



INTERNAL RULES AND REGULATIONS

These Internal Rules and Regulations (the “**Rules**”) are issued and established by Club Costa Vida CV RESORTS S DE RL DE CV. (hereinafter, “**Club Costa Vida**”), with respect to that certain vacation program known as Club Costa Vida (the “**Club**”).

ARTICLE FIRST. Definitions.

For purposes of these Rules, the following capitalized terms shall have the meaning ascribed to each of them, as follows:

- 1.1 “**Administration Fees**” shall mean those certain fees and expenses which the Member must cover in order to enjoy the benefits offered by the Club or for the provision of any services in connection with the Membership.
- 1.2 “**Affiliated Resorts**” shall mean those resort or hotel accommodations affiliated with the Club which shall provide lodging services to the Members.
- 1.3 “**Annual Budget**” shall have the meaning ascribed to such term in Article Seventeenth of these Rules.
- 1.4 “**Annual Points**” shall have the meaning of the annual allotment of Points available for use for the Members annual Use Period for each calendar year as stipulated in the Membership Purchase Contract.
- 1.5 “**Banked Points**” shall have the meaning ascribed to such term in Section 6.2 of these Rules.
- 1.6 “**Beneficiaries**” shall mean the Member’s spouse, provided that the Member is not a joint holder of the Membership, and the children of the Member (however many).
- 1.7 “**Children**” shall mean children younger than eighteen (18) years old for purposes of the definition of Units in these Rules; children younger than two (2) years old shall not be counted as Users.
- 1.8 “**Common Areas**” shall mean the various areas other than a Unit which are part of a Resort such as, for illustrative purposes only and without limitation, lobby or reception areas, swimming pools, hallways or corridors, garden areas, sun decks and others.
- 1.9 “**Developer**” shall mean the individual or legal entity that is the owner of the Resort.
- 1.10 “**Exchange Program**” shall be that program with which the Club shall become affiliated in order to obtain exchange benefits for its Members, subject to the terms and conditions established in the affiliation agreement with the exchange company.
- 1.11 “**Guest Certificate**” shall mean that document pursuant to which the Club authorizes and allows Users designated by the Member to use a Unit; a Guest Certificate Administrative Fee may apply.

- 1.12 **“Guests”** shall mean those persons who are guests of the Member, including renters obtained by the Member, for purposes of using the Member’s Use Period in lieu of Member, subject to obtaining a Guest Certificate.
- 1.13 **“Home Resort”** shall mean that certain resort specifically mentioned and described in the Membership Purchase Contract by and between Club Costa Vda and the Member.
- 1.14 **“Maintenance Fees”** Omitted.
- 1.15 **“Member”** shall mean the person who is the holder of one or more Memberships.
- 1.16 **“Membership”** shall mean the membership acquired by a person who executes a Membership Purchase Contract and thus becomes a Member. Each Membership shall entitle the Member to a certain number of Points; as such term is defined in the Membership Purchase Contract, said number to be calculated on the basis of the Member’s Home Resort, Season, Use Period and Unit.
- 1.17 **“Membership Purchase Contract”** shall mean that certain purchase contract by and between Club Costa Vida and the Member pursuant to which a Membership is acquired, giving rise to the Member’s right to use the Units in the Club.
- 1.18 **“Membership Rights”** shall mean the rights of the Member with respect to the use of one or more Units in the Club’s affiliated resorts, in conformance with the provisions of these Rules.
- 1.19 **“Payment Date”** shall be the date by which the Member must pay any fees, costs or expenses due, pursuant to the Membership Purchase Contract and these Rules, as further described in section 13.1 of these Rules.
- 1.20 **“Points”** shall mean that certain point value equivalence assigned to the Use Period for the type of Unit and Season acquired by Member in the Membership Purchase Contract.
- 1.21 **“Promissory Note”** shall have the meaning ascribed to such term in Section 12.3 of these Rules.
- 1.22 **“Reservation Cancellation”** shall mean the procedure through which the Member cancels a confirmed reservation, subject to the terms and conditions of these Rules.
- 1.23 **“Reserve Fund”** shall mean the funds reserved from a portion of the Usage Fees necessary to cover the future costs of replacement of capital items at the Resorts and within the Club Units (i.e., roof repairs and/or replacement, chillers, new mattresses, etc.). The Reserve Fund shall be created by utilizing a percentage of the Usage Fees.
- 1.24 **“Resort”** shall mean the lodging facility which shall provide lodging services to the Members, whether the Home Resort or an Affiliated Resort.
- 1.25 **“Seasons”** shall mean the different periods in which each calendar year shall be divided (commencing on January 1 and ending on December 31) for purposes of establishing the use of the Membership Rights in the various Club Affiliated Resorts. There shall be a minimum of two types of Seasons: Prime and High. In certain resorts, there may also be a Holiday Season. The dates comprised in each Season are indicated in Exhibit A attached to these Rules and incorporated thereto by this reference, and shall be specified in the use calendar published in advance by the Club for each year, which calendar shall be determined taking into account international and national events, as well as school and labor calendars, holidays and the like.

