

## SECTION ONE.

### COMMON AREA

#### Chapter I

**ARTICLE 1°.** The common areas can only be used for vehicle and pedestrian circulation, as well as for any recreational activities of the condominium owners or its visitors, and will be subject to the rules established for each area; its basic function is to embellish the project by providing privacy to the owners and the recreation areas for their visitors.

**ARTICLE 2°.** None of the condominium owners will have the right to remove, alter or change in any way the furniture, equipment, landscaping, and any other object in general that is part of the common areas.

**ARTICLE 3°.** The repairs and services of the common areas originated in the condominium will be charged to all owners according to the percentage established in the Condominium Regimen Table.

**ARTICLE 4°.** Each condominium owner can use the common areas and its installations and general services, according to its nature and ordinary function, without restrictions and without increasing the cost to other owners.

**ARTICLE 5°.** The maximum speed allowed for the vehicles inside the private roads will be 15 kilometers per hour.

## SECTION TWO

### Chapter 1

#### RIGHTS, PROHIBITIONS, LEASE AND SALE

**ARTICLE 6°.** The condominium owner will have the right over the exclusive property unit and its accessories, as well as the joint ownership of the common elements of the condominium. The owners and residents will use their units according to the stipulations included in the articles of incorporation, the legislation on this subject and these regulations.

**ARTICLE 7°.** Each condominium owner can be elected as a representative and have a position in the *Condominium Surveillance Committee*, its committees or commissions, according to the procedures established in these regulations.

**ARTICLE 8°.** The owner can modify the interior of its unit, with previous notice and

approval in written by the management, who is in charge of protecting the integrity of the structure, installations, facades, transit areas and in general all the common areas.

**ARTICLE 9°.** When the condominium owners exercise any of the rights mentioned in the previous articles, or they have any complaints over any matter that disrupts the peace of the condominium that could be harmful or uncomfortable, they can direct their complaint to the manager, and according to the importance of each case, he may inform the **Surveillance Committee** and they can proceed to resolve the incident, or submit it to the Assembly.

## **PROHIBITIONS**

**ARTICLE 10°.** The condominium owners and the residents of the condominium in general, will not be able to:

- I. Carry out any action that can affect the peace of other owners or that could compromise the safety, hygiene or comfort of the condominium, or to incur in omissions that could produce similar effects;
- II. Even in the interior of your property, to carry out any action that could hinder or make the operation less efficient, obstruct or difficult the use of the common areas installations and general services, and the owner is also forced to maintain its own services and installations in good shape;
- III. Build or outline the parking areas or common areas with construction work of any other type of material;
- IV. Each owner can have a cat, dog or any other domestic pet inside their private unit, as long as such pet does not cause any discomfort or issues excessive sounds that could affect the peace of other owners. None of the dogs will be allowed in the common areas, as long as they are subjected to a leash and walked by their owner, and the owner will be responsible for any damages that the animal may cause; all pets must be vaccinated and have the corresponding vaccination certificate that prove that such obligation has been complied according to the prevailing hygiene rules.
- V. Use or enjoy in an excessive manner the common areas, services and general installations;
- VI. Produce noise and alter the peace or affect the safety of other people or property of other owners.
  - a.) ***Fireworks and fire crackers are not permitted within the development. Violators will***

***be first reminded by our security staff and then the police will be called if necessary.***

**VII.** Carry out any night activities that can be made during the day or that could cause any discomfort or disrupt the other neighbors' sleep.

**VIII.** Reprimand or sanction any employee or management employee or maintenance worker. In case of any complaint in regards to such personnel, such complaint must be made directly to the Management, and point out the employee's name, the reason for such complaint, so that the ***Surveillance Committee*** can review and evaluate such complaint.

**IX.** Enter the installations and common areas in a state of drunkenness or under the influence of any narcotic or drug. The person that violates any of these dispositions will be responsible for the repair costs and/or reestablishing the corresponding services; these will be in spite of the sanction that will be applied.

**ARTICLE 11°.** Hanging clothes on windows is not allowed, or the terrace in the owner's private unit, as well as any of the common areas.

**ARTICLE 12°.** Starting at 22:00 hours, you must avoid producing excessive noise that could disrupt the peace of the neighbors, and should turn down the volume of TVs, radios, sound players, etc.

**ARTICLE 13°.** Washing cars is not allowed inside the common areas.

**ARTICLE 14°.** The hallways Hill can only be used for pedestrian traffic, it is strictly prohibited the use of bicycles, rolling skates, skate boards, etc., except in the cases of handicapped persons that should need to use a mechanical device to help transport them.

**ARTICLE 15°.** The condominium owner has the right to furnish its terrace with the right equipment for such area, as well as keeping plants and flowers on the proper containers, as long as they do not differ in an irrational manner from the neighboring units or modify the original design of such unit.

**ARTICLE 16°.** Opening skylights or windows is prohibited, painting or decorating the facade, doors or exterior windows is also prohibited, as well as any installations on the exterior or in the parking area; any damages derived from such violation will be the responsibility of the owner that caused such damages, flaws and detriment produced to the property.

**ARTICLE 17°.** The installation of notices or signs of any kind on the facades or windows is prohibited, for such matter the manager will provide the owners with a visible place in the manager's office, in order for the owners that wish to post any messages as long as

the contents of such messages do not include immoral issues or that offend the values and customs of the neighbors.

**ARTICLE 18°.** Any vehicle that is parked in the parking area of the private property and common area, without express consent of the owner and the association, accordingly, will be liable with an additional fee for each half hour. If the vehicle is not removed after three additional fees, it will be towed at the owner's expense.

**\*\*I.** *Parking on the street in the privadas is prohibited. The owner will be responsible for covering the cost of the removal of the vehicles.*

**\*\*ARTICLE 18-1° Voted and approved May 23, 2009 General Assembly.\*\***

**ARTICLE 19°.** The parking spaces assigned to visitors will be used freely by all visitors inside the development; it is strictly prohibited for the owners to use such spaces to park boats, trailers, campers or any other type of vehicle. The owner will be responsible for covering the cost of the removal of any vehicles under their custody that are useless, on the public road, or parked in common areas, public or internal streets.

**ARTICLE 20°.** The use of the vehicle's horn is prohibited; as well as any high volumes in the cars sound system, while driving inside the condominium development.

**ARTICLE 21°.** The development's main roads and streets are not play areas; therefore, such activities are not allowed. Mechanical repairs on vehicles are prohibited inside the Descanso development, except on emergency cases.

