

VISTA ANTIGUA

RULES AND REGULATIONS

English Translation

Translation prepared from the supplied 37-page Spanish scanned document. Section numbering, defined terms, monetary amounts and time periods have been retained wherever legible.

For reference purposes only. This is not a certified translation and does not replace the Spanish original.

**VISTA ANTIGUA
RULES AND REGULATIONS**

TABLE OF CONTENTS

INTRODUCTION

SECTION I - GENERAL PROVISIONS

- 1.1 Rooftop Restrictions
- 1.2 General Signage Standards
- 1.3 Garbage and Waste
- 1.4 Noise
- 1.5 Construction of Improvements
- 1.6 Building Repair
- 1.7 Alteration or Removal of Improvements
- 1.8 Roofing Materials
- 1.9 Underground Utility Lines
- 1.10 Drainage
- 1.11 Hazardous Activities
- 1.12 Temporary Structures
- 1.13 Environmental Criteria

SECTION II

- 2.1 Mining and Drilling
- 2.2 Unsightly Items; Vehicles
- 2.3 Motor Homes, Trailers and Recreational Vehicles
- 2.4 Fences and Walls
- 2.5 Animals - Domestic Animals
- 2.6 Maintenance of Lawns and Planters
- 2.7 Construction Activities
- 2.8 Compliance with the Vista Antigua Rules and Regulations
- 2.9 On-Site Construction
- 2.10 Setback Requirements for Fences and Walls
- 2.11 Rentals
- 2.12 No Performance Guarantee
- 2.13 Commencement and Completion of Improvements
- 2.14 Specific Remedies for Failure to Comply with Section 2.13
- 2.15 View Obstructions

Translation of Source Page 3

TABLE OF CONTENTS - CONTINUED

- 2.16 Height Restrictions
- 2.17 Greenbelt or Service Areas
- 2.18 Subdivision

SECTION III - USE RESTRICTIONS

- 3.1 General
- 3.2 Common Areas
- 3.3 Recreational Improvements

SECTION IV - VISTA ANTIGUA PROPERTY OWNERS ASSOCIATION, A.C.

- 4.1 Organization
- 4.2 Membership
- 4.3 Voting Rights
- 4.4 Powers and Authority of the Association
- 4.5 Maintenance and Landscaping Authority
- 4.6 Infrastructure
- 4.7 Common Areas
- 4.8 Community Security
- 4.9 Private Streets
- 4.10 Board Rules
- 4.11 Indemnification

SECTION V - ARCHITECTURAL COMMITTEE

- 5.1 Approval of Plans and Specifications
- 5.2 Membership of the Architectural Committee
- 5.3 Actions of the Architectural Committee
- 5.4 Advisory Members

TABLE OF CONTENTS - CONTINUED

- 5.5 Term
- 5.6 Developer's Right to Appoint
- 5.7 Adoption of Rules
- 5.8 Design Guidelines
- 5.9 Review of Proposed Construction
- 5.10 Variances
- 5.11 No Waiver of Future Approvals
- 5.12 Work in Progress
- 5.13 Address
- 5.14 Submissions and Fees
- 5.15 Notice of Compliance

SECTION VI - FUNDS AND ASSESSMENTS

- 6.1 Assessments
- 6.2 Maintenance Funds
- 6.3 Regular Annual Assessments
- 6.4 Special Assessments
- 6.5 Personal Obligation to Pay Assessments
- 6.6 Unpaid Assessments

SECTION VII - EASEMENTS

- 7.1 Reserved Easements
- 7.2 Installation and Maintenance
- 7.3 Drainage Easement
- 7.4 Surface Areas
- 7.5 Easement Rights and Appurtenances Not Conveyed
- 7.6 Greenbelt or Service Areas

TABLE OF CONTENTS - CONTINUED

SECTION VIII - GENERAL PROVISIONS

- 8.1 Term
- 8.2 Release of Liability of the Architectural Committee and Its Members
- 8.3 Amendments
- 8.4 Notices
- 8.5 Interpretation
- 8.6 Mergers and Consolidations
- 8.7 Developer Exemption
- 8.8 Developer Assignments
- 8.9 Enforcement and Non-Waiver
- 8.10 Construction
- 8.11 Release of Developer Liability

SECTION IX - COMMON AREA DISPUTE RESOLUTION

- 9.1 Defined Terms
- 9.2 Agreement to Resolve Certain Disputes Without Litigation
- 9.3 Notice of Claim
- 9.4 Mediation
- 9.5 Right to Inspect, Repair and/or Replace
- 9.6 Use of Funds
- 9.7 Approval of Litigation
- 9.8 Conflicts
- 9.9 Acceptance

INTRODUCTION

These are the Rules and Regulations of the condominium development known as Vista Antigua, located in the city of San Miguel de Allende, Guanajuato, Mexico.

The Vista Antigua Property Owners Association, A.C. shall be a Civil Association organized under Mexican law for the purpose of caring for, maintaining and improving the Common Areas of the condominium known as "Vista Antigua." The Association shall consist of the members who own Lots in Vista Antigua (hereinafter, "Vista Antigua" or the "Association").

The purpose of the architectural guidelines is to establish a high standard of design quality, compatibility and suitability for all construction. The architectural guidelines address the basic matters considered beneficial to architects, builders and the community as a whole.

We are committed to making Vista Antigua an exceptional community in San Miguel de Allende. We believe these architectural guidelines and Rules and Regulations will promote a sustainable, high quality of life and help preserve and enhance the value of each owner's investment.

Translation of Source Page 7

SECTION I GENERAL PROVISIONS

1.1 Rooftop Restrictions. No m1 will be erected, no maintenance will be permitted. outdoor antenna, aerial or satellite signal receiver, water tank, gas tank, equipment of air conditioning or solar panel, except by the Developer, without prior written approval of the Architectural Committee. Despite the above, the Committee Architectural will not unreasonably withhold its consent for such artifacts if are hidden from view from any street within the development and, if possible from everything. from the rest of the lots.

1.2 General Signage Standards. Only signs are allowed "For Sale" signs and all signs visible from the road must be no larger than

1 x [] meter and must be approved in advance by the Architectural Committee. The Easements in, over and through the common areas are reserved by the this Regulation by the Developer for the placement of project signs, of project monuments, directional signs and marketing signs.

1.3 Garbage and Waste. No material shall be placed or allowed to accumulate. garbage or waste of any kind on a lot and the emission of No batch odors. Garbage, waste and dirt will always be kept in covered containers and said containers will be kept within structures covered or appropriately hidden from view. All the garbage, waste and Dirt will be collected, at the owner's expense, by the chosen service provider by the Association. In the event that the owner could not or refuses to maintain or cause you to keep your lot or any improvement thereon free of waste or garbage of any kind. and such failure or denial will continue for seven (7) days after the notification of the case in writing, then the Association may remove or correct the problem at the expense of the owner.

1.4 Noise. No external horns, bugles, whistles, bells or other sound devices (with the exception of security used exclusively for safety or security purposes public) on any lot in such a way that it is or becomes excessively noisy in the dividing line of the property with the adjoining lots. The existence will not be allowed operation of any noise or disturbance upon any portion of a lot in such manner that is offensive or harmful to any other portion of the Condominium or its tenants. The purpose of this restriction is to allow outside speakers for audio transmission only at a volume that can be heard in close proximity

Translation of Source Page 8

the immediate vicinity of such speakers, but to prohibit noise so excessively loud as to interfere with the use and enjoyment of adjoining Lots. 15 Construction of Improvements. From now on no one will be built improvement in any part of the Condominium without the prior written authorization of the plans and specifications of the improvement(s) by the Architectural Committee. Without However, in the case of single-family residences built on any lot, the Committee Architectural, at its discretion, may limit its review to a review of elevations and exterior roof designs, and as approved by the Architecturally based on such plans and elevations, residences can be built according to approved plans and elevations without the requirement of revision or additional approval of the Architectural Committee. The Architectural Committee may adopt fines or special assessments in the event that any owner fails to comply strictly with requirements imposed by the Architectural Committee in accordance with the Design Guidelines within the specified time.