- 1.26 **“Short Stay”** shall mean the use by the Member of the Use Period for less time than the period to which the Member is entitled pursuant to the Membership Purchase Contract, which may be less than seven (7) nights and at least one (1) night of the same week.
- 1.27 **“Unit”** shall mean one of the variable club suites, lodging spaces or units within each Affiliated Resort available for the use of the Members, their Beneficiaries or Guests by virtue of their Membership Rights.
- 1.27.1 **“Studio Unit”** shall mean a studio Unit with maximum occupancy for four (4) persons – two (2) adults and two (2) children.
- 1.27.2 **“One Bedroom Unit”** shall mean a one-bedroom Unit with maximum occupancy for four (4) persons, all of whom may be adults.
- 1.27.3 **“Two Bedroom Unit”** shall mean a two-bedroom Unit with maximum occupancy for six (6) persons, all of whom may be adults.
- 1.27.4 **“Three Bedroom Unit”** shall mean a three-bedroom Unit with maximum occupancy for eight (8) persons, all of whom may be adults.
- 1.28 **“Usage Fee”** shall mean the price per point to be paid by Member at point of Reservation for the number of Points needed for such Reservation. This price per point may be based upon the Unit type reserved.
- 1.29 **“Use Calendar”** shall mean that certain annual publication issued in advance of each calendar year by Club Costa Vida which shall indicate the number of Points per night which the Member shall deliver to the Club in order to make a reservation for the different Units, Seasons and/or days of the week in the Club Affiliated Resorts. The Use Calendar in effect shall be considered at all times an integral part of these Rules and thus of mandatory character.
- 1.30 **“Use Period”** shall mean the amount of annual use time which is acquired by the Member in the form of Annual Points pursuant to the Membership Purchase Contract for the use and enjoyment of lodging services in some Resort. The Use Period shall have the value of a certain number of Annual Points, and the length of time it can book each year will depend on the Unit type, season and days of the week reserved each year.
- 1.31 **“Users”** shall mean those persons who use and occupy the Unit, whether they are Members, their Beneficiaries or Guests.

ARTICLE SECOND. Members’ Rights and Obligations.

- 2.1 Members’ Rights. The Membership acquired by the Member pursuant to the Membership Purchase Contract grants the Member the right (i) to reserve, use, occupy and enjoy lodging services with their Points for the Use Period(s) in some Unit in the Home Resort or some Affiliated Resort and within some Season stipulated in the Membership Purchase Contract, for each year during the term agreed in the Membership Purchase Contract, through the delivery of the required number of Points and payment of the respective Usage Fee for the reservation requested in accordance with the Use Calendar.

2.2 Banking Use Period for the Following Year. Any Annual Points not used during any calendar year shall automatically get banked. The Club shall deposit the Annual Points corresponding to such year in order for the Member to use them during the following year.

The Points so deposited may be used for any type of reservation, whether in the Home Resort, any Affiliated Resort, Exchange Reservation or other transaction allowed with Points.

2.3 Members' Obligations. As a condition precedent to the exercise of the rights stipulated in this Article Second and each and every other right and/or privilege pursuant to the respective Membership Purchase Contract and these Rules, Members must be in full compliance with any and all obligations under the Membership Purchase Contract and these Rules.

In addition, for any of the Member's Rights in this section, Member must pay the Usage Fee for the amount of actual Points needed for any actual Reservations made for each particular annual Use Period.

ARTICLE THIRD. Description of Affiliated Resorts.

The Affiliated Resorts as of the date of issuance of these Rules are those specified in Exhibit B of these Rules. The list of Affiliated Resorts may vary from time to time, and neither Club Costa Vida nor Developer guarantee that any Resort mentioned in Exhibit B shall continue being an Affiliated Resort in the future.

Club Costa Vida intends to increase the available destinations for the benefit of its Members through the affiliation of Resorts located in the United States of America, Mexico or other countries. Notwithstanding the aforesaid, neither Club Costa Vida nor Developer shall have the obligation at any time to increase the Affiliated Resorts.

At such time as any Resort becomes affiliated with the Club, Exhibit B of these Rules shall be considered modified to include such Resort, and the updated Exhibit B shall be communicated to the Members by mail, e-mail, by posting in the Members' website or other means as reasonably determined by the Club. Club Costa Vida may modify the present Rules unilaterally for the purpose of including information with respect to the reservation, use and occupation of any additional Affiliated Resort for the benefit of the Club Members.

Likewise, these Rules and Exhibit B thereto shall be modified in the event that any Resort shall no longer be affiliated with the Club.

ARTICLE FOURTH. Purpose.

The purpose of these Rules is to establish procedures and policies for the reservation, use and enjoyment by the Members of the Units in the Affiliated Resorts, as well as to protect and regulate the rights and obligations of the Club and its Members, the latter as purchasers of Memberships, in conformance with the terms of the Membership Purchase Contract.

ARTICLE FIFTH. Reservations.

5.1 Reservations In General.

Club Members who are current in their compliance with each and every obligation contracted in the Membership Purchase Contract and these Rules, shall have the right to make reservations of Units for the Use Period to which each Member is entitled, as provided in these Rules and the Use Calendar, by means of the delivery of the Points required per day of use of the Unit(s) being reserved,

and paying the corresponding Usage Fee for such Points used for the corresponding Unit type. Provided, that Club Costa Vida has no obligation to reserve a specific Unit, and the Units shall be designated in accordance with the existing availability.

