

***EL TESORO CONDOMINIUM
CONDOMINIUM MANAGEMENT AND CONSTRUCTION
REGULATIONS***

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***EL TESORO CONDOMINIUM
PROPOSAL FOR CONDOMINIUM, MANAGEMENT, AND
CONSTRUCTION REGULATIONS***

VISION:

The vision of El Tesoro is to capture the essence of “The Treasure” of nature; the ambience of the Pacific shore, the spectacular views of the countryside and ocean sunsets for all residents. The community design for El Tesoro aims to retain this treasure and enhance its values through an integration and balance of density, architectural harmony, the flow of naturally landscaped features, a secure environment and prestige of living in this community. The integrity of “The Treasure” will forever be maintained under the established rights and guarantees through the covenants of El Tesoro.

The following Condominium and Management Regulations of El Tesoro, hereinafter referred to as the “Condominium” have been established and adopted by all owners and residents to establish, and maintain the vision and integrity of this community.

Article 1: DEFINITIONS:

- a) The name of the Condominium will be “_____”;
- b) Law will mean the Regulatory Law on Properties in Condominium;
- c) Regulations will be understood as the present;
- d) The Units will be the areas of the Condominium clearly demarcated in the enclosed plans, and that make up its private areas;
- f) The parking areas will be the private areas located within each unit, destined to the parking of automobiles;
- g) The common areas, both free and built on, will be understood as those goods, belongings, or establishments or service installations of inalienable and undividable domain of all condominium owners, necessary for the existence, security, health, conservation, access, recreation, order, and adornment of the Condominium, excluding those that correspond to the units. The materials and equipment of the sanitary sewer system; storm water management system; drinkable water system; irrigation system; electrical and lighting systems; telephone, internet and cable television systems; parkland and landscaped areas, development entry gate facilities, walls, fencing and related infrastructure systems are common property, wherever they are located. Access to these facilities located in the common areas and the units is guaranteed through an easement of access to them for their installation, revision, inspection, alteration, substitution, repair, maintenance, and in general for anything the Administration requires;
- h) A resident will be a person who, in virtue of a contract with the owner, or because he/ she lives in a unit, has the right to access and use the Condominium;
- j) The owner will be the owner of one or more units within the Condominium;
- k) Common expenses will be those required by the Administration and for the maintenance of the Condominium, with which each owner is obliged to contribute proportionally;
- l) The fees will be the proportional part in the mentioned common expenses, that each owner is obliged to cover in proportion to the votes represented by its unit with regard to the Condominium as a whole; this fee will be determined in the Owners’ Meeting;
- m) The general use of the condominium will be residential, a hotel and related commercial space; while the specific use within the condominium is described as maximum of 167 private residential units on Lots 2 through 25 inclusive; and on Lot 1, a hotel containing approximately 25 hotel rooms together with the related amenities; or together with a maximum 12 of commercial units, or alternatively, Lot 1 may be used for no other purpose than a maximum of 25 private condominium residences, all subject to the approval of the Architectural Committee. Nevertheless, it is also understood that the developing company may use lots, construction on their property as facilities to promote sales. As long as they are fulfilling this

objective, these units will be exempt of the residential assessment. Likewise, the developer may use the common areas for the construction of temporary works necessary for the project's execution.

m) The Administrator is the person or body specifically appointed as the Administrator of the Master Condominium herein described.

n) A General Manager is the person or body specifically appointed as Manager of the Sub-Condominium herein described.

o) A Homeowner's Association is the Association comprised of all Owner's of units within the Master Condominium who shall gather at an Owner's Meeting for the purpose of making all decisions, which are relevant to the Master Condominium herein described.

p) The Developer is the principal landowner and originator of the Master Condominium.

CHAPTER ONE: SCOPE OF APPLICATION:

Article 2: ENFORCEMENT: The present Condominium and Management Regulations will be of obligatory application for all owners and holders of real rights over the Master Condominium, lessees, sub-lessees, residents, guests, or visitors of the Condominium's units, governed by the stipulations of the Regulatory Law on Properties in Condominium, and in accordance with the terms of the articles of The Homeowner's Association and the Master Condominium. In virtue of that, said units can be subject independently to the horizontal property regime, thus creating, each of them, a new condominium, with said units then becoming the parent properties of the new condominiums, but preserving nevertheless for all the appropriate legal purposes and the purposes of these Regulations their condition as units of this Condominium.

Article 3: INSCRIPTION AND MODIFICATIONS: These Regulations shall enter into force upon inscription thereof in the Registry of Horizontal Property, and they can only be amended or new Regulations can only be issued through the decisions of the Owners' Meeting, according to article twenty seven of the Law. Any amendments to the new Regulations shall be set forth by means of a public notice instrument. Any pact or agreement of reserve subscribed between the persons specified in the foregoing article which in any way may alter, modify or change the legal regime established by the Law and these Regulations shall be null and void and consequently, it shall have no effect towards third parties

CHAPTER TWO: PRIVATE AND COMMON PROPERTY:

Article 4: PUBLIC ELEMENTS: Common elements shall be the urban infrastructure works, integrated by the civil works, such as: Accesses for vehicles and internal roads duly paved, sidewalks and drainage channels with their respective gutter, the rainwater draining system, the sanitary sewage system, entry gates and guard house, the drinking water system and related tanks the grid for electric power and lighting, the network of telephone lines and cable television and other related facilities, the irrigation system, the sewage treatment plant and related systems, the green areas, the garbage area , and any other urbanization works required and demanded by the legal system that governs this type of development. A right of way through the common areas is hereby expressly granted to all those government and/or local entities that direct and regulate basic services, including, but not limited to: Acueductos y Alcantarillados (Water Department), Instituto Costarricense de Electricidad (Costa Rican Institute of Electricity), Compañía Nacional de Fuerza y Luz (National Company of Force and Light), the Ministry of Public Works and Transportation, the Road Security Council and the Municipal Government of Nicoya, to make any repairs and works as may be necessary for exploitation and maintenance of common areas. The Administrator will have Power of Attorney and enough faculties to constitute these rights and sign all necessary documents to inscribe them.

Article 5: POSSIBILITY OF NEW COMMON ELEMENTS: Common elements shall also be the entities or parts of the Condominium to which the Owners, by unanimous vote, resolve to consider as such, even if they are not common elements in view of their nature or not essential for the existence, security and preservation of the Condominium.

Article 6: PROPERTY OF COMMON ELEMENTS: Each owner or Sub-condominium has a right over common elements in proportion to the percent value fixed to his/its unit inside the Master Condominium. This right cannot be separated from ownership and cannot be disposed of or encumbered separately from the respective unit.

Article 7: MAINTENANCE OF COMMON ELEMENTS: The Administrator shall be solely responsible for the administration and preservation and maintenance of common elements and, rendering accounts for the purpose to the Owners' Meeting, which may in turn provide direction to the Administrator. Notwithstanding the forgoing such direction may also be issued by the Administrator from any Committees appointed by through the decisions of the Owners at the Owners' Meeting with regards to matters under their supervision.

Article 8: RESTRICTIONS OF LAND USE IN PRIVATE PROPERTY: No commercial or business activities are allowed within the Condominium, save and except for Lot #1, where at Hotel together with associated and related commercial facilities and services may be permitted, subject to the Owners of the said lot submitting to the Administrator and the Architectural Committee, a proposed list of uses and space occupation for tenants and / or occupants within the premises which may be permitted by the Administrator and the Committee, subject to approval of plans, diagrams and specifications, hours of operation and conditions which may be attached to such approval, but said approvals shall not be unreasonably withheld, subject to all other provisions and standards noted herein. Should there be any discrepancy with regard to uses permitted and / or conditions permitted; the Owners may appeal to the Homeowners' Association at the Annual General Membership Meeting, where any such approval shall be considered final and binding.

However, Owners may have offices within the interior of their residential unit for their own personal or private business use, provided however, that the said office does not generate any business activity, pedestrian or vehicular traffic within or around the residential unit or condominium premises, save and except for standard mail or courier mail deliveries.

CHAPTER THREE: GOVERNMENT AND ADMINISTRATION BODIES.

Article 9: OBLIGATORY BODIES: The Government and Administration Bodies of the Condominium are:

- a) The Owner's or Homeowners' Association Meetings,
- b) The Administrator
- c) The Developer

Article 10: CONSULTING COMMITTEES: In Addition to the bodies listed above, the Condominium may have the following Committees:

- a) The Architectural Committee;
- b) The Common Areas Committee, and
- c) Any other Committees to which the Owner's may delegate authority at the Owner's Meetings created by simple majority to manage the needs of the Condominium.
- d) The Developer shall automatically be responsible for all rights and obligations of the Administrator and all Consulting Committees, until such time as 85% of the total value of the Master Condominium properties has been transferred from the Developer to the new Owners or Sub Condominium Corporations; or at an earlier date if deemed appropriate by the Developer.

CHAPTER FOUR: THE OWNERS' MEETING.

Article 11: SUPREME AUTHORITY OF THE CONDOMINIUM: The Decisions of the Owners' Meetings shall render the Supreme Authority of the Condominium whereby the Owners' Meeting is composed of all of the present Owners of the various units. The Owners' decisions at said meeting, shall render the authority for the administration and preservation of the Condominium and the relations between and among co-Owners. The Owners may delegate authority, provided it does not violate, circumvent or fail to implement the Law and these Regulations. Each committee shall have its own rules and regulations approved by the Owners at the Annual General Owners' Meeting. In the event that one of the committees is unable to establish an agreement with regards any matters of their jurisdiction, a final decision may be made by the Owners' at the Annual General Owners' Meeting.

Article 12: ORDINARY AND EXTRAORDINARY MEETINGS: The Annual General Owners' Meeting shall be held on an annual basis in a pre-established local area meeting facility; and extraordinarily, when convened by the Administrator for urgent cases, when requested by a previous Owners' Meeting or in the cases established by law.

Article 13: ARCHITECTURAL COMMITTEE: An Architectural Committee shall be formed by not less than three representatives including one architect, appointed by the Developer; the developer and/or its representative; and one representative of the owners, appointed by the Owners' at the Annual General Owner's Meeting, for a two year period.

Article 14: COMMON AREAS COMMITTEE: A Common Areas Committee shall be formed by two representatives appointed by the developer, and two representatives of the owners, appointed by the Owners for a two year period. Upon completion of the first two-year period all committee members shall be appointed by the Owners at its Annual General Owner's Meeting.

