

MEMBERSHIP AND EXCLUSIVE OCCUPANCY RIGHTS AGREEMENT

CONTRACT FOR MEMBERSHIP AND EXCLUSIVE OCCUPANCY RIGHTS ("MEMBERSHIP AGREEMENT" BETWEEN JONATHAN YAMAUCHI AND PAULA CAROL KRESSER, OR THEIR ASSIGNEE, "THE COMPANY", AND THE PERSON(S) WHOSE NAME(S) APPEAR(S) ON THE MEMBERSHIP AND EXCLUSIVE COCUPANCY CONTRACT AND DEPOSIT RECEIPT "COVER PAGE" OF THIS MEMBERSHIP AGREEMENT (INDIVIDUALLY AND COLLECTIVELY, "MEMBER") IN ACCORDANCE WITH THE FOLLOWING RECITAL AND CLAUSES.

RECITALS

WHEREAS, The Company is the owner of ("Membership Agreements") and has the right to enter into transactions pertaining to the purchase and sale of "Membership Agreements". Each Membership provides for 30-night intervals of exclusive occupancy rights at Pied- à -Terre at Casitas Aparicio, whose common address is Aparicio 25, Centro San Miguel de Allende, Guanajuato, Mexico 37700 ("The Property").

WHEREAS, Member desires to purchase, and Company desires to sell, the occupancy rights set forth in this ("Membership Agreement").

NOW THEREFORE, in consideration for these premises, the promises set forth herein, and other good and valuable consideration, the parties agree as follows:

DEFINITIONS

THE PROPERTY: Pied- à -Terre at Casitas Aparicio, a private and gated real estate compound located at Aparicio 25, Centro San Miguel de Allende, Guanajuato, Mexico 37700, consisting of six Casitas which are the subject of the Membership Agreements, containing two 1-bedroom 1-bath Casitas (Units 3&4); two 2-bedroom 2-bath Casitas (Units 5&6); and one 1-bedroom 1 ½ bath Casita (Unit 1); comprising sixty (60) monthly Membership Agreements, plus a small Casita (Unit 2) which serves as an office and is not an integral part of the Member Agreement.

Owners: Jonathan Yamauchi and Paula Carol Kresser, legal owners of record of The Property, holding fee simple title, each to a 50% ownership interest.

The Company: is authorized by Owners with the Exclusive Right to Sell the purchase and sale of Membership Agreements on behalf of Owners.

Member: An individual or legal entity, and purchaser of one of more Membership Agreements.

Price Sheet: The document reflecting the prevailing prices of Membership Agreement, as amended from time to time.

Registered Months: The 30-night interval occurring over a period of two months as outlined on the Price Sheet.

Calendar Schedule: The period of 30-night interval(s) shown on the Price Sheet.

Common Areas: The large common area terrace shared by Members and its Guests and the pathways for ingress and egress leading to and from the common area terrace and Member's designated casita(s).

Occupancy Rights: Members exclusive right to use and enjoy Member's designated unit for the 30-night interval stated in the Membership Agreement(s).