1.6 Building Repair. All improvements on any lot will be always kept in good condition and in good condition, properly painted or preserved in any way by the owner thereof,

1.7 Alteration or Removal of Improvements. Any construction, with exception to normal maintenance, which in any way spoils the exterior appearance of any improvement. or the withdrawal of any improvement, will be carried out only with the prior written approval of the Architectural Committee.

1.8 Roofing Materials. All roofing material will be subject to the approval of the Architectural Committee and no shiny or glossy surface is permitted. reflective.

1.9 Underground Lines of Public Services. shall not be erected, placed or maintain any utility lines, including but not limited to cables or other devices for communication or transmission of telephone current or energy or electrical, cable television or any other type of line or cable shall be laid, placed or shall be kept in or on any part of a lot unless they are contained in conduits or cables installed and maintained underground or hidden in, under or in buildings And other improvements as approved in writing by the Architectural Committee; Whereas, however, no provision hereof shall be deemed to prohibit the temporary erection of power or telephone structures that influence the construction of buildings or other improvements that have been previously approved by written by the Architectural Committee. The duration of any temporary air flight permitted herein shall not exceed one (1) year without the consent of the Committee Architectural.

Translation of Source Page 9

1.10 Drainage. There will be no interference with established patterns UA e Ss A E of the Condominium, except by the Developer, unless appropriately provided: and Qe S of proper drainage to a street or to common areas. All the drainage of teas"and" roofs will be channeled by pipes and all pitched roofs must have gutters. All drainage plans must be approved by the Committee Architectural.

1.11 Dangerous Activities. No activities will be conducted in the Condominium and No improvements will be built in the Condominium that are, or could be, unsafe or dangerous to any person or property. Campfires will not be lit or allowed. open except: (1) Within safe, contained and well-protected chimneys or pits; (11) Inside barbecue grills while attended and in use for cooking; (iii) In accordance with the ordinances, regulations and permit requirements of the local government authorities. The burning of garbage or waste is prohibited. construction on any lot.

1.12 Temporary Structures. No tent, hut or any other other construction, improvement or temporary structure on the Condominium without prior written approval of the Architectural Committee; whereas, however, may maintain those temporary structures necessary for the storage of tools and equipment, for the office space of architects, builders and foremen during the construction itself, with prior approval of the Committee Architectural. Such approval shall include the nature, size, duration and location of said structure. All construction sites will be vacated after working hours (unless exception of no more than two nightstands), bricklayers and workers are not allowed live on construction sites.

1.13 Ecological Criterion. Vista Antigua has been designed respecting the environment and the natural conditions of the site and must respect the ecological guidelines of this regulations. All constructions will respect the architectural style of the historic center of San Miguel de Ailende.

Translation of Source Page 10

All constructions will avoid obstructing storm drainage and natural/water flow...> 7. property and will allow the natural infiltration of water into the subsoil, especially Dufantela. -- rainy season. 7 tana The owners of the lots and houses are responsible for the elimination of all the garbage generated by construction. As for domestic waste, all Owners must implement a waste management program that includes the separation of organic and inorganic waste for separate collection. The Owners must promote water and energy conservation systems, provided that possible. All vegetation in the Condominium, including green areas and individual lots, will include native species. The following species are recommended: Fruit trees: tejocote, sky, vines, sarciguiles, apple, quince, blackberry, olive, pear, apricot, garambullo, nopal cactus, perón, pomegranate, peach, fig. (Mexican hawthorn, prune, grapevine, sarciguiles, apple tree, quince, blackberry, olives, pears. apricot, garambullo, prickly pear cactus, perón, pomegranate, peach, fig.) Plants for gardens: aloe vera, geranium, cacti, rosemary, cistus, tepozán, camelina, farmer, pyracanthus, blackberry, cassavaguete, pinguica (aloe vera, geranium, cactus, rosemary, rockrose, butterfly bush, camelina, farmer, pyracanth, blackberry, cashuate, pinguica.) Aromatic herbs: rosemary, parsley, basil, chives, oregano, thyme, cedar, lemon balm. tarragon, mint, marjoram, bay leaf, sage, chamomile, coriander, epazote, dill, mint. (Rosemary, parsiey, basil, chives, oregano, thyme, cedral, Mexican hyssop, tarragon, peppermint, marjoram, bay leaf, sage, camomile, coriander, wormseed, diff, mint.) Grass: quicuyo. At least 10% (ten percent) of each lot will be allocated to green areas and the Trees will be planted in such a way that their roots do not damage sidewalks, drainage or service systems. It will be the responsibility of all owners to maintain the green area and vegetation about their lots in excellent condition. All homeowners must implement water and energy conservation systems.

Translation of Source Page 11

Until a garbage collection system is implemented, shared garbage containers shall be provided and identified by color according to the four-R system: reuse, recycle, reduce and recover, in order to promote environmental awareness and conservation.

SECTION II

2.1 Mining and Drilling. No Condominium lot will be used for such as mining, extracting, drilling, drilling, or exploring for the extraction of oil, gas, or other hydrocarbons, from minerals of any kind, rocks, stone, sand, gravel or land. No water wells or septic tanks are allowed. Z:2 Unsightly Objects; Vehicles. The presence of any will not be allowed object considered unsightly by the Architectural Committee on any lot while it is visible from any part of the Condominium or from public roads or private. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickup trucks, boats, tractors, caravans, wagons, buses, motorcycles, scooters, and equipment garden maintenance shall always be stored, unless in use, in structures closed or covered from view and no repair or repair work will be carried out. maintenance on any of them, or on any automobile (with the exception of minor emergency repairs), except in fenced garages or other structures. Each single-family residential structure erected on a lot will have garage space enough for at least two (2) cars unless the Architectural Committee approve only one (1). Owners will not maintain more than two (2) cars visible from any other part of the Condominium more than forty-eight (48) hours, unless approved in advance by the Architectural Committee. No automobile may be parked for more than forty-eight (48) hours on any road inside the Condominium. You cannot park any caravan, trailer, boat or any other vehicle on the roads at night. It will not be stored or will allow the accumulation of lumber, grass, garden debris, clippings of bushes or trees, metals, bulk materials, waste, garbage anywhere in the Condominium except within enclosed structures or appropriately removed from view from public or private streets and adjacent lots.

2.3 Mobile Homes. Trailers and Recreational Vehicles. The trailers, watercraft or other recreational vehicles can be stored on the lot

Translation of Source Page 12

only within a closed garage that has been integrated into the design of the consffucs Ne of the house and has been stored in such a manner that it is not visible from any lot or heSuuE"

2.4 Fences and Walls. The design, construction, materials and Fence and wall specifications shall be subject to written approval of the Committee Architectural. The Architectural Committee may, at its discretion, prohibit construction of any proposed fence or wall, specify the materials with which any proposed fence or wall must be constructed, or require that any fence or wall proposed to be partially hidden by vegetation. Cyclone mesh fences are absolutely prohibited. The maintenance of the fence and walls will be the responsibility of the owner and any damage will be repaired within thirty (30) days natural from the written notification of the Association. It will be considered a violation of this provision maintain a fence or wall in such a manner that (1) the axis of any part of the fence or wall that leans more than five (5) degrees from the alignment vertical, (11) stones, bricks, beams or wooden supports are missing or remain damaged, (111) display inappropriate symbols, writing, or any type of painting, and (1v) hang broken or loose wires.

