LOA

Association de Propietarios
de la Peninsula de Juluapan, A.C.

COVENANTS, CONDITIONS, & RESTRICTIONS (CC&R's)
February 29, 2008

KEY TO REGULATIONS:
The terms that follow are provided as a key to interpreting these regulations:
Owner: The person or company named on title or trust documents of one or more private areas within LOA.

LOA: Association de Propietarios de la Peninsula de Juluapan, A.C.
Association

Legal Representative: The person named as proxy by the Owner for representation and voting before the General Assembly.

Resident: All persons that are not owners and reside inside the Association's boundaries. This includes Owner's tenants and lessees.

Guest: Any person who, with the prior invitation of an Owner, is present at the Owner's lot on a temporary basis..

Architect: The person or company hired by the Owner to design and engineer the construction of a residence on a lot.

Contractor: All persons or companies that provide construction services directly or indirectly to owners, subordinated to the contracting owners.

NOTE:
Building requirements, usage, restrictions and regulations imposed by the municipality of Manzanillo then governing this area shall take precedence over these restrictions in any areas of conflict.

OWNERSHIP:

1.1 PROPERTY DEFINITIIONS: The official map of lots ascribed to Phase I of the Association's Master Trust defines property sizes and limits. Should a sale document or title deed be in error, those measurements specified in the documents mentioned above will prevail.

1.2 TAXES & UTILITIES: Owners are personally responsible for the contracting of all utilities and the payment of the land tax (impuesto Predial) on their property(ies), which should be inscribed separately in the Colima land tax department, in downtown Manzanillo (Departmento de Catastro del Estaudo de Colima) for that purpose.

1.3 OWNERS' REGISTRY: The Association keeps an "Owners' Registry" in which all certified owners are to be entered. The Association must be advised of all sales, transfers, etc. upon their completion so the proper changes to the Owner' Registry can be made.

1.4 ASSOCIATION OFFICIAL DOCUMENTS: All minutes of General Assembly and Board of Director meetings are at the disposition of certified owners at the Administration offices. Copies of these documents can be acquired at cost at the Administration office or downloaded from the Association website by certified owners in good standing and/or their legal representatives.

1.5 SALE or TRANSFER: In the event of a sale, or transfer, Owners are liable for back dues and/or other debts owed to the Association by the previous Owner. Prospective buyers should check with the Association prior to completing the purchase for the amount owed (if any) by the previous Owner. Previous owners are NOT relieved from their debts to the Association; they remain as coguarantors of the debt, with the new Owner.

1.6 ANNUAL FEES: Set annually at the General Assembly, their payment must be covered punctually annually. Penalty interest will be charged for delinquencies, with any payments being first applied to interest owned.

1.7 OWNERS IN ARREARS: Owners falling into arrears, one or more annual payments will be denied access to common property and services along with their guests and visitors. The law provides a mechanism for the Association to embargo any lot in arrears.

1.8 DAMAGES: Owners are responsible for damages they, their renters or guests might cause to common property. Owners will have to pay for repair costs as soon as requested by the Administration.

LAND USE RESTRICTIONS:

2.1 LAND-USE DENSITY RESTRICTIONS: Maximum of one single-family (SF) dwelling per lot, including 1 independent casita of maximum 600SF finished area, and live-in 'maids' facilities.

2.2 MINIMUM SIZE OF DWELLING: 150 square meters of finished living space.

2.3 MAXIMUM 25% RATIO of finished living space "footprint", including garage, to total lot or aggregate of lots, area.

2.4 MULTI-FAMILY DWELLINGS: are not permitted in accordance with the existing underlying zoning of the TH-1 "Turistico Hotelela". Land uses other than SF, which are permitted under the TH-1 underlying zoning; 1) Must be approved thru the CC&R variance process and 2) Must be in full compliance with the underlying zoning and code provisions. Lots, or groups of lots whose owners believe have merit for multi-family zoning use due to the lots location, topography, and natural or created boundary buffers between adjacent SF lots (such as arroyos, open-space, and roadways) may apply to the City of Manzanillo for a re-zone to an appropriate MF land-use classification.

2.5 RENTING OR LEASING: Owners may rent or lease their private property in its entirety. The rental or lease document shall clearly state that any renters or lessors shall be bound by the rules and regulations of the Association. Owners are responsible for furnishing any renters/lessors with a copy of the most current Association Regulations.

2.6 ON-SITE PARKING: A Minimum of one (1) enclosed garage or covered carport area capable of containing two (2) standard vehicles in a minimum area of 5.0 meters wide by 6.0 meters long is required.