CLAUSES

1. **RIGHT TO USE.** Company shall provide Member, for the 30-night interval indicated on the ("Member Agreement") and Cover Page (which is part of this agreement), in the designated time and unit classifications, a right-to-use 30-night interval(s) consisting of occupancy rights and services, including the use and enjoyment of all amenities and common areas within the Property, subject to the guest policy of The Company. Member agrees to pay the purchase price in the manner and on the terms set forth on the ("Agreement") and Cover Page, which shall become an integral part of this Contract.
2. **USE PERIOD.** For each 30-night interval purchased, the occupancy rights will consist of one 30-night interval per year (a "registered month"), for a period of one-hundred years consisting of an initial term of twenty years, plus four (4) twenty-year renewal options. As described in Price Sheet (move in – move out) provided by Pied-À-Terre at Casitas Aparicio.
3. **MEMBERSHIP FEES.** Membership fees are calculated based on the average operating and membership costs of the Property. "Membership Fees" are prorated to 1/60 of the total operating and maintenance costs for the property, (capped by Owners at 22% of rack rate attributable to Member's designated unit, for a 30-night interval as posted from time to time at Pied-À-Terre website www.piedaterre-sanmiguel.com). Any assessments exceeding the 22% cap on maintenance and operating costs shall be paid by the Owners. Company may refuse occupancy until the Membership Fee for the current year and any other liability (further defined but not limited to Clause number 7) have been paid by the Member.
4. **TERM.** The term of this agreement shall be a maximum of one-hundred years. At the end of the initial twenty-year period, and each of the subsequent four successive renewal periods, Member may renew this agreement for another twenty-four year period by paying to Company within 90 days before the expiration of then current twenty-year period, a Renewal Fee equal to five times the then current Membership Fees for one 30-night interval, independently of number of registered months owned. Member may renew a maximum of four times, thereafter Member shall have no further occupancy rights.
5. **RESERVE FOR PERSONAL PROPERTY.** In addition to the annual membership fee, Member agrees to pay, within 45 days before each five-year anniversary of this agreement, an additional fee hereinafter ("The Reserve") in an amount equal to one additional then current Membership Fee for each registered month owned. Failure to pay Membership Fee when due will result in a 5% late charge plus a penalty of 1% per month on the amount due until paid. In the event that amounts owed are not paid in full within 45 days after the due date, Company shall have the right to terminate this agreement. Company will ascertain and invoice Member for "The Reserve" at least 45 days prior to Member's due date. Invoice will include payment address and options for payment. Member shall be obliged to pay on time whether invoice is received or not. Company may refuse occupancy until "the Reserve" for the current year have been paid.

Members who purchased twelve (12) 30-night intervals for the same unit have the right, but not the obligation to opt in or opt out for payment of the Reserve. If Member elects to opt out of paying the Reserve (at the time of purchase and each successive 5-year period thereafter) Member understands and agrees that it will be responsible to maintain and replace any personal property for the Unit. If Member elects to opt in paying the Reserve, Company will be responsible to maintain and replace any personal property for the Unit, as needed.
6. **OWNERSHIP OF PERSONAL PROPERTY.** Member understands and agrees that all personal property contained within Members Unit is the personal property of Owners, (which will be inventoried and/or videoed at the time Member takes possession of Member's designated Casita) with the exception of any personal property purchased by Member. Furthermore, Personal Property attached to Member's Unit (excepting light fixtures) shall become part of the Real Property owned by Owners.

7. **RESERVATION POLICY.** Reservation policies, policies pertaining to the operation of The Property, and the classification of units available for occupancy purposes are set forth in the Internal Policy of Company, which may be amended by Company from time to time at its sole discretion in accordance with Mexican law.
8. **LIABILITY.** Member, Member's family, guest(s) and Member-generated renters utilizing the Property, including Member's unit and all common areas and property services, do so at their own risk. Member hereby agrees to hold Company and Owners harmless, as well as its principals and agents, successors in interest and assigns from liability for all damage or injury which may result from or be related to such utilization of this agreement.
9. **ASSIGNMENT.** This agreement may be assigned by the Member, provided, however, that this Agreement has been paid in full and all fees are current, and except in the case of transfers to direct relatives (parents, children and grandchildren), will require payment of a transfer fee equal to 6% of the purchase price of the Agreement for each 30-night interval transferred. Successors, heirs and assigns of Member shall be responsible for all of the obligations of the original Member. In order to assign or in any other way transfer the rights of this agreement, Member shall obtain prior approval in writing from The Company. Member understands and agrees that it will be in breach of its Membership Agreement if the transfer fee is not paid, or if Member does not obtain prior authorization from Company, in writing in the event of a full or partial transfer.
10. **MEMBER ACKNOWLEDGMENT.** Member hereby agrees and acknowledges the following:
 - Member has received copies of, has read and fully understands and agrees to abide by this Agreement (including the Membership and Exclusive Occupancy Rights Agreement, New Member's Verification Statement, JYPK Property Management Rentals and Sales Agreement, and all documents signed by the Member which pertain to this Agreement.
 - a. Member has not received or relied on any promise, offer or inducement of any kind, oral or written, not set forth in this Agreement. Member accepts that this Agreement shall constitute the entire Agreement of the Parties, and shall supersede all prior or contemporaneous agreements, written or oral. The Company shall not be obligated beyond the express terms set forth herein.
 - b. Unused months may not be accrued through the Company for use in a subsequent year.
 - c. JYPK Management accepts all liability for acts of renters obtained by JYPK (who occupy Member's unit) when Member has contracted with Company to procure renters for Member's unit during the 30-night interval Member's occupancy rights are applicable. Member accepts all liability for acts of its family, guests and third-party renters (obtained by Member) who occupy The Property during Member's 30-night interval. Member agrees to pay for any damages to The Property resulting from acts of Member's family, guests and third-party renters during their stay in Member's Unit.
 - d. Company and Member shall retain counterparts of all documents pertaining to the purchase and sale of Member's 30-night interval of exclusive occupancy.
 - e. Member acknowledges that Company or Assignee retains all rights with respect to unsold 30-night intervals, and may use, rent or sell such unsold 30-night intervals at its sole discretion. Changes in policy pertaining to the operations, maintenance and upkeep of the property shall be subject to a majority vote of the Members, with one vote cast per 30-nights interval owned.
11. **COMPANY ACKNOWLEDGMENT.** The Company affirms and agrees that: The Company has fulfilled all legal requirements to operate the Property as a vacation rental and has all the necessary permits, licenses, and authorizations required by Local Administrative Authority.

