

Let me apologize in advance for this interminable long post but I always want as much info as possible about the properties and I'm going on the assumption that you do too.

### Owners Update

We broke down and did an owner's update today (2/24) at Nuevo. We came with a list of questions and got most of them answered. The presentation was very low-key, no pressure. Here are some of the things he told us...and, as usual, some of these things will probably be different from what your salesperson told you at your update...

### Corporate info:

The corporate headquarters has moved from Houston to the Nuevo property. They are still getting situated in their new offices.

Daniel Chavez is 67 years old and will retire within the year. His son Ivan (accent over the "a") will take over running the company. Ivan is 26 and a Harvard graduate, "very smart guy" according to our salesperson. Papa Chavez will likely guide things from behind the curtain for a while. Chavez' daughter is in charge of Mansions of the World.

### Grand Luxxe Punta (only at Nuevo):

Should be done by next year. Will be 3 bedroom 4000+ square foot units and will be able to be used as lockoffs (a 1 bedroom side and a 2 bedroom side). 16 units in the building and they will be "street to street" meaning each unit will go completely through the building with views on both sides.. Sales presentations are for "invited owners" only meaning you have to be a high equity owner to get the presentation. He defined high equity as around half a million dollars. Chavez is expected to have a penthouse on the roof. Pricing runs \$400,000+ for a 4 week ownership and they won't be selling fewer weeks than that. They are building up the land next to Punta on the river side and that will be an exclusively Punta pool/grounds area. Some units in the Punta may be part of the Mansions of the World product which is being run by Chavez' daughter.

### Grand Luxxe:

Maximum reservation lead time is 12 months and most people have 6-8 months, you can upgrade to 12 month lead time if you upgrade your contract. They don't have plans to increase past 12 month lead time.

GL 3 and 4 should be open in 2012 and GL 5 & 6 (located past 3 & 4 along the river) should be open in 2013. There will be additional GL pools near these buildings.

There will be the 6 Nuevo GL buildings and 5 Riviera Maya GL buildings. The East Cape at Cabo is the next property scheduled for Luxxe construction. There are plans for a full resort in the Dominican Republic but construction isn't scheduled yet. Costa Rica is on hold indefinitely; Hawaii is on hold indefinitely.

The gym/spa at GL 2 is roughed in but we haven't seen any active work being done since we've been here. There is a semi-circular one-story building at the back of the spa which looks to be divided into treatment rooms for the spa. Unfortunately by the time a roof is put on it the first floor rooms of GL2 will be staring at the roof from their balconies.

They say they will not sell more than 70% of available units to allow for higher demand seasons. I specifically asked if that meant 70% of Villas (of which there are fewer units) and 70% of Suites or whether that was 70% of all Luxxe units lumped together and I was told it was 70% of each separate category.

They have sold about 4500 Villa 2-bedroom weeks and about 3600 2-bedroom Suite weeks so far. For the Villas, that's about 60% of their 70% sale max based on all existing and proposed Nuevo Luxxe units. We did some quick math on the Villa units at Nuevo (this doesn't take into account the Villa units also available at Riviera Maya):

Year 2011 (2 buildings open)-

72 Villa units x 52 weeks per year=3744 units/year x 70% available to sell=2620 units available to sell...3744 units/year divided by 4 = 936 2 bdrm units available for occupancy in Jan/Feb/March.

Year 2012 (4 buildings open)-

144 Villa units x 52 weeks per year=7488 units/year x 70% available to sell=5241 units available to sell...7488 units/year divided by 4 = 1872 2 bdrm units available for occupancy in Jan/Feb/March.

Year 2013 (6 buildings open)-

216 Villa units x 52 weeks per year=11,232 units/year x 70% available to sell=7862 units available to sell...11,232 units/year divided by 4 = 2808 2 bdrm units available for occupancy in Jan/Feb/March.

Again, there are also the 5 3-story buildings going in at Riviera Maya so that makes more available but with 4500 Villa units already sold and only 72 Nuevo Villa units available you can see why it's so hard to get in to the Nuevo property right now. After running those numbers we feel extremely lucky to be sitting in a Villa unit right now.

Grand Bliss:

There is a second Grand Bliss building on the property prospectus to be located near Grand Luxxe 5 & 6. No construction scheduled yet.

Bliss:

This product is not viable at this time. There was not enough interest in the product. Owners are upgrading to GM at reduced rates if they choose to do so. They are not closing the door on future Bliss construction but it's not in any plans.

Mayan Palace and Sea Garden:

No new properties.

The east wing of the Mayan Palace (with Chavez' penthouse) is going to be torn down in order to give a water view to the units on that side of GL 2. Right now the GL 2 units below about floor 6 on that side look at the Mayan Palace rooms with maybe a bit of the golf course/construction. There will be a 2 story building put up in place of the east wing of the MP which will include shops.

Ocean Breeze hotels:

Open at Riviera Maya and being built at Nuevo (next to Sea Garden?). Run as hotels and designed to bring in new prospects but can also be used by current owners to add nights to their stay and/or fill in any gap between start dates (i.e. you have one week booked with a Saturday start and can't get your second week except with a Monday start, so you can reserve a night at Ocean Breeze for the Saturday + Sunday night gap between weeks.) There will also be an Ocean Breeze eventually at Cabo and Puerto Penasco.

Nuevo general construction and plans:

The new entrance at the highway should come on line next year. You will come to a Welcome Center near the highway where your luggage will be taken and you will check in. Then you board a train which takes you to a new central train station across the street from Grand Bliss (this is actively under construction). From the central train station you will take a cart/tram to your hotel. There will be no cars on the property; taxis will be at the Welcome Center. Once at your hotel there will be boats and gondolas (and carts and walking) to move around the property with 11 docking stations for the boats (some of these are already completed and look great).