2 Animals - Domestic Animals. It is not permitted to store, maintain or care for animals such as pigs, hogs, pigeons, poultry, wild animals, horses, cattle, sheep, goats or any other type of animal not considered an animal domestic within the common meaning and interpretation of such words, in the Condominium. The rest of the animals will require the prior written consent of the Architectural Committee. No animal will be allowed to do an unacceptable amount or that it becomes a nuisance, and the presence of any person will not be permitted. cheer up! domestic in any part of the Condominium with the exception of the interior of the lot unless they are guided on a leash. Any animal kept, kept, care within a stable by contract or for remuneration in the Condominium and is not Kennels or breeding operations will not be allowed. No animals will be allowed to roam. freely and all animals will be kept within closed or fenced areas which must at all times be clean, disinfected and reasonably free of waste, insects and garbage. These areas will be built in accordance with the plans approved by the Architectural Committee, will have a design and construction reasonable measures to adequately contain such animals in accordance with the provisions of this regulation. All trash generated by the animai within common areas will be the responsibility of the owner of the animal and will be immediately removed for disposal. elimination. Pets are not allowed on the roof. The Condominium Association will be able to establish a more rigorous policy for animal control and implement a system of fines for violations of said policy.

Translation of Source Page 13

2.6 Maintenance of Pastures and Planters. Each owner shall maintain all bushes, trees, herbs and paths of any kind on their own lot. Any green area located between your lot and the street, clean, attractive and free of garbage and any other objectionable material, in accordance with the guidelines of design.

2.7 Construction Activities. Although no provision in This document indicates otherwise, this provision will not be interpreted as such. manner that unduly interferes with or prevents normal construction activities during the construction of improvements by an owner (including the Developer) on any lot within the Condominium. Specifically, none of these construction activities as a nuisance or violation of this provision due to noise, dust, presence of vehicles or construction machinery or similar activities, provided that such construction is carried out until its completion with reasonable diligence and conforms to common construction practices in the area. In case of any conflict related to such matters, the Architectural Committee may grant a temporary waiver of the applicable provision by, provided that such waiver is only for the reasonable period of such construction. They authorize the Architectural Committee also in the event of a conflict to set a schedule reasonable including days of the week and times for operation of construction activities. All homeowners are required to equip toilets or other sanitary facilities for your construction workers during the process of the building.

2.8 Compliance with the Provisions of the Vista Antigua Regulation, Each owner will strictly comply with the provisions of the Vista regulation Antigua since they may be corrected periodically. The lack of Compliance with any of the restrictions will constitute a violation of this provision, and will give rise to a cause of action to recover sums owed by concept of fines, penalties, levies, damages or court-ordered relief, or both, imposed by the Council in the name of the Association or by an owner aggrieved

2.9 Construction on Site. All homes erected in the Condominium will be built on the site of the lot in question and the use of prefabricated materials will be permitted only with prior written approval of the Architectural Committee.

2.10 Limit Requirements for the Construction of Fences or Walls. No There are limit requirements for the construction of fences.

2.11 Rentals. Nothing in this provision will prevent the rental of any lot complete and the improvements thereon, by the owner of the lot, considering, without

Translation of Source Page 14

embargo. that the owner will not rent the property to more than one group at a time (no:se. ----" allow "Bed Breakfast" will require the tenant to comply with the terms, provisions and conditions set forth in this provision and the Design Guidelines and any other rule or regulation applicable to the Condominium, the Architectural Committee reserves the right to require the owner to present a copy of any lease contract to the Association. When the owner of a lot wishes to sell, donate or rent temporarily, or takes carry out any legal transaction that involves the granting of the use or enjoyment of the lot and of the common areas, you must include a clause in the contract that establishes the obligation of the contracting party to comply with the regulations. The contracts in the acts described above will require prior authorization from the Association, before it takes place. effect. Thus, they will have to transfer to the buyer of this property their corresponding part of reserve funds existing at the time of sale, or obtain an acceptance by written by the buyer to meet the party's outstanding payment obligations saleswoman.

2.12 No Performance Guarantee. While the Developer does not have no reason to believe that any of the restrictive covenants or other terms and conditions contained in this regulation are or may be invalid or inapplicable due to For any reason or to any extent, the Developer makes no warranty or representation as to the current or future validity or applicability of any restrictive agreements, terms or provisions. Any owner who owns a lot relying on one or more such covenants, terms or restrictive provisions shall assume all risks of the validity and applicability thereof and, upon acquiring the lot agrees to release the Developer from any liability.

2.13 start and termination of Mejeras. All improvements (including main residence, roadways, approved outbuildings, architecture of gardens, fences or any structure subject to approval of plans and specifications) will be exercised diligently with significant progress every 60 (sixty) days and completed in accordance with the plans and specifications approved by no later than twenty-four (24) months from the start of construction. As the beginning of the Construction will be considered when the slabs have been placed for the foundation of the main residence. If a lot does not have a finished house of at least 130 square meters ready for deal within a period of seven years from the date on which the first deed was drawn up for said lot, the Association will have the right, but not the obligation, to reacquire the lot at the price mentioned in the original deed plus the national inflation rate.

Translation of Source Page 15

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2.14 Specific Remedies for Noncompliance with Section 253. SENCIE e notifies the owner that full compliance with Section 2.13 is required.— that the Architectural Committee, at its own discretion, grant an extension. Besides Cough" other resources available in this Regulation or in the law, the Architectural Committee and the Developer, they will independently have the following rights and resources: (A) In the event that an owner fails to comply with the provisions of section 2.13 of this regulations, said owner agrees to pay the sum of \$50,000.00 pesos (fifty thousand pesos M. N.) for each month that the owner fails to comply with Section 2.13 as damages stipulated settlements, and not as a penalty. The remedies set forth herein are cumulative and not exclusive and the Developer or Association may exercise any other right or remedy set forth herein or otherwise. manner available at law or in equity. Pa Obstruction of View Each owner acknowledges that any construction or installation of or on any lot may impair the view of such owner and hereby consents to such deterioration. Each owner acknowledges that There are guaranteed views within the Condominium, and no owner is assured of the unhindered existence or continuity of any particular view.

2.16 Height Restriction. The heights of improvements on a lot are determined from the highest point on an adjacent street. The maximum height of any structure is 8.5 meters but, to preserve the view of the adjacent lots, some lots are restricted to a height of 5 meters. The Architectural Committee will provide information on lots that have a 5 meter restriction.

2.17 Greenbelt or Service Areas. None will be built private building of none in the green or service areas. If the Committee Architectural determines that private construction has occurred in green areas, service or common areas has the right to remove said construction and make the charge the offending owner to triple the cost of removal plus a fine.

2.18 Subdivision. Division of any lot is strictly prohibited.

SECTION III RE RESTRICTIONS ON USE

3.1 General Each lot will be improved and used for residential use single-family only except for common areas including green areas or areas of service. Commercial use of individual lots is not permitted except that the Developer use up to two lots for sales offices. Green areas or areas of service can, subject to the approval of the Developer, be improved and used for active and passive recreational purposes for the primary benefit of the owners and tenants of the development lots; whereas, however, in regarding any specific area, the Developer may, in its sole and absolute discretion, allow other improvements and applications.

3.3 Common Areas. No land shall be improved, used or occupied, within common areas, unless in a manner approved by the Developer at its sole and absolute discretion. The Developer may, through written instrument, delegate its right to grant such approval to the Council of the Association. Access to any of the common areas may be limited to people who currently pay the levies, fees and other charges. The Committee Architectural and the Developer reserve the right to promulgate restrictions and the rules for using common areas, renting common areas for events private and to establish the rules, regulations, terms, conditions and provisions and v the fees determined by the Developer and the Committee Architectural at your sole discretion. No portion of the areas will be used Common for parties, weddings, rallies or other large gatherings without advance notice, written consent of the Architectural Committee or the Association. The Association and the Architectural Committee reserve the right to charge reasonable fees and impose reasonable conditions on such use of common areas.

3.3 Recreational Improvements. Any construction proposed for improvements recreational activities within the common areas will be subject to the approval of the Committee Architectural or Developer.