2.7 ON-STREET PARKING: On-Street parking is limited to currently-licensed vehicles in good repair, road-worthy, and driven regularly. Approved vehicles are autos, vans, SUV's, and pick-ups which are: Owner's personal vehicles, owner-invited guest vehicles, owner's 'domestic' employees, and service vehicles of any type while providing M&O type services. On-street parking shall not obstruct one-lane traffic flow, accessibility to neighbor's driveways, or emergency vehicle access. On-street parking shall not be permitted on curves within 30 meters of approach and exit and/or shall not limit sight-lines at entrance and exits each way at curves.

2.8 RV PARKING: No RV parking permitted on street ROW's except for Owner guests which may park temporarily for a period not exceeding 1 week in a six month period, and in compliance with 2.7 On-Street Parking.

2.9 COMMUNITY PROPERTY: At LOA's option and time of choosing, the Association retains the right to construct and operate a hospitality center, which may include office space for rent, community meeting and recreation facilities, swimming pool, tennis courts, mailboxes, a small convenience store, boutiques and rental housing for guests, staff or security. The construction of such facility shall be in conjunction with the gated entry into the community and shall be designed in such a way as to be an attractive facility adding value to all properties. All revenues generated from the ownership and operation shall first go to cover operation expenses, then into the general fund of LOA to assist in paying for other services LOA provides the property owners.

GENERAL RESTRICTIONS:

3.1 NUISANCE: Owners, Residents, Tenants or Guests shall not cause a nuisance or hazard to another person or property and shall not cause unreasonable noise. No Owner, Resident, Tenant or Guest shall unreasonably interfere with the rights of others to enjoy the common property. In regard to common areas including roads and greenbelts, Owners must clean up after themselves, their Residents, Tenants, Guests and pets.

3.2 ROADS, LIGHTS & COMMON AREAS: No road, lights, fixtures, common services, or common areas may be changed in any way from the Master Plan of LOA.

3.3 STREET NAMES: All names assigned to the project, streets, walkways and roads will adhere to the Master Plan.

3.4 SIGNS: No commercial signs shall be allowed except those of owner-authorized real estate agents. One (1) "For Sale – Se Vende" sign shall be allowed to be placed on a lot with prior written approval of lot Owner. The size of the sign shall not exceed .75 meters square in surface area. The height of the sign may not exceed 1 meter from the ground and placement shall be confined within the boundary of the lot and may not extend onto Green Areas or Common Areas. Signs must be removed within seven (7) days of the completion of the sale.

3.5 GARBAGE & TRASH: All garbage must be stored in approved receptacles that are animal resistant. Garbage receptacles shall be enclosed in an enclosed structure built at the owner's expense and located on the owner's lot. The type and location of the structure must be such as to provide a sanitary place for retaining refuse until collection time. The enclosure must permit easy collection and disposal of refuse. If possible, it should include a water tap so the enclosure and receptacles can be kept clean. See Construction Section 4.27 for detailed requirements. The burning of trash or refuse must be strictly monitored, especially during the dry season, and must be in consideration of neighbors. Burning of materials which produce toxic smoke and/or residuals is prohibited.

3.6 STORAGE: An owner must not keep, or accumulate or store any debris, scrap metal, vehicle parts, refuse or waste material upon his/her lot or common property.

3.7 ON-GOING MAINTENANCE & REPAIR: Owners are responsible for on-going maintenance and repair of their property. Owners and residents must maintain their private properties in good condition, both esthetically and functionally. Should an owner refuse to do so, LOA shall advise, in writing, the things to be done and grant the Owner reasonable time to comply, after which time LOA is legally empowered to contract the repairs needed at the expense of the owner under the lien provisions of the A.C.

3.8 MOSQUITO CONTROL: To prevent and control mosquitoes, no Owner shall allow standing water to become stagnant on their property. This includes swimming pools, spas, fountains, cisterns and other uncovered water depositories.

3.9 PETS & ANIMALS: Owners are only permitted to have domestic household pets, such as dogs, cats and birds. Pets are not to be used for commercial purposes and they must be vaccinated, well taken care of, not aggressive, and cause no annoyance to their neighbors. It is forbidden to have large animals such as horses, cows, sheep, pigs, and ground animals, such as chickens, ducks and geese, etc. No pets will be allowed on common property except on a leash accompanied by their Owner.