- 12. DEFAULT.** Time is of the essence in this Agreement. In the event of default by Member of any payment when due, such delinquent amount due shall incur a 5% late penalty plus 1% interest per month until paid in full. In the event Member remains delinquent for a period of 45 days, or fails to perform any other obligation required to be performed under this Agreement or if any representation made by Member in connection herewith is untrue, this Agreement may, at Company's option, be terminated in accordance with Mexican Law. In the event of default, reasonable attorney's fees and other collection costs, if applicable, shall be paid by Member.
- 13. OCCUPANCY:** In the event that Member or Member's third party guests or Member-generated renters fail to vacate the Property on the day and time provided for in Member's Monetary Agreement, then Member shall be deemed in violation of this contract. The penalty for willful failure to vacate the premise on or before the date and time Member is scheduled to vacate the premise (without prior written consent from The Company) shall, at the option of the Company cause an immediate forfeiture of The Agreement, with no further rights under Agreement. In addition to other remedies afforded to the Company, Member shall become liable for excess holdover days at the rate of \$1,000.00US per day in addition to legal fees, costs and expenses incurred by the Company to remove Member, Member's family, guests and third-party renters obtained by Member from the premise.
- 14. GENERAL PROVISIONS.** This Agreement is governed by the laws of Mexico, and the parties agree that exclusive jurisdiction over the interpretation and enforcement of this Agreement, shall be with the *Procuraduria Federal de Consumidor*, and the Courts of San Miguel de Allende, Guanajuato, Mexico, in accordance with Mexican Law. If this Agreement is executed by more than one Member, the term "Member" shall include the plural and Member liability hereunder shall be joint and several. The Company may rely on information or instruction given by Member. If Member elects to purchase its Membership with financing offered by The Company, financed transaction, Member shall have the right to pay off in advance the full unpaid amount due without penalty and to obtain a refund of any portion of the finance charges which have not accrued by reason of such payment. You have the right to cancel this agreement within five (5) days after the date you sign by (A) returning all documentation to the Member service representative at the property with all the signers being present, and (B) sending written notification by personal delivery, or alternatively, by certified mail, return receipt requested, within five (5) days from the date you sign the agreement, to the administrative office at Aparicio 25, unit 2, San Miguel de Allende, Guanajuato, MX 37700. Notwithstanding any other provision in this Agreement, the Company shall bear no risk of labor disturbances, acts of God or other occurrence beyond the reasonable control of the Company. Do not sign this Agreement until you read and understand it fully or if it contains any blank spaces other than the signature of Company.

IN WITNESS WHEREOF, COMPANY AND MEMBER HAVE EXECUTED THIS AGREEMENT AS OF THE DATE SET FORTH IN THE COVER PAGE OF THIS AGREEMENT.

COMPANY

MEMBER

BY: JONATHAN YAMAUCHI

NAME

BY: PAULA KRESSR

NAME