

**RULES AND REGULATIONS
CLUB GRAN ANFI**

Date and Place of Issuance: Arguineguín, Gran Canaria, Spain, on January 1st, 2002

WHEREAS

A.. The Spanish company ANFI SALES S.L. (formerly known as GRAN ANFI S.L.) whose registered office is at Barranco de la Verga s/n, 35120 Arguineguín, Mogán, Gran Canaria, Spain is promoting and setting up the structure of a resort existing on Plot A of the Urbanization Anfi del Mar, at Barranco de la Verga, Arguineguín, on the south coast of the island of Gran Canaria, Spain. The plot of land is registered at the Land Property Registry of Mogán under the registered property number 24.360.

B.. A regimen of rotational enjoyment of the Suites comprising the Resort has been created subject to the provisions of the Spanish Act 42/1998 governing the rights of enjoyment of real estate. Following these provisions a Community of Holders of the rotational enjoyment rights ("the RER") has been constituted and this Community of Holders is called Club Gran Anfi ("the Club"). Any holder of any RER will automatically be a member of this Community of Holders and therefore will automatically be considered as a member of the Club. The RER grants its holder the exclusive right of occupancy of a Suite for weekly periods in each year for the duration of the Club.

C. The Developer Company has established the Rotational Enjoyment Rights scheme ("the Scheme") by means of the granting of a Public Deed before the Public Notary of Las Palmas de Gran Canaria Mr. Juan Alfonso Cabello Cascajo on December 11th, 2001, under his protocol number 6,906. This Public Deed has been registered at the Land Registry of Mogán. The Scheme has been created following the legally applicable provisions for the maximum duration of 50 years. The period of 50 years will start upon the registration of the declaration of the completion of the building.

D. The Club will be ruled by the By-laws incorporated to the Public Deed that documents the inception of the regimen of rotational enjoyment of the Suites as well as by these Rules and Regulations.

ARTICLES

Article 1. DEFINITIONS

In these Rules and Regulations the following expressions shall have the following meanings:

(a) "the Club" means the Community of Holders Club Gran Anfi.

(b) "the Club Rules" means the from time to time applicable By-laws, whose initial version was incorporated to the Public Deed that documented the inception of the Scheme, as well as the from time to time applicable Rules and Regulations, whose initial version is issued by the Developer Company.

(c) "the Developer Company" means ANFI SALES S.L. (formerly known as GRAN ANFI S.L.) a company incorporated in Spain whose registered office is at Barranco de la Verga s/n, 35120 Arguineguín, Mogán, Gran Canaria, Canary Islands, Spain.

(d) "the Liaison Committee" means the body of persons appointed under the provisions of Article 14 hereof.

(e) "the Maintenance Fee" means the annual maintenance fee provided for under the Management Agreement to be paid by each Member.

(f) "the Management Agreement" means the contract for management services entered into between the Developing Company and the Management Company. The first Management Agreement is annexed to the Public Deed that created the Scheme.

(g) "the Management Company" means ANFI RESORTS S.L. a company incorporated in Spain whose registered office is at Barranco de la Verga s/n, 35120 Arguineguín, Mogán, Gran Canaria, Canary

Islands, Spain, and the expression "the Management Company" shall include any management company as may at a later date be appointed.

(h) "the Membership Agreement" means the agreement entered into with the Developer Company by any person by means of which the latter acquires the condition of Member.

(i) "the Membership Certificate" means the certificate evidencing a Member's entitlement to occupancy rights.

(j) "the Members" means any holder of RER within the Scheme.

(k) "the Resort" means the resort Club Gran Anfi existing on Plot A of the Urbanization Anfi del Mar, at Barranco de la Verga, Arguineguín, on the south coast of the island of Gran Canaria, Spain.

(l) "the RER" means the rotational enjoyment rights ("timeshare rights") in force in the Scheme.

(m) "the Scheme" means the Rotational Enjoyment Rights system established by the Developer Company upon the Suites. The Scheme has been created for a duration of 50 years. The period of 50 years will start upon the registration of the declaration of the completion of the building.

(n) "the Spanish Act" means the Spanish Act 42/1998, dated 15th December, governing the rights of Rotational Enjoyment of Real Estate property for tourist use, as well as any amendment of the same or act which may supersede it.

(o) "the Suites" means the Suites existing at the Resort Club Gran Anfi at Barranco de la Verga S/N, 35120 Arguineguín, Gran Canaria, Spain.

(p) "the Terms of Transfer" means the clause or clauses on the reverse side of the Membership Certificate.

(q) "the Weekly Periods" means the 51 periods of 7 days each in which the use of the Suites is divided throughout the year plus the period of 7 days devoted to maintenance.

Article 2. CLUB RULES

These Rules and Regulations are set up by the Developing Company following the terms of Article 21 of the Club By-laws and complement said By-laws. In case of discrepancy the Bylaws shall prevail.

SECTION ONE

ACQUISITION, TRANSFER AND TERMINATION OF MEMBERSHIP

Article 3. RULES FOR THE ACQUISITION OF THE CONDITION OF MEMBER

3.1 Upon purchase of a RER a person becomes Member of the Club. The term "person" shall include incorporated companies or bodies. Persons may purchase a RER in joint names, in which case all shall sign the Membership Agreement, provided however that the person first named in the Membership Agreement shall be deemed the "member of record" to whom all notices and mailings shall be sent and who shall be the recipient of certain specific membership benefits and privileges (such as membership in an exchange programme or in any complementary programme offered by the Developer Company or by any third party).

3.2 Membership in the Club will be acquired either through the purchase of a RER by means of a Membership Agreement duly entered into with the Developer Company or through the purchase of a RER from any other person who qualifies as a Member being a legal holder of a RER and is capable of transferring the RER to a third party. The signing of any Membership Agreement or the purchase of a RER will automatically imply the acceptance of the Club Rules.