**\*\*ARTICLE 21.1°.** *Off road vehicle and motorcycle use is permitted within the development of Descanso with very limited use. The development of Descanso and its streets were not designed as an off road or motorcycle riding or racing area. Users of these vehicles are encouraged to find other areas to enjoy this recreational sport. It is important to recognize that non-users of these vehicles have a right to the quietness that Descanso offers with personal safety concerns as well.*

**\*\*I.** *No off road vehicles (Quads, Motorcycles, Motorized Scooters etc.) will be ridden on privadas or Descanso Boulevard except for the express purpose of exiting or re-entering the development. No riding up and down the streets of Descanso nor is "joyriding" permitted at any time. Commuting from one residence to another for the express purpose of transportation to visit another resident is permitted as long as "joy riding" is not the purpose.*

**\*\*II.** *The maximum speed for any vehicle on Descanso Blvd. is 25 miles per hour and 15 miles per hour on privadas.*

**\*\*III.** *In any event, the use of off road vehicles must be within the guidelines of the HOA Policies on noise and respect for other residents. The decision on what is approved and not approved rests with the association management and security department. Revoking of the right to use off road vehicles and motorcycles is the immediate and sole right of the association management.*

**\*\*IV.** *Under age and/or non licensed drivers may not ride or drive any motorized vehicle on the privadas or Descanso Blvd. at any time.*

**\*\*V.** *Not following HOA regulations on off road and motorcycle use can result in the reporting of incidents to the commercial police.*

**\*\*ARTICLE 21.1° Voted and approved May 23, 2009 General Assembly.\*\***

**ARTICLE 22°.** When an owner expresses his right to sell his property to a third party, he must inform the Association by written statement, and provide the general information of the person purchasing the property in the entry format. The new purchaser will be provided with the request form to enter into the condominium owner list, in order to register family members, as well as carry out the substitution by the management.

#### **POOL AND CLUBHOUSE AREA**

**ARTICLE 23°.** All the equipment, trash cans, tools, etc., should be hidden from plain view of neighbors, streets and common areas. The trash and other disposable items should be kept in plastic bags and closed, preferable separated by color:

- 1)** organic and inorganic garbage;
- 2)** trash should be placed on the days and time scheduled for the maintenance workers to pick up;
- 3)** glass articles should be separated and/or other sharp objects and deposit them in closed carton boxes;
- 4)** newspaper and magazines should be tied and placed separately.

**ARTICLE 24°.** The owner that causes damages to other units due to the use of equipment or furniture inside his private unit, will be directly responsible for the caused damages, and will have the obligation to pay for any necessary repairs.

#### **CLUB HOUSE**

**ARTICLE 25°.** The Club House is for the use and enjoyment of the owners and guests, as long as they do not impede the other owners of this same right. The manager will prepare the guidelines for its use and will present it to the Surveillance Committee for approval.

**ARTICLE 26°.** The residents should provide the identification determined by the

management to enter the Club House, and must be up to date in the payment of their condominium fees in order to be allowed in.

**ARTICLE 27°.** In case there are game tables or equipment, they should be kept in the same shape they were found; minors under the age of 15 without adult supervision are not allowed.

**ARTICLE 28°.** The social area of the Club House may be reserved by any of the owners for social gatherings, with prior reservation on a first come basis, and they are obligated to clean up once the event has concluded.

**ARTICLE 29°.** In case there are any barbecue areas, the user is responsible for the removal of ashes or waste after each use.

**ARTICLE 30°.** The use of any of the areas, equipment and installations will be at the owner's risk and its guests; without liability to the Condominium Owners Association or the Incorporation entity for any accidents that could occur in these areas.

#### **SWIMMING POOL & JACUZZI**

**ARTICLE 31°.** The sports facilities hours will be from 09:00 hours to 22:00 hours, or any other hours determined by the **Surveillance Committee** according to the convenience for the majority of the owners.

**ARTICLE 32°.** Before entering the swimming pool, the person must shower.

**ARTICLE 33°.** All glass objects are prohibited inside the swimming pool.

**a.) No use of drinks or food while in Jacuzzi.**

**ARTICLE 34°.** In order for a minor younger than 15 years old to be inside the swimming pool, an adult must supervise him, and it will be at his or her own risk.

**a.) At All Times - adults must watch children in the swimming pool. No lifeguard is present and the HOA and its officers are not responsible for the safety of the pool users.**

**b.) No one under 16 years old allowed in the Jacuzzi at anytime.**

**ARTICLE 35°.** Infants that have not been potty trained are not allowed inside the swimming pool.

#### **TENNIS COURT**

**ARTICLE 36°.** The use of the tennis courts will be regulated by equal and proportional rights among the owners that wish to use them, and will be open according to the hours

established by the condominium's management. ***A maximum of 4 players should use the court at any one time.***

**ARTICLE 37°.** The tennis court may not be used without the proper shoes; food and beverages are not allowed inside; ***no children on the court.***

### **Surveillance Committee**

**ARTICLE 38°.** The ***Surveillance Committee*** will be in charge of the safety and peace of the residents inside the Development.

**ARTICLE 39°.** The ***Surveillance Committee*** will control the entry and exit of visitors, vendors, suppliers and any other person that should access the Condominium.

**ARTICLE 40°.** The ***Surveillance Committee*** will issue the necessary indications and suggestions to the owners, as well as to visitors, vendors and suppliers, etc., in order to comply with the dispositions included in these regulations. Any person that violates these regulations will be subject to an economical sanction that will be established by the Condominium Owners Association.

## **Chapter I**

### **MANAGEMENT**

**ARTICLE 41°.** The Condominium will be managed by an individual or corporation designated by the General Assembly, on a first basis by the Developer, who will stipulate the operation basis for its internal organization.

**ARTICLE 42°.** The management, without previous notice, will order the repairs to the required property and will issue the maintenance and management expenses of the condominium on a regular basis, from the corresponding fund. When the required work is of urgent nature, he should also order such repairs, but will notify the ***Surveillance Committee*** before they are initiated.

**ARTICLE 43°.** The manager will issue a monthly statement of the income and expenses of the Development, with a detail report of such items to all owners, who will have a period of 8 days from the delivery date to issue any observations, after such term the management will consider that they agree with such figures.

**ARTICLE 44°.** Each year, the manager will prepare a budget of the common expenses, and will present it to the Assembly for its approval.

**ARTICLE 45°.** The management will collect the maintenance fee, with the approval of

the General Assembly, as well as the application of late fees, or discounts in favor of the owners that pay them in advance.

**ARTICLE 46°.** The manager will demand on behalf of the owners, the responsibilities in case of violations, observing the compliance of these regulations, the contents of the Articles of Incorporation and the Condominium Property Regimen Law for the State of Baja California.

**ARTICLE 47°.** Maintain all the insurance policies that cover the possible risks, which will assure the best conditions for the common areas and special installations.

**ARTICLE 48°.** In case of a partial incident, the manager will receive the corresponding indemnification, and such amount will be used entirely to repair to its original condition, if approved by the Assembly; in case of total loss, the manager will comply with the Section V, Single Chapter of the Condominium Property Regimen Law for the State of Baja California.

## Chapter II

### CONSTRUCTION GUIDELINES

**ARTICLE 49°.** The condominium owners can carry out construction work in their property unit exclusively for the following purposes: Horizontal or single family condominiums, in the case of residential units, in accordance to the permits established for the residential development and the incorporation articles of the condominium. Commercial sites, for the lots located in the commercial areas, in accordance to the permits established for the residential development and the incorporation articles of the condominium.