SECTION IV TS PE OWNERS ASSOCIATION

FROM ANTIGUA VIEW B.C. or

4.1 Organization. The Developer, at the time the Developer deems appropriate or the sale of 70% of the lots, will cause the formation and incorporation of a Civil Association (AC) as a non-profit corporation under the laws from the state of Guanajuato. The Association will be created for the purposes, charged with the obligations, governed by the provisions and invested with the powers prescribed by the law or provided in the municipal ordinances of the A.C. The Regulation will not be amended nor shall it be changed in any way or interpreted in any manner whatsoever. inconsistent with this provision.

4.2 Membership. Each person or entity that is a registered owner of one lot will be a member of the aforementioned Association. The above does not contemplate including persons or entities that simply have an interest as security for the performance of any obligation. Membership shall belong to and may not be separate from the ownership of any lot that is subject to lien by the Association. Ownership of such lot shall be the sole qualification for membership. Any mortgagee who acquires title to any lot that is part of the development with judicial or non-judicial foreclosure, shall be a member of the Association.

4.3 Yoto Rights. The Association will have one vote per member. The Members will all be owners, and will have the right to one (1) vote for each lot of their property. When more than one (1) person has participation in a lot, all of these people can be members. The vote for said lot will be exercised as determined the owners among themselves but in no case will more than one (1) vote be cast in relation to no batch.

4.4 Powers and Authority of the Association. The Association will have the powers of a nonprofit corporation, subject only to such limitations on the exercise of said power as expressly provided in the Regulations of the Condominium Association. Additionally, you will have the power to perform any and all acts that may be necessary or appropriate for or incidental to the exercise of any of the powers expressly granted by the laws of the state of Guanajuato.

4.5 Maintenance and Landscape Authority. The Association will maintain all streets and roads within the development, which have been completed. Furthermore, the Association will be authorized to landscape, maintain and repair all easements of passage, rights of way, medians, sidewalks, roads, trails and other areas of the

Translation of Source Page 18

Condominium, appropriately. All signage, plants and improvements, except 05.2 > used by the Developer in said medians or areas of Debeyán Boulevard. be: approved by the Architectural Committee.

4.6 Infrastructure. The Developer will provide the Association with all basic facilities and infrastructure including public lighting, drainage, water and telephone lines, paved streets and sidewalks and the Association will have the responsibility for the operation, maintenance and repair of this infrastructure including the cost of the electric service to operate the electricity.

4.7 Common Areas. Pursuant to and in accordance with this provision, the Association, acting through the Council, will have the obligations and powers following:

(A) Ownership and Maintenance. To accept, own, operate and maintain all greenbelt, service areas or other common areas, together with all improvements of any kind and for any purpose that can be locate in said area; and to accept, own, operate and maintain the rest of the areas common areas and maintain in good condition and condition all common areas and improvements. The Association will also renew and/or maintain any and all permits and/or licenses for the operation, maintenance and repair of all the greenbelt, service areas or common areas. Such maintenance shall include, but not be limited to, mowing, irrigation and removal of waste or debris of any kind.

(B) Construction. To build, maintain, repair and replace, including, but not limited to: landscape improvements, water supply network, power lines, roads, sidewalks and irrigation systems.

(C) €Liens, To pay all property contributions furniture and real estate and other taxes and levies levied on or with with respect to any property owned by or leased to the Association, up to the point at which such taxes and levies are not imposed directly on the members of the Association. The Association will have all rights granted by law to dispute the legality and amount of such taxes and encumbrances.

(D) Sure. To take out insurance and keep an up-to-date policy with civil liability coverage insuring the Developer and the Association, covering bodily injury and/or accidental death caused by the use and enjoyment of common areas, as well as death coverage in all areas

Translation of Source Page 19

movable and immovable property of the condominium, if and for the amounts that the Council" E E: consider appropriate. + TM (E) Regulations. To promulgate the regulations regarding the use of common areas, including, but not limited to, promoting certain uses, setting rental amounts for other uses and proposing a process reservations or scheduling for certain common area applications.

4.8 Community Safety. The Developer and the Association expect that security gates and the concept of private streets discourage traffic unwanted pedestrian and unauthorized vehicles within the development and encourage a highest degree of peace and tranquility. Although the Developer and the Association reasonably believe that the existence of controlled access points can discourage the commission of criminal acts (e.g. burglary) dwelling, theft, etc.) within the Condominium, however, neither the Developer nor the Association guarantee that such acts will not be attempted or actually occur within the Condominium. Each owner, member and resident of the Condominium expressly understands the covenants and agree with the Developer and the Association as follows: (A) Release of Liability. Neither the Developer nor the Association have any responsibility, of any kind or character, regarding concerning the personal or real property of each owner, member and Condominium resident, (B) Keep Safe. Each owner, member and resident of the Condominium, will consult with accredited representatives of the property industry insurance to select, purchase, obtain, and maintain appropriate insurance providing the amount, type and class of insurance considered satisfactory, if applicable, to each owner and resident who covers their property furniture and real estate. (C) Release of Claims. Each owner and resident of Condominium belongs to the Developer and the Association and their respective agents, lawyers, employees, officers, directors, and partners from any liability, claim, causes of action or damages of any kind or character whatsoever arise outside of or related (directly or indirectly) to any and all aspects of the Condominium.

Translation of Source Page 20

4.9 Private Streets. The entrance doors, the streets and the steels of the Development are private and constitute a portion of the common areas that are subject to: AE ' to the jurisdiction and administration of the Association. There is a specific door to the Condominium that will be used by builders and masons in such a way that They will avoid the use of other entrances at all times. In addition to the incorporation of any applicable state traffic laws with respect to such private streets, the Council is specifically authorized to recommend, adopt, establish, and enforce the rules, regulations. Mechanisms and procedures governing the use of doors entrances and streets, covering matters such as (but not necessarily limited to):

(A) Identification and entry programs for members, their respective immediate families, their guests, and vehicles owned by or led by any of them;

(B) Speed limits; marked parking areas, restricted parking, and no-parking areas;

(C) Signs and graphics to provide notice to persons unauthorized statements regarding potential criminal matters regarding raid:

(D) A system of "fines" through which the Association can impose and collect fines on members and their guests, guests and contractors for violations of the applicable regulations;

(E) Disclaimers of liability for any and all matters or events on or related to common areas; and -

4.10 Rules of the Board of Directors. All members, residents and their Families, tenants and guests will follow any regulations adopted by the Council. The Council will have the power to enforce said regulations by all means. appropriate legal and fair.

4.11 Indemnification. THE ASSOCIATION WILL INDEMNIFY ANY PERSON WHO HAS BEEN OR IS A PARTY, OR IS THREATENED TO BE PARTY TO ANY THREATENING, PENDING OR COMPLIED WITH, DEMAND OR PROCEDURE, WHETHER CIVIL, CRIMINAL, ADMINISTRATIVE OR INVESTIGATOR DUE TO THE FACT THAT HE IS OR WAS THE DEVELOPER OF THE SAME OR A DIRECTOR, A OFFICER, A COMMITTEE MEMBER, AN EMPLOYEE, A SERVANT OR A AGENT OF THE ASSOCIATION, IN EXCHANGE FOR COSTS, INCLUDING LCS