3.3 At the beginning of the life of the Club the Developer Company is the holder of all RERs within the Scheme. The Developer Company shall have power to admit applicants to membership at its own discretion.

3.4 The Developer Company is authorised to re-purchase or otherwise acquire from any person its RER and allocate it to its set of RERs and resell it to a third party.

Article 4. MEMBERSHIP CERTIFICATES

4.1 Every Member that has purchased a RER from the Developer Company is entitled to request from the Developer Company the issuance of a Membership Certificate, once the Member has fulfilled the obligation of payment of the purchase price of the RER. Membership Certificates will specify the name of the Member, the type of Suite and week the RERs relates to and date of issuance. This Membership Certificate is proof of membership status and evidence of Member's right to use the Suite in accordance with the particulars stated therein.

4.2 Only the Developer Company shall have power to issue Membership Certificates, although it may decide at any time to outsource the service of issuing Membership Certificates. The issuance of Membership Certificates will be subject to the payment of the corresponding fees as may at any time be in force.

4.3 No Membership Certificate will be issued twice in respect of the same RER, although duplicates may be issued in case of loss of the certificate issued. If a duplicate is issued and the original copy arises, the duplicate will lose its validity.

4.4 Membership Certificates will include on the reverse side the Terms of Transfer. This clause will include the necessary wording of a contract for the transfer of the RER.

4.5 Membership Certificates will be issued in English, German or Spanish, and in any other language the Developer Company may decide at its sole discretion.

4.6 In the case that the Developer Company and/or the Management Company decide to articulate a mechanism in benefit of Members in order to set up the use of the Suites through the system known as floating suite and/or floating weeks, where the suite and/or the week of enjoyment of the accommodation is not fixed but specifiable, the Membership Certificates may be issued at the discretion of the Developer Company mentioning this aspect.

4.7 No Membership Certificate will be issued in respect of a RER that has not been purchased from the Developer Company, unless otherwise agreed by the Developer Company.

The Developer Company shall at its sole discretion and on a case by case basis decide to issue a new Membership Certificate to the subsequent purchaser. In any case, no Membership Certificate will be issued in favour of a subsequent purchaser if at the time of sale the RER the selling Member has not respected Article 5 of these Rules and Regulations or has not fulfilled all its obligations vis-à-vis the Club, and in particular has not fully paid all invoiced Maintenance Fees up to that date.

If so decided by the Developer Company, in the event of a Member agreeing to sell or otherwise dispose of the RER by executing the Terms of Transfer included in his Membership Certificate, the selling Member and the acquiring person shall deliver the relevant Membership Certificate to the Developer Company with the Terms of Transfer included thereon duly executed by such Member and by the person to whom such rights are to be transferred, being the signatures duly verified by a Notary, and, upon payment of the appropriate fee, the Developer Company will issue a new Membership Certificate in the name of the new Member.

Article 5. RULES FOR THE TRANSMISSION OF THE CONDITION OF MEMBER

5.1 Any Member may, subject to the provisions hereof, bequeath or agree to sell or otherwise transfer the RER in favour of a third party subject to the discharge of the Member's liabilities hereunder up to the date of transfer. In the event of the death or bankruptcy of any Member (or the winding up of a Member being a corporation) his personal representatives, trustee in bankruptcy or liquidator as the case may be, may agree to sell the RER to a third party or to vest the same in a beneficiary.

5.2 The transfer of the condition of Member can only be executed through the transfer of the ownership of the RER. The RER is a right in rem and ownership of the RER may be transferred through any legal transaction or

mechanism admitted by Spanish law for the transfer of rights in rem. Transfer cannot be carried out until the purchase price to be paid to the Developer Company for the first acquisition of the RER has been completely paid. Any transfer of a RER will trigger a fee in favour of the Developer Company amounting in year 2002 to 100 Euros, which will be increased yearly by a 5%.

5.3 The Developer Company will have a pre-emptive right in respect of any transfer inter vivos of a RER. This pre-emptive right is ruled by the following provisions:

i) The Member proposing a transfer inter vivos of its RERs in favour of any person shall give notice of the same, in an authenticated manner, to the Developer Company. Such notice shall include the number and details of the RERs to be transferred, the sale price of the RER, the name of the acquiring Party, the terms of payment and any other terms of the transfer.

ii) The price to be paid for the execution of pre-emptive right, the manner and method of payment, and other conditions of the transfer shall be those agreed upon and communicated to the Developer Company by the transferring Member.

iii) Where the transfer is for non-monetary consideration, the acquisition price for the purposes of exercising this pre-emptive right shall be agreed upon between the transferor and the Developer Company. If no agreement is reached the price shall be the price paid by the transferor when he acquired the RER from the Developer Company less the average marketing and operational costs incurred by the Developer Company for the sale of RERs in the year when that RER was sold to the now transferor. If the transferring Member did not acquire the RER from the Developer Company, the price to be considered shall be the price paid by the first person who acquired the RER from the Developer Company less the average marketing and operational costs incurred by the Developer Company for the sale of RERs in the year when that RER was sold to the first acquirer.

iv) The Developer Company shall, within a period of fifteen days from the day following such notice, notify the Member of its wish to acquire the RERs on sale and of its intention to exercise its pre-emptive right.

v) Once the fifteen day period has expired and if the Developer Company has not made use of its pre-emptive right, the Member may freely dispose of the RERs within a period of three months on the same conditions as those offered, and if the disposal is not carried out before the end of such period, he must notify once again his wish to transfer inter vivos the RERs in the same manner established in this article.

vi) The transfers made in favour of the ascendants, descendants or spouse of the transferring Member are exempt from this article 5.3.

5.4 All transfers of RERs executed by any Member shall be notified by the selling Member to the Developer Company, sending an original copy of the Membership Certificate duly signed or of the contract signed with the new acquirer. The Developer Company and the Management Company shall not be responsible for any omission or step taken as a consequence of a lack of notification.