The use options, including, without limitation, the Exchange Program that the Club in time may have, shall be subject to modification without prior notice. The above-mentioned modifications shall not be applicable to reservations that have been confirmed prior to the date of notice of any such modifications.

5.2 Types of Reservations.

There are four types of reservations: (i) Home Resort Flexible Reservation; (ii) Affiliated Resort Club Reservations; (iii) Exchange Reservations; (iv) Other Leisure Transactions.

5.2.1 Home Resort Flexible Reservations shall be a reservation requested by a Member for any Unit type, Season or length of stay to said Member's Home Resort as stipulated in the corresponding Membership Purchase Contract by means of the delivery to the Club of the number of Points required per day of use of the Unit(s) being reserved as established in the Use Calendar, and paying the corresponding Usage Fee for such Points used for the corresponding Unit type.; The minimum number of nights must be 1 night.

5.2.1.1 The Club shall accept requests for reservations from members for their corresponding Home Resort Flexible Reservation any time 12 months, or less, in advance of the requested check-in date.

5.2.1.1 In the reservation request, the Member shall have the right to request a reservation for any use dates, for any Unit type and within any Season, which in all cases should be in conformance with the available Units and dates published in terms of the preceding paragraph 5.2.1 above; all reservations shall be granted subject to the order in which Members have requested them.

5.2.1.2 In order to confirm a reservation, the Member must have the required number of Points in the Use Calendar for the use of the Unit on the dates for which the reservation is made, and subject in all cases to availability.

5.2.1.3 In case that a Member does not have sufficient Annual Points or current Points balance to make a reservation for a desired type of Unit, Season or number of nights desired provided in the Use Calendar, the Member may utilize additional Points in their account with the following rules – i) utilize the prior year's Banked Points, ii) borrow Points from the next successive calendar year, iii) accelerate Points from the end of the contract term or iv) may rent Points, all at a cost to be determined by the Club from time to time, provided that the Member is not in breach of any provision stipulated in these Rules or the Membership Purchase Contract. If the Member banks, borrows or accelerates Points, the Club may charge a corresponding Administrative Fee. If the Member elects to rent Points, the cost of said Points shall be determined by the Club provided that such Points rented may not be more than fifty percent (50%) of the Member's Annual Points available pursuant to his or her Membership Purchase Contract.

5.2.1.4 For purposes of Section 5.2.1.4 above, for any Reservations from January 1 through April 30th and December 20th through December 31st of each calendar

year, the Member is limited to use a maximum of double their Annual Points total. For any Reservations from May 1 through December 19th of each calendar year, the Member is not limited on the number of Points or Annual Points they may use. However, all are subject to availability. The Club reserves the right to modify this section from time to time to manage the availability of space for the Members and may create different limits on the annual usage of points in excess of the Annual Points.

- 5.2.1.5 For purposes of the immediately preceding paragraph and each time that a Member makes use of additional Points beyond the Annual Points for any use, the member shall pay the corresponding Usage Fee for those additional Points and that is applicable to such Reservation.
- 5.2.1.6 Check-in days at the Home Resort shall be established by the Club and published in the Use Calendar. Members should consult the Use Calendar with respect to check-in days.

The check-in day and time for a reserved Unit may be any day of the week at 16:00 hours, and the check-out day and time may be any day of the immediately following week at 11:00 hours, as stated in the confirmation of the respective reservation issued by the Club and in accordance with the location of each Resort.

5.2.2 Affiliated Resort Reservations shall be those made by any Member, for any type of Unit, Season, or length of stay in any Affiliated Resort, by means of the delivery to the Club of the number of Points required per day of use of the Unit(s) being reserved as established in the Use Calendar then in effect, and paying the corresponding Usage Fee for such Points used for the corresponding Unit type. The minimum number of nights must be 1 night. However, some Affiliated Resorts may require longer minimum stays.

- 5.2.2.1 The Club shall accept requests for reservations from members for their corresponding Open Season Reservations any time 12 months, or less, in advance of the requested check-in date in any of the Affiliated Resorts.
- 5.2.2.2 In order to confirm a reservation, the Member must have the required number of Points in the Use Calendar for the use of the Unit on the dates for which the reservation is made, and subject in all cases to availability.
- 5.2.2.3 In case that a Member does not have sufficient Annual Points or current Points balance to make a reservation for a desired type of Unit, Season or number of nights desired provided in the Use Calendar, the Member may utilize additional Points in their account with the following rules – i) utilize the prior year's Banked Points, ii) borrow Points from the next successive calendar year, iii) accelerate Points from the end of the contract term or iv) may rent Points, all at a cost to be determined by the Club from time to time, provided that the Member is not in breach of any provision stipulated in these Rules or the Membership Purchase Contract. If the Member banks, borrows or accelerates Points, the Club may charge a corresponding Administrative Fee. If the Member elects to rent Points, the cost of said Points shall be determined by the Club provided that such Points rented may not be more than fifty percent (50%) of the Member's Annual Points available pursuant to his or her Membership Purchase Contract.