**ARTICLE 50°.** For the residential areas, it is strictly prohibited to build two or more residential homes, as well as any offices, commercial sites, restaurants, or any other construction different from the residential type.

**ARTICLE 51°.** For any piece of land located in the commercial area, it is strictly prohibited to build residential homes, or any other type of construction different from the commercial type. It is strictly prohibited to build fences, gates or walls, either temporary or permanent, on the main facade, as well as any other structure that will demerit the visual aspect Condominiums. When an owner purchases two or more adjoining units, they may be united or divided, as long as the resulting lots have the same or greater measurements and surfaces as the original individual units. In the understanding that such lots will acquire the percentage that corresponds to the new surface.



**ARTICLE 52°.** For the projects and residential plans, and its later construction, the owners must issue a notice to the ***Surveillance Committee***, who will hire a group of specialists for the review of such projects, such group will be denominated the Design Committee, and the review will be subject to the following guidelines:

**a) Construction Area (Coefficient of Land Occupation. C.L.O.)** The construction work and/or remodeling should be made up to 70% (seventy per-: %cent) of the total land surface. The construction work mentioned above, should be carried out according to the limits and boundaries established in the Recorded articles of the Condominium. The remaining 30% (thirty percent) of the lot's land that includes the construction free area mentioned in the previous paragraph will be used exclusively for landscaping and/or access to the residential unit.

**b) Construction Density (Coefficient of Land's Use. C.L.U.)** The maximum square meters of construction that can be built will be 70% (seventy percent) of the total land's surface.

**c) Height:** The maximum height of the lot's construction will be 5.75 meters (five meters and 75 cm) starting from the ground level and following the land's natural level, including antennas. The installations mentioned above should be kept out of sight from all points of view through parapet or walls placed against the parapets.

**d) Walls:** The walls, the retaining walls and other walls in the condominium, may not be modified in its height, form, color and structure. The interior walls should be built starting from the middle back of the lot's land with a maximum height of 1.20 (1 meter, twenty centimeters). Following the guidelines for construction-free areas, and the lots that have boundaries with pedestrian walk ways may not build a wall inside this area. The backside should also not be modified in its height, form, color and structure; the residential unit will be projected considering the existing facade.

**f) Facades:** In accordance to the slopes of the Condominium and the views generated, it is necessary to hide from view all types of accessories (water tanks, antennas, AC units, gas tanks, etc.) as well as provide a design proposal for service areas considered as the fifth facade, which will be subject to approval from the Design Committee. Exterior doors and fences: It is strictly prohibited the use of aluminum in a gold shade. The only shades allowed to use are white, beige tones and brown or black. Glass: All glass should be flat, and may use sun filters in different tones. The use of mirror or reflecting glass is strictly prohibited. The Design Committee should authorize the use of decorative glass or lead based decorative glass. Colors: The tones of the existing colors may not be modified. The colors allowed are: Refrigerator White and the shades in the Project. Floors on garages: The floors on the garages will be made out of stamped concrete, ceramic tile or quarry stone.

**h) Access:** The vehicle access to the residential units will be exclusively for the sections

previously established for that purpose.

**i) Installations for services and accessories:** The installations for services that should be made to the residential units, will include, among others: Garbage deposits, water tanks, gas tanks, switches, antennas, exterior stairs, satellite dishes, skylights, AC equipment and swimming pools, should be built in a way that they are not visible from the common areas. The use of AC window equipment is strictly prohibited, as well as air antennas and lightning conductors. The installation of doll houses, tool cover units, dog houses, etc., will be subject to the approval of the Design Committee. The use of decorative objects in front of the residential units or common areas, such as: sculptures, bird feeding dishes, fountains or similar objects, is subject to the approval of the Design Committee. The front of the land will have a designated space to place the following items: Electricity meter. Official Number. Water meter. The location or finishing of such spaces may not be altered under any circumstances.

**j) Parking spaces:** Each residential unit should have a parking space with a minimum capacity for two automobiles.

**k) Lighting:** The exterior lighting of the residential units should be low intensity, to accentuate access entries, parking spaces and special elements. The **Surveillance Committee** should approve lighting posts and accessories. Color lighting, mobile or flashing lighting will not be allowed, except during the Christmas season.

**m) Landscaping:** The landscaping inside the lot or front of the residential units will include the boundary areas of the unit free from construction. The plant and tree species that the condominium owners plant inside their lot to: provide landscaping, create privacy, hide undesirable elements, provide shade and nice temperatures, enhance the residential structures and reduce noise, as well as the construction density, should be approved by the Surveillance Committee.

**n) Landscaping in common areas:** The alteration or reduction of the landscaping in common areas is strictly prohibited, as well as the removal of trees for the construction of residential units. The irrigation system of Condominium Descanso will provide the necessary pressure and water required for the landscaping in common areas.

**o) Landscaping in private areas:** The Condominium owners must provide the necessary water required for such area. It will not be the obligation of the **Surveillance Committee** to provide such water. Due to the extent of the landscaping areas (including the 30% of the landscaping inside the lots), such extension has been divided in zones through irrigation schedules, all gardens and landscaping inside the lots should adjust to the scheduled irrigation schedule, which will be during the night. Due to the fact that the irrigation schedules will be at night, we recommend and/or suggest the owners that the irrigation system of the landscaping areas is programmed through an automatic irrigation system. We suggest the use of sprinklers for gardens, due to the fact that the

pressure is considered for this type of system.

**p)** Access to residences. It is strictly prohibited to alter the access to residential units in size, form or materials. It will only be modified with the authorization of the **Surveillance Committee**, and with the corresponding project.

**q)** Water tanks for potable water. The condominium owners may build inside their lots a water tank with a storage capacity of 1 to 8 cubic meters, with the authorization of the **Surveillance Committee**, and its corresponding project.

**ARTICLE 53°.** The owners may initiate the necessary procedures for remodeling their home, once the developer has handed over such unit.

**ARTICLE 54°.** The owners will submit their project for authorization from the *Design Committee* before the construction starts, as well as the municipal and state authorities if applicable, this same rule applies to commercial areas, which must follow the same architectural design of the development, and existing landscaping. The condominium owners must present their payment receipts issued by the developer and by the Condominium Owner Association.

**ARTICLE 55°.** The *Design Committee* will review the projects, control and supervise the construction process through a group of specialists, denominated the Design Committee. In case of any violation to the stipulations included in these regulations in regards to construction issues, the Design Committee may request the **Surveillance Committee** to impose the corresponding sanctions to the owner, which are also included in these regulations.

**ARTICLE 56°.** For the review and authorization of projects, the condominium owner will present the Design Committee the following documentation:

**a)** Blueprints of the project duly noted and presented in sheets of 90 (ninety) by 60 (sixty) centimeters, including the information regarding architectural ground plans, facades, sanitary sketches, terraced roofs, slopes and storm drainage systems (preferably digitalized with AutoCAD 200 or later versions).

**b)** Original land delimitation, carried out by a topographical engineer, designated by the Design Committee. The cost of such work will be at the owner's expense.