5.5. Purchasers of a RER will assume jointly and severally with the selling Member the obligations of payment of outstanding Maintenance Fees. Until all the outstanding amounts have been duly paid, whether by the selling Member or by the new purchaser of a RER, the Club and the Management Company may deny access to the Resort and to the Suite.

5.6 The RERs may be transferred without execution of the Terms of Transfer included in the Membership Certificate, although the Developer Company and the Management Company shall not be responsible for any step taken under the light of a Membership Certificate shown to them or by any rejection to accept the entry to and the use of a Suite by a person where there appears to be a contradiction between two persons for the ownership of a certain RER. It is understood that the Developer Company and the Management Company will always consider as the legal owner that person who has the possession of the Membership Certificate, until there is a court resolution deciding on the contrary.

5.7 If at any time the Developer Company decides to set up a resale activity of the RER, the Developer Company, or the company appointed to such effect by the Developer Company, will be the single entity authorised to intermediate the sale and transfer inter vivos of RERs and will be the exclusive agent for any such sale. In this case every transfer shall be carried out under the supervision of the Developer Company.

5.8 If a Member has registered at RER in the Land Property Registry of Mogán, the sale of the RER to a third party, in addition to the above, shall be supervised by the Developer Company in order to procure that the transfer is adequately registered in the Land Property Registry and that the right of the Developer Company to cancel the Member's membership as provided in the Club Rules and in the Membership Agreement is adequately reflected.

5.9 Transfers without observing the provisions of this article 5 shall not be recognised either by the Club, by the Developer Company, or by the Management Company. The Developer Company shall refuse to register the transfer in the Register of Memberships and the Management Company shall refuse entry of the purchaser into Resort and the use of the Suite.

5.10 Provisions of this Article are for the benefit of the Members, pursuing to guarantee control of an authorised access to the Club.

Article 6. REGISTER OF MEMBERSHIPS

6.1 The Developer Company will keep a Register of Memberships in the Club. This Register will reflect at least the following data:

- i) List of Suites and number of RER in force in respect of each Suite.
- ii) Name and addresses of all holders of a RER associated to the particular Suite it is linked to. Date of obtaining the condition of Member.
- iii) Circumstances of each sale, assignment, or transfer of a RER.
- iv) Number of Membership Certificates issued.
- v) Settlement of Maintenance Fees.

6.2 Every Member is obliged to notify the Developer Company within 14 days of any variation of change of address or of any other data.

6.3 Upon selling a RER or receiving the notification of a transfer, the Developer Company will immediately proceed to record the transfer in the Register of Memberships. A reasonable fee may be charged for the registration of a transfer and said fee may be revised by the Developer Company from time to time.

6.4 No person shall be registered as a holder of a Membership Certificate or be entitled to the benefit thereof unless he shall be a Member.

6.5 The Management Company will inform periodically the Developer Company about the payment of the Maintenance Fees. Any outstanding amount with a maturity over 8 months shall be immediately communicated so that the Developer Company reflects this aspect in the Register.

6.6 Upon request by a Member or by a third party who shall have a proper interest on it, the Developer Company may issue a certificate, stating that according to its records, a particular person appears as a Member and/or that all Maintenance Fees up to that date have been either duly paid or are still outstanding. A reasonable fee may be charged for the issue of said certificate which may be revised by the Developer Company from time to time.

6.7 The Developer Company may delegate the obligation to keep the Register of Memberships to a third party.

Article 7. TERMINATION OF THE CONDITION OF MEMBER

7.1 Membership of the Members of the Club shall cease on the occurrence of any of the following events:

- (a) the transfer of a RER to a third party; or
- (b) the cancellation of a Member's Membership in accordance with the provisions of the Club Rules and/or the Membership Agreement; or
- (c) termination of the Club in accordance with the Club Rules.

SECTION TWO
DUTIES AND FACULTIES OF THE DEVELOPER COMPANY

Article 8. DUTIES AND FACULTIES

8.1 Under the provisions of the Spanish Act the Developer Company is obliged to provide to Members the services mentioned in the Public Deed that documented the inception of the Scheme. The Developer Company has opted to outsource those services and has entered into a Management Agreement with the Management Company so that the latter renders those services.

8.2 The Developer Company shall be entitled to delegate to the Management Company such powers as may be appropriate to enable the Management Company to perform its functions. The Developer Company may amend, alter and change the conditions mentioned in the Management Agreement and appoint a new Management Company for the management of the Suites and the proper provision of the various amenities and facilities to be enjoyed by the Members and any other property of the Club. Any Management Agreement so concluded will be binding for the Club.

8.3 Without prejudice to the generality of the foregoing the Developer Company, acting in its condition of Chairman of the Club, shall have the following specific powers:

(a) At any time to appoint a Member to fill any casual vacancy amongst the elected members of the Liaison Committee occurring through any death, illness, resignation or otherwise. All such persons so appointed shall hold office only until the next following General Meeting but shall be eligible for re-election for the unexpired portion of the period for which the Liaison Committee member whom he replaced would otherwise have been due to serve.

(b) To dictate implementing regulations of the Club Rules at any time for the proper regulation of the Club and such regulations shall be binding on all Members. Such regulations shall not conflict with the Club Rules and in the event of any apparent conflict; the terms of the Club Rules shall prevail.

(c) To appoint such sub-committees as shall be necessary for the carrying on of the management of the Club.

(d) At any time to cancel or suspend for a reasonable period of time the membership of any Member who in the reasonable opinion of the Developer Company shall have committed a substantial breach of the provisions of the Club Rules or any Regulations hereunder or whose conduct in the opinion of the Developer Company shall be wholly unbecoming to a Member and who has not remedied the breach of conduct complained of within a reasonable time following a written request by the Developer Company for him to do so. For the avoidance of doubt, any Member who fails to pay any annual Maintenance Fee within thirty days from the date of being given notice that such Maintenance Fee has become overdue shall be treated as having committed a substantial breach.