Article 15: CO-OWNERSHIP: If a unit were to belong to several co-owners, or if real rights of right of use, use, or simple possession were to be established over the unit, both the co-owners and the holders of said real rights as well as the bare owner, must be represented by a single person in the Meetings; thus, in the Owners' Meeting, each unit or sub-condominium will have it's assigned voting rights; and its value will be determined in accordance to that stated in the Regulatory Law on Properties in Condominium, and the articles of association. In case of co-ownership or separation of ownership, the representative with the right to the vote in the Owners' Meeting will be the person appointed in the agreement that generated the co-ownership of separation.

Article 16: REPRESENTATION AT OWNERS' MEETINGS: Any owner may be represented in the Meetings through a Special Power of Attorney, which must be presented at the time of the Meeting. The legal capacity of the representative must be presented if the owner is a corporation, and it must have been issued within the previous month.

Article 17: ATTRIBUTIONS OF THE OWNERS' MEETING: The Owners' Meeting has the following attributions:

- a) To approve or disapprove of the Condominium's annual budget of common expenses, presented by the Administrator, and that must state in detail the expenditures and the amount of the fees that each owner must pay for their unit in order to cover common expenses, maintenance of the edification, insurance payments, if any, the administration, and reserve funds.
- b) To adopt the measures convenient for the good management of the Condominium in general and the common elements and property in particular.
- c) To regulate the relations between and among the Owners or Tenants of the various units.

- d) To elect or remove and/or substitute the Administrator, who may be an individual or legal entity, receive his/its resignation, establish the Administrator's powers that are not foreseen in the Law or these Regulations, determine his/its term in office and fix his/its compensation.
- e) To approve or reject the draft budget and financial statements submitted by the Administrator, in compliance with the provisions of these Regulations.
- f) Authorize the performance of works, improvements or new buildings that may affect the conformation of the Condominium, any parts thereof or the common elements.
- g) To declare portions or property of the Condominium, which are not common by nature, or which are not essential for the existence, security and preservation of the Condominium, as common property.
- h) To determine the amount of the insurance to be taken for protection of the Condominium, in addition to those required by law.
- i) To decide upon any matter not foreseen by the Horizontal Property Law or these Regulations, which may not be solved by the Administrator.
- j) To amend, repeal and replace these Regulations (only by unanimous vote).
- k) To modify the use of the Condominium, in virtue of resolution adopted by an Extraordinary Owner's Meeting by unanimous vote.
- l) To appoint an auditor and fix his compensation.
- m) To fix the amount of the maintenance fee to be paid by each owner in proportion to the value of his/its unit to cover common expenses, the maintenance of the Condominium, payment of insurance, management, and the reserve and contingency funds, as well as to define and authorize extraordinary maintenance fees.
- n) To create and appoint committees and establish their regulations.
- o) To decide on matters the Law puts under its competence, as well as all those matters of common interest for the totality of the owners of the Condominium through the agreement on the measures necessary for an adequate use of the common elements.

Article 18: FORMAL REQUIREMENTS OF THE MEETINGS: The meeting will be summoned by the Administrator. All notices to meetings shall be made by means of written communication delivered at the legal address of the Owner not less than 60 calendar days prior to the proposed Meeting date; and by means of publication in two of the major newspapers of the country, one of which, if possible, shall be La Nación or La República, at least ninety calendar days in advance, not including the date of the call or the date of the Meeting within said term. Said call shall expressly indicate the agenda, the place, the date and the time of the Owners' Meeting, noting the times for a first, and second call to the meeting. Failure to observe any of the aforesaid criteria with regard to the call of the meeting shall imply the absolute nullity of any decisions resulting from said Meeting. Any resolution adopted in transgression of this provision shall be considered fully null and void. The Owners' Meetings shall be managed by the Administrator or any person appointed by the Owners should the Administrator not be present; and its resolutions shall be adopted in accordance with the provisions of the respective Law and these Regulations. Each Owner shall be obligated to provide and keep up to date with the Administrator his/her legal address. Failure to do so may prevent the Owner from contesting the validity of any results of the Owners Meeting. This meeting will be held in the same Condominium or in the place indicated by the Administrator in the notice of the meeting. Only those who are up to date in the payment of the fees of the Condominium may vote.

Article 19: FIRST AND SECOND CALL AT MEETINGS: At first call, there shall be a quorum at the Owners' Meetings in accordance with Article twenty-four of the Law, that is, with votes representing no less than two thirds of the total votes of the Condominium. At second call for the same Owners' Meeting, there shall be a quorum with any number of attending Owners. Once the Owners' Meeting is being held, its validity shall not be affected by the fact that there is no longer quorum because one or more of the Owners has left the Meeting, but its resolutions shall only produce legal effects if adopted with the favorable vote established by the Law and these Regulations. The second call may be made for the same day. Between the first and the second call there must be at least a one-hour period.

Article 20: TYPES OF MAJORITIES: Resolutions shall be adopted by simple majority of the attending votes or those duly represented by means of special proxies granted in accordance with the proceeding rules established. However, several cases require majority of two thirds of the votes or a unanimous consent, in which case the provisions of Article 27 of the Law shall be followed and respected by the Owners' Meetings when adopting resolutions.

Article 21: PROPOSED BUDGET: A copy of the draft budget to which these Regulations refers shall be provided to the Owners, at least ten calendar days in advance before the date of the Owners' Meeting that will discuss it.

Article 22: APPROVAL OF BUDGET AND ADMINISTRATOR'S REPORT: The Annual Owners' Meeting shall hear the report of the Administrator and the accounts he renders; and approve a proposed budget of expenses for the following year, along with the provisions towards financial contributions to it. Should it be apparent that a shortfall in revenue might exist in relation to the needs and expenditures budgeted, a decision shall be made by the Owners to direct the Administrator to either produce reduced costs; reduce services and expenditures accordingly; or increase the fees.

Article 23: RECORDING OF RESOLUTIONS: The resolutions of the Owners' Meeting shall be recorded in a Minute Book, duly legalized by the appropriate Authority, which Book shall be under the custody and responsibility of the Administrator.

CHAPTER FIVE: THE ADMINISTRATOR

Article 24: DESIGNATION AND REMOVAL: The Administrator shall be appointed by the Developer until such time as 85% of the total value of the Condominium ownership has been transferred to the new Owners or Sub-condominium Corporations, or earlier if deemed appropriate by the Developer, following which the Homeowner's Association shall assume the responsibility to retain the existing Administrator or appoint another through a simple majority vote of the total value of the Condominium. The appointment of the Administrator is for a two-year term and he/ she will be automatically re-elected unless simple majority of the total value of the Condominium decides to not extend his/ her appointment and instead they decide to appoint another administrator. He/ she will have the powers of a General Agent without limit of sum, in accordance with article one thousand two hundred and fifty five of the Civil Code, being able to substitute its power in all or in part, revoke substitutions, and make others again, without this meaning that he/ she will lose his powers, all without the need of prior authorization of the Owners' Meeting. The Administrator may be removed from his/ her position by a vote of simple majority of the total votes of the Condominium in the case of unjustified non-compliance of his/ her obligations. The appointment of the Administrator may fall upon individuals or corporations, which may not be owners of the Condominium. If, for any reason whatsoever, no administrator were to be appointed, or it were disabled or unable to act, the procedure in article thirty two of the Regulating Law on Properties in Condominium must be followed.

Article 25: DUTIES: In addition to those established by the Law, the Administrator has the following duties:

- a) The attention, care and surveillance of the common property and services,
- b) The attention and operation of the general services and facilities,
- c) All the acts of management and preservation of civil works and works for general use. This preservation powers include the overall appearance of any common or private construction or element as long as they are viewed from the common areas. This includes the authority to demand falling constructions or neglecting maintenance to be fixed. If this work direction is not duly performed on time, the Administrator may authorize that the work be complete by others and bill its cost to the responsible party. The cost billed shall be paid with the next scheduled common fee's

payment date and it will be considered an inseparable part of it. No common fee shall be received if it does not include payment for the billing, which is described herein.

- d) To submit an annual report about the course of the administration and its results to the Regular Owners' Meeting,
- e) To submit to the Annual General Owners' Meeting the draft of the annual budget, including the budget for capital expenditures of the Administration and the financial statements corresponding to the results of his performance,
- f) Attempt to resolve the conflicts that may arise between and among Owners with regard to the use and enjoyment of common elements or property of the buildings. Decisions of the administrator shall be final until such time as any appeal thereof may be reviewed and decided upon at the Annual General Owners' Meeting
- g) The collection of the maintenance fees and the reserve fund,
- h) To see that the peace and order that have to prevail at the Condominium are not disturbed in any way. This includes the power to remove things placed on the common areas, private garden or landscape decoration – including trees, palms or similar big plants, Christmas or any other festivity decoration, or any other private element visible from the common areas, which have not been authorized in writing by the Administrator. The written authorization for the placing of the element is the only document that gives the owner the right to have it placed. In case of minor decoration it shall prevail only if it does not detract from the overall appearance. The Administrator is solely responsible and entitled to set the overall appearance, the peace and order criteria. Blocking the view with large trees is considered as detracting from the overall appearance.
- i) To adopt the appropriate measures against disturbances of peace, in accordance with the provisions of Article thirty-four of the Horizontal Property Law,
- j) To issue receipts for the fees paid.
- k) To adopt the measures necessary to regulate the transit of vehicles and loading and unloading procedures,
- l) To have under custody and under his responsibility the legal books of the Condominium, duly legalized and updated for consultation thereof,
- m) To see to the compliance by all owners, lesser and occupants for any reason with all the provisions of these Regulations and the Law,
- n) To perform any other task entrusted to him by the Owners' Meeting.
- o) Exercise the representation of the condominium before Public Institutions, banking entities, or before the Condominium's neighbors. To this effect, all owners must abstain from proceeding by themselves on behalf of the condominium, and on the contrary, must channel all procedures that involve the interest of one or more condominium owners through the administrator.
- p) Issue the necessary instructions to security regarding the hours at which the gates must be opened and closed, regulations, and hours of use of the common areas, access controls to the condominium, and regarding the necessary measures to maintain the condominium's security levels, and ensure due compliance of the above. Any contractor or provider of private services (including construction or landscaping services of any kind), and any tenant or occupant shall be announced in advance to the Administrator and upon arrival shall be identified at the Gate. Not conforming to these rules implies the faculty of the general manager to exclude the person or visitor or ban its entrance to the Condominium.
- q) Secure the due use of the common areas, issuing the instructions necessary to avoid a wrong use of the alarm systems, the registration boxes, the visitor's parking area, and the emergency exits.
- r) Sign contracts with suppliers of common goods and services for the condominium.
- s) Execute or coordinate the administration, maintenance and conservation acts that make up the common areas of the Master Condominium. The Committee's opinions, recommendations and criteria shall be taken into full account by the Administrator. However, minor deviations from these criteria for practical or economical reasons shall not be considered a non-compliance of the obligations of the Administrator, provided that the overall general purpose and intent of the direction is maintained. Not issuing opinions, notwithstanding, is a non-compliance of the

Committee members' duties. Any disputes in this regard shall be reviewed by the Homeowner's Association at the Owner's Meeting.