**c)** Original description of the finishing materials that will be used in the construction.

**d)** Copy of the purchase-sale contract or title deeds of the property that state that the condominium owner is the rightful owner of the lot or residential unit.

**e)** Copy of the last payment receipt for the maintenance fees, issued by the

condominium owner's Association.

**f)** Copy of the water service contract with the corresponding authority and/or company that will provide such service to the owner. The review of the plans and projects mentioned in this article will generate a fee payment for such review, and it will be stipulated by the *Surveillance Committee* in agreement with the Design Committee. Such fee should be paid when the projects and plans are provided for the review.

**ARTICLE 57°.** Once all the information mentioned in the previous article has been received, the Design Committee will have a 10-day term to review the construction project. At the end of such term, the Design Committee will make an appointment with the owner for any of the following:

**a)** Point out the corrections to the project, in order to comply with all the applicable dispositions included in these regulations, or:

**b)** Issue the preliminary authorization for the project, which has to be signed by the *Surveillance Committee*.

**ARTICLE 58°.** Once the project has been authorized by the *Design Committee*; the owner must obtain the necessary construction permits from the corresponding authorities and provide them to the Design Committee. Such permits are as follows:

**a)** Three copies of the plans and projects authorized by the Municipal Urban Development and Management Division of Rosarito city.

**b)** Three copies of the construction permit issued by the Municipal Urban Development and Management Division of Rosarito city.

**c)** Three copies of the registry number of the construction expert that is designated by the Municipal Urban Development and Management Division of Rosarito city that will be responsible for the construction work.

**d)** A bond issued by an authorized institution or a guarantor that has moral and economic solvency to guarantee any damages to third parties inside the Condominium Descanso derived from such construction work.

**e)** Three copies of the payment receipt for the construction supervision.

**ARTICLE 59°.** Once the owner has complied with all the requirements mentioned above, the *Design Committee* will issue, no later than five days from the date of receipt of all the information mentioned in the previous article, the final authorization for the construction work.

**ARTICLE 60°.** The *Design Committee* limits its responsibility to the project authorization, and its supervision to oversee that they comply with these regulations and at no time will it be responsible for its contents plans and specifications, in regards to the design and structure calculation, the stability and/or functionalism of any structure or installation.

**ARTICLE 61°.** The Design Committee will supervise the construction work, in the understanding that the supervision does not generate any additional responsibility to the one established in the previous article. The supervision of the construction work will generate the payment of a fee, and such fee will be established by the ***Surveillance Committee*** jointly with the Design Committee, and must be paid before the construction begins. For supervision purposes, the owner must notify the Design Committee at the end of each one of the construction stages, as follows:

- a) First Stage: Outline, leveling and up roots.
- b) Second Stage: Leveling of the walls before the roof is placed and/or structure levels for concrete, or form any other type of metal or wood structure.
- c) Third Stage: Verification of sanitary installations and storm water drainage systems before leveling and foundation.
- d) Fourth Stage: Floors on garages, service areas and sidewalks.
- e) Fifth Stage: Review of exterior finishing and cleaning of construction site and neighboring lots.
- f) Sixth Stage: Landscape review.

**ARTICLE 62°.** The Design Committee will review each one of the construction stages according to the authorized plans and projects. In case the Design Committee determines that the construction work is not being carried out according to the authorized plans and projects, they will issue a notice in writing to the ***Surveillance Committee***, to designate a term starting from the date of receipt of such notice, in order to carry out the necessary changes to comply with the authorized project. If the owner does not correct the construction during this term and according to the stipulations of the ***Surveillance Committee***, such committee will suspend the project's authorization for construction, and consequently the owner will not be able to continue the construction work, until he compiles with the observations of the Design Committee. The owner may be sanctioned, in addition to what was mentioned in the previous paragraph, according to the sanctions established in these regulations and from the corresponding authorities.

**ARTICLE 63°.** The owner will be responsible for the construction work inside his

property, as well as the personnel hired for such work. Likewise, he will be responsible of any damages caused to the common areas, property or residential unit or to any person inside the condominium caused by any of the workers, contractors or suppliers of the construction

**ARTICLE 64°.** In order to guarantee the obligations derived from the construction work, as well as any damages that could derive from such construction to the common areas, property or person, the condominium owner will be responsible and should provide a bond or guarantor issued by a third party.

**ARTICLE 65°.** Once the construction work has concluded in the case of commercial sites, the Design Committee will carry out a final inspection to verify that the construction was carried out according to the project, regardless of the periodical inspections. The commercial sites may be used until the **Surveillance Committee** issues its authorization in writing. The **Surveillance Committee** has the power to use any measure it sees suitable for the compliance of this disposition.

**ARTICLE 66°.** The construction work will be subject to the following:

- a) They should be carried out inside the property limits.
- b) The loading and unloading of material should not obstruct the vehicle traffic of the Condominium Descanso, or use neighboring lots to unload materials from the back or sides of the construction site, unless there is a permit from the Condominium Owner Association.
- c) Portable rest rooms should be installed and approved by the Design Committee, for the exclusive use of workers, and should be kept clean, out of sight from the streets or neighbors and connect them to the sanitary installations of the Condominium Descanso.
- d) No object may be fixed in trees.
- e) The material storage should be located in the backside of the lot, and have a maximum height of 3.00 meters.
- f) If necessary, an erosion and sedimentation control plan may be established to control storm drainage and contain sediment inside the affected areas due to the construction.
- g) The owner should pick up the garbage, debris or rubbish generated by the construction site on a weekly basis.
- h) It is strictly prohibited to place any debris on the adjoining lots, unless there is a written authorization from the **Surveillance Committee**.

i) It is strictly prohibited for the construction workers to drink alcoholic beverages, or the use of any other substances or drugs, or to introduce firearms inside the Condominium Descanso.

j) The irrigation system is installed under pressure; therefore, it is prohibited to use them for any other purposes.

k) The construction workers cannot stay in the construction outside their schedule hours, except for the night security guard who will be obligated to be register by the **Surveillance Committee**.

l) With the exception of the night security guard, the access of construction workers will not be allowed before 7:00 hours or to remain on the premises after 19:00 hours. The access will not be allowed on Saturdays in the afternoon and on Sundays.

m) The workers should not destroy or soil the urban and vegetation work, and may not use the water installations in the Common Areas, unless they are inside the lot where they work.

n) The owners should keep their lots free from garbage, debris or construction materials, specially the areas that are visible from the Common Areas and neighboring areas.

**ARTICLE 67°.** The maximum period of time for the construction work will be 3 months starting from the work in the site. An extension may be provided if the owner requests it to the Design Committee.

**ARTICLE 68°.** If there is any extraordinary reason that impedes the conclusion of the construction work, the owner should keep it in good exterior shape, which will be evaluated and authorized by the **Surveillance Committee**.

**ARTICLE 69°.** The extension, reconstruction or remodeling of single family units built in the land lots will be subject to the dispositions included in this chapter. Sanctions during the construction work in the lots.