(e) To enter into all contracts and agreements which the Developer Company may deem necessary or desirable in connection with the management of the Club and to apply the funds of the Club in payment of the expenses of management, administration and running of the Club except insofar as these powers may have been delegated to the Management Company under the Management Agreement.

(f) To appoint a suitably qualified Auditor being a Member of the Spanish Professional Institute of Chartered Auditors for the jurisdiction in which he or she practises, to audit the accounts of the Club annually or for extended periods and to appoint lawyers and other professional advisers.

(g) To agree the remuneration of the auditors, lawyers and any other professional advisers from time to time appointed or instructed by or on behalf of the Club.

(h) To bring, defend, agree to be joined, settle or compromise any proceedings or claims of any kind relation to the affairs of the Club or the obligations of the Members hereunder or under the Deed of Trust referred to in the following Article and in the event of any such proceedings or claims relating to individual Members to bring, defend, agree to be joined, settle or compromise the same on behalf of such Members at their respective costs.

Article 9. MECHANISMS FOR THE USE OF THE RIGHTS OF OCCUPANCY CONSTITUTION OF TRUST

9.1 The Developer Company may at any time decide to alter the basis upon which rights of occupation are allocated to new Members and without prejudice to the generality of the foregoing, is entitled

(i) to make arrangements either on its own or together with other resorts, hotels, vacation clubs and the like to create a pool of occupation rights (colloquially known as a "points system") or any similar arrangement.

(ii) to articulate a mechanism in benefit of Members in order to set up the use of the Suites through the system known as floating week, where the week of enjoyment of the accommodation is not fixed but specifiable.

(iii) to articulate a mechanism in benefit of Members in order to set up the use of the Suites through the system known as floating Suite, where the Suite of enjoyment of the accommodation is not fixed but specifiable.

(iii) to articulate a mechanism in order to set up the use of the Suites in biennial, triennial and/or longer periods, or in general during periods of time different to a week, whether they are recurring or not, provided always that such changes in the basis of the allocation of the occupation rights of new Members do not prejudice the RERs already held by the Members.

(IV) To these purposes, the Developer Company may dictate implementing regulations of the Club Rules at any time for the proper regulation of arrangements and mechanisms and such regulations shall be binding on all Members. By way of example it is foreseen that the mechanisms mentioned in paragraphs (i), (ii), (iii) and (iv) may be articulated through the assignment by the Members of their rights of accommodation in a specific week and Suite, in favour of the Developer Company, of the Management Company or of any other company appointed to such effect. In the case of a floating week mechanism the Members would receive in exchange for that assignment the right to use a type of Suite of the Resort for a specifiable week within a period of time in every year. The Developer Company will be entitled to divide the year in different categories of periods for the enjoyment and use of the Suites.

9.2 The Developer Company may decide to appoint an independent custodian trustee (hereinafter called "the Trustee") who will hold the equitable ownership of the Suites in benefit of the Members. The function of the Trustee will be primarily to hold the registered ownership of the Suites and when the Scheme expires, to follow the instructions of the Members as regards the future of the Suites. The persons who qualify as Members at the end of the Scheme will be the beneficiaries of the trust. In this case, the Developer Company may:

- (i) transfer or otherwise secure the legal title to the Suites in favour of the Trustee with all common rights and with such amenities, services, fixtures, fittings, equipment, furnishings, provisions and utensils as it shall reasonably consider appropriate. The Trustee or the person that the Trustee may otherwise direct will retain the Suites upon trust for the benefit of the Members of the Club upon the terms of a Deed of Trust.
- (ii) (ii) arrange the terms and conditions under which the Trustee will act, and particularly may agree the annual remuneration of the Trustee, which will be considered as an expense of the Club.
- (III) in the event of the termination of the appointment of the initial Trustee or of any Trustee subsequently appointed by or on behalf of the Club in accordance with this Sub-Clause, appoint another body or person as trustee of the Suites.

The Deed of Trust may be submitted for ratification at the first General Meeting of the Members held after the date of execution of the Deed of Trust.

SECTION THREE RIGHTS AND DUTIES OF THE MEMBERS

Article 10. RULES FOR THE USE AND ENJOYMENT OF THE ROTATIONAL ENJOYMENT RIGHTS

10.1 Each Member will be entitled to use the Suite its specific RER refers to according to the conditions of the RER.

10.2 The use of every Suite is divided into 51 weeks throughout the year and 1 week for maintenance and equipment. The week devoted to maintenance varies from Suite to Suite

10.3 The Weekly Periods will be numbered from 1 to 52 and shall commence at 16.00 hours on the arrival date day specified in respect of that Suite and shall end at 10.00 hours on the departure date. The Member shall inform with at least 14 days prior notice to the Management Company of the date of his arrival or if the Member intends to arrive to the Club later than on the weekly commencement day.

10.4 The dates of the said Weekly Periods for each year shall be determined by the Developer Company. Once the Developer Company has determined the 51 Weekly Periods plus the week devoted to maintenance, any days unallocated to Weekly Periods shall belong to the Developer Company.

10.5 Each Member is entitled to use the Suite on his own or together with family members and/or friends as long as the stipulated maximum occupancy of the Suite is not exceeded. If the Member wishes to sublet or lease the use of the Suite or to deposit the right of use of the Suite with an exchange company, a Guest Certificate should be issued. The Promoter or the Management Company may exempt on a case by case basis Members of this requisite.

Guest Certificates will be issued by the Management Company to a Member only for individuals who are eighteen years of age or older, upon request and upon payment of the then current Guest Certificate fee. A Guest Certificate may be used only by the individual(s) named on the Certificate upon presentation of appropriate proof of identification and is not transferable.