- t) Ensure the peace, order, and observance of these regulations in each of the units and buildings of the Condominium, as well as apply the necessary measures in case of a violation. To this effect, the action may be based on an agreement made by the owners' meeting, or a report duly issued by the security officer and its supervisor.
- u) Supervise and direct the work of the employees that attend to the different services of the condominium, as well as their appointment and removal. Also this authority is given to control the entrance and services provided by any third party if it involves any work to take place on the common areas, either the General or the common areas of the Sub condominiums. The power includes the possibility to exclude from entering any service provider if the General Interest of the Condominium is in danger, or if he or she does not conform to the security rules.
- v) Make the necessary repairs to all services, in order to avoid, as long as possible, their interruption. This includes the power to inspect private services or infrastructure if they involve any passing through or if they have any consequence of any kind in the common areas, either General or the common areas of the Sub condominiums, as (and not limited to) grease traps, water pipes or electrical or TV wiring system. In case any damage or lack of maintenance is detected by the Administrator, a warning shall be issued to the responsible party with a maximum 30 days time to be fixed. If this is not duly performed on time, the Administrator may arrange to perform the work, and bill its cost to the responsible party. The cost billed shall be paid with the next common fee's payment and it will be considered an inseparable part of it. No common fee shall be received if it does not include payment for these billing here provided.
- w) In the event of urgent damages as water leaks or electrical damages, or any other damage that involves danger, waste of common resources or damage to the overall function or appearance, the Administrator has the power to act immediately, stop the consequences even if this means to suspend the service, repair the damage and bill the cost to the responsible owner in the aforementioned way, if appropriate.
- x) Ensure that the owners do not carry out any repairs related to common services, either within or outside each unit. All authorized construction process, either private or common, can be inspected by the Administrator. He / She shall have the faculty to request plans, permits and compare the conformity of the construction to the plans and permits issued. The Administrator also has the authority to stop construction work and / or remove or exclude workers and contractors from the Condominium in case of lacking of permits or overall disagreement with the issued permit and plans.
- y) Suspend the enjoyment or use, by any of the owners, of the Condominium's common services, if the owner has not paid for said services. In order to proceed with the suspension, one single late payment will be enough. The Administrator shall notify the owner about the delayed payment and warn him, at least ten days prior to the suspension, of the possibility of the latter if payment is not made. Once this period has expired, the administrator will suspend the use or services that have not been paid for, which will be reconnected within the twenty-four hours after the owner pays his debts for this concept. All suspensions of service or use shall be reported to the Annual General Owners' Meeting on an annual basis.
- z) Any other obligation imposed upon him by the Law and these Regulations.

Article 26: PROFESSIONAL FEES: The Administrator shall earn the monthly professional fees determined by the Owners' Meeting that elects him/her/it, which amount shall be reviewed at least on a yearly basis.

Article 27: FEES PAID BY OWNERS: The Administrator shall collect the owners' fees and manage these funds in accordance with the budget approved by the Owners' Meeting. Such funds and any others handled by the Administrator shall deposit them in an Operations Account and Capital Services Account with a Bank to be designated by the Owners' Meeting on behalf of the Condominium.

CHAPTER SIX: RIGHTS AND OBLIGATIONS OF THE OWNERS.

Article 28: **OBLIGATION TO FOLLOW THE REGULATIONS:** The owners may encumber, transfer, or lease their property rights. The purchaser of rights within each unit will be obliged to respect the general use of the Condominium, and specifically the particular use of each unit. They must be subject to the present regulations and future modifications made to it in all its aspects. All the owners or occupants and visitors duly authorized shall abide by and subject themselves to the regulations herein established and all those new resolutions adopted in accordance with these Regulations and the governing laws and regulations. If any of them fail to do so, the Administrator and/or the Owners' Meeting shall be entitled to take the actions established by law and these Regulations.

Article 29: **OBLIGATION TO CONTRIBUTE TO THE COMMON FUNDS:** Each and every owner will be obliged to contribute proportionally for each unit in the common administration and maintenance costs of the condominium, with the reserve fund, the insurance costs, taxes when they proceed, and any other concept generated in accordance with the Regulations in force. All fees that are not paid on time will make the owner incur in payment of interests equivalent to ten per cent per month over the total amount due for each unpaid month. Fees will be paid on a monthly basis by way of a VISA MASTERCARD, or other approved payment system.

Maintenance fees, fines, interests, and the proportion that each owner must pay for the common services he enjoys, make a single, undividable, and priority debt with the Condominium. Partial payments will be accepted only if they are expressly authorized by the Administration in writing.

Article 30: **PROPERTY OF COMMON ELEMENTS:** The right of the Owners of units over common elements cannot be transferred, sold or otherwise disposed; and can only be transferred together with the respective unit. Likewise, any transfer, sale or disposal of the unit shall include the transfer of said right over common elements.

Article 31: **RIGHT TO ESTABLISH ADDITIONAL SERVICES:** The Owners shall establish, at their expense, services for their exclusive use, provided they do not damage or interfere with other Owners, Condominium services and maintenance, or imply the use of common services in detriment to the rights of other Condominium Owners. In any case, they shall give written notice to the Condominium Administration about their desire to establish said additional services. The Owners shall use their property solely for the uses and objectives described and authorized in this instrument and cannot give it a different use. This implies that they cannot develop or construct there any works that fail to meet said ends or the quality standards established by the original developer and by the Architectural Committee.

Article 32: **OBLIGATION TO PRESERVE PURPOSE:** The owner may not use its unit for a purpose different to the one established in these regulations.

Article 33: **LIABILITY FOR DAMAGES:** Every Owner shall be responsible for any damages, repairs and replacement that may be necessary or the consequence of his/its negligence, or the negligence of any employee, family members, guests, visitors, agents clerks, lessees, or any other persons to whom they may have transferred for any reason the use and enjoyment of their residence and / or property. Likewise, at the request of the Administrator, every Owner shall be required to repair the damages or breakdowns of his/its unit, which may affect other owners or the common elements or areas. In case of failure by the Owner to do so, the Administrator shall take action as required to make the repair, at the expense of the Owner, being entitled to recover from the Owner the value of the repair made. If the reluctant Owner refuses to pay the value of the repair made, the Administrator can force him/it to pay, following the procedure established for such purpose by the Law.

Article 34: **OBLIGATION TO AVOID DAMAGES:** The owners must abstain from all acts that implicate damages or adverse effects, or that make the use of the common services and installations less efficient.

Article 35: **OBLIGATION TO REPAIR:** Every owner is required to perform in his/its property at his/its expense, as soon as required, those urgent repairs which omission or delay may produce damages or annoyances to other owners, the common areas and/or the general security of the Condominium. If the Owner fails to do so, he/it shall be responsible to pay for any damages caused. Besides, each owner is obliged to maintain and repair on his account all the services of their units, regardless of the importance of the damages to the general operation of the condominium.

Article 36: **OBLIGATION TO ALLOW REPAIR WORKS:** The owners are obliged to permit repair and maintenance works of the common elements and areas, even when they are within their unit, in order for these elements to operate adequately for the rest of the Condominium. The owners may not, on their own account, make repairs or modifications that affect construction elements that belong to the neighboring properties.

Article 37: **ACCESS TO CONSTRUCTION WORKS:** All owners are obliged to allow the entrance to the Condominium of the persons or companies, duly authorized by the Administration, to work on the construction of new homes, repairs of the existing ones, or maintenance of any common element. Likewise, they are obliged to permit the use of the streets and areas necessary for the execution of said works. Reasonable hours of work may be set by the Administrator in consultation with the Owners.

Article 38: **ACCESS FOR REAL ESTATE BROKERS:** As long as there are Units for sale, the owners must allow that the people or companies authorized by the corresponding owner, with knowledge of the Administration, carry out the sales procedures and promotions necessary. Reasonable hours of access shall be authorized by the Administrator.

Article 39: **PROHIBITION TO LEASE PARKING SPACES:** Each and every owner must abstain from leasing its parking space within its unit's private area to any person who does not reside or is a lessee within the Condominium. Likewise, they must abstain from giving keys, master controls, and other access facilities to people that do not reside in the condominium.

Article 40: **PROHIBITION OF LOUD NOISES:** All owners must abstain at all times from causing themselves or with mechanical, electrical or electronic equipment noises that disturb the peace of the condominium. The use of equipment that due to its operation or structure causes noise between 10:00pm and 7:00 am is strictly prohibited, with the exception of electronic noise devices that allow the control of the magnitude of the sound in which case it must be kept at a volume that is not heard by the neighboring units. Land owners and or occupants or guests or visitors must avoid the creation of any loud, excessive, continuous or intermittent noise including the barking of dogs, or excessively noisy motor vehicles, or recreational vehicles which may emanate from the owner's lot or within the common areas. Excessive noise levels shall be determined at the discretion of the administrator, designated employees and/or the Committee.

Private swimming or wading pools shall be used in a quiet and peaceful manner so as not to detract from the peace and quiet enjoyment of abutting residential properties.

Article 41: **RENTAL REGULATIONS:** Except for the Hotel and commercial spaces located in Lot number one, it is not allowed to rent units, homes or their facilities, for any period shorter than 7 days. The unit Owners shall give prior notice of rental occupant to the Administrator. Otherwise, the entrance to the Condominium shall not be permitted.

Article 42: **PETS AND DOMESTIC ANIMALS INSIDE THE CONDOMINIUM:** No owner, lessee, sub-lessee, or bearer of any real right within the Condominium may keep animals of any type outside their

unit, not even domestic animals. Domestic or other species of animals are allowed inside the private properties so long as they are contained within the lot and do not create a nuisance of any magnitude. Written authorization for keeping domestic animals shall be required from the administrator, prior to the animal entering the condominium. Barking dogs or other potentially noisy animals shall be kept indoors. Any animals, such as Pit Bulldogs, Rottweiler dogs, exotic pets, such as snakes or other potentially violent or untamed or typically wild species of dog or animal, cattle, sheep, donkeys, goats, pigs, chickens, or any other typical farm animal etc., shall not be permitted on the private property or within the condominium common elements. Wild ducks or other natural birds or native animals may be allowed within the common elements, but only as they may naturally inhabit the premises. If the owner wishes to walk its pet, it must be done on a leash and any solid physiological waste of the animal must be picked up by the responsible party and duly disposed of outside the common areas of the Condominium. None of the owners may keep, even within their unit, dogs or domestic animals in conditions different to those established by the Ministry of Health or Special Laws. It is prohibited to have, within or outside the units, any animal that may not be held captive in accordance with the stipulations of the Law for the Conservation of Wild Life and the Decrees issued to this effect by the Ministry of the Environment and the Ministry of Health. If the Meeting considers it reasonable, the trained dogs necessary for security reasons may be present in the condominium under the responsibility of the operative or security administrator.