- 5.2.2.4 For purposes of Section 5.2.2.3 above, for any Reservations from January 1 through April 30th and December 20th through December 31st of each calendar year, the Member is limited to use a maximum of double their Annual Points total. For any Reservations from May 1 through December 19th of each calendar year, the Member is not limited on the number of Points or Annual Points they may use. However, all are subject to availability. The Club reserves the right to modify this section from time to time to manage the availability of space for the Members and may create different limits on the annual usage of points in excess of the Annual Points.
- 5.2.2.5 For purposes of the immediately preceding paragraph and each time that a Member makes use of additional Points beyond the Annual Points for any use, the member shall pay the corresponding Usage Fee for those additional Points and that is applicable to such Reservation.
- 5.2.2.6 The check-in day and time for the reserved Unit may be any day of the week (Please note, however, that some of the Affiliated Resorts may limit the available days for check-in.) at 16:00 hours, and the check-out day and time may be any day of the immediately following week at 11:00 hours, as set forth in the respective reservation confirmation issued by the Club and in accordance with the location of each Resort.
- 5.2.3 Exchange Reservations. With respect to reservations through the Exchange Program, the Members may use their available Points, at any time during the calendar year by means of an exchange reservation (“**Exchange Reservation**”) and paying the corresponding Usage Fee for such Points used in the Exchange Program.
- 5.2.3.1 From January 1 of each calendar year, Exchange Reservations will be accepted from Members for the immediately following calendar year in resorts participating in the Exchange Program.
- 5.2.3.2 The Members may request an Exchange Reservation by means of the delivery to the exchange company of the number of Points required per day of use of the Unit(s) being reserved as established in the Exchange Program Use Calendar then in effect. Members may utilize the prior year’s Banked Points, borrow, accelerate or rent Points to cover the total number of Points needed for the desired Exchange Reservation as provided in Section 5.2.2.3 through 5.2.2.5 above.
- 5.2.3.3 Check-in days for Units reserved through the Exchange Program shall be established by the participating resort and published in the Exchange Program Use Calendar. Members should consult the Exchange Program Use Calendar with respect to check-in days.

The check-in and check-out day and time for a Unit reserved through the Exchange Program shall be as stated in the confirmation of the respective Exchange Reservation issued by the exchange company and in accordance with the policies and rules of the Exchange Program and each participating resort.

5.2.4 Other Leisure Transactions. From time to time the Club shall allow Points to be used to engage in other leisure transactions (“Other Leisure Transactions”). With respect to allowed Other Leisure Transactions with the use of Members’ Points, the Members may use their available Points, at any time during the calendar year and paying the corresponding Usage Fee for such Points used in these other transactions.

5.2.4.1 Members may utilize the prior year’s Banked Points, borrow, accelerate or rent Points to cover the total number of Points needed for the desired allowed transaction as provided in Section 5.2.2.3 through 5.2.2.5 above.

5.3 Confirmations.

5.3.1 Once it has been verified that the requested Unit and Season are available and that the Member is current in all obligations towards Club Costa Vida and under these Rules, the Club shall confirm the reservation and provide a confirmation code to the Member.

5.3.2 If, at the time of making a reservation, it is not possible to confirm the balance of Points or the status of the Member’s payments, the reservation shall be accepted “subject to confirmation.” Once said information is verified, the reservation shall be confirmed.

5.3.3 The Exchange Reservations shall be confirmed on the basis of availability. If the requested accommodation is not available, the Member may request a search for the desired accommodation which, as the case may be, shall be confirmed in the event that said accommodation becomes available at a later date.

5.4 Additional Stay or Change in Unit. In case that the Member wishes to extend a stay, upgrade to a larger unit or higher season, or increase the number of Units to be occupied directly in the Resort, the reservation agent or Resort registration staff, subject to availability, shall make the corresponding charge of any Usage Fees (season/unit upgrade, Club time, etc.) and/or charge of the extra Points, in accordance with the Use Calendar, which shall reflect the effective rates. The aforesaid is subject to availability and in the sole discretion of the Club, and in all cases subject to the rules of section 5.2.2 above, and provided that the Member pays the corresponding Administration Fees.

ARTICLE SIXTH. Deposit of Points.

6.1 Members may request from the Club, subject to the Club’s sole discretion, the borrowing of the Points corresponding to the following year or the final year of the contract (accelerated points), or the use of Points previously deposited from the prior year (“**Banked Points**”) for the purpose of making reservations for Home Resort Flexible Reservations, Affiliated Resort Reservations, Exchange Reservations or Other Leisure Transactions.

6.2 The aforesaid shall be subject to availability and in the sole discretion of the Club and subject to the rules set forth in section 5.2.1.4 to 5.2.1.6 above, and provided that the Member pays the corresponding Usage Fees and any corresponding Administration Fee, if any, and any other applicable charges.

ARTICLE SEVENTH. No current section.

ARTICLE EIGHTH. Additional Services.

The Club shall have the right, but not the obligation, to offer to Members the services of travel agencies, airlines, car rental agencies and cruises, as well as other services and benefits which shall be determined from time to time.

ARTICLE NINTH. Cancellations and Modifications.

The cancellation of a reservation is subject to the following conditions:

9.1 On A Timely Basis with Reinstatement of Points. When a cancellation or modification is made within seven (7) calendar days following the reservation date, the corresponding Points shall be reinstated in favor of the Member except in those cases when said Points have expired.