Any individual(s) who use(s) Club accommodation through the means of a Guest Certificate shall be subject to all the rules and regulations that apply to the Suite and their use at the Club and to the use of the Club's facilities and amenities. Such individual(s) will be deemed to be the guest of the Member named on the Guest Certificate and for whose acts and omissions the Member shall be responsible without limitation. Furthermore, the Member requesting the Guest Certificate and named thereon shall be responsible for the payment of any expenses, as well as the costs of repair or replacement of any damaged or missing inventory other than normal wear, incurred by the guest which are not settled in a satisfactory manner upon check-out by the Guest concerned.

Additional persons may accompany the Guest Certificate recipient provided that the number of persons occupying the accommodation unit concerned does not exceed the maximum occupancy limit and all such persons shall be deemed to be guests of the Member named on the Guest Certificate.

The use of a Guest Certificate is subject to any additional conditions or limitations that may be imposed from time to time by the Management Company.

The Club Manager reserves the right at its sole discretion to revoke the Guest Certificate and to cancel either part or all of the related reservation (with right of eviction if necessary), without reimbursement or restitution to the Club Member named thereon, in the event that any of the above conditions are breached or the Guest(s) act in a manner which is deemed by the Club Manager to annoy, injure or interfere or deny the exercise of the rights of other Club Members or Guests.

The Management Company reserves the right not to issue Guest Certificates in favour of persons who have applied for the use of the Suite through an exchange company.

Article 11. MEMBERS' OBLIGATION OF PAYMENT OF THE MAINTENANCE FEE

11.1 The Members shall contribute in accordance with the terms of the Management Agreement to all reasonable costs incurred in the managing and administration of the Club.

11.2 Each Member of the Club shall, in respect of each RER held by him, pay to the Management Company by way of an Annual Maintenance Fee the proportionate part of the aggregate of a) the Total Annual Cost for the management of the Club, plus b) the Management Fee; and plus c) the applicable taxes. The sum of a), b) and c) conforms the Total Maintenance Fees. The proportionate part of the Total Maintenance Fees to be paid by every holder of a RER shall be called "the Maintenance Fee".

11.3 The Total Annual Cost will include among others the reasonable cost of the following:

- (a) Maintenance, repair, decoration, cleaning, and (where necessary) repair of the Suites' services and facilities provided by the Club for the benefit of the Members whether exclusive or in common with others entitled thereto.
- (b) Maintenance, repair and (when necessary) replacement of furniture, equipment, utensils, provisions, furnishings, fittings and fixtures in or about or pertaining to the Suites.
- (c) Insurance of the Suites and the contents thereof for the full reinstatement cost and other insurance whether or not relating to the Suites which the Developer Company shall consider necessary or appropriate, or for the benefit of the Members.
- (d) The full amount of the rent payable to any other Hotel, Club or owner of a house in the event of the Developer Company or the Management Company accommodating a Member or Members in said Hotels, Clubs or houses, in order to facilitate maintenance repair or reconstruction works in a Suite
- (e) All expenses incurred in respect of the Suites including, rates contributions to the community of property owners to which the Suites belong or to the supra community to which the Resort belongs, and any income or other taxes or other charges or impositions whether of an annual or recurring nature or otherwise.
- (f) All work and acts which are required to be done to comply with any statutory provisions or the directions or notices of any governmental, local or public authority.
- (g) Any reasonable expenses or any other charges whatsoever which may be incurred in the management of the Club's reservation system and in the preservation of the value of the Club's property and the running of the Club's affairs.
- (h) The costs of operating the front desk (reception) and associated services.
- (i) The apportionment of allocated costs of operating, maintaining, and repairing all facilities and common areas to be used by Club Members.
- (j) The establishment and maintenance of a replacement and/or sinking fund for the replacement of capital items of the Club's property.
- (k) The establishment and maintenance of any reserve funds requested by the Trustee, as the case may be.
- (l) The fees and expenses of the Trustee and all other costs, expenses or payments to the Trustee under the Deed of Trust and the fees and expenses of the auditor, lawyers and other professional advisers hereinbefore referred to, as the case may be.
- (m) Membership fees of any golf, tennis or other club pursuant to any arrangements made by the Developer Company on behalf of Club Members.
- (n) The salaries of all employees thereof to the extent that they are engaged in the provision of the services foreseen in the Management Agreement, including the reservation system services for the Club, as well as any other which may be requested from the Management Company. The term "salaries" shall also include without limitation the social security contributions, costs of hiring employees, allowances, pensions and severance payments, as well as any amount that shall be due to an employee for whatsoever reason.
- (o) The taxes which may be due for the Suites, such as the taxes which tax the ownership of the Resort and the ownership of the RER (Impuesto sobre Bienes de inmuebles or any other tax in force).
- (p) The costs and expenses of convening and holding the General Meetings and the costs and expenses of convening and holding the meetings of the Liaison Committee.
- (q) The costs and expenses of adapting the Club to any new Law or regulation which may be applicable.
- (r) The costs and fees of the auditors that will verify the accounts of the Club.
- (s) The costs of sending information, notifications, and letters to the Members.

The Developer Company and the Management Company shall have sole discretion in deciding what monies should be spent for any of the foregoing purposes and when the same shall be expended.

11.5 If so required by the Management Company, each Member shall permit the Management Company, or if so otherwise established, a third party on behalf of the Management Company, to collect the Maintenance Fee by means of a direct debit from the Member's bank and for that purpose on demand from the Management Company or the third party the Member shall supply full details of the Member's bank account and sign and deliver to the

Management Company, or as the case may be the third party, any necessary authorisation or mandates to the Member's bank.

Article 12. FURTHER OBLIGATIONS OF MEMBERS

12.1 The Members shall automatically be bound by the terms and provisions of the Deed of Trust, if any, upon election to membership and by the acceptance of the Club Rules such Members shall also be deemed to have accepted the obligations imposed on the Club and the Members by the provisions of the Deed of Trust.

12.2 The use of the Suites is subject to the regulations that the Developer Company under Article 8.3 may dictate. The Members are obliged at all times to observe the rules relating to the occupation of the Suites and to procure that they are observed. A copy thereof is annexed to these Rules and Regulations as Appendix 1; all variations, additions and amendments made thereto by the Developer Company or the Management Company shall also be observed.