Article 43: SOLID WASTE: No objects may be thrown or placed in the yards, street areas, or common areas in general, nor may garbage be burnt within or outside the units, nor may it be placed in such a way that it interrupts the access to one or more units or the common areas. All solid waste must be placed in front of each unit, in a place designated for said purpose, only on the days expressly stated by the Administration, for their recollection and deposit in a location expressly stated by the Condominium. Each Condominium unit Owner is obliged to follow the recycling processes determined by the Administration, including the use of specified containers if so directed by the Administrator, or issued by municipal or national authorities and to preserve the containers used to collect the waste, as well as to adopt hygiene measures, and the measures for environmental conservation and waste disposal recommended by the Administration and/ or the Municipal and Health Authorities. Any payment obligations for garbage disposal may be made by way of VISA, Mastercard or other approved payment system including any automatic payment system.

Article 44: UNHEALTHY MATERIALS: The possession of explosive, inflammable, or unhealthy materials that cause odors, smoke, or any type of nuisance or that could represent a health risk are prohibited, with the exception of kitchen gas used for domestic purposes, in a reasonable amount and subject to the use of adequate installations for that purpose.

Article 45: OBLIGATION TO INFORM THE ADMINISTRATOR ABOUT OWNER CHANGES: If the Owner decides to sell, lease, create real rights on the unit or assign his/its possession in any way, the Owner shall give prior notice to the Administrator. The lessee in case of sublease shall do the same. The bare owner, the lessee, the subtenant and the possessor for any reason shall accept the rules derived from these Regulations. In addition, the Owners shall provide to the Administrator, information of those persons who shall be occupying the premises.

Article 46: OBLIGATION TO SUPPLY AN ADDRESS FOR COMMUNICATIONS: Every Owner must inform the Administration about his address, P.O. Box, email or any other means where he will receive official written communications from the Condominium and the Administration. Owners must also report any changes in this address. Any communication sent to the last address reported by the owner, will be considered valid and enforceable.

Article 47: OTHER OBLIGATIONS OF REGISTERED OWNER: Even when there are several persons that bear real rights within a unit, the obligation to comply with each and every one of the obligations

imposed by Law, the articles of association, and the present Regulations will apply to all of them and the registered owners, their partners and representatives. The registered owner will be directly responsible before the Owner's Meeting and the Administration of the acts and violations of other bearers of rights within the condominium, as well as for all payments owed for maintenance fees, common services, and others, as corresponds or is contemplated in these Regulations and the Law

CHAPTER SEVEN: OF FINANCIAL STIPULATIONS.

Article 48: COMMON EXPENSES: The Owners of the various units of the Condominium are required to contribute, in accordance with the percentage of the value, which that property represents in the total value of the Condominium, to the innovation, maintenance, modification and repair expenses of the common elements and parts of the Condominium; the payment of the premiums of the insurance to which these Regulations refer; the payment of taxes, rates or fiscal or municipal contributions that relate to the whole Condominium and its common areas and elements. They are also required to contribute to the management, surveillance and institutional promotion expenses in the same proportion. All of the above shall be named maintenance fee or Condominium fee (like any other expense that the Owners may designate as such) and its amount shall be fixed and reviewed by the Owners' Meeting. Said maintenance fee shall be collected and managed by the Condominium Administration. Any delay in the payment of this fee by the Owners shall be subject to the determination of the Owners' Meeting with regard to the fine and the appropriate penalty interest, which cannot be less than ten per cent per month; without prejudice of the proceedings for collection at Court in accordance with the Law. The respective maintenance fees shall be covered by the Owners on a monthly basis, before the tenth day of each month, in accordance with the actual maintenance needs of the Condominium. The fees shall be paid by way of VISA, Mastercard or other approved automatic payment system.

As indicated, in addition to the amounts required for payment of common expenses, taxes and insurance, the Owners shall also cover in proportion to their right those monthly amounts that are approved by the Owners' Meeting to be allocated to the creation of a reserve fund for contingent expenses and capital improvements.

Article 49: FIRST COMMON FEE: The first monthly fee will be equal to double the amount of the regular fee and it will be paid within the first ten working days of the following month as of the moment in which any of the following three actions occur:

- a) The Owner begins the construction of his housing unit,
- b) The Purchase Option expires, or
- c) The transfer deed is signed.
- d) When the payment date is indicated in the Sales Option or Contract.

As of that moment, interests for delayed payment shall be equal to ten percentage points per month outstanding.

Article 50: INFORMATION ABOUT LACK IN PAYMENT: The Administration is authorized to publish in newspapers of national circulation, in the same Condominium, and/ or distribute among the other Condominium Owners, the list of the Owners that are two or more months behind in the payment of the fee or that having been imposed a fine have not paid it within the fifteen working days as of the date in which they were informed of it.

Article 51: MUNICIPAL TAXES PAYMENT: The Administrator shall apply with the appropriate authorities, -if necessary,- for the opening of an account for the Condominium, which shall be used for payment of the property and municipal taxes on common areas. The Owners shall be responsible for payment of said taxes relating to the private ownership of their own units. Otherwise, each owner must pay the proportional part of the taxes on time.

Article 52: PAYMENT FOR UNSOLD UNITS: The developer will only pay twenty-five per cent (25%) of the amount determined for the fee for the unsold building plots under the Developer's ownership. The value of the amount determined for the fees shall be determined by the Homeowners Association gathered in a General Meeting, based upon the vacant land sale value; and should the lands not be sold by the conclusion of a three-year period, the Homeowner's Association may have the monthly fees for unsold lots re-valuated by the Administrator if directed at the decision of the Owner's Meeting.

Article 53: ANNUAL BUDGET: The annual budget of income and expenditures shall be prepared by fixing the contribution of each Owner in accordance with their percentage based on the estimated value of his/its unit. In addition, it shall establish the costs and expenses necessary for the management and maintenance of the Condominium. If the fixed amounts are not enough to cover the expenses and there is a deficit, the Owners' Meeting shall adopt the measures necessary to solve the problem. Notwithstanding the above, the Administrator shall have the authority to automatically adjust fees as an interim measure for short-term periods, in the event that it is unreasonable to call a special Owner's Meeting to specifically address detailed budget concerns.

Article 54: RESERVE FUND: The original budgets for expenses shall be set at a value equal to five percent of the actual amount determined until completing twenty percent of the annual funds. This amount is to establish a statutory reserve fund that may be necessary to fulfill any needs of the Master Condominium, or to cover any delay in the collection of the owners' fees, which delay shall be determined and managed by the Administrator. When such fund is reduced under said percentage, a new fee shall be established by the Homeowner's Association at the Owners' Meeting.

Article 55: INSUFFICIENT BUDGET: In case the amounts determined are not enough to cover the expenses and there is a deficit, the Owners' Meeting will adopt, by simple majority, the measures needed to solve the problem.

Article 56: SINGLE DEBT WITH THE CONDOMINIUM: Any debt with the Condominium, arising either from fees for common expenses, fines, interests, charges for delayed payments, extraordinary fees, payment of common services, or of any other nature, will be considered a single debt, to be paid in a single installment. No partial payment of the debt will be accepted, unless there is a prior written authorization of the Administrator. Those in arrear with two or more fees, whether consecutive or nor, may be taken before a court, as per that established in the Law.

CHAPTER EIGHT: OF THE USE OF THE COMMON AREAS:

Article 57: COMMON AREAS COMMITTEE: The Common Areas Committee (herein after referred to as the Committee) will be appointed by the developer (El Tesoro) and shall be comprised of 3 representatives, including one representative of the developer, the Administrator and one of the owners for a two-year period. The Committee's decisions will be the result of a simple majority vote. Decisions of the Committee may be appealed to the Annual General Owner's Meeting, provided however, that any appeal may be dismissed at the sole discretion of the Owners. At the conclusion of the first two-year period, the Owners' shall appoint a new Committee to review and administer all such matters relating to common areas, infrastructure, public amenities, and regulations within the El Tesoro Condominium. The Owners may appoint a new Committee on an annual basis if so desired.

Article 58: RESPONSIBILITY FOR COMMON ELEMENTS: All owners are required to see to the proper use of common elements, and report to the Administrator any fact or act that may endanger their preservation and security. Every owner shall be liable for the damages caused to common elements of the Condominium as a result of his fault or negligence, or that of his/its lessees, employees, clerks or visitors and shall defray the cost of the repairs. For these purposes, "visitors" shall include any person that enters into the Condominium for any reason with the authorization or consent of the owner. If the owner refuses

to accept responsibility for any incurred damages, proceedings for collection at Court shall be initiated, without prejudice of enforcing any other of the penalties established by law.

Article 59: WASTE. It is prohibited to discard any objects or waste in common areas. Garbage shall not be deposited in any place within the condominium other than the “refuse area” specifically allocated to and designed for the purpose. Any extra garbage that is the result of construction , landscape works, renovations, remodeling or other similar work may not be left in any Common Areas, unless however, prior consent is given by the Administrator, for permission to store garbage for no more than twenty-four hours. No building or landscape materials, rubbish, trash, garbage, or recyclable materials shall be allowed to accumulate on lots and shall not be deposited in any place other than those areas specifically allocated to and designed for that purpose.

Article 60: VEHICLE MOVEMENT AND PARKING. No owner shall park, store or keep any motor vehicle or recreational vehicle of any type on any common area road within the condominium. All vehicles and / or recreational vehicles shall be parked or kept only in the owner’s driveways or within enclosed garages. The following vehicles shall only be parked in enclosed garages or otherwise screened from view by way of an approved structure: any truck exceeding three quarter ton in size or any commercial type vehicle (including, but no limited to, any dump truck, cement mixer truck, oil or gas truck or delivery truck); any recreational vehicle (including but not limited to, any camper unit, house car or motor home); any bus, trailer, trailer coach, camp trailer, boat, ATV, motorcycle, aircraft or mobile home; or any inoperable vehicle or any other such similar vehicle.