**ARTICLE 70°.** When a construction work is made without following these regulations, or without authorization from the **Surveillance Committee**, it will proceed according to the following:

a) The construction work will be suspended.

b) The **Surveillance Committee** will require the owner to present his authorization request, seven days after the notice of such violations was issued, and the corresponding project, or to state the manner in which he will correct such omission or

violation.

**c)** If the owner does not comply with the requirement mentioned in such notice, the **Surveillance Committee** will issue the corresponding fines according to the request of the Design Committee.

**d)** The **Surveillance Committee** has the capacity to demolish any construction, according to the request of the Design Committee, which is carried out against the dispositions included in these regulations, without any liability.

**e)** Regardless of the fines that have to be paid and mentioned in this chapter, the owner is obligated to correct or comply with the regulations stipulated by the Design Committee. The purpose of these regulations is to establish the basis for a harmonious cohabitation between all condominium owners, owners and users, as well as to maintain its quality. Therefore, its compliance is mandatory. Likewise, any interpretation controversy will be resolved according to the main purpose of such regulations. Landscaping and urban image of the Descanso Condominium.

**ARTICLE 71°.** The landscaping, natural reserves and urban image of the Descanso Condominium have been designed for urban and landscaping purposes. Its maintenance and preservation will be the responsibility of the Management of the Condominium.

**ARTICLE 72°.** The condominium owners may not plant any vegetable species in the landscaping area of the common areas, or to place any objects in such areas.

**ARTICLE 73°.** The **Surveillance Committee** will not be responsible for any accident suffered by the condominium owners and/or users, family members and visitors, due to the non-compliance of any of the dispositions included in this article or by any other circumstance.

## **GENERAL DISPOSITIONS**

**ARTICLE 1°.** The following internal Regulations are hereby established, which will govern the Condominium, which also includes all the dispositions and special guidelines for the owners, tenants and other persons that will use each one of the residential units, in regards to its use, enjoyment and disposition, of the private property and common areas, as well as its management.

**ARTICLE 2°.** The following terms will be used in the present Regulations, the meaning will be the same in singular or plural, and it is explained as follows:



**Professional manager:** Individual or corporation that is not a resident of the condominium, which has the capacity, knowledge and experience to manage the condominiums, and is granted that task.

**Manager:** Is a condominium owner, not a professional manager, named by the General Assembly.

**Common areas:** They are the areas not subject to division, for the general use of all owners, and includes among others: Access streets and roads, sidewalks, pedestrian access, parking and landscaping areas.

**Private areas:** These areas are the exclusive property of each one of the owners, such as land lots and buildings. **Common assets and areas:** Those assets and accessories that are the property not subject to division of all the condominium owners, and its use is regulated by law, the articles of incorporation and these regulations. **General Assembly of Condominium Owners:** It is the supreme organization of the condominium, where all owners carry out their legal meeting after they receive the corresponding summons, and discuss and resolve any issues of common interest for the owners of the Condominium. **Condominium Owners Association:** It is a group formed by each and every one of the owners, which also become the General Assembly of Condominium Owners after a summons and meeting. **Condominium:** It is the property regimen over the real estate property that grants the owner the exclusive ownership, use and enjoyment of its private unit, and a co-ownership over the common assets, according to the legal dispositions, articles of incorporation and these Regulations. **Condominium owner:** Is the individual or corporation, private or public that acquired the ownership of one or several lots, residential units, houses, or any other area that constitutes the Condominium. As well as any other persons that have a legal contract, that includes in its terms, the right to become owners or through trusts subject to the corresponding condominium property regimen.

**Surveillance Committee:** It is the organization of the Condominium Owners Association that will oversee, supervise and control all the management and financial actions carried out by the management of Condominium Descanso. **Condominium culture:** All those elements that will contribute to generate actions and attitudes that will allow a harmonious cohabitation, which is the objective of the condominium property regimen. In the understanding that all the necessary elements are: respect and tolerance; responsibility and compliance; participation and joint responsibility; solidarity and mutual acceptance.

**Extraordinary fee:** It is the proportional amount to the value of each property related to the condominium; such fee has to be paid by each condominium owner, in order to cover extraordinary fees derived from additions, preservations and replacement of assets and equipment, which will be determined with the approval of the general assembly and the owners. It will also be all those amounts determined by the assembly

that will oversee the compliance of these Regulations.

**Ordinary fee:** Is the proportional amount value of each property related to the condominium that each owner will pay to cover the management, maintenance and operation expenses, reserve and termination corresponding funds, according to the articles of incorporation and these Regulations. Articles of incorporation: It is a private document, certified by Notary Public that includes the unilateral statement of will, to constitute the condominium property regimen for the mentioned real estate property.

**Voluntary extinction:** It is the event that agrees to vanish the condominium property regimen. The developer: Is the entity in charge of the construction of the infrastructure, urbanization, building and sale of the Condominium.

**Law:** It is the Law of the Condominium Property Regimen for Real Estate Property in the State of Baja California.

**Undivided part:** It is the proportion between the nominal value of each exclusive property unit, in regards to the total of nominal values of the units that form the condominium regimen, expressed in percentage values, and also represents the right of the condominium owners over the common assets, in proportion to the value of its unit or the fraction in regards to the total value of the condominium.

**Condominium regulations:** It is the legal document that includes all the dispositions and special rules that have to be followed by all the condominium owners, tenants or residents, in regards to its use, enjoyment and disposition, in its exclusive property and common areas, as well as its management. Condominium unit or exclusive property: It is the house, apartment, housing unit, and the corresponding areas and attached elements, where the owner has property rights and exclusive use.

**ARTICLE 3°.** All the condominium owners, tenants and any other resident of the Condominium will be subject to the compliance of these regulations, and will be liable for any damages derived from its non-compliance.

## Chapter II

**ARTICLE 4°.** The common areas are the ones that render a service to the community and satisfy concrete and collective needs, and they are, among others, as follows:

a). The land, porches, vestibules, galleries, hallways, stairs, patios, gardens, paths and interior roads, as well as the spaces that have been designated according to the construction permits as vehicle parking spaces, except those spaces designated as exclusive property;

- b).** The sites used for the management, security and doorkeeper;
- c).** The construction work, installations, devices and other objects that will serve for the common use, such as: pits, wells, water-tanks, cisterns, fork-lifts, incinerators, extinguishers, ovens, pumps and motor; sewers, waterways, water conducts, sewage system, heaters and air conditioning, electricity and gas; the sites and security construction work, sports and recreation areas, decorative, social gathering places and similar places, with the exception of the areas that serve the exclusive property only;
- d).** Any other places or facilities in the condominiums that are designated by unanimous vote, or by the articles of incorporation.

**ARTICLE 5°.** The common areas may only be used for vehicle and pedestrian transit, as well for recreation activities of the condominium owners and their visitors, subject to the regulations established for each area; its basic purpose is to embellish the project by providing privacy to the owners and recreation spaces for them and their visitors.

**ARTICLE 6°.** None of the owners will have the right to remove, alter or modify the furniture, equipment, plants or any other object in general that is part of the common areas.