SECTION FOUR GOVERNING BODIES

Article 13. GOVERNING BODIES

13.1 The Governing Bodies of the Club are the General Meeting of Members of Club Gran Anfi, the Developer Company, and the Liaison Committee.

13.2 The overall control of the business and affairs of the Club and particularly of the services to be rendered to the Members (save insofar as the same may have been delegated to the Management Company) shall be retained, as foreseen in the Spanish Act, by the Developer Company as herein provided, as long as the latter continues being the Chairman of the Club, as established in Article 6 of the By-laws.

Article 14. APPOINTMENT OF A LIAISON COMMITTEE

14.1 A Liaison Committee shall be elected in order to represent the interests of Members and to provide an effective means of communication between the Developer Company, the Management Company and the Members. The Liaison Committee shall consist of not more than five persons, three of whom shall be Members of the Club (excluding the Developer Company) and two of whom shall be nominated by the Developer Company. The President of the Meetings of the Liaison Committee shall be decided by the members of the Liaison Committee among the persons who are Members of the Club. Unless otherwise agreed by the Developer Company, such Liaison Committee shall have no decision-making powers or any binding authority.

14.2 The Liaison Committee shall meet as often as necessary as it so determines but no less than once every twelve months. Three members of the Liaison Committee shall form a quorum, provided one of them is one of the members appointed by the Developer Company.

14.3 Proper minutes of the proceedings at Liaison Committee meetings shall be taken and preserved. This will be a duty of the Management Company who will be entitled to attend any meeting of the Liaison Committee.

14.4 The Liaison Committee will always conduct its meeting in person and the meetings will be held in Gran Canaria.

14.5 The Liaison Committee by unanimity may decide that the meetings could be conducted:

- (i) by audio or video conference facility; or
- (ii) by facsimile transmission; or
- (iii) by electronic mail; or
- (iv) by any other electronic medium approved unanimously by the Liaison Committee.

14.6 Any question arising at a meeting is to be decided by a simple majority of votes of the members of the Liaison Committee present and voting, unless otherwise established.

14.7 The first members of the Liaison Committee chosen by the Members will be elected at the first General Meeting of the Members of the Club, which will take place on or before the 31st December 2004. The first General Meeting of the Members will be convened by the Developer Company by notice in writing sent to every Member not less than twenty-eight days before the date of such meeting.

The members of the Liaison Committee chosen by the Members will be elected for a period of three years. After the expiry of said period of three years, at the next subsequent General Meeting three new members of the Liaison Committee shall be elected. Retiring members may offer themselves for re-election. The two Liaison Committee members nominated by the Developer Company shall cease to be such on written notice being given to them by the Developer Company and the Developer Company shall then nominate a successor or successors to fill any vacancy or vacancies thereby created. The Developer Company may appoint and replace the two members of the Liaison Committee at any time.

14.8 Save as herein provided election or removal of members to and from the Liaison Committee shall be dealt with only at General Meetings or Special General Meetings of the Club and nominations shall be submitted in writing not less than fourteen weeks before the date of such Meeting. A Member must second all nominees; this may be done in writing prior to the Meeting or at the Meeting itself. All nominees must be present at the Meeting.

14.9 The members of the Liaison Committee shall not receive any compensation for their time but may be reimbursed for expenses directly related to their duties in accordance with guidelines established by the Liaison Committee and approved by a simple majority of members voting in person or by proxy at a General Meeting.

Article 15. GENERAL MEETINGS OF THE CLUB

15.1 The General Meetings of the Club shall be held at such place in Gran Canaria or elsewhere as the Developer Company shall decide on such a date as shall be determined by the Developer Company.

15.2 The Ordinary General Meeting of the Club shall meet as often as necessary as it so determines but no less than once every three years. The Liaison Committee by unanimity and/or the Chairman of the Club may decide at any time to convene an Ordinary General Meeting.

The Ordinary General Meeting shall be convened by the Developer Company by notice sent to all Members not less than twenty-eight days before the date of the Meeting together with the Agenda of the matters to be conducted at such Meeting.

15.3 The Developer Company may at any time and shall upon a request in writing from the holders of not less than twenty five per cent in number of the RERs call a Special Meeting of the Club to be convened and held in the manner prescribed for an Ordinary General Meeting although a fourteen days notice shall only be necessary.

15.4 Notices of Special and Ordinary General Meetings shall contain copies of the Agenda for such meetings and the description of any resolution to be voted upon at the Meeting. No business other than that specified in the Notices of Meeting and documents therein shall be considered at the Meeting, unless otherwise decided by the Chairman of the Meeting.

15.5 At every General Meeting a representative of the Developer Company (and in his absence, a Chairman appointed by the Developer Company) shall preside.

15.6 Voting at all General Meetings shall be on the basis of the number of RERs held. Each Member shall be entitled to one vote for each RER held. Where a RER is owned jointly the vote of the first named joint owner on the Membership Agreement only shall be counted. The Developer Company shall be entitled to so many votes as RERs it holds. Voting rights shall be exercised by way of a poll and not by a show of hands. At all meetings in the case of an equality of votes, the Chairman shall have the casting vote.

15.7 Members will be entitled to appoint a representative (proxy holder) to assist and vote in their name. Any such representative needs to be a Member. The instrument appointing a proxy shall be in writing under the hand of the appointer, duly authorised in writing or if such appointer is a corporation, under its common seal, if any, and if none, then under the hand of some officer duly authorised in that behalf. The instrument appointing a Proxy and Power of Attorney or other authority, if any, under which it is signed or a certified or office copy thereof shall be deposited at the offices of the Club not less than forty-eight hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote and in default, the instrument of Proxy shall not be treated as valid. No instrument appointing a Proxy shall be valid after the expiry of twelve months from its date. A representative duly empowered cannot represent more than four different Members in a specific Meeting; this rule shall not apply to the Developer Company and/or the Management Company and/or to members of the Liaison Committee, which shall be authorised to represent any amount of Members.