For safety, no vehicles shall be permitted to enter any common areas except for the designated road system. In designated roads of the Condominium where motor vehicles circulate, the maximum speed authorized shall be twenty-five kilometers per hour. All matters concerning circulation of vehicles inside the Condominium shall be governed by the national Transit Law as amended, as well as by all the governing national laws and regulations. Likewise, within the grounds of the Condominium, the Owners, authorized occupants and visitors shall abide by and subject themselves voluntarily to the jurisdiction of the laws, court and competent transit authorities of the Republic of Costa Rica. The Owners, lessees and lawful occupants, their personnel duly identified and any authorized visitors can enter to and stay at the Condominium at any time, provided they duly identify themselves with the security personnel of the Condominium. Likewise, on non-business dates and at non-business hours, as determined for the purpose by the Owners’ Committee, or when the security personnel may deem it convenient, they shall sign an “Access Control Sheet Document” specifying the name or the person or persons who may be permitted to enter any premises within the condominium, along with specifying the entrance time and the exit time of said personnel. Failure to observe and abide by the above shall empower the Condominium security personnel to prohibit access or require such personnel to be removed from the condominium premises.

In addition, the security staff employed by the El Tesoro Condominium, may be authorized to issue warnings to any owners, tenants, visitors or authorized service personnel who appear to be in contravention of vehicle parking or traffic rules and said violations may be recorded against any related properties and fines assessed for payment along with the annual condominium fees.

All parking required for residential and commercial construction shall be provided specifically on the related site. No parking shall be permitted on a daily basis along the common streets, save and except for special occasions where notification shall be provided to the Administrator or it’s Staff. Where it is deemed appropriate for special occasions, parking may be authorized by the Administrator along the common area streets for a limited period of time. In no case whatsoever, shall any automobile parking be permitted on any common green areas or private landscaped areas. Any unauthorized parking on any common lands or roadways shall be subject to a fine of not less than \$100 US per day.

Article 61: SECURITY SYSTEM. The security system serving each residence shall be operated, monitored and maintained in accordance with the provisions of a Security Services Agreement approved by the Home Owners Association. Any residences having more than three false home alarms in one year may be charged an administration fee over and above any fines charged by the authorities responding, to

compensate for disturbances and related administration within the condominium. There shall be no recourse or appeals for such related charges.

Article 62: HARMFUL MATERIALS FOR WATER TREATMENT. The Owners shall provide, install and forever maintain "Grease Traps" in each residential unit for the purpose of separating any grease or similar fluids from the waste water system. No materials that prevent the good operation of the waste water treatment plant such as the wrongful use of non-biodegradable detergents, unfit waste, grease, hazardous products, plastics, solid waste, garbage, etc., shall be discharged by any residence or property into the system. It is the owner's responsibility to properly dispose of such items outside the system. Any residence found to be in contravention of wrongful discharges into the system may be charged for any damage or related administration costs resulting therefrom. There shall be no recourse or appeals for such related charges.

Article 63: STANDING AUTHORIZATION FOR MAINTENANCE AND REPAIRS. The Owners are required to permit within their respective property and / or residence any personnel, whom may be required for the purpose of maintaining or monitoring the common parts or elements of the Condominium. Consequently, the Owners shall permit access and passage of the persons in charge of the surveillance, direction and implementation of said works onto their properties and / or residences. The Administrator, in turn, shall monitor and take any appropriate actions to assure that the performance of said common works shall cause the least amount of damage and disturbance as possible to the private property. The Owners are required to permit the performance of works for repair and maintenance of the common elements, regardless of the implication that the said works may be inconvenient or disturb the temporary enjoyment of the property in full.

Article 64: PROHIBITED ACTS. The Owners shall not perform any act that may prevent or make less effective the use of the common services and facilities.

Article 65: HAZARDOUS or DANGEROUS MATERIALS, ACTIVITIES or IMPROVEMENTS. It is absolutely prohibited to keep inside the Condominium any type of natural or chemical substances or products which may produce smoke, fowl odors, stains, etc., or which are flammable, or which may present any potential danger toward the welfare and safety of the persons, the buildings, structures, common areas and works within the Condominium or surrounding properties. No activities shall be conducted, nor shall any improvements or renovations be undertaken on any properties, which may be regarded to be unsafe or hazardous to any person or property. Absolutely no fires or setting off or lighting fireworks displays are permitted on any of the lots or common areas within or surrounding the condominium.

Article 66: ANTENNAS, LIGHTNING RODS AND SIMILAR STRUCTURES. It is prohibited to erect, construct or install the following in private or common areas: Antennas, communication or any other type of equipment, towers, parabolic antennas, VHF or UHF TV antennas, satellite TV, radio or telephone antennas, lightning rods or metal structures in general. Notwithstanding the forgoing however, any such device shall only be constructed and/or installed in areas specifically designed and allocated inside the Condominium for such purposes. Under these circumstances these may be installed subject to the prior consent of the Condominium Administrator, whom shall review, monitor and administer the installation of said equipment. Without prejudice of the above, the Architectural Committee may authorize, by final resolution, the installation or construction of said equipment and/or structures elsewhere in the Condominium, provided the rights of other Owners are not affected. Television satellite dishes may be placed in private property, with the prior written authorization of the Administration and the Architectural Committee. In this case, they shall not be visible from the street or from neighboring properties. In the event of empty lots as neighbours, it shall not be visible from the center of the lot.

Article 67: OBJECTS ON FACADES: Though located inside private property, facades are considered common areas since they are an important part of the general appearance of the Condominium. Therefore, it is not allowed to place a decoration, color or finishing different to the one approved by the Administration and the Architectural Committee. It is also prohibited to put personal property, laundry or other similar objects that may affect the appearance of the facades. Such objects must be placed where they are not visible from the common areas or from the neighboring properties. Christmas or other festive decorations are allowed only as far as it complies with the lightning regulations set in Chapter Nine of these regulations. This kind of decoration may be installed only between December 1st and January 5th of each year.

Article 68: SIGN PROHIBITION. No commercial or personal signs are permitted in the common areas and/or the external façade of the residential units or accessory buildings or structures. Notwithstanding the forgoing however, a private residence sign may be permitted on a private residential lot subject to the following:

- That any sign shall indicate the owner's name, or residence name only;
- Signs shall be no larger than 0.5m x 1.0m or (1.5sq. m in area);
- No sign shall be illuminated in any way, except however, for a low intensity spot light which shall not cascade any light beyond the boundaries of the immediate sign area.
- No sign shall be erected or installed without the previous review and approval of the Administrator or Architectural Committee.
- One "For Sale" sign may be permitted on each lot provided that the said sign conform to all of the above noted requirements.

Article 69: PROHIBITION TO CAMP. No camping or any camping equipment or lodging of any kind is permitted on any common areas or on any lot for any period of time.

CHAPTER NINE: CONSTRUCTION REGULATIONS

Article 70: LIMITATIONS: The Condominium as a whole and the individual units are submitted to the stipulations and limitations of urban nature included in the permits of the National Housing and Urban Institute, the Condominium's approved plans, and the present Construction Regulations. No construction may be authorized if it does not conform to the general architectural design concept.

Article 71: INTERPRETATION OF CONSTRUCTION REGULATIONS: The Architectural Committee must know of and solve all aspects related with the interpretation and application of the present construction regulations, and in general will all that related to urban, architectural, and construction aspects of the Condominium.

Article 72: COMPOSITION OF ARCHITECTURAL COMMITTEE: The Architectural Committee will be comprised of four members, owners or not, who will remain in their positions for up to six years, and they may be re-elected or appointed for consecutive or non-consecutive periods. The members of the Committee will be elected as follows:

- a) Two members will be appointed by the Owners' Meeting by simple majority.
- b) The developing company will appoint the other members, as long as it is authorized to do so by the Board of Directors of at least one of the Companies that own the units. If none of the owning Companies authorize the mentioned company to make the appointment, it will correspond to the Owners' Meeting.

- c) In case of temporary or permanent absence of any of the members of the Committee, the remaining members will appoint a substitute until the corresponding entity appoints the person that will fill the vacancy for the rest of the designated period.
- d) At least one of the members of the Committee shall be a Civil Engineer or Architect, duly registered with the corresponding Association.
- e) The Developer shall automatically be responsible for all rights and obligations of the Architectural Committee until such time as 85% of the total value of the Master Condominium properties has been transferred from the Developer to the new lot Owners or Sub Condominium Corporations; or at an earlier date if deemed appropriate by the Developer.

The Owners' Meeting will determine if the members of the Committee will receive any fees, and its amount. The Committee will meet regularly at least once a month and extraordinarily when summoned by any of its members through a written notice. Summons for attendance at a meeting will be made at least five working days prior to the date of the meeting. The minimum quorum necessary to hold the meeting will be of three members. The Committee's decisions will be recorded in a non-official minutes book and will be signed by the assisting members.

Article 73: DUTIES OF THE ARCHITECTURAL COMMITTEE: Besides the others stated in these Regulations, the Architectural Committee will have the following functions and responsibilities:

- a) Ensure that the constructions within the Condominium are done in accordance with the urban norms in force, both national and municipal, and with the plans previously approved for it and these Regulations;
- b) Ensure that the Condominium is dedicated to the uses indicated in the present Regulations and in the plans of the Condominium, therefore the constructions built on each of the units must necessarily be adequate for the use indicated in the infrastructure plans
- c) Inform the Administrative Board of any violation or irregularity so that it may take the corresponding legal and/ or administrative actions against the offender;
- d) Revise the construction plans and approve them, prior to the execution of any construction, remodeling works, or modifications of any type. The Architectural Committee shall also approve the materials to be used, the colours and the construction style of all construction within the condominium.
- e) Propose improvements and constructions in the common areas for their approval or disapproval by the Owners' Meeting;
- f) Any other function assigned to it by the Owners' Meeting.

Article 74: OBLIGATION TO SUBMIT PROJECTS TO ARCHITECTURAL COMMITTEE: In order to make modifications to their units, or erect constructions on it, all owners must previously submit their project to the Condominium's Architectural Committee, as indicated in these regulations. The construction plans shall include landscaping plans and garden decoration plans. No change can be done in the construction, landscaping or garden decoration without the approval of the Architectural Committee. No application will be considered if they do not enclose these plans with a detailed list of materials to be used, the colours and the construction style, or if it is not complete. No other materials will be accepted if they are not listed. The installation of basketball, volleyball, tennis, squash, racketball or any other similar courts or recreational facilities or other similar equipment is strictly prohibited in the unit's external areas, even when they are located in the private or secluded areas of each unit. The Annual General Owners' Meeting may vary this criterion or may allow exceptions to this rule by simple majority. The installation of security bars, railings, fencing, wires or any other such element, which are visually evident, whether structural or not, that modifies the appearance of the building or structure facade or property in any way is

also prohibited. Likewise, all owners are obliged to keep the internal patios or private outdoor areas of each unit in order, both for health reasons and in order to avoid any source of contamination or spread of diseases or generation of insects that may affect the health of the residents of the condominium.