**ARTICLE 7°.** The repairs and costs of services of the common areas will be paid by all the condominium owners according to a table of percentages stipulated in the Condominium Regimen.

**ARTICLE 8°.** The common areas will not be subject to division and may not be modified in form or in its construction.

**ARTICLE 9°.** Each owner will be responsible for maintaining and repairing the interior of its unit, as well as the windows, sliding doors and access door that surround the private unit, roofs, and the paint on exterior walls. But not change colors.

**ARTICLE 10°.** Each condominium owner may use the common areas and installations and general services, according to its nature and ordinary purpose, without restrictions or cost increase of such common areas for the rest of the condominium owners.

## **OBLIGATIONS OF THE HOMEOWNER**

### **Chapter I**

**ARTICLE 11°.** The rights of the condominium owners are:

- a).** Have other condominium owners respect their exclusive property unit;

- b).** Participate by having a say and voting in the assemblies of condominium owners;
- c).** Use and enjoy in equal circumstances and in an orderly fashion, the common areas of the condominium;
- d).** Be part of the condominium's management and ***Surveillance Committee***;
- e).** Request the management and the ***Surveillance Committee*** the information regarding the state of the management, maintenance, and reserve funds;

**ARTICLE 12°.** The owner will have the right to use and enjoy its condominium unit in an exclusive manner, as well as the parking area designated to each owner.

**ARTICLE 13°.** Each owner will have the right to use the common areas, according to the regulations, guidelines and restrictions issued by the Condominium Owners Assembly or the management.

**ARTICLE 14°.** If a condominium owner does not use any of the common areas of the condominium, it will not exempt them from paying the fees established by the Property Regimen and these Regulations, as well as all the dispositions issued by the Condominium Owners Assembly, the condominium organizations and the law.

**ARTICLE 15°.** When any of the condominium owners rights is violated, or there is a complaint about an issue that disrupts its comfort in the condominium, such owner should issue a written statement to the manager, who according to the importance of the case, will inform the corresponding organization, and they will help resolve the incident, or if they decide otherwise, the case will be submitted to the assembly.

**ARTICLE 16°.** The obligations of the condominium owners are as follows:

- a).** Participate in the General Assembly of Condominium owners.
- b).** Will abstain from carrying out actions that will disrupt the operation of the condominium.
- c).** Follow the dispositions and special guidelines established in these Regulations and other dispositions that are issued by the different organizations of the condominium.
- d).** Pay the ordinary and extraordinary fees on time, corresponding to the preservation and maintenance of the condominium, approved by the Condominium Owner Assembly.
- e).** The condominium owners will not allow the persons that live inside their units to

damage the image and good name of the development.

**ARTICLE 17°.** Each condominium owner will be responsible for the following obligations:

- a) Issue the property tax payment of their condominium unit.
- b) Issue the water, gas and electricity bill payments, as well as telephone service, satellite dish TV and other services contracted for the unit.
- c) Issue the maintenance fees payment on time.
- d) Issue the service fee payment for services such as: repairs and preservation of the unit.

**ARTICLE 18°.** The condominium owners, and all residents in general, will not be able to the following:

- a). Carry out any action that will affect the peace and comfort of other owners or that will compromise the stability, safety or comfort in the condominium, or incur in any omissions that could produce similar effects;
- b). Carry out any actions that will obstruct the operation, or impede the use of the common facilities and general services, and they will be obliged to keep them in good shape and preserve the operation of their own services and facilities;
- c). Build or outline the parking areas or common areas with construction work of any type or material;
- d). Each owner will have the right to own a pet inside their private unit, such as: cat, dog or any other kind of domestic animal, as long as it does not cause any nuisance or excessive noise, that may alter the peace of other owners; none of the dogs will be allowed inside the common areas, unless they are restrained with a leash, and controlled by their owner, and such owner will be responsible for any damages that could cause the animal.
- e). Use and enjoy the common assets, services and general installations in an exclusive manner.
- f). Produce any noise or disrupt the peace or affect the safety of the residents or the property of the condominium owners;
- g). Carry out nightly activities that can be made during the day that could cause nuisance or will impede the rest of the neighbors.

**h).** Access the common areas under the influence of narcotics, drugs or alcohol. The person that violates such dispositions will be liable for the payment of all expenses that could derive from such actions, to repair or reestablish the services accordingly, and will be obligated to stop carrying out the actions that originated such problem, independently from the sanction that will be applied to the infringing party.

**ARTICLE 19°.** The condominium owner will be able to sell, tax or lease its condominium unit without the consent of the rest of the owners; any sale will include the automatic transfer of rights and obligations over the common property.

**ARTICLE 20°.** When the owner leases, sub lets or lends its exclusive property unit, such owner will be responsible along with its tenant or receiver, of the compliance of the condominium obligations.

**\*\*ARTICLE 20.1°.** *The association recognizes that home owners may find it necessary or advantageous to rent their Descanso home on a short or long term basis. Descanso was created to be a development for the residential use of home owners, and not a rental or timeshare community therefore the "association" has set forth the following regulations to assist and guide rental owners and, tenants, and protect the rights and quality of life for all home owners at Descanso. When a homeowner expresses his or her right to rent they must inform the Association in writing and provide general information name of renter, starting and ending date of rental, number of renters.*

#### **\*\*SHORT TERM RENTAL**

**\*\*a).** *A residence where the homeowner and tenant have a short term rental agreement that may include stays as short as a weekend or as long as a maximum of three months. In this case the tenant is considered a non-permanent resident and has limited use of HOA facilities and has overnight occupancy maximums.*

**\*\*1.** *The maximum overnight tenant and tenant guest sleeping arrangements are 6 people for a two bedroom home and 8 people for a three bedroom home.*

**\*\*2.** *The maximum number of automobiles allowed in a privada for day and night parking is 3 vehicles. This includes guest parking.*

**\*\*3.** *All vehicles must be parked in the home off street parking spaces and in the designated privada guest parking area.*

**\*\*4.** *No vehicles are to be parked at any time on the privadas or streets. All vehicles must be parked off of the private streets.*

**\*\*5.** *No off road vehicles (Quads, Motorcycles, Motorized Scooters etc.) will be ridden on*

*privadas or Descanso Boulevard except for the express purpose of exiting or re-entering the development. No riding up and down the streets of Descanso nor "joy riding" is permitted at any time. Commuting from one residence to another for the express purpose of transportation to visit another resident is permitted as long as "joy riding" is not the purpose.*

**\*\*6.** *In any event, the use of off road vehicles must be within the guidelines of the HOA policies on noise and respect for other residents. The decision on what is approved and not approved rests with the association management and security department and not with the tenant or landlord. Revoking of the right to use off road vehicles is the sole right of the association management.*

**\*\*7.** *Swimming pool, tennis and basketball court, and other HOA operated amenities are limited to six people per home at any one time. Short term tenants are not allowed to (in essence) rent a home for a weekend with the understanding that only 6 to 8 guests are allowed and then invite more than that maximum guest total to use HOA operated streets and amenities.*

