

MEMORANDUM OF UNDERSTANDING (MOU) AGREEMENT

1. Definitions:

Playa de Oro Home Owners Association for the purposes of this document will be referred to as PDO NA and the Board of Directors of PDO NA for the purposes of this document will be referred to as BOD

PDO refers to Playa de Oro development in general terms.

HOA refers to Home Owners Association in general terms

The pool complex comprised of the upper pool, hot tub and the lower lap pool owned and operated by HOA will be referred to for the purposes of this document as either Upper Pool, Lower Pool or Pools depending on which area is being noted.

La Vaquita Marina Norte PDO is a family owned business involved in the hospitality and grocery industry in San Felipe for many years. For the purposes of this document will be referred to as La Vaquita

Parkstrong Management and Development S de RL de CV a legal Mexican company, that is involved in development and is the owner of the commercial area of PDO which includes the building that houses the Cantina. For the purposes of this document will be referred to as PMD.

The upper level restaurant bar, grill and nightclub located at PDO owned by Parkstrong Management Development will for the purposes of this document will be referred to as Cantina.

PMD also provides management services to Playa de Oro Home Owners Association and while not a separate legal entity for the purposes of this document will be referred to as Parkstrong Management Services (PMS)

2. La Vaquita's Interests

La Vaquita is negotiating with PMD to take over the operation of the Cantina. La Vaquita is interested in having access to the upper pool as a compliment to their business and service to clientele.

3. PDO NA's Interests

PDO NA is the owner and operator of the pool complex and is interested in receiving revenue to offset operating costs. In addition, numerous HOA owners have expressed a desire to have a viable well managed stable Cantina as part of the PDO development.

4. Mutual Agreement PDO NA, La Vaquita

In light of their expressed interest noted in the above, the parties enter into the following agreement:

- a) La Vaquita will pre-purchase special identifiable numbered wrist bands from PMS for the sum of \$2 USD each. These bands are good for a one time use by clientele of La Vaquita and provides access to upper pool area including the upper pool and hot tub when the hot tub is in operation. This also allows the wearer to have food and refreshments in the upper pool area.
- b) The number of La Vaquita guest limited to 30 in the upper pool area at any given time. PDO NA, at La Vaquita's request, is prepared to re-assess the 30 guest limit after the first 30 days of operation.
- c) Gabriela of PMS will be in charge of acquiring wrist bands, the sale of bands to La Vaquita and the reconciliation of the funds for the wrist bands on behalf of PDO NA
- d) PDO NA is very concerned about safety in the pool areas as well as the areas are kept clean and tidy at all times. Glass of any kind is definitely not allowed in the pool area. As well food and beverages are not allowed in the pool and/or hot tub.
- e) PDO NA will provide copies of pool rules and regulations to La Vaquita and it is La Vaquita's responsibility to ensure that clientele are aware of the rules as well as to enforce them.
- f) It is noted that by the nature of La Vaquita's business there will be infractions from time to time and will be dealt with on an individual basis. However, ongoing infractions will be cause for termination of this agreement and La Vaquita's access to the pool area.
- g) Cleanliness and good housekeeping in the pool areas is very important. PDO NA has owners who access the pool area early in the day, are very critical and vocal about what they deem to be abuse of the pool area. It is very much in the interest of the BOD as well as La Vaquita that these complaints be limited and preferably non-existent.
- h) PDO NA owners have access to upper and lower pool as owners. They are required to wear wrist bands that identify them as such. It is expected that La

Vaquita will provide them with the same high quality of service for food and beverages. Often PDO NA owners will be in the lower pool area. It is expected that La Vaquita will provide the same high level of housekeeping as they provide in the upper pool area. The same pool rules apply to PDO NA owners as the do to La Vaquita's guests.

- i) From time PDO NA has what is referred to as short term renters who rent housing in PDO for a week end up to a month. They will be identified by special wrist bands and to be treated by La Vaquita as they would treat owners. At the time of execution of this agreement they are restricted to the upper pool area. It is noted that they tend to be more boisterous and are at PDO for a good time.
- j) If La Vaquita guests, short term renters and/or PDO NA owners become overly unruly or abusive it is up to La Vaquita to contact PDO NA Security to deal with the situation. It is important that no one's safety is endangered.
- k) PDO NA has a Pool Technician (Oscar) on duty from 08:00 AM to 04:00 PM 6 days a week who is also part of the Security detail. The Pool Technician will be monitoring wrist bands as well as behavior in the pool area. When Oscar is not on duty Security will monitor the pool area on a regular basis. Oscar and Security are there to oversee and protect the pool area and by the same token La Vaquita's interest. They will be afforded respect and cooperation.
- l) Good communications are very important. The parties agree if and when issues arise they will sit down and discuss the issues and work to a solution. It is not mutually beneficial for issues to go unresolved and the rumor mill takes over.
- m) The parties agree to meet on a monthly basis to discuss and keep each other updated on what is happening from each other's perspective and head off any potential issues.
- n) In the case of an accident and/or liability arising out of actions of La Vaquita and/or La Vaquita guests, La Vaquita guarantees that PDO NA, their agent PMS and by default PMD the legal identity for PMS will not be held responsible for such liability
- o) This agreement is for a trial period of the first 3 months of La Vaquita's operation of the Cantina. Upon completion of the 3 months the parties will review what has transpired, lessons learned and negotiate changes to the agreement that are deemed mutually beneficial. Also if the experience has not been mutually beneficial the agreement will be terminated.
- p) Assuming the experience has been mutually beneficial and a long term agreement is entered into, each party will have the right to terminate the agreement without cause by providing 30 day written notice.

5. PDO NA Pool Rules and Regulations

PDO NA Pool Rules and Regulations are hereby attached and form an integral part to this agreement.

Executed this 23 day of March 2017 at PDO San Felipe Baja Norte Mexico.

**Jose Maria Cuevas Somadosi /Owner
La Vaquita Marina Norte PDO**

Wayne Arnesen President PDO NA

**Joel Cuevas
La Vaquita Marina Norte PDO**

Chris Cox Secretary PDO NA

Scott Parkman PMS, PMD

Sharon Rhodes VP PDO NA

2017/03/22

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Playa de Oro Neighbors Association AC
United Property Owners of Playa de Oro
San Felipe, BC Mexico

PMB 217 P.O. Box 9011 Calexico, CA 92232

PLAYA DE ORO POOL RULES

WRISTBANDS ARE REQUIRED

NO GLASS ALLOWED IN POOL AREA

CHILDREN UNDER 12 MUST BE ACCCOMPANIED BY AN ADULT

SPA NOT RECOMMENDED FOR CHILDREN UNDER 8

NO RUNNING

NO DIVING

SWIMMERS MUST WEAR APPROPRIATE SWIMWEAR. NO STREETCLOTHES ALLOWED

NO DIAPERS ALLOWED

ALL SWIMMERS MUST SHOWER BEFORE ENTERING POOL OR SPA

NO BOISTEROUS BEHAVIOR, PROFANITY OR LOUD MUSIC IN POOL AREA

NO PETS ALLOWED IN POOL OR ON DECK AREA

PLEASE USE TRASH RECEPITICLES

NO OVER SIZE INFLATABLES

NO ROUGHHOUSING OR CLIMBING ON WATERFALL

THERE IS NO LIFEGUARD ON DUTY; SWIM AT YOUR OWN RISK