Article 75: LANDSCAPING REGULATIONS: Owners and Sub-condominiums are obligated to design landscaped areas and to install and maintain appropriate plant materials and structures in such a way to preserve existing views from surrounding residential properties. Should a dispute arise as to views becoming obstructed, Owners or sub-condominiums shall report the obstruction to the Administrator for review and a decision as to the need or not for alterations or removal of landscape materials. Should Owners not be satisfied with the decision of the Administrator, Owners or the Administrator may refer the matter to the Architectural or Common Area Committee within 14 days of the Administrator's decision for further review and decision, where such decision shall be final without further appeal.

No Owner or Sub-condominium shall alter or remove any trees, plant materials or vegetation on any Common Area property or on any other abutting property whatsoever. Where it is deemed that any plant materials become problematic within Common Areas, Owners or Sub-condominiums shall refer the matter to the Administrator or to the Common Area Committee for review and a decision.

Where an owner or Sub-condominium deems it appropriate or necessary to alter or remove any landscape materials or structures from their property, prior approval shall be obtained from the Administrator who shall determine if the removal or alteration is contrary to the purpose and intent of the approved Landscape Drawings associated with the subject property. Upon review of such a request, the Administrator or the Architectural Committee may require specified replacement plantings or structures to be installed within a specified time frame. The Architectural Committee's decision in this regard shall be considered final and binding.

Article 76: GENERAL BUILDING AND STRUCTURE GUIDELINES: Following are the building and structure guidelines relating to each lot within the condominium:

- A) The Architectural Concept for the Condominium as a whole and for the affiliated condominium properties and for the residential and commercial units within shall be "Pacific Rim Tropical Style". This architectural concept is intended as a somewhat subjective description of a blended style of design that has its roots in various community traditions in countries along the Pacific Ocean. There are common themes and elements present in all these diverse building styles. Primarily, the architecture is driven by a response to and respect for the tropical climate and ecosystems, such as intense sun, temperature, rain, wind, insects, animal life, etc. The requirements for shade, shelter and weather resistant materials are balanced with a desire for an indoor / outdoor lifestyle, typically resulting in the use of wide roof overhangs, the extensive incorporation of covered outdoor living areas and flexible door and window openings. The surrounding landscape and the generous use of complimentary water features such as fountains, pools, outdoor tubs, unique planters etc, are primary elements that are of great importance in the design process. The incorporation of natural, indigenous building materials, which are time tested by local traditions are also extremely important in the style. In this regard, the combination of more modern aesthetic building features with timeless traditional design elements can result with innovation design solutions that are conceived, practical and imaginative. Construction elements that are drawn from around the Pacific Ocean communities, in particular and the rest of the subtropical world as a whole, can combine well together, resulting in a wide range of exciting new architectural styles which may be diverse, yet complimentary and compatible. The Architectural Committee shall review all architectural submissions for construction and landscape design to determine that all proposed plans of construction and landscaping amenities shall conform to the purpose and intent of Pacific Rim Tropical Architectural Style; and which harmonize with the surrounding landscape.

- B) Preliminary Concept and Building Design Plans shall be submitted by the owners to the Architectural Committee for preliminary approval, prior to proceeding with the preparation of the Detailed Plans, Material Selections and Landscape Drawings.
- C) No works shall commence on any site within the condominium prior to Final Approval of the Detailed Plans, Material Selections and Landscape Drawings which shall be designed by an Architect / Engineer and approved by the Architectural Committee.
- D) The exterior colors of all buildings and structures shall be white-wash, mild earth tones or other colors which may be deemed appropriate by the Architectural Committee or designate. Exterior materials such as wood, brick, stucco and stone are recommended, but their specific use and color applications are subject to the approval of the Architectural Committee. The use of vinyl, aluminum, zinc, plastics or other simulated or artificial materials shall not be permitted as exposed wall or roof covering materials. Any exterior use of materials not previously authorized in the condominium; or any new to the construction industry shall be approved by the Committee. The Committee, at its sole discretion, has the authority to deny the approval of the color and material selection of any building or structure façade, if it fails to harmonize in color and texture with the condominium and its natural surroundings.
- E) The use of glass doors and wall and numerous windows is appropriate to take advantage of views, ventilation and natural light and contribute to the total design of the structure. To preserve the authorized architectural styles, metal awnings are not permitted.
- F) All structures located apart from the main building, such as saunas, recreational equipment, BBQ's, gazebos, arbors, greenhouses, spas, whirlpools and other similar facilities require approval from the Architectural Committee. Such items shall be located within the property lines and shall be compatible with the main building in terms of style, materials and color. All such structures shall be reasonably concealed from view from adjacent residential lots.
- G) No exposed metal, plastic or asphalt shingled materials shall be used on the exterior surface of roofing. Where clay tiles are proposed, natural tone clay tiles shall be used throughout the condominium on all lots.
- H) To assure the preservation of ocean and / or topographic scenic views, the Architectural Committee shall approve the precise location of each building or structure. Upon approval of the plans, the Committee may restrict, at its discretion, the use of certain architectural elements that may affect the privacy or view from neighboring constructions.
- I) Retaining walls, bulkheads and other similar structural works shall be designed and certified by an engineer and must be approved by the Architectural Committee in terms of structural design, materials and color, prior to installation.
- J) The installation or construction of any statues or symbols of any type, require approval from the Committee prior to installation to assure conformity to architectural style and landscape harmony. The Committee's decision in this regard shall be considered final.
- K) Authorized materials for driveways and walkways shall be concrete, brick, interlocking brick or interlocking stone, or approved combinations considered appropriate to the residence and condominium as approved by the Architectural Committee.
- L) Entry gates across driveways or walkways are not permitted without prior approval of the Committee to assure architectural compliance, landscape harmony and safety.
- M) All residential and / or commercial properties shall provide an area to accommodate air conditioner compressors, trash storage containers or other similar service activities in a location that is not less than 3m from any adjacent residential lot line. Service areas shall be concealed from view from all neighboring properties, common areas and roadways. The material and color of the said enclosures shall conform to the architectural style of the main building and condominium.
- N) No razor blade or sharp metal wiring shall be accepted under any circumstance or place for private areas.

ARTICLE 77: GUIDELINES FOR RESIDENTIAL CONSTRUCTION: All residential construction shall conform to the following guidelines:

- a) This document shall protect the Owner's rights under the Contract Terms of the Agreements of Purchase and Sale between the Owners and the Developers with regard to the approved unit densities on each lot
- b) The maximum coverage area of all buildings or structures shall not exceed 50 per cent of the total lot area. Landscaped terraces, pools, at grade patios, walkways, entrance pavements and the required parking spaces are excluded;
- c) Each construction will have a maximum building and structure height of two floors or 8 meters, except for the Lots numbered as follows:
 - D) Lot #9 – maximum height shall not exceed 2m above the top of the existing ridge abutting the east lot line;
 - Lot # 10 – maximum height shall be one storey or 4 meters for a flat roof or 5 meters for a peaked roof on the north part of the Lot; and 2-storeys or 8 meters on the south part of the lot;
 - Lot #12 – maximum height shall be 9 storeys or the top of the existing ridge abutting the east lot line (which ever is the lesser);
 - Lot #14 – maximum height of 3-storeys or 12 meters on the south part of the lot and 2-storeys or 8 meters on the north part of the lot;
 - Lot #15 – a maximum height of 3-storeys or 12 meters;
 - Lot #20 – maximum height of 3-storeys or 12meters on the north part of the lot; and two storeys or 8 meters on the south part of the lot;
 - Lot #25 – maximum height of 3 storeys or 12 meters on the west part of the lot; and two storeys or 8 meters on the east part of the lot;
 - For all lots except Lots 9 and 12, where the roof is peaked, the maximum height shall be measured from the approved finished grade to the mid point between the eave and the peak of the roof.
- d) The minimum front, side and rear yard areas shall be not less than 3 meters measured 90 degrees from the property line. The 3 meter building perimeter and structure setback on each lot shall be used for no other purpose than landscaping, save and except for the access walkways, driveways and other permitted encroachments. No building, structures, pools or other recreational facilities may be permitted within the 3m building and structure setback areas which abut neighboring residential lot lines;
- e) Private pools, spas, Jacuzzis arbors, gazebos and other similar landscaped features may be permitted at 1 meter from any common area property lot line.
- f) Building and structure eaves, bay windows, cantilevers, or other similar building features may project into the minimum building setback areas by not more than 1 meter.
- g) All private garages or carport accesses shall be located not less than 6m from any common roadway.
- h) Save and except for the common area fencing, no fences, walls or privacy screens shall be greater than 2.5m in height, nor shall they be permitted on any lot within the required 3 meter building and structure setback areas;
- i) Where lots are used for single dwelling purposes, not less than 2 parking spaces shall be provided on each lot, including not less than one space in a garage or carport and one space in the associated entry driveway. Entrances to garages, carports or other parking facilities shall be located not less than 6 meters from any lot line abutting a common street or common entry driveway where it is necessary to provide the associated second parking space in the driveway;
- j) All parking spaces shall be not less than 2.5 meters wide by 5 meters long and be fully accessible from an associated driveway or road system.

- k) Where lots are used for multiple dwelling purposes, a total of not less than 1.25 parking spaces shall be provided for each dwelling unit contained on the lot (when half spaces are calculated, round up to the next total number).
- l) All required parking spaces shall be provided on the same lot as the related use. Where parking spaces are not in a garage or carport, provisions shall be made to appropriately screen parking areas from the viewpoint of the road or view from adjacent residential properties.
- m) Any matters of interpretation in building and structure setbacks, coverages and permitted encroachments shall be subject to resolution by the Architectural Committee or designate, where special consideration may be deemed necessary or appropriate due to site specific or topographical issues.