Translation of Source Page 21

ATTORNEYS' FEES, REASONABLY INCURRED—. «- BY THE SAME IN RELATION TO SUCH ACTION, DEMANBA-O == PROCEDURE UNLESS FOUND AND DETAINED BY THE COUNCIL OR A COURT THAT HE/SHE: (1) ACTED IN BAD FAITH AND IN A WAY THAT HE REASONABLY HE BELIEVED HE WAS NOT IN, OR OPPOSED TO, WHAT WAS MOST CONVENIENT FOR THE ASSOCIATION, AND (2) WITH RESPECT TO ANY ACTION OR PROCEEDING CRIMINAL, HAD REASONABLE CAUSE TO BELIEVE THAT HIS CONDUCT IT WAS ILLEGAL. THE TERMINATION OF ANY ACTION, CLAIM OR SETTLEMENT PROCEDURE, 6 ON A DECLARATION OF NOLO CONTENDERE OR ITS EQUIVALENT, SHALL NOT CREATE BY ITSELF A PRESUMPTION THAT THE PERSON WAS NOT ACTING IN GOOD FAITH OR A WAY HE REASONABLY BELIEVED HE WAS IN, NOR OPPOSITE TO, THE BENEFITS OF THE ASSOCIATION, AND WITH RESPECT TO ANY CRIMINAL ACTION OR PROCEEDING HAD A CAUSE REASONABLE TO BELIEVE THAT HIS CONDUCT WAS ILLEGAL. THE COUNCIL MAY PURCHASE AND MAINTAIN INSURANCE IN THE NAME OF ANY PERSON WHO IS OR WAS THE DEVELOPER OF THE SAME OR A DIRECTOR, OFFICER, COMMITTEE MEMBER, EMPLOYEE, SERVANT OR AGENT OF THE ASSOCIATION, AGAINST ANY LIABILITY ASSERTED AGAINST HIM OR INCURRED BY HIM IN ANY POSITION, OR RESULTING FROM YOUR STATUS AS SUCH, WHETHER WHETHER THE ASSOCIATION HAS THE AUTHORITY TO COMPENSATE YOU AGAINST SUCH OR OTHER LIABILITY. IN ADDITION, THE ASSOCIATION WILL INDEMNIFY, DEFEND AND HOLD HARMLESS THE DEVELOPER AND ITS PARTNERS, AGENTS AND EMPLOYEES AGAINST ANY COST OR LIABILITY, INCLUDING REASONABLE FEES FOR ATTORNEYS, EXPERT WITNESSES OR OTHER COURT FEES AND COSTS INCURRED ANY OF THEM IN CONNECTION WITH OR ARISING OUT OF (1) THE USE OF PRIVATE ROADS WITHIN THE CONDOMINIUM OR ANY OTHER PORTION OF THE COMMON AREAS FOR ANY BEFORE ITS TRANSPORTATION OR DEDICATION TO THE ASSOCIATION AND (II) ANY CLAIM RELATING TO THE DESIGN, MANNER OR TYPE OF CONSTRUCTION OR MAINTENANCE OF ROADS U OTHER IMPROVEMENTS ON OR WITHIN THE CONDOMINIUM.

SECTION V ARCHITECTURAL COMMITTEE E e

5.1 Approval of Plans and Specifications. No improvement would begin. erect, construct, place or maintain upon any lot or any addition exterior to, or change or alteration within it will be made until the plans and specifications thereof have been submitted to and approved by the Committee Architectural.

5.2 Membership of the Architectural Committee. The Architectural Committee shall consist of no less than one (1) and no more than five (5) voting members ("Members Voters") and such additional non-voting members who serve in the capacity consultative ("Consultative Members") such as the Developer or its successors or the assignees it deems appropriate.

5.3 Actions of the Architectural Committee. The Architectural Committee can, by resolution, unanimously adopted in writing, appoint one or two of its members or an agent acting on your behalf to take any action or to perform any obligation to and on behalf of the Architectural Committee, In the absence of such designation, the vote of a majority of all members of the Architectural Committee taken with or without A formal meeting will constitute an act of the Architectural Committee.

5.4 Consultative Members. Voting members may appoint advisory members from time to time.

5.5 Term. Each member of the Architectural Committee will occupy the position until he or she has resigned or been removed or his or her successor has been designated, in the manner provided herein.

5.6 Developer Rights to Designate. The Developer, his successors and assigns will have the right to appoint and dismiss all members of the Architectural Committee. The Developer may delegate this right to the Advice by written instrument.

5.7 Adoption of Rules. The Architectural Committee may adopt such rules procedural and substantive, that do not conflict with this provision, while what deems necessary or appropriate for the performance of his duties.

5.8 Design Guidelines. The Architectural Committee hereby adopts the design guidelines, which may hereafter be amended from time to time, and will provide these design guidelines to each owner. All improvements will be built in accordance with the design guidelines, and the Architectural Committee will have authority to

Translation of Source Page 23

disapprove any proposed improvements based on the restrictions placed on them = design guidelines. Any decision of the Architectural Committee pursuant to this section “: —.- It will be final and binding as long as it is taken in good faith. On the axis of a conflict between the design guidelines and this layout, this layout will dominate. The Architectural Committee may charge owners a reasonable amount for each Set of design guidelines provided to any homeowner. IT IS SUGGESTED THAT BEFORE ACQUIRING ANY INTEREST IN A LOT, EACH POTENTIAL BUYER, TRANSFER, CREDITOR, AND OWNER WHO COME IN CONTACT WITH THE COMMITTEE ARCHITECTURAL DESIGNER TO OBTAIN AND REVIEW DESIGN GUIDELINES MORE RECENT THAT WILL REGULATE DEVELOPMENT. DESIGN GUIDELINES MAY CONTAIN STANDARDS, REQUIREMENTS OR LIMITATIONS IN ADDITION TO THOSE EXPRESSLY PROVIDED OR MENTIONED IN THIS PROVISION AND STANDARDS, REQUIREMENTS, OR LIMITATIONS MORE STRICT THAN ANY STANDARD, SPECIFIC REQUIREMENT OR LIMITATION, PROVIDED OR MENTIONED IN THIS PROVISION.

3.9 Review of Proposed Construction. Whenever you are in this provision, the approval of the Architectural Committee will be required, must consider all plans and specifications for the improvement or proposal in question and the any other facts and information that it, in its sole discretion, deems relevant. Unless specifically provided herein, prior to the start of any construction of any improvement in the Condominium or any part thereof, the plans and specifications thereof will be submitted to the Architectural Committee, and the Construction will not begin unless and until the Architectural Committee has approved such plans and specifications in writing. The Architectural Committee may postpone review of plans and specifications until the Architectural Committee has received all the requested information. In case that the Architectural Committee cannot approve or disapprove such plans and specifications within thirty (30) calendar days after receipt of all information requested by it, the plans and specifications will be considered as approved with no further action required. The Architectural Committee will consider and act on the plans and specifications submitted for approval and will perform the other duties assigned to it by these Regulations or as may be assigned from time to time by the Council, including

Translation of Source Page 24

the inspection of the progress of work to ensure compliance with the PiA SY == specifications approved by the Architectural Committee. and The Architectural Committee's approval of any plans or specifications will not be judged as approval of the same from the point of view of structural safety, responsible engineering, or compliance with building codes or other codes of the regulatory government authorities.

5.10 Variations. The Architectural Committee may grant variations to the in accordance with any of the provisions of this Regulation, when, to sole and absolute discretion of the Architectural Review Committee, such variation shall not deteriorate or detract from the development of the high quality of the Condominium, and such variation is justified due to unusual or aesthetic considerations or unusual circumstances. The granting such variation shall not operate to waive or amend any of the terms and provisions of this Regulation except with respect to the particular lot and in the case particular covered by the variation, Such variation will not be considered to establish a precedent or a future waiver, modification or amendment of the terms and conditions provisions thereof.

5.11 waiver of Future Approvals. The approval or Consent of the Architectural Committee of any plans or specifications for any work done, proposed and in connection with any other matter that has required the approval or consent of the Architectural Committee will not be judged to constitute a waiver of any right to withhold approval or to consent as to any plan and specification, or other matter that, subject to subsequently or additionally for its approval or consent by the same or a different person.

5.12 Work in Progress. The Architectural Committee may examine any work in progress to ensure its conformity with the approved plans and specifications.

3.13 Address. The plans and specifications will be submitted to the Committee Architectural in offices as indicated in the design guidelines, or in any other address designated by the Developer, its successors and assigns, from time to time.

5.14 Submission and Fees. The Architectural Committee will have the right to require reasonable filing fees for each set of plans and specifications submitted for review.