3.10 LANDSCAPE MAINTENANCE: Owners shall maintain the landscaping, gardens and vegetation on their property in an attractive and neat condition. Dead plants and trees shall be removed and replaced in a timely manner. All landscape debris shall be disposed of at an approved area. The regular, LOA scheduled garbage service does not include removal of landscape debris. Owners should contract individually with refuse contractors to remove and dispose of landscape debris at their own expense.

DESIGN & CONSTRUCTION CONDITIONS & RESTRICTIONS:

4.1 EXISTING HOMES: that have been completed and occupied prior to (adoption date of CC&R's) shall be considered as "conforming" and shall not be required to meet CC&R requirements contained herein. Lot Owners with officially approved and permitted architectural plans dated prior to (adoption date of CC&R's) shall also be considered as "conforming" provided foundation and structural construction starts prior to said date.

4.1.1 All homes, regardless of age are required to meet all Usage, Restrictions and the safety and health requirements outlined in the Construction portion of this document.

4.1.2 Renovations, additions or other modifications of existing dwellings and site development(s) shall comply with all requirements for new construction. Special circumstances or conditions may be cause for exception(s) granted or denied thru the variance process.

4.2 CODES & PERMITS: All construction shall conform to local municipal building codes and shall be done with permits from the municipality governing the LOA community. It is the owner's sole responsibility to file all applications and paperwork, pay all fees and secure building permits PRIOR to commencement of any construction activities on a lot. The official, signed and approved building permit shall be kept on-site and made available to the board of directors of LOA and/or any governing municipality official on demand during construction.

4.3 SEISMIC & TROPICAL WEATHER: The lots in LOA are located in an active seismic and tropical storm area. All site development and structures must conform to applicable earthquake and hurricane codes.

4.4 LOT COVERAGE: Finished living space including garage/carport areas shall not exceed 25% of the total lot(s) area. Swimming pools, open palapas and terraces, driveways, and other open-type site developments are considered part of the 75% minimum total open-space requirement. Owners of small or unusual lots may petition for exceptions to the lot coverage requirements thru the variance process.

4.5 DESIGN REVIEW: Prior to commencement of construction two (2) complete sets of plans shall be submitted to the LOA TECHNICAL COMMITTEE for approval and to check for compliance with the rules and regulations.

4.6 SETBACK REQUIREMENTS:

A. A minimum of 1-meter setback is required for any construction from the front property line.

B. A minimum of 6-meter setback is required for any construction from the rear property line.

C. A minimum of 0-meter setback is required for any construction from the side property lines.

D. Retaining walls, boundary walls, and open type fences are not included in the setback restrictions.

E. Roof overhangs, balconies, and other architectural features or structures shall be in compliance with the applicable setback(s).

4.7 CONSTRUCTION HEIGHT RESTRICTIONS: Building structure, shall not exceed 2.5 stories or 9 meters (28 feet +/-) height above original-site median grade elevation as measured at street frontage mid-point between the highest and lowest elevation points of the subject lot.

4.8 FENCES AND WALLS: Maximum height of fence and boundary walls shall not exceed 3 meters above finish grade measured from the subject lot (side).

4.8.1 RETAINING WALLS, BORDER WALLS, AND OPEN-TYPE FENCES: Must be constructed within the subject lot's property lines. Construction of common walls centered on the property line must be approved in writing by both properties, and notarized copies submitted to the LOA Technical Committee for approval.

4.9 TIME OF CONSTRUCTION: Major structural construction, site landscaping, storm water design system, and slope stabilization shall be completed within 24 (twenty-four) months from the date of start of construction.

4.10 PERFORMANCE GUARANTEE BOND: Prior to any construction activities, the Owner(s) shall furnish the Association a Five-Thousand-Dollar ($5,000.00 US) / equivalent Mexican Peso amount Performance Guarantee Bond in the Association's name. The bond shall be purchased from a company to be designated by the Association. Should the Owner violate any portion of the Section 4 - Construction rules and regulations, the Association shall notify the Owner or his/her Contractor of the violation and allow reasonable time for the violation to be remedied. If a remedy is not completed within the specified amount of time, the Association may then demand performance and full payment on the bond and use said funds to remedy the violation(s) then outstanding. The purchase of and/or demand on the Performance Guarantee Bond in no way relieves the Owner of his/her responsibilities under the Covenants & Restrictions and the Association may seek additional monetary relief if the amount of damages exceeds those covered by the bond.

4.11 SAFETY: During construction, the conditions for public as well as personnel's safety must be observed, and the responsibility shall rest in the hands of the person legally designated by the owner.