Article 78: GUIDELINES FOR COMMERCIAL CONSTRUCTION ON LOT 1: commercial construction on lot 1 shall conform to the following guidelines:

Should a hotel and related commercial facilities be constructed on Lot 1, the following special provisions shall apply:

- i. the maximum building height shall not exceed two stories or 9 meters. Where the roof is peaked, the height shall be measured from finished grade to the mid point between the eave and the peak of the roof. Where the roof is flat, the height shall be measured from finished grade to the top of the roof or top of a parapet wall;
- ii. the building and structure setbacks shall be as follows;
 - 1. 10m from the front (west) lot line;
 - 2. 3m from the side (north) lot line;
 - 3. 3m from the rear (east) lot line;
 - 4. 1m from the side (south) lot line;
 - 5. Eaves, bay windows, building cantilevers and other similar building features may project into the required setback areas, provided that the projection does not exceed 1m;
 - 6. The maximum building and structure lot coverage shall not exceed 50% of the total lot area, excluding terraces, pools, outdoor recreational facilities, amenity areas, accesses, sidewalks, entrance pavements and parking areas which may form part of the remaining 50% of the lot area;
 - 7. That not less than 10% of the total lot area shall be used for no other purpose than landscaping which shall be exclusive of all access walkways and driveways, parking areas, paved surfaces, buildings, structures and facilities;
 - 8. That not less than 1 off-street parking space be provided for each hotel unit; and in addition thereto, not less than 1 parking space shall be provided for each 28 sq. m of rentable commercial floor space;
 - 9. All parking spaces shall be not less than 2.5m wide by 5m long and shall be easily accessible by an associated internal driveway system.
 - 10. All required parking shall be provided on the same lot as the related use.
 - 11. That a loading space of 3 meters by 8 meters be provided on site for the hotel and commercial floor space. Any required loading spaces shall be concealed from view and be located not less than 3m from the north and east lot line; and be not less than 10m from the west lot line; and be easily accessible from an internal driveway system;
 - 12. That all service equipment, such as air conditioners, compressors, fans, vents, trash storage containers or other service equipment shall be concealed from view of all surrounding residential properties within the condominium.
 - 13. No signage, fences or privacy screens shall exceed 2.5 meters in height.
 - 14. No flashing or brightly illuminated signage shall be permitted;

Article 79: Notwithstanding any of the forgoing building and structure guidelines for residential or commercial use and construction, variations to the above-noted guidelines may be permitted by the Architectural Committee where it is clearly demonstrated in the Concept Plans and Final Plan applications submitted that the overall general purpose and intend of the standards is being maintained. Should the applicant or Owner not be satisfied with the decisions of the Committee, an appeal may be submitted to the Homeowner's Association for resolution at the Annual General Owner's meeting.

Article 80: GENERAL STIPULATIONS ON MATERIALS AND FINISHINGS:

The height, materials, finishings, and design of the divisions between the units and/ or peripheral, will be determined by the Architectural Committee. In principle, they will be the same for all the units, except in the case of a better criterion of the Architectural Committee. The installation of security bars, metallic curtains, wiring or gates, both in the perimeter of the unit and the windows, doors or facades is prohibited. The installation of security bars will only be permitted if they are placed on the inside of the construction and they are not visible from the common areas. The architectural committee will require that the facades comply with the Condominium's architectural harmony according to its exclusive criterion. Any areas for hanging clothes or laundry of any sort shall not be visible from the common areas or from visibility of any other residential properties.

Article 81: APPEARANCE OF FACADES: Neither the owners, nor the bearers of any property related right within the condominium may change the color, form, design, texture or appearance of the facades or the external walls of the units or structures on the property without the approval of the Administrator and the Architectural Committee.

Where there are vacant units within any of the commercial units on Lot One, the building façade shall be kept neat and clean and free of any excessive advertising materials or signage, which offer the premises for lease or sale or otherwise attract undue attention to the premises.

Article 82: USE OF CONDOMINIUM INFRASTRUCTURE: The use of any of the condominium's infrastructure is prohibited, except with prior written authorization of the Architectural Committee and the Administrator. All works to be carried out in the common areas or goods must be supervised and previously authorized by the administration.

Article 83: PROCEDURE TO FOLLOW FOR CONSTRUCTION APPLICATIONS:

- a) For all constructions, alterations, or repairs proposed for the units of the Condominium, the Owners must previously present the construction plans to the Architectural Committee. The Committee will have the authority to accept, modify, and/ or reject said plans if they do not adjust to the stipulations of the present Construction Regulations.
- b) Before presenting the construction permits to the corresponding governmental institutions, the Final Plans must have been approved by the Architectural Committee.
- c) No construction or repair may be started without the corresponding approvals and permits granted by the different governmental institutions. These must be presented to the Committee through the Administrator so they may be approved and the person may proceed with their plans. Once the plans are approved and before starting the construction, the owner must sign a document prepared by the Committee through which he commits to comply with that authorized by the Committee and with that established in these Regulations, besides authorizing the Architectural Committee to suspend the works if the construction does not comply with that stipulated in these Regulations, or if the construction does not adjust to the documentation presented before the Committee and approved by it. Said note will also express that the owner will submit to all aspects of the Regime of Sanctions established in Chapter Eight of these Regulations.

- d) The Owners may not vary or modify the facades or materials of any buildings, structures, accesses, and traffic areas that have been approved, nor decorate the exteriors of the buildings, structures or landscaping without prior authorization from the Architectural Committee.
- e) No Owner may modify or alter the common areas of the Condominium, whatsoever.

Article 84: OBLIGATIONS DURING THE CONSTRUCTION PROCESS: The following are the aspects that must be followed while in process of construction, repair works, or modification:

- a) Maintaining of the common areas and other units free of materials, debris, concrete mix, etc. is a obligation of the owner and the construction company hired; as well as the repairs of all damages caused outside the area of the unit. Other units may only be used with the permission of the corresponding owner. The owner must inform the construction company of this stipulation;
- b) The Administration must be informed of the work hours, which must be between 6:00 am and 6:00 pm, from Monday through Friday, and Saturdays between 6:00 am and 4:00 pm; and excluding Sunday. Variations to these days and times may be approved by the Administrator if it is deemed appropriate to facilitate construction which may not affect the quiet enjoyment of surrounding residential properties.
- c) The professional architect, engineer or building contractor responsible for the works must identify his personnel and report it to the security officer.
- d) The owner shall always have at the construction site a copy of the plans and the permit. The plans shall not be in the construction company office or any other place than the works area. Not having these plans and permit available for the Administrator or designate to inspect will generate a fine to be billed to the property owner. The fine shall be paid to be able to continue construction works. All construction persons must be informed of this requirement in advance so that plans are always available for review upon request.

Article 85: LIGHTING REGULATIONS: The internal lighting of the units must not cause excessive external brightness or glare and all unit or property lighting shall be directed away from the neighboring properties, including common areas. If additional external lighting is required on a lot, it shall be approved by the Architectural Committee. The lighting shall never be directed to trees or to neighbouring properties or housing. Due to the Turtle Nesting areas along the beach, no lighting shall be directed towards the beach at anytime.

Article 86: UTILITY AND SERVICES CONNECTIONS: All lots and construction shall be fully connected to the sanitary sewer system, electrical system, water system and other utility systems provided by the condominium and shall not be serviced by any other source or private system.

Any special utility or service fees which may be charged by the providing utility agencies, may be passed on to the recipient Owners at the discretion of the Administrator and / or the Homeowner's Association.

All electrical, telephone lines, and other utility and service connections shall be placed underground and be connected to the Condominium's general network toward the building's main instrument panel.

No septic systems or private sewage treatment plants shall be permitted on any lot within the condominium. All residential and commercial construction shall be properly connected to the provided sanitary sewer system with the appropriate "grease traps" to prevent such waste from entering the sanitary sewage system.

Prior to approval from the Architectural Committee, all sanitary and storm drainage systems on all lots shall be designed by a certified engineer to prevent improper drainage and avoidance of excessive storm water run-off from affecting all surrounding properties and common areas. All such drainage and servicing drawings shall be approved by the Architectural Committee prior to any excavation or installation on the lot.

The sanitary sewer system within the condominium may also be used for servicing other properties outside of the condominium, provided there is sufficient excess capacity to allow such connections that may be made for the purpose of generating additional revenue for the condominium. All such servicing

connections shall be subject to the preparation and submission of a servicing study by a certified engineer and approval by the Architectural Committee and the Administrator prior to allowing any such outside connections.

CHAPTER TEN: REGULATIONS REGARDING THE DIVISION OF A LOT TO THE CONDOMINIUM:

Article 87: **CONDITIONS FOR SUBDIVISION:** Any owner who wishes to encumber its unit to the condominium regime must comply with that established in the Law, the urban norms, and the present Regulations. The encumbrance will not require express acceptance of the other owners of units, but it shall have written approval of the administrator of the Master Condominium. Upon acceptance of these regulations, all buyers and owners of real rights within the condominium accept and authorize any of the owners to submit their unit to the Parent Property, within the norms established below.

Article 88: **UNIFIED MANAGEMENT:** When a unit is turned into a parent property the obligation to contribute with the common expenses of the Master Condominium, of which it continues to be a part of, will persist. The appointment of the General Manager implies also that he is appointed as manager of the Sub Condominiums. There is no possibility to appoint other than the Sub Condominium general manager for this position.

Article 89: **FACULTIES OF THE ADMINISTRATOR IN SUB CONDOMINIUMS:**

The Administrator of the Master Condominium shall have the following faculties within the Sub condominiums:

- a) Power to object, provide notice of caution, or direction to a Sub condominium on a reasonable basis for any action to be undertaken as directed at the Sub Condominiums Owners' Meetings. This includes any kind of agreement, documentation or action to be undertaken by the Sub condominium General Manager or owners as a result of a Formal Meeting or in any other kind of Meeting. This objection, notice of caution, or direction by the Administrator shall be given to the Sub condominium Manager within the following 60 days after the Administrator has been given written notice and copies of the documentation from the Sub condominium.
- b) Power to approve any agreement, documentation or action taken by the Sub Condominiums Owners' Meetings. Any agreement documentation or action of a Sub condominium shall have the prior written approval of the Administrator of the Master Condominium to be enforced and valid. Lacking of this written approval renders the documentation of the Sub condominium to be void and cannot be enforced. Subjects of an enforcement of any documentation or action, which does not have prior approval by the Administrator, shall give the Master Condominium the right to sue the owners of a Sub condominium who signed the agreement or documentation for any resulting damages.
- c) Power to approve Bylaws of Sub Condominiums. All Regulations and / or Amended Regulations of the Sub Condominiums shall be approved in writing by the Administrator of the Master Condominium prior to its inscription in the Public Registry. Lacking of this written approval shall render the Bylaws of the Sub condominium to be void and allows the Administrator to sue for any resulting damages and compensatory expenses. Liability shall be extended to owners of the Sub condominium when they accept the Sub Condominium Bylaws or amendments thereto, if the documentation has not been approved in written form by the Administrator.

Article 90: **OBLIGATIONS WITH COMMON EXPENSES:** In the Constitution deed of the Sub-Property or Secondary Property, the value percentage of each Secondary unit must necessarily be stated, both with

regard to the new Property created, as well as with regard to the total Condominium. The obligation to contribute with the maintenance expenses of the Condominium will be estimated based on the latter.