**\*\*8.** *Landlords and home owners must per-register their tenants with the HOA by advising the HOA in advance of who the tenant is by e-mailing the HOA at **notifications@descansohomes.org** and notifying the front gate security staff.*

**\*\*9.** *Only tenants who are per-registered with the association will be allowed through the entrance at the bottom of Descanso Blvd by the security department.*

**\*\*10.** *Short term tenants are considered as guests of Descanso and must follow all regulations of the HOA. Not following HOA regulations and warnings by HOA management and security will immediately cause permanent removal from the development by security personnel and if necessary the commercial police.*

### **\*\*SHORT TERM RENTAL**

*This is a rental where the homeowner and tenant have entered into an agreement of longer than three months. All of the above regulations as defined in the short term rental must be followed except the following:*

**\*\*1.** *A long term tenant may have more day and overnight visitors for a short period of time (overnight guests) as long as other residents are not affected.*

**\*\*2.** *Additional guests may be allowed in the recreation area with the approval of the HOA management.*

**\*\*3.** *The long term tenant may "rent" the partial or entire use of the recreation area for*

*private use for prescribed fees on non-holiday weekends. See HOA management for current regulations and costs.*

**\*\*4. Long Term tenants have the same rights as homeowner residents**

**\*\*ARTICLE 20-I° Voted and approved May 23, 2009 General Assembly.\*\***

**ARTICLE 21°.** The owner will be responsible for paying the maintenance fee of the condominium, regardless of any agreements made with third parties by the owner.

**ARTICLE 22°.** The guests, tenants or visitors of the condominiums will be able to enjoy the services and benefits of the condominium, in the understanding that only one of the families will be the title owner of the rights at each moment in time. This article only makes reference to the use of the recreation and sport facilities.

**ARTICLE 23°.** When the transfer of ownership is carried out for a condominium unit the owner should provide a copy of the public record corresponding to all the general information of the purchaser, in order to enter such new owner into the owner registry and issue the corresponding change.

### **SECTION THIRD**

#### **COMMON EXPENSES, REPAIRS, PAYMENT AND SURVEILLANCE SERVICE.**

##### **Chapter I**

**ARTICLE 24°.** Common expenses refer to the preservation cost of the common areas, common services (operation fund), the creation of the reserve fund, and an employee termination fund; these funds will be created simultaneously when the condominium units are handed over. The reserve fund and the termination fund will constitute 3% of the annual budget; two thirds will be destined for the reserve fund and the rest to the termination fund. The operation fund should have a minimum of a quarter of the annual expense budget. Such amount will be provided by the owners when they receive their condominium unit; and may be used to cover a deficit due to late payments of the corresponding fees; for legal expenses in case of collection cases, common expenses, insurance premium payments, they should be applied during the flowing six months with interest charges, conventional fines, other charges or products of the common assets, and if this were not enough, the percentage contributions of the condominium owners.

**ARTICLE 25°.** The payment of the fund destined for maintenance and management, will be distributed in monthly installments, that should be paid during the first five days of



each month, without the need of collection on behalf of the management, the payment must be made to the association offices or at the designated place by the management; each condominium owner will absorb according to the proportion of their unit and according to the total value, in accordance to the UNDIVIDED property table that is established by the condominium regimen, and will be calculated as follows: The budget multiplied by the undivided value of each private unit plus the proportional part of the common areas. Condominium Fee=Annual Budget\*undivided property amount + (% of common area).

**ARTICLE 26°.** The reserve fund should be invested in fixed interest securities if it is not in use, and redeemable on a short term.

**ARTICLE 27°.** The common expenses are as follows:

- a) The repair and preservation expenses of any nature that are needed for the various areas of the common area of the property.
- b) The salaries, wages, services and other payments to the management and service personnel.
- c) Water consumption and lighting of the common areas.
- d) Taxes, rates, contributions of any nature that could impose a lien over the property corresponding to the common areas.
- e) New construction work authorized by the Condominium Assembly.
- f) Innovations and improvements in general authorized by the Condominium Assembly and/or its organizations.
- g) The payment of the general insurance premium of the condominium.

**ARTICLE 28°.** The construction work and installations destined to serve only one part of the residential development and the corresponding special expenses will be charged exclusively to the owners benefited by such area.

**ARTICLE 29°.** If an owner increases the expenses for the common areas for his own benefit, such owner will be responsible for such increase.

**ARTICLE 30°.** The condominium owner that does not pay his fees or any other amount on time will be charged with 3% monthly interest rate for such late payment, in the understanding that each month that has started is considered as accrued. After three months of late payments, the owner will also be liable for a fine payment equal to the amount of 50% over the monthly amount due for each month. The conventional fine

and the interest charges will be used to increase and maintain the reserve fund.

**ARTICLE 31°.** After the three months of late payments have occurred, mentioned in the previous article, if the condominium owner has still not paid such late fees, the manager may exercise the corresponding legal actions, making the owner responsible for the damages and expenses derived from such late payments.

**ARTICLE 32°.** The Condominium Owners Assembly will determine the discount that will be applied in favor of the owners that pay their fees in an anticipated manner.

## SECTION FOURTH

### CONDOMINIUM OWNERS ASSEMBLY AND THE COMMITTEE.

#### Chapter I

**ARTICLE 33°.** The Condominium Owners Assembly is the supreme organization that will have the capacity to name and remove the manager, as well as the **Surveillance Committee**. During the first year, the manager will be designated by the individuals that issue the Articles of Incorporation of the condominium.

**ARTICLE 34°.** The Condominium Owner Assembly will be formed by the total number of condominium owners and each one of them will have a number of votes equal to the percentage value represented by their apartment unit in regards to the total of the condominium, according to the table of undivided values stipulated in the condominium regimen.

**ARTICLE 35°.** The Ordinary Assemblies will take place at least once a year, but such assemblies and the extraordinary assemblies as well will be summoned according to Section Third, Chapter I, Article 36° of the law.

**ARTICLE 36°.** The summons to the assembly will be issued with at least seven days of anticipation to the date of such assembly, by indicating the type of assembly, as well as the place inside the condominium, date and time where it will be held, including the list of issues that will be discussed. The condominium owners or its representatives will be notified through the corresponding summons in their exclusive property unit.

**ARTICLE 37°.** The condominium owners may issue the summons to an assembly without the manager's intervention, when they are able to prove before the conciliatory office of the city that they represent a quarter of the value of the condominium according to the amounts scheduled in the table of undivided values stipulated in the Condominium Regimen.

**ARTICLE 38°.** Once the summons for the assembly have been issued, in the first summons, it may not be held if 75% of the owners is not present; when the second summons are issued it will be integrated with the majority of the owners. If a third summons is issued, the assembly can be legally held with the owners present, and the resolutions will be adopted by the majority of the owners present.

**ARTICLE 39°.** The voting process will be made personally, but in case of an absence of an owner, it may be done through a representative with proxy letter.

