for all reasonable attorneys' fees or other costs incurred in respect thereof as determined by judicial resolution.

15. No liability for Other Resorts. The Club, the Managing Entity, the Developer and their respective Related Parties shall not have any liability in connection with any Resorts other than the Club Resorts, and the Members and Guests hereby irrevocably, unconditionally and forever release the Club, the Managing Entity, the Developer and their respective Related Parties from any such liability.

16. Club Responsibilities. The Club may, to the maximum extent permitted under the Law, reimburse, indemnify and hold harmless each present and future director, officer, committee member and employee and their respective Related Parties and each person who, at the request of the Club acts as a director, officer, committee members or employee of any other entity in which the Club has an interest, from and against all loss, cost, liability and expense (including legal fees and costs) which may be imposed upon or reasonably incurred by him or her, including reasonable settlement payments, in connection with any claim, action, suit or proceeding or threat thereof, made or instituted, in which he or she may be involved or be made a party by reason of his being or having been a director, officer, committee member or employee of the Club, or by reason of any action alleged to have been taken or omitted by him or her in such capacity. The right of indemnification provided in this Section shall inure to each person referred to in this Section, whether or not the claim asserted against him or her is based on matters which arose in whole or in part prior to the adoption of this Section and in the event of his or her death shall extend to his or her legal representatives.

17. Member Responsibilities. To the extent permitted by applicable Laws, each Member shall irrevocably, unconditionally and forever assume liability for, release, waive, defend, hold harmless and

indemnify the Club, the Developer, the Managing Entity and/or their respective Related Parties from and against any and all liabilities, claims, actions, debts, liens, encumbrances, demands, obligations, damages, losses and/or expenses, including attorneys' fees and expenses and collection costs, incurred by the Club, the Developer, the Managing Entity and/or their respective Related Parties at any time directly or indirectly, entirely or in part, in connection with that Member, that Member's Membership, that Member's Related Parties, and/or any breach of the Governing Documents or applicable laws by that Member and/or its Related Parties except to the extent caused solely by the gross negligence or intentional misconduct of the person or entity seeking indemnification, which will be determined by judicial resolution.

18. Acknowledgement. In connection with any waiver or release required of any Member under the Governing Documents, such Member acknowledges that the significance and consequence of that waiver and release are that even if the Member should eventually suffer additional damages or have additional claims arising out of the circumstances associated with the released matters, the Member shall not be able to recover those damages or pursue those claims. Furthermore, each Member acknowledges that such Member intends these consequences even as to damages and claims that may exist but which the Member does not know exist, and which, if known, would materially affect the Member's decision to be bound by the Governing Documents regardless of whether the Member's lack of knowledge is the result of ignorance, oversight, error, negligence or any other cause.

19. Non-liability of Officials. To the fullest extent permitted by law, neither the Club's Related Parties, Board of Directors or any other committees of the Club, or any member of such Board or committee shall have any personal, recourse, deficiency or other liability of any kind to any Member or Guest and/or their respective Related Parties for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error,

negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be within the scope of their duties.

20. Interpretation. The headings set forth herein are for convenience only and shall not be considered to expand, modify or aid in the interpretation, construction or meaning of these Rules and Regulations. As used herein the singular shall include the plural and the masculine shall include the feminine and neuter.

21 No waiver. The failure to enforce any provision of these Rules and Regulations shall not constitute a waiver thereof of the right to enforce such provision thereafter.

22. Choice of Law and Jurisdiction. These Rules and Regulations shall be interpreted in accordance with the Laws of the state of Jalisco, Mexico, and what does not oppose such standards, as mandated by the Laws of the State of Quintana Roo, Mexico without giving effect to those principles of conflicts of law that might otherwise require the application of the laws of another jurisdiction. In the event that any provision of these Rules and Regulations conflicts with any provisions of the laws of the State of Jalisco, or Quintana Roo, such conflicting provisions shall be null and void upon final court determination to such effect, but all other provisions of these Rules and Regulations shall remain in full force and effect. In case of any conflict, the parties agree to submit themselves to the competition of the Consumer's Federal Agency. In the event that any legal action is instituted in connection with the Governing Documents, the same shall be brought and tried only in the judicial jurisdiction of the state of Jalisco, Mexico. The Parties hereby consent to that jurisdiction and venue.

23. Claims. In the event that any Member, User and/or their respective Related Parties, or anyone claiming rights through the foregoing (collectively and/or individually a "Claimant"), has any claim, demand, offset, right or defense assertable against the Club, the Managing Entity, any Developer and/or their respective Related

Parties or involving any Project on any matter (collectively, a “Claim”), the Claimant shall first submit such Claim to the insurance company associated with the person, entity or Project in question for resolution and allow at least 90 days after submission of that Claim to the insurance company for resolution of that Claim before commencing any legal proceedings respecting such Claim. Such Claim shall be entirely barred, and fully released and waived, unless the Claimant commences legal proceedings respecting such Claim within 180 days after the first occurrence of the event on which the Claim is based. For the purposes of this subsection, legal proceedings shall be considered commenced only upon the filing of a complaint in a court of law having valid jurisdiction over the parties and Claim in question.

24. Acts of God and Force Majeure. Any act of God or force majeure beyond the reasonable control of the Club shall excuse performance of the obligations by the Club for a period equal to the duration of that prevention, delay or stoppage.

25. International Provisions. All payments and amounts under the Governing Documents shall be calculated in United States Dollars at the rate of exchange in effect on the date in question. Except as otherwise set forth herein, all time periods in the Governing Documents shall be calculated as of the time zone in which the Club’s principal office or residence is located. Some of the Governing Documents may be prepared in both Spanish and other languages. Both translations shall constitute a single instrument and each of any conflict between the Spanish and the other translations of the documents, the Spanish translation shall govern.

26. Miscellaneous. The Governing Documents are also governed by the following except as expressly stated otherwise therein: Article and Section titles or captions contained in the Governing Documents are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of the Governing Documents or the intent of any provision hereof. Whenever the singular number is used in a Governing Document and when required

by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders and the word “person” shall include corporation, firm, company, or other form of association. The rights and obligations arising under the Governing Documents exist exclusively for the benefit and duty of the individuals and entities subject to the Governing Documents and shall not be deemed to create any third party beneficiary rights. The prevailing party shall be entitled to be reimbursed by the non-prevailing party for all costs, including attorneys’ fees, incurred by the prevailing party in any enforcement, action or defense involving the Governing Documents. If any portion of the Governing Documents is held to be unenforceable, any enforceable portion thereof and the remaining provisions shall continue in full force and effect. No rule of strict construction shall be applied against any party. In the event that any party consists of more than one person or entity, all of the rights and obligations contained herein shall be joint and several rights and obligations of each such person or entity. Time is expressly made of the essence with respect to the performance of each and every obligation under the Governing Documents.