Article 91: COMMON AREAS: The common areas of the Master Condominium are for the use and enjoyment of all property owners and Sub condominiums. There will be a single common area fund established for all common expenses and maintenance within the Master Condominium and this fund shall be clearly acknowledged in the constitution deed of the Sub Condominiums. All infrastructure, including fencing, walls, guardhouses, signage, streams, ponds, roads, pipes, electromechanical, electrical, communication, recreational, and social installations, as well as all other common landscaped areas are deemed as the common goods for all owners of the units within the Master Condominium.

All private properties and common areas within all lots and within the Sub condominiums shall be managed and maintained to the established level of the Master Condominium. Should the level of maintenance provided in private lots or within the Sub condominiums not meet the expected minimum criteria, the Master Condominium may undertake the necessary maintenance works on the private lots or Sub condominiums and charge the owners or Sub condominiums accordingly, plus an administrative fee which shall be deemed appropriate by the Administrator. Should there be a dispute as to the level of private property or Sub condominium maintenance, the matter may be reviewed for resolution by the Homeowner's Association at the Owner's Meeting.

Article 92: OBLIGATIONS TO COMPLY REGULATIONS: The fact of becoming a secondary property within a Sub condominium, does not release its owners from compliance with all the norms and stipulations of the Master Condominium.

Article 93: GENERAL OWNERS' MEETINGS: In the Owners Meetings of a Master Condominium, any individual owner who has transformed his property into a Sub condominium property must send only a single representative. For this effect, a previous Sub condominium Owner's Meeting must be held where a representative is appointed to represent the Sub condominium with regards to each of the matters to be dealt with in the Master Condominium Owner's meeting.

Article 94: COLLECTION OF COMMON EXPENSES: Each of the units resulting from the creation of the Sub Condominium will be individually obliged to cover common expenses of all types including extraordinary ones of the Master condominium. If said expenses must be collected in a court of law, or if compliance of any of the obligations established in the Law or the present Regulations must be demanded, the Administration will proceed directly against the owner of the Sub condominium Unit, singling out the responsible party from the rest of the Condominium Owners that make up the new sub condominium property. The totality of the Sub condominium property may not be executed, even when due to its nature it represents a single primary Unit, for the debts or responsibilities of one or several of its owners. The execution of the Sub condominium in its totality will proceed only if the responsibility falls upon all its owners.

CHAPTER ELEVEN: SANCTIONS.

Article 95: LEGAL BASIS FOR SANCTIONS: The offenses committed by the owners or by who derives their rights from them will be sanctioned according to that stated in these Regulations, as permitted by article thirty-three paragraph e) of the Regulatory Law on Properties in Condominium, which states: "The condominium and management regulations must, at least, include stipulations on the following matters: ... e) The regime of sanctions of the condominium and the mechanisms for the solution of disputes".

Article 96: MINOR OFFENSE: When a minor offense, according to the criteria of the management, is committed by one of the owners or residents, the Administration will issue a written warning. If two of these warnings are ignored, the offender will be issued a fine of Three Hundred Dollars of the United States of America.

Article 97: LIST OF SERIOUS OFFENSES: The following are considered serious offenses:

- a) Damage or destruction of a common property.
- b) Exceed the speed limit within the condominium, as per that established in these regulations.
- c) Disturb through annoying noises within the hours indicated in these regulations.
- d) Carry out any business or commercial activity within the Condominium, except inside lot number one.
- e) Lease its parking space within its unit's private area to any person who does not reside or is a lessee within the Condominium. Likewise, give keys, master controls, and other access facilities to people that do not reside in the condominium
- f) Have more than three false home alarms in one year in the security system
- g) Discard any objects or waste in common areas. Garbage shall not be deposited in any place within the condominium other than the "refuse area" specifically allocated to and designed for the purpose.
- h) Place a decoration, color or finishing different from that approved by the Administration and the Architectural Committee. Put personal property, laundry or other similar objects that may affect the appearance of the building facades or property
- i) Posses explosive, inflammable, or unhealthy materials that cause odors, smoke, or any type of nuisance or that could represent a health risk, with the exception of kitchen gas used for domestic purposes, in a reasonable amount and subject to the use of adequate installations for that purpose
- j) Rent units, homes or their facilities, for any period shorter than seven days.
- k) Park, store or keep any motor vehicle or recreational vehicle of any type on any common area or road within the condominium
- l) Cause themselves or with mechanical, electrical or electronic equipment noises that disturb the peace of the condominium
- m) Fail to bear written authorization for keeping domestic animals, prior to the animal entering the condominium
- n) Fail to observe and follow the orders of the Administrator about solid waste handling, vehicle movement and parking, harmful materials for water treatment, signs, hazardous or dangerous materials, activities or improvements, antennas, lightning rods and similar structures, animals, noise.
- o) Obstruct the power of the Administrator to inspect private services or infrastructure if they involve any passing through or if they have any consequence of any kind in the common areas, either General or the common areas of the Sub condominiums, as (and not limited to) grease traps, sanitary sewer systems, water pipes, or electrical, lighting, telecommunication, TV wiring systems, retaining walls, headwalls, stormwater drainage systems or fencing.
- p) Obstruct the repair and maintenance works of the common elements and areas, even when they are within their unit, in order for these elements to operate adequately for the rest of the Condominium.
- q) Fail to comply to the following duties as owner:
 - i. Inform the Administration about his address, P.O. Box, email or any other means where he will receive official written communications from the Condominium and the Administration.
 - ii. Give prior notice to the Administrator if the Owner decides to sell, lease, create real rights on the unit or assign his/its possession in any way, or information of those persons who shall be occupying the premises.
 - iii. Perform in his/its property at his/its expense, as soon as required, those urgent repairs which omission or delay may produce damages or annoyances to other owners, the common areas and/or the general security of the Condominium.
 - iv. Fail to have written approval of the administrator of the Condominium to be able to inscribe a new Condominium inside any existing lot.
 - v. Fail to advise the Administrator of the names of all tenants.

- r) Any other determined by simple majority in the owners' meeting.

Article 98: FINE FOR SERIOUS OFFENSE: When an owner commits a serious offense or he is a repeat offender of the stipulations that govern the regime of properties in condominium, a fine of THREE HUNDRED Dollars of the United States of America will be applied. This fine will be charged for every time the offense is committed, and also for every month or fraction, while the owner does not correct the problem and follow the indications of the Administration. As support for their decisions, the Administration may base its determination on a report signed by the security officer and his supervisor, or on the written complaint duly signed by at least four owners.

Article 99: FINE FOR CONSTRUCTIVE OFFENSE: When an owner does not have a construction permit, or when he does not comply with the limitations of land use, the setbacks and their use, maximum heights, maximum coverage, allowed colors and materials, minimum front, height of fences, minimum parking spaces, location of garages, maximum number of units per lot, appearance of facades, installation of equipment, lightning, landscaping and decoration regulations, as well as with all directions given by the Architectural Committee and the Administration concerning construction and remodeling, a fine of THREE HUNDRED Dollars of the United States of America will be applied. This same amount will be charged for every month or fraction, while the owner does not correct the problem and follow the indications of the Architectural Committee and the Administration. Any construction made against these regulations or against the criteria of the Administration or the Architectural Committee, is considered a constructive offense. Every infraction to every rule in these regulations and to every instruction of the Architectural Committee or of the Administration, will be considered a separate offense and a separate fine will be charged for each offense.

Article 100: FINE FOR LACK OF PLANS AND PERMITS ON SITE: As an exception to the article above, the lack of plans and permits will be charge for a THIRTY Dollar fine, for every time the Administrator does not find these documents on the construction site.

Article 101: FAILURE IN MAINTENANCE: If any Owners or duly authorized occupants of units fail to maintain his/its property in accordance with the provisions of the Law and/or these Regulations, or proceeds to make alterations or modifications to it against these provisions, the Administrator of the Condominium shall be entitled to follow the following procedure: Notify in writing to the owner in default of this situation granting him a seven natural day term to correct the matter, if the Owner fails to comply within said term, the Administrator shall send a second notice warning the Owner to correct the situation within two natural days, if the Owner does not comply within said term, the Administrator shall impose upon the Owner a monetary fine of THREE HUNDRED Dollars of the United States of America. This same amount will be charged for every month or fraction, while the owner does not correct the problem and follow the indications of the Architectural Committee or the Administration. Moreover, the Owners' Meeting not only may impose the corresponding penalties or fines, but resort to legal procedures to correct the existing violations, or order their correction all at the expense of the owner or occupant, including initiating the legal process .In this regard, without prejudice of the above-mentioned fines, any owner and/or occupant of any unit or lot within the Condominium that breaches or violates the prohibitions, limitations or duties imposed upon them by virtue of the Law, these regulations or any other applicable rule, shall also be subject to eviction from their unit or lot in accordance with article 23 of the Law. For these purposes, the above-mentioned procedure shall be followed as well.

Article 102: OFFENSE COMMITTED BY A NON-OWNER: If who commits those offenses has derived their right from the owner, the latter will be liable for the offense also. It is the owner's obligation to grant the Administration the Power referred to in article twenty-two, final paragraph, of the Regulatory Law on Properties in Condominium, in order to avoid the alteration of the Condominium's normal coexistence. Said article states that the administration of the condominium, prior to granting of a power of attorney

from the corresponding condominium owner, may exercise an eviction action against the non-owning occupant who repeatedly violates the Condominium Regulations or alters the normal coexistence of all condominium owners.

Article 103: CONFLICT RESOLUTION REGULATIONS: For the resolution of disputes, the owners and bodies of the Condominium will submit to the jurisdiction of the Courts of the Republic of Costa Rica. However, they will be empowered to voluntarily negotiate and submit their controversies to conciliation and/ or arbitration processes in accordance with the Law on the Alternative Resolution of Conflicts and Promotion of Social Peace.

CHAPTER TWELVE: FINAL DISPOSITIONS:

Article 104: TERMINATION, CONSTRUCTION AND RECONSTRUCTION OF THE CONDOMINIUM The termination of the Horizontal Property Regime, as well as matters concerning the destruction and reconstruction of the Condominium shall be governed by the provisions of Chapter Seventh of the Costa Rican Condominium Law.

Article 105: AMMENDMENT AND INTERPRETARION OF THE REGULARIONS: Full or partial amendments to these Regulations may be made only by the Owners' Meeting, in accordance with the Law and by means of unanimous resolutions adopted by all the owners. The Owners' Meeting shall be solely responsible for the interpretation of these Regulations and such interpretation, to the extent it is reasonable, shall be binding on the parties until otherwise determined by an arbitral panel. For the purpose of determining if the interpretation is reasonable or not, the written opinion given on this regard by the legal advisers of the Condominium shall suffice.

Article 106: INVALIDITY OF ONE OR MORE ARTICLES: The invalidity or ineffectiveness of one or more articles of these regulations does not produce its invalidity or ineffectiveness of the complete document.