There is a new cart path planned between Grand Mayan and Sea Garden for easier access between the properties.

The new little building between Grand Bliss and Grand Mayan is a 4 or 5 story building with accessible accommodations: wheelchair friendly bathrooms, service dogs accepted, etc. We didn't get a completion date on this building but the shell is currently about 1 story high with rebar sticking up. No active work was done on this building during our stay but the area around it is being used as a staging/work for the model units on the top floor of the Grand Bliss.

The Sun Market at GM will be closed down and a new larger store built. Not sure where.

Tennis courts are actively being constructed at the end of the driving range. There will be 2-3 grass courts there. There will be another 2-3 hard surface courts on top of the parking garage.

There is no work that we saw being done to complete the final 3 holes on the golf course but they will be completed. There is a second Greg Norman course planned for between the highway and the little Nayar town with maybe 2 of the holes on the other side of the Ameco River.

Nayar town ("el pueblito") is still planned and will have shops, restaurants, nightlife and a permanent Cirque du Soleil show. The show arena will be on the point of Nayar town into the big lagoon by GL 4 & 5. I'll try to get a proposed map. Artist's rendering show a little colonial pueblo style town: cobblestone streets, red tile roofs, etc.

Exchange Companies:

They have continued their contract with II as the exchange company for Grand Luxxe. There are supposed to be some new II premier properties being added to the II inventory that more closely equate to the Luxxe. The salespeople were just told this at their morning meeting.

#### Just our own observations

I think that about covers our update. The following is just some of our observations and info from various employees (concierges, tram drivers, etc):

There is no way around the road barricade between GM and Sea Garden unless you walk the beach path. They are building a cart path from in front of the GM just past the barricade and I'm assuming that is the new path to the Sea Garden talked about in our update.

The trams to the current Main Gate are frequent and drop you at the guard shack. It's an easy, paved, lighted walk to the off-site restaurants from there. It took 7 minutes at a leisurely pace to get to Guido's right across from the Sea Garden. Personally I liked this route better than the old walk by the parked cars and disappearing sidewalk on the way to Sea Garden from GM and the time seemed equivalent.

You can rent mini-laptops from the GL concierge if you didn't bring your own: \$10US/day plus an \$800US deposit.

There's a French restaurant coming to the GB lobby somewhere around April.

Golf lessons with the pro, Hector, are great. He's a patient and expert teacher. You can pay \$50US per lesson or buy a package of 5 lessons for \$150US. Reservations required. There is also a group lesson for \$20US every Wednesday and Saturday at 5PM (no reservation needed but double-check the day/time).

When requesting locations within the GL buildings...the front desk says "all rooms are ocean view" so you need to specify Pool View or River View if it's important to you. River View rooms in both GL1 and GL2 look at the river, the mountains, the bay and all of PV; Pool View GL1 rooms look over the pool, the beautiful gardens, the other property buildings, whales, and have sunset views over the bay. GL2 "non-River View" rooms look at the back of the Mayan Palace and some of the golf course and the construction of GL3 and 4 unless you are above floor 5 in which case you will probably be able to see the water...below floor 6 should be OK when they are done with construction, but now, not so much. GL3 and 4 will have River View and Golf Course View rooms.

This is my own terminology for the views, not official names by the front desk, but they should be descriptive enough if you're making a request.

The gardens and new walkways and bridges are absolutely stunning. We especially like the elevated boardwalks where before it was concrete paths. We can't get over all the changes and improvements to the landscaping in just one year since our last visit.

As I mentioned in a forum post, the room configuration at GL is as follows:  
All Villa units have a King bed in each bedroom. On floors 6-9 the Suite units have a King bed in the main bedroom and a King bed in the second bedroom. On floors 1-5 the Suites have a King bed in the main bedroom and 2 double (or queens?) in the second bedroom.

We cooked meals for 3 weeks in the Villa lockoff by using the microwave and bringing a little electric grill from home along with a couple microwave casserole dishes and several microwave recipes. Worked OK for us and we would do it again but it was a little like luxury camping. The concierge will give you dishes/flatware and if you're lucky they will find a toaster (we didn't get one because the resort is fully occupied so they couldn't take one from another unit). The microwave in our lockoff had a grill feature. We didn't use it but I downloaded the instructions from the internet...the brand was a TEKA. Don't know if GL1 has different appliance brands. The microwave in our current 1 bedroom unit does not have a grill feature but it's larger than the lockoff microwave. I would say the lockoff is a mid-size microwave and the 1 bedroom is a large microwave.

There is a large capacity washer dryer on each floor and you get a smart card from the concierge that operates the machines. Detergent is added automatically so you don't need to bring/buy any.

The concierge service has been very nice. We weren't sure we would use them but they really have the answers for most of your questions. They manage your floor so if you need maintenance or housekeeping they handle it for you. Ours was very helpful in telling us how to leave our extra groceries for our maid when we moved rooms (security is very tight and employees cannot remove anything from the property without a written authorization letter from the guest) and how to tip a maid that we hadn't seen in a couple days (in a marked sealed envelope left with the front desk clerk in GL1).

In closing I'll just say that we are so impressed with the GL. I know it's been frustrating dealing with (no) reservations and there are still problems with service but when you get here all that will fade away and you'll be left with a beautiful view, luxurious surroundings and service employees doing their best to make you happy. We are very glad to be GL owners.

Linda in Seattle  
P.S. many photos to follow!