



REPORT OF INDEPENDENT AUDITORS

Mexico City, May 18, 2011

The Board of Members
Condominio Villas At Club Intrawest Zihuatanejo, A. C.:

We have audited the accompanying balance sheet of Condominio Villas At Club Intrawest Zihuatanejo, A. C. (The Association) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our examination was performed according to the generally accepted auditing standards in México which require the audit to be planned and performed in order to obtain a reasonable assurance that the financial statement are free from material misstatements and are prepared according to the Mexican financial reporting standards (MFRS). An audit consists in the examination, with base on selective tests, of the evidence supporting the figures and disclosures of the financial statements, also, includes the assessment of the financial reporting standards used, significant estimations performed by the Management and the presentation of the overall financial statements. We consider that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Condominio Villas at Club Intrawest Zihuatanejo, A. C. as of December 31, 2010 and the results of its activities and cash flows for the year then ended, according to the Mexican Financial Reporting Standards.



The financial statements at December 31, 2009, which are presented for comparative purposes only, were examined by another auditing firm, issuing their opinion on February 24, 2010 as follows:

In our opinion, the financial statements referred to above present fairly in all material respect, the financial statements of Condominio Villas At Club Intrawest Zihuatanejo, A. C., as of December 31, 2009, and the results of its activities and cash flows for the years then ended in conformity with Mexican Financial Reporting Standards.

PricewaterhouseCoopers, S. C.

A large, handwritten signature in black ink is written over the text of the firm and the partner's name. The signature is cursive and appears to read "Fernando Ruiz Monroy".

C.P.C. Fernando Ruiz Monroy
Audit Partner

CONDOMINIO VILLAS AT CLUB INTRAWEST ZIHUATANEJO, A. C.

BALANCE SHEETS

(Pesos)

	<u>December 31,</u>	
<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 6,133,057	\$ 1,767,381
Account receivable	108,258	-
Related parties (Note 4)	211,141	3,229,509
Prepaid expenses	<u>90,256</u>	<u>240,714</u>
Total assets	<u>6,542,712</u>	<u>5,237,604</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES:</u>		
Accrued liabilities	\$ 142,144	\$ 195,331
Related parties (Note 4)	2,372,531	613,005
Income tax payable	<u>418</u>	<u>-</u>
Total current liabilities	<u>2,515,093</u>	<u>808,336</u>
Contingences (Note 5)	<u>-</u>	<u>-</u>
Net assets	<u>4,027,619</u>	<u>4,429,268</u>
Total liabilities and net assets	<u>\$ 6,542,712</u>	<u>\$ 5,237,604</u>

The attached notes are an integral part of these financial statements, which were authorized for issuance on May 18, 2011, by Enrique Vazquez, Director of Finance-Mexico.

CONDOMINIO VILLAS AT CLUB INTRAWEST ZIHUATANEJO, A. C.

STATEMENTS OF ACTIVITIES

(Pesos)

	Year ended <u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Changes in net assets:		
Fees paid by members (Note 4)	\$ 8,087,976	\$8,060,514
Interest	<u>59,016</u>	<u>-</u>
	8,146,992	8,060,514
Operating expenses: (Note 4)		
Utilities	1,026,283	1,695,257
Maintenance	1,125,716	1,071,187
Accounting	239,303	239,068
Front desk and concierge	246,012	214,153
Cleaning and security	495,856	488,038
Insurance	408,582	649,153
Maid costs	457,578	-
Property taxes	111,058	118,314
Management fees	1,043,677	971,150
Trust fees	72,448	183,661
Owner services	370,006	289,133
General and administration	975,817	801,159
Contingency and capital replacement fund	1,231,515	464,463
Other	<u>678,493</u>	<u>823,735</u>
Total operating expenses	<u>8,482,344</u>	<u>8,008,471</u>
Operating (loss) income	(335,352)	52,043
Foreign exchange (loss) gain - Net	<u>(66,297)</u>	<u>1,024,552</u>
(Decrease) increase in net assets	(401,649)	1,076,595
Net assets at the beginning of the year	<u>4,429,268</u>	<u>3,352,673</u>
Net assets at the end of the year	<u>\$ 4,027,619</u>	<u>\$ 4,429,268</u>

The attached notes are an integral part of these financial statements, which were authorized for issuance on May 18, 2011, by Enrique Vazquez, Director of Finance-Mexico.

CONDOMINIO VILLAS AT CLUB INTRAWEST ZIHUATANEJO, A. C.

STATEMENTS OF CASH FLOWS

(Pesos)

Years ended
December 31,

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities: (Decrease) increase in net assets	(\$ 401,649)	\$ 1,076,595
Accounts receivable	(108,258)	460,421
Related parties, net	4,777,894	(3,468,860)
Prepaid expenses	150,458	(72,989)
Accrued liabilities	<u>(52,769)</u>	<u>(49,976)</u>
Net cash provided by (used in) operating activities	4,365,676	(2,054,809)
Net increase in cash and cash equivalents	<u>4,365,676</u>	<u>(2,054,809)</u>
Cash and cash equivalents:		
At beginning of year	<u>1,767,381</u>	<u>3,822,190</u>
At end of the year	<u>\$ 6,133,057</u>	<u>\$ 1,767,381</u>

The attached notes are an integral part of these financial statements, which were authorized for issuance on May 18, 2011, by Enrique Vazquez, Director of Finance-Mexico.