4.12 STORING OF CONSTRUCTION MATERIALS AND EQUIPMENT: Submit prior-to-construction-start Construction Material, Equipment, Storage, and Staging Plan(s) and full term Construction Flow Schedule. Must be approved by Technical Committee.

4.13 STREET RIGHT-OF-WAY (ROW) USE RESTRICTIONS: Plan required in Article 4.12 shall address the preservation and maintenance of the ROW infrastructure thru-out the term of construction. Special provisions shall be made to avoid blockage(s) of existing storm water drainage system and/or natural storm water run-off paths. Equipment or materials located in the ROW shall not interfere with the free circulation of vehicles or foot traffic. The Association may legally remove at the Owner's expense, all equipment or materials in the street ROW areas interfering with the free circulation of vehicles and people.

4.14 ROAD INFRASTRUCTURE REMEDIATION: ROW infrastructure adjacent to, and/or adversely affected by the construction work shall be returned to its original or better condition within thirty (30) days of the completion of construction. ROW infrastructure includes, but shall not be limited to the following: street retaining walls, paving and base, curbs, gutters, storm water collectors and drains, U.G. water, telephone, and electrical lines, overhead utility line and poles, street lights/poles/feeders, and other built improvements.

4.15 DAMAGE TO GREEN AREAS DURING CONSTRUCTION: Any damage done during construction to green areas, lighting or utilities shall be immediately reported to LOA and repairs/replacement shall be done at the Owner's expense.

4.16 CONSTRUCTION & OTHER DEBRIS: Contractors and Owners must remove all refuse and construction debris on a regular basis. The debris must be disposed of in a licensed landfill regulated by Government Authority.

4.17 TEMPORARY SANITARY FACILITIES: Provide prefabricated proprietary sanitary porta-potty(s) with maintenance schedule and number of units ratio per manufacturers recommendations for crew size and climate. Use of adjacent land and/or Green Areas as the depository of human waste is prohibited.

4.18 UTILITIES: It shall be the owner's responsibility to contract directly with CFE for installation of electricity and Telmex for installation of telephone lines. All services, including water, electricity and gas shall have accessible disconnects and/or shut-off valves as applicable for emergency and control. Wherever possible, all lines should be located underground. If any services to any residence are installed so as to negatively impact and/or limit usage of neighboring properties or common properties, applicable service(s) to the non-compliant residence will be suspended until proper repairs are complete. Any such repairs shall be made immediately, and at the expense of the responsible party(s) or lot owner(s).

4.19 GAS: Each LPG (Liquid Propane Gas) or CNG (Compressed Natural Gas) tank shall be fitted with an automatic seismic shut off valve. The cost of the valve is approximately $100 USD. The Association shall make available literature on its website to assist owners in purchasing the valves.

4.20 TIME OF WORK RESTRICTIONS: Structural construction activities (such as cement mixer and power tool usage) are limited to the following time periods: 7am to 6pm weekdays and 7am to 1pm Saturday. Structural construction and/or other noisy activities are strictly prohibited outside of the time periods stated above.

4.21 CREW 'MUSIC' RESTRICTIONS: Construction/crew music limited to interior work spaces – with a maximum volume permitted of 65db @ 30 M from source. Amplified music/voice from vehicle-mounted sound systems is not permitted at any time. The term 'music' shall include radio and all other artificially-produced sound sources.

4.22 STORM DRAINAGE DESIGN REQUIREMENTS: Submit prior-to-construction-start a Storm Drainage Plan designed by Licensed Civil Engineer with discharge volume/rates for tropical storm (.5m/24hours) quantified and accommodated. Off-site storm water discharge is restricted to existing street storm drainage gutter system, designated common-area arroyo flow-paths, or approved adjacent-property-use easements within overall storm system design. Easements for engineered drainage flows via canal or pipe thru common areas or adjacent lot(s) shall have written and notarized approvals by all affected parties. These documents and locational plans shall be included in the Storm Drainage Plan package. Must be approved by Technical committee.

4.23 SEWAGE WASTEWATER ON-SITE TREATMENT DESIGN REQUIREMENTS: Submit prior-to-construction-start a Sewage Wastewater On-Site Treatment Plan designed by a Licensed Civil Engineer. The use of septic-type sewage treatment with storage/treatment tanks and drain field(s) shall be based on documented soil analysis and 'perk' testing and available on-site area. In the event of unsuitable soil conditions or available area, an approved type prefabricated proprietary Sewage Treatment Plant shall be used for individual or groups of lots. Discharge of untreated or partially treated sewage effluent to, or thru, adjacent lots, street ROW area, or common space is strictly prohibited. Must be approved by Technical Committee.