3.15 Notice of Compliance. Upon completion of any improvement, the owner will submit a notice of termination to the Architectural Committee, and if appropriate the Architectural Committee will issue a Notice of Compliance to the owner. The notice

Translation of Source Page 25

will specify that the improvements comply with the approved plans and specifications. In "a archived by the Architectural Committee. The notice will not be used to cemifigaf the" .-* acceptability. the relief or approval of the Architectural Committee of the construction - of the improvements or the execution or the material used. St construction and improvements do not comply with the approved plan and specifications, the Committee Architectural will issue a notice of conformity that will determine and include these things that have to be changed and modified before receiving the notice of compliance.

SECTION VI FUNDS AND ASSESSMENTS

6.1 Assessments.

(A) Levies established by the Council pursuant to these provisions shall be imposed on a uniform basis against any lot within of the Condominium. Common areas will not be subject to liens.

(B) Outstanding liens, interest and costs of collection will be charged to the owner of the lot that owes the lien, and will become a lien against the lot and all improvements thereon. same. The Association may enforce payment of such liens in accordance with the provisions of this section.

(C) When the obligation to cover a lien arises after the beginning of the year or other period, for which the levy was imposed, the levy shall be prorated to the date on which such obligation first arose the duration of the annual lien or other period remaining after the date mentioned. Said calculation will be made on a daily basis.

6.7 "Maintenance fund. The board of directors will establish a maintenance fund maintenance in which all monies paid to the Association are deposited and of which disbursements will be made to carry out the functions of the Association under this Regulations. Association funds must be used only for the purposes authorized by this Regulation and its amendments.

6.3 Regular Annual Assessments. Before the beginning of each exercise economic (from January 1 to December 31), the Council will estimate the costs at which will be incurred by the Association during such year for the execution of its functions under the Vista Antigua Rules and Regulations, including but not limited to, the cost of all maintenance. the cost of providing street lighting, the cost of enforcing

Translation of Source Page 26

the regulations, a reasonable provision for contingencies, a reserve fund "> road maintenance. an appropriate reserve fund for less replacements - ye any anticipated income and any excess of the fund from the previous year. "The liens" sufficient to cover such estimated net costs will then be related, and the level of Council levies will apply and bind as long as it is done in good faith. If the sums collected are inadequate for for any reason, including non-payment of any individual assessment, the Association may at any time, and from time to time, impose additional liens of manner similar to what was mentioned. All such regular assessments shall be payable to the Association at the beginning of the financial year or during the financial year already whether in annual, semi-annual, quarterly or monthly payments, on or before the due date as established by the Council, or in such other manner as the Council may determine to its sole discretion. and absolute discretion.

6.4 Special Assessments. In addition to regular annual levies considered above, the Council may impose special charges provided that in the opinion of the Council such special levies are necessary to enable the Council to carry out the functions of the Association. The amount of any lien special levies shall be at the reasonable discretion of the Council and all such special levies will be payable to the Association within thirty (30) calendar days from the date of the written notice of said special lien.

6.5 Personal Obligation of the Owner to Pay Assessments. The regular and special assessments, and any fines and penalties provided in the present document, will be the person's debt! and individual of the owner of the covered lot for such liens. No owner can exempt himself from the responsibility of said encumbrances. In the event of default in the payment of any lien, fine or penalty, the owner of the lot will be required to pay interest on the amount of the lien from of the expiration date to a cup equivalent to twenty-eight (28) days TIE days of Equilibrium Interbank Interest Rate of 28), as published by the Journal Official of Mexico for the period considered, plus ten percent (10%), together with all costs and costs of collection, including attorneys' fees.

6.6 Unpaid Assessments. All liens plus interest determined in section 6.5 of this Regulation and the collection expenses including attorneys' fees as determined, will become a charge to the owner of the lot. Said debt obligates the owner of the lot, his heirs, successors, personal representatives, attorneys-in-fact or assigns. The Association has the right to bring a lawsuit against the owner personally obligated to pay the lien or use any other legal remedy permitted by law.

SECTION VII > YAA NTE EASEMENTS

7.1 Reserved Easements. All the dedications, the restrictions 7 the restrictions and reservations shown in a diagram and all concessions and the dedications of easements, rights of way, restrictions and rights related events made by the Developer before the Condominium was converted for the purpose of this regulation, are incorporated herein by reference and are part of this Regulations for all purposes, as fully set forth in this document, and will be interpreted as adopted in each contract, deed or trust executed or to be executed by 0 in the name of the Developer who transfers any part of the Condominium. The Developer reserves the right to make changes and additions to the easements and rights of way in order to develop the most efficiently and economically possible the Condominium and other lots in the development. Furthermore, the Developer reserves the right, without the approval of any owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time when, rights of way and easements for access, entry and exit for utility purposes (including, but not limited to, gas, water, cable, electricity, telephone and drainage), in favor of any person or entity, throughout and occasionally both sides of any lot. Said easement will have a width maximum of one meter on each side of said lot. In addition, the Developer, for the advantage of the Condominium, reserves by this means general utility and drainage easements over, under or through all streets and of common areas (which may change from time to time). An easement over the common areas shown on any recorded diagram is hereby retained by the Developer, its successors and assigns or designees, for the benefit of the Condominium. El DesarroHador reserves the right to drill wells of water in any portion of the common areas to provide irrigation of the areas common or use in connection with the community water system. The Developer has contracted with Santa Olivia de San Miguel S. de R.L. of C.V., owner of the property located in front of the Condominium on Av. Independencia the passage service, which will meet the need for passage of the entire Condominium. Therefore, the right of way that provides the main access to the Condominium Vista Antigua is established as follows: SURFACE OF 1,119.35 M2 AND THE FOLLOWING MEASURES AND BOUNDARIES:

Translation of Source Page 28

TO THE NORTH-WEST.- AT 70.05 M WITH PROPERTY RESERVATION AREA "--

SANTA OLIVIA DE SAN MIGUEL S. DER, L DE C.V; -

TO THE SOUTH-EAST.- IN 69.98 M WITH PROPERTY RESERVATION AREA

SANTA OLIVIA DE SAN MIGUEL S. RIGHT. L OF C. V;

TO NORTH-EAST.- IN 15.41 M WITH CONDOMINIUM DEVELOPMENT

VISTA ANTIGUA, AND;

TO THE SOUTH-WEST.- AT 16.57 M WITH INDEPENDENCIA AVENUE. Four lots in the Condominium have specific water easements that prohibit construction on water and drainage pipes. Lot 2B (Jasmín Circuit No. 3B) It has a service easement of 4.11 square meters. Lot 3 (Circuit Bugambilia No. 26) has a service easement of 67.08 square meters. Lot 3A (Circuito Jasmín No. SA) has a service easement of 4.02 square meters. Lot 42 (Paseo Lavanda No. 44) has an easement of services of 70.56 square meters. Constructions may not be erected on said water easements to avoid damage to the pipes that will provide water to the Condominium. 7.2 Installation and Maintenance. By this means an easement is created over, through, in and under all easement areas affecting the Condominium for entry and exit in connection with the installation, replacement, repair, maintenance and expansion of all services, including, but not limited to water, sewage, gas, cable, television, telephones, electricity and their accessories. In By virtue of this easement, service companies will be expressly permitted public and other entities that provide services install and maintain pipelines, Jos cables, conduits, service lines or other facilities or belongings on, through and under the Condominium, within the public utility easements from time to time when it exists and the service lines located within such easements to the point of service in or upon any improvement. Despite any provision contained in this section, no sewer, power lines, water pipes or other 0 utilities attached to a given lot can also be placed back in the Condominium until it has been approved by the Developer or the Committee Architectural. The public service companies that provide the service will have the right to remove all trees located on easements for penetral use shown in the diagram, and adjusting overhanging trees and shrubs located in the portions of the Condominio that borders said easements.

7.3 Drainage Easements. Each owner agrees to provide the easements for drainage and water flow, as necessary due to water levels. the land and the placement of improvements.