15.8. Any resolution to be proposed otherwise than by the Developer Company at any Ordinary or Special General Meetings of the Club shall be submitted in writing to the Developer Company not less than fourteen weeks before the date of the Meeting if it is an Ordinary General Meeting or fourteen weeks if it is a Special General Meeting. The proposer and the seconder shall sign such proposal.

Any resolution involving a change in the Club Rules shall require not less than a three-fourths majority of all votes cast. In the event a proposal for a resolution is made by the Developer Company, the vote of the Members not attending the General Meeting will be considered as favourable to such resolution. In the event a proposal for a resolution for amending the Club Rules is made by a Member -other than the Developer Company-, the vote of the Members not attending the General Meeting will be considered as contrary to such resolution. Upon approval of any amendment to the Club Rules, the Developer Company will be entitled to appear before a Notary of its choice and raise the change into a public deed.

15.9 At all General Meetings of the Club the quorum shall be Members who hold 14 RER present in person or by Proxy and if such quorum is not present within half an hour from the time appointed for the meeting, the quorum shall be reduced to members holding 6 RERs, attending in person or by proxy.

15.10 The Management Company shall attend the General Meetings. Minutes of all General Meetings will be prepared by the Management Company and circulated to all Members within thirteen weeks of the General Meeting.

15.11 A resolution in writing signed by all the requisite percentage for passage of the Members who would be entitled to receive notice of and attend and vote at a General Meeting of the Club at which such resolution was to be proposed or by their duly appointed attorney, shall be valid and effectual as if it had been passed at a General Meeting of the Club duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the Members or their attorneys and signature in the case of a body corporate which is a Member shall be sufficient if made by a director thereof or its duly appointed representative.

SECTION FIVE

SUPERVISION OF THE ACCOUNTS

Article 16. AUDIT

16.1 The financial year of the Club shall end on 31st December of each year or on such other date as the Developer Company may decide. The Developer Company or the Management Company, as the case may be, shall cause proper books of accounts to be kept with regard to:

- (a) All sums of money received and expended by the Management Company for the managing and administration of the Club and the matter in respect of which such receipts and expenditure take place.
- (b) The assets and liabilities related or whose use is linked to the Club.

16.2 At the Ordinary General Meeting the Developer Company shall lay before the Club an audited income and expenditure account for the period since the last preceding account (or in the case of the first account since the inception of the Club) together with an audited balance sheet made up to the same date. Every balance sheet shall be accompanied by proper reports from the Developer Company and the auditor and copies of such account balance sheets and reports shall be sent to all Members at their respective addresses not less than 28 days before the Meeting.

SECTION SIX BUDGET

Article 17. FORMULATION AND APPROVAL OF THE BUDGET

17.1 The Management Company will prepare a Budget establishing the forecasted Total Annual Cost for the management of the Club during a financial year, as established in the Management Agreement. The Budget will include among others the forecasted figures for the followings posts: Income Operational Costs, Indirect Costs (Management Fee and Replacement/sinking fund), and taxes.

17.2 The Budget will be submitted to the Liaison Committee so that the members of the Liaison Committee may issue their comments to the Budget. Any reasonable comment will be taken into consideration by the Management Company, although the last decision will be adopted by the Management Company. The Management Company will produce and approve a definitive version of the Budget within 15 days after the meeting with the Liaison Committee.

17.3 The Budget shall be prepared by the Management Company observing the provisions of the Management Agreement and maintaining the high standards of the Resort. Increases in the Budget in comparison to the previous Budget shall be caused by the increase, whether actual or contingent, of the costs of the services provided, extraordinary circumstances, increase of taxes or other expenses, increase or improvement of the services provided, extension of the areas within the Resort to be maintained, etc. Notwithstanding this if the increase experimented by the Budget proposed by the Management Company to the Liaison Committee under Clause 17.2 in comparison to the previous Budget exceeds four times the increase experimented by the official Spanish Retail Index Price (Índice General de Precios al Consumo) or whatever Index may replace this, the Liaison Committee, after discussing the composition of the Budget with the Management Company may, by a majority of four fifths, decide to review the Budget. In this case, the Liaison Committee will decide within 15 days on the definitive version of the Budget, and such a decision shall again be taken by a majority of four fifths.

17.4 The Management Company may elect at any time to produce a Budget for a period of three years and this will be the normal case.

17.5 The Budget for the two first financial years of the Club will be formulated by the Management Company and it will be approved by the Developer Company.

SECTION SEVEN OTHER PROVISIONS

Article 18. NOTICES

18.1 A notice may be given to any Member by sending it by post to the Member's address as appearing in the register. Any notice so sent by post shall be deemed to have been given on the second day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.

18.2 Service of a notice or document on any one of several joint Members shall be deemed effective service on the other joint Members.

18.3 Any notice or document sent by post or delivered at the registered address of a Member shall be deemed to have been duly served notwithstanding the fact that such Member has changed permanent residence without notifying the new address or that such Member be then deceased or, if a company, dissolved and whether or not the Club or the Management Company has notice of the death or dissolution, and such service shall be deemed a sufficient service on all persons in any way interested in or entitled in relation to any Membership Certificate to which the Member was entitled.

Article 19. MISCELLANEOUS

19.1 Any dispute or difference arising out of these Rules and Regulations shall be referred to the decision of a single arbitrator to be agreed between the parties or in default of agreement to be appointed, upon the application of either party, by the Developer Company. If the Developer Company is involved in the dispute, the arbitrator shall be then appointed by the Management Company. This arbitrator shall act as an independent judge and its decision will be binding for the parties.

19.2 Notwithstanding Article 21 of the By-laws, the Developer Company reserves the absolute right to amend any of the terms of these Rules and Regulations to the extent that such amendment may be necessary following the enactment of legislation in Spain concerning the rotational use of holiday properties, following any alteration in the reservations system, following a technological advance, or following in general any change which affects the Scheme otherwise.