9.2 On A Timely Basis, with Penalty and Reinstatement of Points. When a cancellation or modification is made within the period between eight (8) calendar days following the reservation date and eight (8) calendar days prior to the check-in date, the change shall be subject to an Administration Fee charged by the Club.

The Points used to make the reservation shall be reinstated in favor of the Member provided that said Points have not yet expired.

9.3 Untimely Cancellation. If the cancellation or modification is made less than eight (8) calendar days in advance of the check-in date of the Member, or if the Member does not show, the Units shall be considered as having been used by Member, and an Administration Fee shall be charged up to a maximum of thirty (30%) of the annual Maintenance Fees for the corresponding year. In such an instance, the Points shall not be reinstated in the Member's account.

ARTICLE TENTH. Persons Authorized to Occupy and Use the Units.

The Unit(s) that have been reserved may be used by the Member or his/her Beneficiaries or Guests (the Users). For purposes of these Rules:

“**Member**” is the holder of the Membership, as defined in Section 1.15 of these Rules.

“**Beneficiaries**” are the spouse of the Member, so long as the Member is not a joint holder of the Membership, and the children of the Member (however many), as defined in Section 1.6 of these Rules.

“**Guests**” are any persons designated by the Member as Users of a Unit in the respective reservation, as defined in Section 1.12 of these Rules. Guests may make use of the Unit, so long as the Member pays the Administration Fees corresponding to the Guest Certificate.

Each User must be at least 18 years of age or be accompanied by a person who is at least 18 years of age.

ARTICLE ELEVENTH: Rights and Obligations of the Member, Beneficiaries and Users, As Applicable.

11.1 Reservations.

11.1.1 Reservations may only be made by the Member.

11.1.2 Access to the Units shall be limited to those persons whose names have been confirmed in the respective reservation, in accordance with the maximum occupancy allowed in

the reserved Unit, thus, the Resort in which the reservation has been made may at any time request identification from persons occupying or to occupy the reserved Units.

- 11.1.3 The Member may make changes to the reservation solely with respect to persons who will occupy the Unit(s) so long as the number of persons is within the occupancy limit stipulated for such Unit.
- 11.1.4 If a Member wishes to lodge Users in the Unit in absence of the Member, the Member should request a corresponding Guest Certificate at the time the reservation is made, indicating the name of the Users who will occupy the Unit, as provided in the immediately preceding paragraph. In such a case, there will be a charge for the Guest Certificate, in accordance with the published rates in the Use Calendar, which charge must be paid at the time the reservation is made. Any violation of the procedure stipulated herein shall be regarded as a breach of these Rules. The contemplated charge amount shall be specified in the Use Calendar.
- 11.1.5 Any person in whose name a reservation has been made, at the time of check-in, for the purpose of guaranteeing the payment of additional expenses, as well as possible damages to the Unit or the Resort facilities, shall sign a credit card voucher or make a cash deposit in favor of said Resort or the Club.
- 11.1.6 At the time that the person in whose name the reservation has been made is checking out of the Unit in the respective Resort, all additional charges or damages incurred shall be verified, for purposes of submitting said charges to the corresponding credit card by use of the pre-signed voucher, or by collecting the corresponding amount from the cash deposit, as applicable. In any event, the Club shall return to the person in whose name the reservation has been made the voucher or deposit minus the difference in favor of the Resort or the Club, as applicable.
- 11.1.7 Check-in time shall be as of 16:00 hours and check-out no later than 11:00 hours. With these established limitations, the Club may establish the schedule that it deems convenient for check-in and check-out of Users, which schedule should be notified to the Member no less than thirty (30) days before the anticipated date of occupancy of the Unit.

11.2 General Rules, Rights and Obligations.

- 11.2.1 Each Affiliated Resort at all times shall assign to the Members, their Beneficiaries and Guests the reserved type of Unit, provided that no Member or Beneficiary may reserve a specific Unit.
- 11.2.2 All Units shall be totally clean and ready for occupancy by the Members, their Beneficiaries and Guests at check-in time.
- 11.2.3 While the Units are occupied by the Members, their Beneficiaries and Guests, the Units shall be cleaned on a daily basis according to the housekeeping standards established by the Club during the entire stay.
- 11.2.4 Use by the Members, their Beneficiaries and Guests of the different areas of the Resort, including the Common Areas, shall be subject to the regulations established by each Resort. Such regulations shall be posted in visible places within the Resorts, or may be requested from the Resort.