4.24 VIEW CONSERVATION & SHARING REQUIREMENTS: Provide view conservation and sharing design process between developing lot(s) and neighboring (impacted) lots. Provide review process at Conceptual Design Stage between developing lot designer/owner(s) and undeveloped/developed neighboring lot owners within 100 meters (300 ft) to resolve view sharing and visual/sound privacy issues (similar to PUD planned-unit-development zoning common in US). Unresolved issues submitted to Technical Committee for resolution recommendations. This review process includes view obstruction issues to neighboring lots due to (new) landscaping choices and locations, and with regard to future growth. Compliance and resolution process to enforce on-going landscaping-view-obstruction disputes shall be by written complaint from the affected lot(s) owner to the Technical Committee.

4.25 GRAY WATER SYSTEMS: Owners are encouraged to separate toilet waste from gray water and recycle gray water for use watering landscape, gardens and plants. Gray water tanks and distribution systems shall be located underground and be designed to prevent gray water exposure to air, thus preventing objectionable odor and health hazards.

4.26 POTABLE WATER STORAGE: Provide a minimum of 2,500 liters of potable water storage, preferably located in underground tanks approved for the storage of potable water. In ground potable water storage tanks should not be located near septic tanks and leach field systems. Roof-mounted or freestanding water tanks must be placed in an enclosure so they are not visible to other homes and shall appear to be design elements which enhance the look of the structure and surrounding areas. Owners are encouraged to plumb swimming pools so water from the pool can be used in their home during a prolonged earthquake or hurricane emergency.

4.27 RETAINING WALLS: Retaining walls shall be designed by a licensed Structural Engineer based on the conditions found at each specific location. A geotechnical field test and assessment is highly recommended.

4.28 FOUNDATIONS: Foundations should be designed by a licensed Structural Engineer based on the geotechnical conditions found on each specific lot. A geotechnical field test and assessment is highly recommended.

4.29 EROSION CONTROL: Provide retaining walls, engineered unit systems, other slope-stabilization systems and/or appropriate soil-reinforcing type landscaping at lot areas subject to storm water erosion outside of the 'built' area. Coordinate with storm water design Section 4.22.

4.30 TRASH ENCLOSURES: Each residence shall provide and maintain an enclosed trash containment area. Trash enclosure/screens or walls are required to obscure view of trash containers from street. Design and size enclosures to facilitate future recycling into multiple containers, and use of proprietary containers with wheels and automated curb-side pick-up by automated refuse trucks. When the interior of the enclosure is visible from properties above, an enclosure roof shall be provided. The trash enclosure shall be designed as part of the other dwelling structure(s), and shall receive the same architectural treatment.

4.31 FINAL DEBRIS REMOVAL: Within 10 days after completion of construction, any construction materials, equipment, and other machinery or supplies shall be removed. The street(s), ROW, adjacent lots, open space, and common areas shall be free of any debris or obstacles, and restored to the same, or better condition than it was at the start of construction. In addition, note 4.14 Road Infrastructure Remediation Requirements.

4.32 TERMINATION OF CONSTRUCTION: Once construction has been concluded, the Owner, Architect or designee of the Owner shall file a Notice of Substantial Completion document with the official authority as required.

4.33 SITE CLEARCUTTING: Indiscriminant "clearcutting" of native trees, shrubbery, and cacti on lots is discouraged. Many native trees and cacti are protected by law. Native trees and shrubbery (root systems) preserve the topsoil and provide important soil stabilization for sloping areas during the rainy season. Owners are encouraged to be diligent and specific when authorizing lot clearing. Additional information and the permitting process for the removal/relocation of protected native trees may be obtained thru government offices.

VARIANCE PROCESS:

5.1 PETITIONERS FOR VARIANCE from the CC&R's shall be a member of LOA in good standing.

5.2 REQUESTS FOR VARIANCE shall be submitted to the Technical Committee for initial assessment of merit. Variances and interpretation rulings shall be considered by the committee, which shall include one member of the Board, who, after careful deliberation shall issue a written approval, denial, or approval-with-conditions. The petitioner may appeal the initial committee finding by direct appeal to the LOA Board. The Board will then make the final determination of merit of the variance , and issue a final written finding which shall be binding.

5.3 PETITIONS FOR VARIANCE must be in writing, specific, well documented, and clear as to scope of variation requested from CC&R's. The Petitioner is encouraged to include detailed and to-scale plans, sketches, sections, photos, reference materials and any other visual aids to best support the merit of the requested variation or interpretation ruling.