19.3 If any provision of these Rules is deemed to be illegal, invalid or unenforceable in whole or in part, the legality, validity and enforceability of the remaining provisions of these Rules shall not in any way be affected or impaired thereby, and the offending provision shall be replaced by the Developer Company by another enforceable, valid and legal provision that has the same or a similar as possible effect as the original provision.

Article 20. PROPER LAW

These Rules and Regulations shall be governed and construed in accordance with the Laws of Spain.

Article 21. LANGUAGE

In case of discrepancy between different translations of this document, the original Spanish version shall prevail.

The Developer Company fulfilling the provision foreseen in Article 21 of the By-laws of Club Gran Anfi has drafted and prepared these Rules and Regulations. on January 1st, 2002.

Signed by ANFI SALES S.L.

Signed by ANFI SALES S.L.

APPENDIX 1 - RULES OF USE OF THE SUITES

Following rules will be binding for Members:

1. To vacate the Suite by 10.00 hours on departure and no later. Entry to the Suite at the day of arrival will be no sooner than at 16:00 hours.
2. To keep and maintain the interior of any Suite and all of its contents in good and tenable state and condition during the period of his occupancy and to pay or indemnify the Club against any damage, deterioration, or dilapidation (over and above fair wear, tear and damage or destruction by fire or any other insured risk against which may have taken place during the period of his occupation) as to which the Developer Company or the Management Company shall be the sole judge.
3. In the event of any repair or maintenance work to be carried out to a Suite or its contents during the period of occupancy of a Suite, to allow access on reasonable notice (except in the case of emergency) to necessary workmen and others for such work.
4. Not in any way to make alterations to any Suite or the contents thereof.
5. Not to do anything which would make void or risk making void the insurance of any Suite and its contents or any other insurance for the time being in force and relating to any Suite or which may operate to increase the premium payable in respect of any such insurance. To indemnify the Club and the Trustee, as the case may be, against any increased or additional insurance premium which by reason of any such act or default may be required for effecting or keeping up any such insurance.
6. In the event of the Suite or any other property as aforesaid or any part thereof being damaged or destroyed by any insured risks by reason solely or in part of any act or default of the Member and the insurance money being wholly or partially irrecoverable, then and in every such case to pay forthwith to the Club or the Trustee, as the case may be, or as directed by either of them (or in the case of a conflict to the Trustee) the whole or as the case may require a fair proportion of the unrecovered cost of rebuilding and reinstatement of the same to be conclusively determined by a surveyor to be appointed by the Club together with the whole or such portion as aforesaid of the fees of such surveyor.
7. During such times as the administration of the affairs of the Club shall be delegated to the Management Company, to pay the Management Company at the times provided by the Management Agreement his due proportion of the Total Maintenance Fees (including where appropriate the advance Maintenance Fee) provided for by the Management Agreement and further to pay upon demand any charge falling due under these Rules and Regulations. In the event of any of the said sums not being paid by the due date, the Developer Company or the Management Company, as the case may be, shall be entitled to refuse the Member in question or any other person in his place occupation of any Suite or type of Suite to which his RER relates until all arrears have been discharged.
8. Not to use any Suite forming part of the Club nor permit the same to be used for any purpose whatsoever other than as a private holiday home in the occupation of no more than the maximum numbers of persons authorised for the specific type of Suite nor for any purpose from which a nuisance can arise to other Members or their permitted occupiers or any owner occupier of adjoining land nor for any illegal or immoral purpose whatsoever nor for the purpose of any trade, business, profession or manufacture.
9. No patio doors or windows belonging to any Suite shall be stopped-up, darkened or obstructed otherwise than by

use of the curtain material or internal blinds provided by the Club and no washing, clothes or other articles shall be hung or exposed anywhere outside any Suite or its balcony area or shall be placed in any position visible from outside the building of which any Suite including its balcony area forms part.

10. Not to throw dirt, rubbish, rags, oil or any deleterious material or other refuse or permit the same to be thrown into sinks, baths, lavatories, and conduits of any Suite.

11. No music or singing whether by instrument or voices, wireless, gramophone, cassette or CD player, television or other means shall be allowed in any Suite so as to cause nuisance or annoyance to any Member or permitted occupier of adjoining Suite or building and in particular, so as not to be audible outside any Suite between 00:00 hours and 09:00 hours.

12. No animal, pet or bird shall be brought upon or kept in any Suite.

13. To comply with all arrangements from time to time made by the Club in relation to the disposal of refuse from any Suite and not to shake, beat permit to be shaken or beaten any carpets, dusters or other objects from the balconies, terraces, windows or doors of any Suite and at no time to throw dirt, rubbish, rags, food or any other material or substance whatsoever out of the windows or doors or from the balconies or terraces of any Suite. It is prohibited to hang towels, clothing of any personal belonging from the balcony of the Suite.

14. Not to store or allow remaining in any Suite any inflammable or explosive substance.

15. Not to obstruct the private roadway, passageways or pedestrian walkways serving the Suites nor the lifts providing access to the individual floors within any building in which the Suites are situated and not to use any of them for any other purpose than for access to and egress from the Suite which the Member is entitled to use.

16. To pay for all telephone calls made in the Suite occupied by him during his occupancy as well as any other expenses incurred by the client in the Club and in the Urbanisation Anfi del Mar. The Management Company may demand a reasonable deposit against such charges.

17. To comply at all times with the provisions of any regulations governing the Community of Owners to which the Suites may belong, copies of which are available from the Management Company on request.

18. If any Member shall wish to sublet or grant rights of occupation of a Suite to which his RER relates, the Member shall give prior notice to the Management Company in a manner suitable to the Management Company and upon payment of any Guest Certificate fee, if any.

19. To notify the Developer Company and the Management Company within 14 days of any change in his permanent address.