- 11.2.5 Any reservation or lodging accommodation shall be subject to interruption, cancellation or termination upon the occurrence of events beyond the control of the Club or the Resort due to fortuitous cases or *force majeure*, such as, for illustrative purposes and without limitation, earthquakes, tsunamis, hurricanes, acts of vandalism, acts of war or labor strikes of any kind, without such interruption being considered a breach on the part of the Club or the Resort.
- 11.2.6 In the exclusive case of labor strikes or bankruptcy, the Club may cancel confirmed reservations for the duration of such instances without considering the Points used for such reservations and without such cancellation being considered a breach on the part of the Club or the Resort.
- 11.2.7 In the event that any Member, Beneficiaries or Users are restricted from the use of the corresponding Unit once the respective reservation has been confirmed, for any cause not attributable to said Member, Beneficiaries or Users, or due to fortuitous case or *force majeure* as provided in the preceding paragraphs, the Club, immediately and at its exclusive cost, shall provide said User lodging accommodations in an establishment of similar category and quality and in the same location as the Resort where the reservation had been made and according to its terms. In the event that the Club does not timely provide such alternative lodging accommodations, then the Club shall pay the Member the duly documented costs of transportation incurred in reaching the Resort from and returning to the Member's point of origin, within fifteen (15) days following the date on which the Member has duly documented such transportation costs.
- 11.2.8 The Club, the Resort and the Affiliated Resorts, as well as the respective officers, employees, affiliated entities, etc., shall not be liable for any kind of accident, damage, negligence, misfeasance, act or omission or any other contingency of the Member, his or her Beneficiaries or Guests.
- 11.2.9 Users are responsible for any damage that they may cause to the Unit or any property of the respective Resort during their stay.
- 11.2.10 In any event, the Member shall be responsible for any damage to the Unit, its furnishings or the Resort facilities that is caused by a User other than the Member if such person does not pay for said damage.
- 11.2.11 Users should vacate the Unit assigned to them at the established hour and day set forth in the respective reservation, leaving it in the same material condition as they found it upon arrival therein.
- 11.2.12 Members, their Beneficiaries and Guests who fail to vacate the assigned Unit at the established check-out hour and day shall be subject to dislodging and the imposition of a penalty for said violation in an amount equal to three times the value of the Points and the Maintenance Fees in effect for each day of delay in their departure. If the Member's, his or her Beneficiaries' and Guests' failure to vacate, or their having caused damage to the Unit, results in making it impossible for said Unit to be available for use by other Members, the responsible Member shall be obligated to cover any and all costs and charges that may be incurred by the Club in the repair of damages caused and the payment of lodging for the other Members who were entitled to occupy said Unit at a facility of similar category.

Notwithstanding the aforesaid, if the Club should have available space within the same Resort and agrees to prolong a stay with the corresponding Member, said Member, his or her Beneficiaries and Guests may remain in said Resort for the agreed additional nights, having to abide by the provisions of these Rules.

- 11.2.13 No pets of any kind are permitted in the Club or any of the Affiliated Resorts.
- 11.2.14 No Member, Beneficiary or Guest may circulate, deliver, distribute or promote in any Club or Resort area or to any User any kind of sales and/or marketing materials with respect to any product or service whatsoever, or any publicity, signage, petition or other such material of any kind whatsoever.
- 11.2.15 The Member is obligated not to permit, in any circumstance, for his or her Membership to be subjected to any kind of embargo, lien, trial, proceeding, claim, or other charge by any authority, whether national or international.
- 11.2.16 Each Member shall be responsible for the payment of all of the charges incurred for the use of additional services during his or her stay.
- 11.2.17 The Member and any User shall maintain the Unit, its furnishings, utensils, etc., in the same good condition in which he found them upon arrival at the Unit, and should not make any change or modification to the Unit. In the event that the Member or his/her authorized Users shall cause any damage, change or alteration to the Unit or the Home Resort or any Affiliated Resort and its related personal property, the Member shall pay to the Club, before check-out, the expenses which the Club shall have to incur in order to repair such damages. Likewise, the Member and his/her authorized Users shall notify the Club immediately of any situation that may place the Unit in danger or at risk.
- 11.2.18 The Member and his/her authorized Users shall check-in and check-out at the hours indicated in these Rules.
- 11.2.19 Developer agrees not to sell Memberships unless there are enough Units for Members to enforce their rights of use pursuant to their Membership in accordance with the Contract and the Internal Rules and Regulations.
- 11.2.20 The performance of Developer's obligations in conformance with the Contract and these Rules is guaranteed by bond as provided in Clause Seventh of the Contract.

ARTICLE TWELFTH. Powers to Enforce.

If any Club Member, his or her Beneficiaries and Guests should be found in breach of the present Rules, the Club shall have the following powers to demand compliance by the Member or the User in question, with the authority to exercise the same within its sole reasonable discretion, upon prior notice to the affected Member or User:

- 12.1 To demand and collect such amounts as are necessary to reimburse the Club for the costs and expenses in which it has incurred for the repair of the damages caused to the Club, the Resort or other Users, as well as to compensate other Members or Users for the costs of alternative lodging.
- 12.2 Cancel the reservation made by a Member and the respective use rights following the first violation of these Rules with respect to any of Member's obligations under the terms of the

Membership Purchase Contract and these Rules or for failure to pay any sums that the Member may owe the Club, the Developer and/or the Resort.

12.3 Cancel the Membership of the Member in the Club following the second violation of these Rules with respect to any of Member's obligations under the terms of the Membership Purchase Contract and these Rules, for continued breach of payment obligations as to any sums owed by the Member to the Club, the Developer and/or the Resort, or of any other obligation under the Membership Purchase Contract or the Promissory Note, as such term is defined in Clause Third of the Membership Purchase Contract.

ARTICLE THIRTEENTH. Club Fees and Expenses.

The Usage Fee amounts shall be determined by the Club on an annual basis. The Club shall notify each Member the current Usage Fee amount to be paid at point of Reservation or any other type of Point usage leisure transaction. Likewise, the Club shall timely notify the Member the amount of other fees and expenses, if any, applicable in the corresponding year.