Translation of Source Page 29

7.4 Surface Areas. Each owner will maintain the surface area of -. 57: all easements located within your lot and improvements located in the misiyo a“ - < are exception of such improvements of which a public authority or a company des; cio A . - NN public is responsible. Ap

7.5 Right to Easement and Accessories not Transferred. The title to any lot transferred by the Developer by contract, deed 1 other transfer not shall in no event be deemed or construed to include title to any path 0 common areas.

7.6 Greenbelt 0 Service Areas. Each owner has the use and enjoyment in and throughout the greenbelt or common areas, in accordance with the provisions following:

(A) The right of the Association to suspend the voting rights of the owner and the right to use the greenbelt or common areas for any period, during which any lien against the lot of such owner remains uncovered, and for any period during which the owner is in violation of the Association Regulations;

(B) The right of the Association to dedicate or transfer all or any part of the greenbelt 0 areas common to any agency, authority or public utility for such purposes and in accordance with the conditions that may be approved by a majority vote of the members;

(C) The right of the Association to make reasonable rules regarding the use of the greenbelt or common areas and any facilities on the same; and

(D) The right of the Association to contract services with third parties in the terms that the Association may determine.

SECTION VII GENERAL PROVISIONS

8.1 Term. These Regulations, including all agreements, conditions, and restrictions thereof, will be valid unless amended or extinguished by written instrument executed by the Developer, the owners and/or the Association.

Translation of Source Page 30

8.2 Release of Liability of the Committee and TE Members. Architectural Committee. TO ME E E E

2 - is . - . IE and Neither the Developer, the Architectural Committee, or any member of the 0 mass, will be liable to the Association or any owner, or any other person for any loss, damage or injury resulting from being, in any way, connected with the actions of the Developer, the respective duties of the Architectural Committee or of the Council in these Regulations unless due to willful misconduct or the bad faith of the Developer, the Architectural Committee or its members or the Council or its members.

8.3 Amendments.

By the Developer. This Regulation may be amended by Developer acting alone, without the need for notice to or approval of the Association or any member, to correct typographical and grammatical errors,

and ambiguities.

By the Owners. This Regulation may be amended by instrument executed and recognized by the President and Secretary of the Association, stating the amendment and certifying that such amendment has been approved by members entitled to throw at least seventy percent (70%) of the number of votes authorized to be cast.

8.4 Notices. Notices must be hand-delivered, sent by fax, courier, email or postal service sent to the address on file each owner and/or member. Members are responsible for providing the Association notice of any change in its address.

8.5 Interpretation. The provisions of this Regulation will be liberally interpreted to effectuate the purposes of creating a plan for the development and the operation of the Condominium and promote and carry out the fundamental concepts of the Condominium provided in this Regulation.

8.6 Mergers and Consolidations. The Association can participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that the merger, consolidation or annexation has the consent (in writing or at a meeting expressly convened for that purpose) of the members authorized to issue no less than seventy percent (70%) of the votes of the Association.

8.7 Developer Waiver. Despite any provision in this Regulations, neither the Developer nor any activity of the Developer will be subject under the control of or under the jurisdiction of the Architectural Committee. Without limiting the generality,

Translation of Source Page 31

of the preceding sentence, this Regulation shall not prevent or limit the right of the "ys Developer of excavating and leveling, building and altering patterns and installations of - <" - drainage to build any and all other types of improvements anywhere —.- Condominium, however, of the construction of sales and rental offices and 46 fixing of signs announcing the sale and rental of lots by the Developer will be limited to lots owned by the Developer and common areas.

8.8 Developer Assignments. Despite any provision in this Regulations, the Developer may assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Regulation to any other person or entity and may permit the participation, in whole or in part, of any other person or entity in any of its privileges, exemptions, rights and duties.

8.9 Application and Non-waiver.

(A) — Right of application. Any owner, the Developer,

and/or the Council shall have the right to enforce all provisions in the Vista Antigua Rules and Regulations. All claims, disputes, conflicts, differences, controversies and misunderstandings that arise from it, outside of, in connection with or in relation to this Regulation will be submitted to mediation and if necessary, to the decision of a court.

(BE) Non-resignation. Failure to enforce any provision of the Vista Antigua Rules and Regulations will not constitute at any time a waiver of the right to enforce any provision or any other provision of the mentioned restrictions.

(C) £Preventive embargoes. The Association will have the right, when appropriate in its judgment, to request a lien on any lot or improvement built upon it to enforce any compliance of the law or effect of this Regulation.

E Construction.

(A) Separable Restrictions. The provisions of the Regulation of Vista Antigua will be judged independently and separately, and the disability or Partial invalidation of any provision or part thereof shall not affect the validity or enforceability of any other provision or portion thereof.

(B) Smgular Includes Plural. Unless the context requires a contrary construction, the singular will include the plural and the plural the singular; and it masculine, feminine or neutral will each include the masculine, feminine and neutral.

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Translation of Source Page 32

(C) Subtitles. All subtitles and titles used: * this: > > - Reslamente are considered only for the convenience of references no. —\$ expand, limit or otherwise effect what is diggoneéh — any of the paragraphs or sections.

8.11 Release of Developer Liability. UNLESS

**IS SPECIFICALLY STATED HERE, THE DEVELOPER HAS NOT
DONE, DOES NOT AND DISCLAIMS ALL WARRANTIES OR
REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT OR
FUTURE, REFERRING TO:**

(A) THE NATURE AND CONDITION OF THE CONDOMINIUM, INCLUDING BUT NOT LIMITED TO, WATER, SOIL, GEOLOGY AND THE APPROPRIATE OF THE SAME, AND OF THE CONDOMINIUM, BY ANY AND ALL ACTIVITIES AND APPLICATIONS THAT THE OWNER CAN CHOOSE TO MANAGE OVER THE SAME OR ANY IMPROVEMENT, WHICH ANY OWNER COULD CHOOSE TO BUILD ON THIS, COSTS IN THE WHAT COULD INCUR WITH RESPECT TO THE SAME, OR ANY OBLIGATION OR ANY OTHER MATTER OR THING OR MATTER CONCERNS OR AFFECTS THE SAME;

(BP THE MANNER OF CONSTRUCTION AND CONDITION OF ANY OF THE IMPROVEMENTS IN THE COMMON AREAS BUILT BY THE DEVELOPER; and

(C) THE DESIGNATION OR LOCATION OF THE GREEN BELT OR COMMON AREAS OR THE TYPE OF NATURE OF ANY SERVICE OR IMPROVEMENTS THAT COULD BE BUILT WITH EXCEPTION OF ANY DEMONSTRATED SERVICES OR IMPROVEMENTS IN ANY RECORDED DIAGRAM.

**THE DEVELOPER SPECIFICALLY RETAINS THE RIGHT,
BUT NOT THE OBLIGATION, TO USE OTHER PHASES OF THE
DEVELOPMENT FOR COMMERCIAL, RESIDENTIAL OR
RECREATIONAL.**

Translation of Source Page 33

SECTION IX COMMON AREA DISPUTE RESOLUTION

9.1 Defined Terms. As used in this section, the terms The following will have the meaning set forth below: (A) "Alleged defect" means any alleged defect or deficiency in the planning, design, engineering, grading, construction or development of common areas.

(B) "Bound Parties" means:

- (i) The Developer
- (ii) All Owners or their tenants
- (iii) The Association, its members and the Board
- (iv) Any contractor or subcontractor, architect, engineer, consultant or other person who performs or provides the design, specifications, surveys, planning, supervision, testing, construction or monitoring the construction of areas common or of the lots and that agrees in writing to be bound by the provisions of this section

(C) "Claim" means:

- (i) Any claim or cause of action arising out of or related in any way to the planning, design, engineering, grading, construction or development of common areas and/or lots, or any other part of the Condominium, including, without limitation, any claim or cause of action that the common areas or lots are defective or that the Developer, its limited partners, agents, contractors, employees, subcontractors, architects, lawyers, engineers or the consultants were negligent in the planning, design, engineering, grading, construction or development, or
- (ii) Any claim or cause of action against the Developer or any employee, agent, attorney, director, member, limited partner or officer of the Developer arising out of or relating in any way to the development of the Condominium or the management or operation of the Association, including, without limitation, any claim for negligence, fraud, intentional misconduct or breach of fiduciary duty.
- (iii) Any claim or cause of action against the Association and/or owner of lot.