**ARTICLE 40°.** If a condominium owner is late on his payments according to the present Regulations, he will not be entitled to vote until he pays all the amounts due to the management of the condominium, however, such owner may have a say during the assemblies.

**ARTICLE 41°.** The decisions of the assembly will be made by a majority of votes, except on the cases where the law determines a different majority count.

**ARTICLE 42°.** The assemblies will be presided by a president, which will be elected among the owners present at that time; the manager will act as secretary on all cases, and in case contrary, any person elected by the assembly.

**ARTICLE 43°.** The secretary of the assembly should record the minutes of the meeting in the corresponding Record Book, issued for such effect by the conciliatory office of the city. The minutes will be signed by the president and secretary, the members of the ***Surveillance Committee***, and any present owners that wish to do so.

**ARTICLE 44°.** The secretary will keep the Record Book available for the owners' review, informing in writing the resolutions of the Assembly. If the agreements issued by the general assembly:

**a)** Modifies the articles of incorporation of the condominium, such record should be certified by the conciliatory offices and the corresponding city authorities and recorded in the Property Public Registry;

**b)** if the condominium regulations are modified, the record is certified by the conciliatory offices and the corresponding city authorities.

**ARTICLE 45°.** The resolutions issued by the assembly according to the terms of these regulations and other applicable legal dispositions will bind all condominium owners, including those owners absent or dissenting and all users.

**ARTICLE 46°.** The assembly will have the capacity to name and remove the manager, as well as determine the salary and guarantee that such employee will issue in order to guarantee its performance and the management of funds under his care.

**ARTICLE 47°.** The assembly will have the capacity to examine and approve the annual statements issued by the manager for their consideration; discuss and approve the expense budget for the following period, as well as the distribution of fees in charge of the condominium owners to cover such budget, and according to the undivided property table.

**ARTICLE 48°.** In the case of the general extraordinary assemblies, the rules for the quorum and voting process, such dispositions will be subject to the corresponding articles included in the law.

## **Chapter II**

### **ABOUT THE COMMITTEE.**

**ARTICLE 49°.** The condominium owners should have a **Surveillance Committee** formed by two to five condominium owners, depending on the number of exclusive property units, designating a president and one to four committee members, which will act as an association. A minority representing at least 25% of the total number of owners will have the right to designate one of the committee members. Such committee will be in charge of all the issues that do not require immediate attention from the assembly. This committee will have all the capacities and rights stipulated by Article 51° of the law.

**ARTICLE 50°.** The designation of the members of the **Surveillance Committee** will last one year, and should be performed with honors. Only half of its members may be reelected for a consecutive.

**\*\*ARTICLE 50.1°** *The term limits of the **Surveillance Committee** will be eliminated from item 50.0. The **Surveillance Committee** will be allowed to run for the board and individual office positions within that board for an indefinite number of terms. The voting electorate will decide upon the number of terms a board member is in office by the majority or minority of votes at the annual May assembly.*

**\*\*ARTICLE 50.1° Voted and approved May 23, 2009 General Assembly.\*\***

## **SECTION FIFTH**

### **ABOUT THE MANAGEMENT.**

#### **Chapter I**

**ARTICLE 51°.** The manager is in charge of overseeing and supervising the condominiums' assets and common services, as well as to promote the integration and development of

the community; he will represent the condominium owners with a general power of attorney for collection and litigation purposes and for management actions, with the capacity to issue and revoke powers of attorney. The capacities that require a special clause will only be granted if the General Condominium Owners Assembly expressly authorizes such grant.

**ARTICLE 52°.** The management should keep a detailed list of all expenses on a consolidated statement that shows balances and contributions to the different funds, as well as a registry of liabilities and debts over the pending balances, and should issue a receipt to each one of the condominium owners for the amounts that have been paid for maintenance, management or reserve funds, and state all the balances due.

**ARTICLE 53°.** The management will obtain and keep all the books and documentation related to the condominium, which can be reviewed by the condominium owners at any time.

**ARTICLE 54°.** The management should carry out all the management and preservation actions, looking out for the operation of the installations and general services; the manager will be in charge of hiring the necessary personnel and for their removal, which will be charged to the condominium owners, as well as the services of corporations or technicians that are required. In every action, the manager will be acting according to his capacity and as representative of the condominium owners.

**ARTICLE 55°.** The management will carry out the necessary work and will execute the agreements issued by the assembly, unless they designate another person for this task.

**ARTICLE 56°.** The manager, without prior notice, will order any repairs required by the property and will carry out the maintenance and management expenses of the condominium, charging the corresponding fund. When such work is important but not urgent, he may consult the assembly or the corresponding committee, which will determine if they will be carried out immediately or if such issue will be discussed by the assembly.

**ARTICLE 57°.** The management will issue a summons for the assembly, placing the summons on one or more places inside the condominium, as well as a written notice to each of the owners, according to law, and stating the issues that will be discussed as well as date and time of the assembly. He will summon to an assembly with the anticipation required by law, but in case of an emergency he will issue them as soon as possible.

**ARTICLE 58°.** The management will demand responsibility for all infringing parties, looking out for the observance of the dispositions included in these regulations, the articles of incorporation and the regulations or dispositions issued by the condominium, and the Law for the Condominium Property Regimen for the State of Baja California.

**ARTICLE 59°.** If the manager incurs in any irregularity while in his position, the **Surveillance Committee** will issue a summons for the assembly and if necessary, they will notify the manager so he can appear before the assembly, who will determine the seriousness of the events, and proceed with a removal or if necessary, a lawsuit filed before the corresponding authorities.

## **SECTION SIX**

### **EXTINCTION AND LIQUIDATION OF CONDOMINIUM.**

#### **Chapter I**

**ARTICLE 60°.** The Condominium Regimen for the State of Baja California, in Property will conclude on those cases fore which case, the guidelines for such situation seen in the law for the Condominium Property will be followed according to the law.

**ARTICLE 61°.** To modify the Condominium Regulations in the summons to the assembly, the proposal for such modifications should be included. The agreements for such modifications shall be taken by a minimum majority of 75% percent of the condominium owners.

**\*\*ARTICLE 61.1°.** *The **Surveillance Committee** has the right to modify the Regulations, Bylaws, and CC&R's of the association as necessary to meet the management demands of day-to-day operations and the overall well being of the development and its residents. The changes made by the **Surveillance Committee** will be available to all residents as requested and will be made within the "spirit" of the bylaws and general association written plan.*

**\*\*a.)** *A formal approval or denial of the changes will take place through an association membership vote at the next scheduled association assembly meeting.*

**\*\*ARTICLE 61.1° Voted and approved October 25, 2008 General Assembly.\*\***

**ARTICLE 62°.** Any situation not included in these regulations will be decided according to the Law for the Condominium Property Regimen for the State of Baja California, the Articles of Incorporation of the Condominium Regimen and general practices for such purposes.

**ARTICLE 63°.** The manager, and/or Condominium Owner Assembly may issue all the regulations that are required for the common areas, the construction of improvements

in private areas, for vehicle traffic, as well as any other matter of general interest for the condominium.