13.1 Usage Fees.

For each Point used for any Reservation or other type of leisure transaction utilizing the Member's Points, a corresponding Usage Fee per point shall be charged to Member at that point in time. Usage Fees are set at a price per point used. Club reserves the right to have different levels of Usage Fee pricing, based upon the number of points used in a given Reservation or leisure transaction (i.e. a Studio Unit Usage Fee price per point may be higher than a Two Bedroom Unit Usage Fee price per point). The Usage Fee price per point shall be determined by Developer each year based upon the reasonable operating costs of the various Resorts and the approved budgets for such purposes; provided, however, that Developer shall be the only party responsible for any deficiencies that may result in case the applicable Usage Fees are not sufficient to cover the expenses for the maintenance of the Club property.

13.2 Collections.

So long as the Member remains in breach or violation of his or her obligations under the Membership Purchase Contract or these Rules, no reservation shall be accepted from said Member.

The Member accepts and acknowledges that as a consequence of a second violation of any of the Member's obligations, whether with respect to payment or of any other kind, pursuant to these Rules and the Membership Purchase Contract, the Club may automatically cancel said Member's Membership, and neither the Club nor any Resort shall be obligated to provide any type of service to the Member, nor to reimburse him or her any sums paid, without such suspension of service being considered a breach on the part of the Club or the Resort or a violation of any right of the Member.

ARTICLE FOURTEENTH. Assignment of Membership.

Members may assign their Membership, upon prior written notice to the Club and its authorization, for which the Member must deliver to the Club all information related to the person to whom the Member intends to assign his or her Membership, and an essential requirement shall be that the Member be current in the payment of all fees, expenses and not be in any type of breach, and, further, the Member must pay the Administration Fees corresponding to the assignment. In case that the Membership is assigned to the children or parents of the Member, the Membership shall retain all of the benefits offered by the Club, but in case that the assignment is to a third party other than the

above-mentioned related parties, then the Club shall automatically cancel the benefits offered with the Membership, whether present or future, such as: the deposit and exchange of Points, the use of Points of the immediately following year, the purchase of Points, the exchange to other Resorts affiliated with the Club; however, the assignee may have access to the service of the Exchange Program with Resorts not affiliated with the Club.

ARTICLE FIFTEENTH. Alternate Lodging.

In the event that the Club, for causes attributable to the same, does not comply with a Member's confirmed reservation, then the Club shall lodge said Member in some establishment in the same location and of the same category and similar quality to the Member's Home Resort.

ARTICLE SIXTEENTH. Modifications.

The Club may modify the present Rules. Any modification that may adversely affect the rights of Members shall be previously submitted for the approval of the Advisory Board in accordance with the applicable provisions of these Rules.

ARTICLE SEVENTEENTH. Usage Fee.

17.1 The Usage Fee. The Usage Fee shall be paid by the Member in conformance with Section 13.1, and such amount shall be created in order to cover the annual budget determined by the Club for each year of operation (the "**Annual Budget**"). This Annual Budget shall include the corresponding normal operations at each resort, along with specific Club and Club lounge operations.

17.1.1. The maintenance and operation of the Club Units shall be the responsibility of the Club. For purposes of providing the highest level of quality and satisfaction, the Club shall have the authority to perform, on its own or through third parties subcontracted for such purposes, the following functions, for illustrative purposes and without limitation:

- 17.1.1.1 Manage and maintain the Club Units and Club lounge (if applicable).
- 17.1.1.2 Establish the necessary reserves for payment of capital expenditures relating to the repair, restoration or replacement of the Club Units, pro rata share of the Common Areas, and the Club lounge (the "**Reserve Fund**").
- 17.1.1.3 Hire the necessary personnel to perform the activities established in these Rules.
- 17.1.1.4 Provide the necessary services for the operation of the Units, such as, without limitation, water supply, electric power, linen and utensils included in the Units.
- 17.1.1.5 Manage reservations and Member services.
- 17.1.1.6 Prepare and determine an Annual Budget for the operation of the Club Units, in the following terms, set forth for illustrative purposes and without limitation:
 - (a) Cost of operation, management, maintenance, housekeeping, administration and minor repairs of the Club Units, the Club's pro rata share of any Common Areas and Club lounge.
 - (b) Costs to provide check-in/check-out front desk, concierge and common hospitality services at the Resorts.

- (c) Contribution to the Reserve Fund.
- (d) The Club's direct and pro rata costs for services such as water, electric power, cable service and other administrative expenses of the Resort any Club lounge, administrative offices and staff of the Club, etc.
- (e) Taxes, fees, expenses, assessments and insurance.
- (f) Salaries and fees for services provided by third parties.
- (g) Any other cost or expense considered necessary to provide the best quality of service to the Members.

17.1.2. The Usage Fee may be incremented each year in the same proportion as the increase in the National Index of Consumer Prices of the country in which the Resorts are located, over the Usage Fee of the immediately prior calendar year.

17.2 Special Assessments. In case that any fortuitous case or event of *force majeure* shall cause the imminent deterioration, destruction or grave damage to the Club or any of the Affiliated Resorts, and the amount paid by the insurer to the Club were not sufficient to rebuild, reestablish, repair or refurbish to its normal condition the operation and functionality of the Club or the Resort, then the amount of funds not covered and necessary shall be proportionately divided amongst the Members to be paid on the date that the Club determines for such purpose.