Translation of Source Page 34

9.2 Agreement to Resolve Disputes without Litigation. All Bound Parties agree that all claims will be resolved in accordance with the procedures of - . > - the resolution of the conflict provided in this section, L DD É.

9.3 Notice of Claim. Any party involved who claims have a claim (a "Claimant") against any other party involved ("Respondent") will notify each Respondent in writing of the claim (the "notice of demand"), clearly and succinctly stating: (A) The nature of the claim, including date, time, location, persons involved, and role of the respondent in the claim; (B) The factual and legal basis of the claim; and (C) What the Claimant would like the Respondent to do or not do to resolve the claim. In the event the Claimant is the Association and the claim involves a defect alleged, the Association must provide written notice to all members before of serving notice of the claim on a party or initiating any legal claim, the cause of the action or proceeding against any party involved that the notice includes (such as minimum): (A) A description of the claim; (B) A description of the attempts of the Developer or any other party involved to correct the alleged defect and the opportunities provided to the Developer or any other party involved to correct the alleged defect; (C) A certification from a professional engineer that the alleged defect exists together with a description of the scope of work necessary to cure the alleged defect and a professional résumé of such an engineer; (D) —The estimated cost to repair the alleged defect; (E) The name and professional background of the lawyer hired by the Association to exercise the claim and a description of the relationship between the lawyer and the member(s) of the Board of Directors (if applicable); (F) A description of the fee payment agreement between the attorney and the Association; (G) An estimate of attorneys' and experts' fees and costs necessary to exercise the claim and the source of the funds that will be used to cover such fees and costs; (H) The approximate time needed to complete the action; and (I) An affirmative statement by the Board of Directors that the action is in the best interest of the Association and its members. If the alleged defect is supposed to be the result of an act or omission of a person authorized by the State

Translation of Source Page 35

("Authorized Professional"), then the Association's notice of claim must: 7 2: be accompanied by a sworn statement from an Authorized Professional in the > same matter as the Authorized Professional supposedly responsible for the alleged defect. The affidavit must contain the information/required to be included in a preliminary affidavit of the expert submitted pursuant to the State Rules of Civil Procedure.

9.4 Mediation. The Claimant and the Respondent will negotiate in good faith in a attempt to resolve the claim. If the parties do not resolve the claim through the negotiation within ninety (90) calendar days after the date of the notice of the demand or within the longest period that can be agreed upon by the parties ("Termination of Negotiations"), the Claimant will have thirty (30) calendar days additional services within which the claim will be submitted to another independent service of mediation chosen by mutual agreement of the Claimant and Respondent. If he Claimant fails to submit the claim to mediation within thirty (30) calendar days After the termination of negotiations, the Claimant will be deemed to have waived the claim, and the Respondent will be discharged from any and all liability to to the Claimant because of said claim. If the parties do not place the claim within thirty (30) calendar days after the submission of the matter to the mediation, or within such time as is determined reasonable or appropriate by the mediator, the mediator will publish notice of the termination of the mediation proceedings ("Termination of Notice of Mediation"). Termination of mediation notice will arrange when and where the parties will meet, that the parties are in a impasse, and the date on which the mediation was completed.

9.5 Right to inspect, Repair and/or Replace. After receipt by a party involved in a notice of claim regarding an alleged defect, the involved party and its employees, agents, contractors, subcontractors and consultants will have the right, upon reasonable notice to the Claimant and during business hours usual, with prior authorization, to enter on or into, as applicable, the areas common and any Lots for the purposes of examining and/or conducting testing to determine the validity of the claim and, if deemed necessary by the party involved, to correct, repair and/or replace the alleged defect. When conducting such inspection, testing, repair and/or replacement, the party involved will have the right to take any action it deems reasonable and necessary under the circumstances. Nothing in this section shall be construed to impose any obligation on any Bound Party in examining, testing, repairing or replacing any item or alleged defect for which the party involved is not otherwise bound under applicable law or any warranty provided by the Developer or any other party involved in relation to the sale of lots. The right of an involved party and its employees, agents, attorneys, contractors and consultants to enter, examine, test, repair and/or replace, reserved hereby will be irrevocable and cannot be waived or terminate otherwise except in writing, in recordable form, executed and recorded

Translation of Source Page 36

by the Bound Party. No statute of limitations shall run during any period in which a Bound Party conducts an inspection, test, repair or replacement of an Alleged Defect.

9.6 Use of funds. Any judgment, award or agreement received by a Claimant in connection with a claim involving an alleged defect shall be used first to correct and either to repair the alleged defect or to reimburse the Claimant for any costs incurred by the Claimant to correct and/or repair the alleged defect. Any balance remaining after repair of the alleged defect will be paid to the Association's reserve fund.

9.7 Litigation Approval. The Association shall not serve a Notice of Claim on any Bound Party, commence any lawsuit or other legal proceeding, or incur legal costs (including, without limitation, attorneys' fees) in connection with any lawsuit, without the written approval of the owners with right to cast more than sixty percent (60%) of the total votes in the Association, except the votes of any owner who would be a Respondent in such procedures. The Association shall pay for any legal action or mediation proceeding using funds collected specifically for that purpose, and may not borrow money or use reserve funds or other monies collected for specific obligations of the Association, except assessments collected for legal expenses. In the event that the Association begins any legal claim involving a claim, all owners must notify future buyers of their lot such legal claim and must provide such prospective purchasers with a copy of the notice received from the Association.

9.8 Conflicts. In the event of any conflict between this section and any other provision of these Regulations or Design Guidelines, this section shall govern.

9.9 Acceptance. BY ACQUIRING A LOT, EACH OWNER, FOR HIMSELF, HERSELF OR ITSELF AND HIS, HER OR ITS HEIRS, TENANTS, CONTRACTORS, INVITEES, GUESTS, PERSONAL REPRESENTATIVES, SUCCESSORS, TRANSFEREES AND ASSIGNS, AGREES TO HAVE EVERY CLAIM (AS DEFINED HEREIN) RESOLVED IN ACCORDANCE WITH THIS SECTION AND WAIVES THE RIGHT TO PURSUE THE DEVELOPER OR ANY OTHER BOUND PARTY IN ANY MANNER OTHER THAN AS PROVIDED IN THIS SECTION. THE ASSOCIATION, EACH LOT OWNER AND THE DEVELOPER ACKNOWLEDGE THAT, BY AGREEING TO RESOLVE ALL CLAIMS IN THE MANNER PROVIDED IN THIS SECTION, THEY ARE WAIVING THEIR RESPECTIVE RIGHTS TO SUBMIT SUCH CLAIMS TO A JUDGE. THE ASSOCIATION, EACH LOT OWNER AND THE DEVELOPER FURTHER WAIVE THEIR RESPECTIVE RIGHTS TO AN AWARD OF

Translation of Source Page 37

PUNITIVE, EXEMPLARY AND CONSEQUENTIAL DAMAGES IN CONNECTION WITH A CLAIM. BY ACCEPTING A DEED OR ACQUIRING A LOT, EACH OWNER VOLUNTARILY ACKNOWLEDGES THAT HE, SHE OR IT IS WAIVING ANY RIGHT HE, SHE OR IT MAY HAVE TO PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES AND TO A TRIAL BEFORE A JUDGE IN CONNECTION WITH A CLAIM.

IN WITNESS WHEREOF, the Developer has executed these Rules and Regulations on the ____ day of _____, 2007.