In the event that situations arise which significantly impact the Annual Budget, and additional or extraordinary fees should be required, the Club may adjust the Usage Fee within the limits noted above. If not sufficient, the Club, as it so determines, may also levy a Special Assessment against each Member up to an amount equal to or less than 30% of the then current Usage Fee times the number of Annual Points to such Member. In the case that, having used and exhausted the Reserve Fund and the required increment should exceed thirty percent (30%) of the Usage Fee times the number of Annual Points for all Members for that year, the Club shall request the approval of the Advisory Board setting forth the reasons for such increment, and the Advisory Board shall have a maximum period of fifteen (15) calendar days as of the date of submission of said increment to deny it. In case that the Advisory Board should not respond with the maximum period of fifteen (15) calendar days, said increment shall be regarded as accepted. In case that the Advisory Board rejects said increment, the Club shall determine which services shall be decreased or eliminated in order to maintain a balanced Annual Budget. The revised Annual Budget shall be notified to the Members, as well as the Usage Fee, and is applicable any extraordinary fee, updated upon determination of any required increments.

ARTICLE EIGHTEENTH. Advisory Board.

18.1 The Advisory Board shall be the body that shall constitute the formal channel of communication of the Members with the Club. The Advisory Board shall include five (5) advisors, of which two (2) shall be designated by the Members, two (2) shall be designated by the Club, and the fifth shall always be designated by the attorneys-in-fact or grantees of the Home Resort owners.

18.2 The designation of the advisors who will represent the Members shall be pursuant to the following procedure:

- 18.2.1 Within the first year of operation of the Club and at least every five years, the Club shall convene a General Assembly of Club Members, whose only item in the order of the day shall be the designation of the advisors who will constitute the Advisory Board.
- 18.2.2 The Club shall prepare the respective call for said General Assembly, circulating it in writing and by any reliable means to each if the Club Members with advance notice of at least fifteen (15) calendar days of the date on which the General Assembly is to convene, which notice shall specify the place, day and hour in which there will be a roll call, whether it be held on the first, second or third call for said assembly.
- 18.2.3 If the General Assembly of the Club Members is held pursuant to the first call, a quorum of seventy-five percent (75%) of the total number of the Members shall be required; in case that such established quorum should not be achieved, a second call shall be made on the same day and place, with a quorum of fifty percent (50%) being required; in case that such quorum should not be achieved, the Assembly shall be held upon a third call on the same day and place with the Members present, in which case the Assembly's resolutions shall be adopted by majority of the votes present and shall obligate all present, absent and dissidents.
- 18.2.4 Each Member of the Club shall have the right to one vote, so long as said Member is current in the payment of his or her obligations as stipulated in the Membership Purchase Contract and these Rules. The Club shall be entitled to the votes with respect to the Memberships that have not been transferred to third parties, as well as of those whose absence failed to make quorum.
- 18.2.5 The voting shall be personal, nominal, to be exercised directly or through representative duly authorized by proxy granted for such purposes. Resolutions adopted in the Assembly of Members by the majorities established in this Article shall bind all Members of the Home Resort, including those absent or dissident.
- 18.2.6 In addition to the right to vote, the Club shall designate the corresponding advisors to the Advisory Board.
- 18.3 For purposes of submitting matters which require the prior approval of the Advisory Board as provided in these Rules, the Club should notify each of the advisors of the matter at hand by any reliable means. On their part, the members of the Advisory Board, when issuing their positive or negative response, should notify it to the Club by the same means in order for such response to be considered valid. Resolutions of the Advisory Board shall be valid when adopted by the favorable vote of the simple majority of its members.
- 18.4 In case that due to the incapacity or death of one or more of the members of the Advisory Board, the necessary majority required to adopt valid resolutions should not be possible, the Club shall proceed to call an Assembly following the procedure established in the present Article for the purpose of substituting the disabled or dead members.
- 18.5 In case that situations arise in which the Advisory Board should intervene for the determination of matters prior to its creation, the Club should call for an Assembly specifically for the matters requiring immediate attention. The call and the procedure to adopt resolutions shall be made as provided in this Article.

ARTICLE NINETEENTH. Modifications.

The use options, including, without limitation, the Exchange Program, the Deposit, any type of fees, expenses, loan of Points, vacations and benefits in favor of the Members, shall be subject to modification without prior notice. Such modifications shall not be applicable to operations confirmed prior to the date of notice of any such modifications.

ARTICLE TWENTIETH. Jurisdiction and Competence.

For the interpretation and compliance with these Rules, the parties agree to submit to the laws and competent tribunals established in the Membership Purchase Contract.

Exhibit A

Prime and High Seasons

Seasons for the following Resort locations:

Club Costa Vida at Costa Sur Resort, Puerto Vallarta

Prime Season	January 1 through April 30 th October 1 through December 31 st
High Season	May 1 st through September 30 th

Exhibit B

Affiliated Resorts

The following are current Club Tesoro Resorts

Club Tesoro at Tesoro Resorts Los Cabos

Club Tesoro at Tesoro Resorts Ixtapa

Club Tesoro at Tesoro Resorts Manzanillo

Club Tesoro at the Acanto Boutique Hotel, Playa del Carmen